



2026

FEDERAL TAX RATES

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INDIVIDUAL INCOME TAX RATES¹

Single

<i>If taxable income is ...</i>	<i>... tax is ...</i>	<i>... of amount over</i>
\$ 0 – \$ 12,400	10%	\$ 0
\$ 12,401 – \$ 50,400	\$ 1,240.00 + 12%	\$ 12,400
\$ 50,401 – \$105,700	\$ 5,800.00 + 22%	\$ 50,400
\$105,701 – \$201,775	\$ 17,966.00 + 24%	\$105,700
\$201,776 – \$256,225	\$ 41,024.00 + 32%	\$201,775
\$256,226 – \$640,600	\$ 58,448.00 + 35%	\$256,225
Over \$640,600	\$192,979.25 + 37%	\$640,600

Head of household

<i>If taxable income is ...</i>	<i>... tax is ...</i>	<i>... of amount over</i>
\$ 0 – \$ 17,700	10%	\$ 0
\$ 17,701 – \$ 67,450	\$ 1,770.00 + 12%	\$ 17,700
\$ 67,451 – \$105,700	\$ 7,740.00 + 22%	\$ 67,450
\$105,701 – \$201,750	\$ 16,155.00 + 24%	\$105,700
\$201,751 – \$256,200	\$ 39,207.00 + 32%	\$201,750
\$256,201 – \$640,600	\$ 56,631.00 + 35%	\$256,200
Over \$640,600	\$191,171.00 + 37%	\$640,600

Married filing jointly

<i>If taxable income is ...</i>	<i>... tax is ...</i>	<i>... of amount over</i>
\$ 0 – \$ 24,800	10%	\$ 0
\$ 24,801 – \$100,800	\$ 2,480.00 + 12%	\$ 24,800
\$100,801 – \$211,400	\$ 11,600.00 + 22%	\$100,800
\$211,401 – \$403,550	\$ 35,932.00 + 24%	\$211,400
\$403,551 – \$512,450	\$ 82,048.00 + 32%	\$403,550
\$512,451 – \$768,700	\$116,896.00 + 35%	\$512,450
Over \$768,700	\$206,583.50 + 37%	\$768,700

Married filing separately

<i>If taxable income is ...</i>	<i>... tax is ...</i>	<i>... of amount over</i>
\$ 0 – \$ 12,400	10%	\$ 0
\$ 12,401 – \$ 50,400	\$ 1,240.00 + 12%	\$ 12,400
\$ 50,401 – \$105,700	\$ 5,800.00 + 22%	\$ 50,400
\$105,701 – \$201,775	\$ 17,966.00 + 24%	\$105,700
\$201,776 – \$256,225	\$ 41,024.00 + 32%	\$201,775
\$256,226 – \$384,350	\$ 58,448.00 + 35%	\$256,225
Over \$384,350	\$103,291.75 + 37%	\$384,350

¹ These rates generally apply to earned income, business income, interest and nonqualified dividends. Long-term capital gains rates apply to qualified dividends.

FICA RATES AND ADDITIONAL MEDICARE TAX

The rate for the employee portion of Social Security tax is 6.2%, and the maximum earned income it applies to is \$184,500, while the Medicare rate is 1.45% and applies to all earned income.

Self-employed individuals pay both the employee and employer portions, but get a deduction for the employer portion.

Cash wages totaling \$3,000 or more to a household employee are also subject to FICA taxes.

An additional 0.9% Medicare tax applies to FICA wages and self-employment income exceeding \$200,000 (singles and heads of households), \$250,000 (joint filers) or \$125,000 (separate filers).

Employers must withhold the additional Medicare tax beginning in the pay period when wages exceed \$200,000 for the calendar year, without regard to an employee's filing status.

CAPITAL GAINS TAX RATES

Type of gain	Maximum rate ¹
Short-term gain (assets held 12 months or less)	37%
Long-term gain (generally assets held more than 12 months)	15% or 20% ²
Long-term gain on collectibles	28%
Long-term gain attributable to certain depreciation recapture	25%
Gain on qualified small business stock held more than 5 years	14% ³
Most long-term gain that would be taxed at 12% or less based on the taxpayer's ordinary-income rate	0%

¹ An additional 3.8% net investment income tax applies to net investment income to the extent that modified adjusted gross income (MAGI) exceeds \$200,000 (singles and heads of households), \$250,000 (joint filers) or \$125,000 (separate filers).

² The 20% rate applies only to those with taxable income exceeding \$545,500 (singles), \$579,600 (heads of households), \$613,700 (joint filers), \$306,850 (separate filers) or \$16,250 (estates and trusts).

³ Effective rate based on 50% exclusion from a 28% rate. If stock was acquired after February 17, 2009, and before September 28, 2010, the rate is 7% (75% exclusion from a 28% rate). If stock was acquired on or after September 28, 2010, the rate is 0%. If stock was acquired after July 4, 2025, and it's held for 3 years or 4 years, a partial exclusion will be available.

ALTERNATIVE MINIMUM TAX

Single, head of household or married filing jointly

<i>If taxable income is ...</i>	<i>... tax is ...</i>	<i>... of amount over</i>
\$0 – \$244,500	26%	\$ 0
Over \$244,500	\$ 63,570 + 28%	\$244,500

Married filing separately

<i>If taxable income is ...</i>	<i>... tax is ...</i>	<i>... of amount over</i>
\$0 – \$122,250	26%	\$ 0
Over \$122,250	\$ 31,785 + 28%	\$122,250

Exemptions

<i>Filing status</i>	<i>Exemption amount</i>
Single or head of household	\$ 90,100
Married filing jointly	\$140,200
Married filing separately	\$ 70,100

Exemption phaseouts based on AMT income

<i>Filing status</i>	<i>Income range of phaseout</i>
Single or head of household	\$ 500,000 – \$ 680,200
Married filing jointly	\$1,000,000 – \$1,280,400
Married filing separately	\$ 500,000 – \$ 640,200

ESTATE AND TRUST INCOME TAX RATES

<i>If taxable income is ...</i>	<i>... tax is ...</i>	<i>... of amount over</i>
\$ 0 – \$ 3,300	10%	\$ 0
\$ 3,301 – \$11,700	\$ 330.00 + 24%	\$ 3,300
\$11,701 – \$16,000	\$2,346.00 + 35%	\$11,700
Over \$16,000	\$3,851.00 + 37%	\$16,000

"KIDDIE" TAX

This tax generally applies to unearned income beyond \$2,700 of a child under age 19, or under 24 if a full-time student. Such income is generally taxed according to the parents' marginal tax bracket.

STANDARD DEDUCTIONS

Filing status	Deduction
Single and married filing separately	\$ 16,100
Head of household	\$ 24,150
Married filing jointly	\$ 32,200

ITEMIZED DEDUCTION LIMITS¹

Medical expenses

Limited to the amount of eligible medical expenses that, in aggregate, exceeds 7.5% of adjusted gross income (AGI).

State and local tax

Up to \$40,400 on a combined basis for property tax and either income tax or sales tax (\$20,200 for separate filers).

Home mortgage interest

Acquisition debt of up to \$750,000. (A \$1 million limit still applies to indebtedness incurred on or before December 15, 2017.)

Charitable donations

New for 2026: Limited to the amount of eligible gifts to qualified charities that, in aggregate, exceeds 0.5% of AGI.

Casualty and theft losses

Generally no longer deductible except for losses due to a disaster declared by the President or, new for 2026, the state's governor.

Overall limit for higher-income taxpayers

New for 2026: Generally, the itemized deduction benefit for taxpayers in the 37% bracket will be as if they were in the 35% bracket.

¹ Additional rules and limits may affect these deductions.

STANDARD MILEAGE RATES

Use of vehicle	Deduction per mile
Business	72.5 cents
Medical or moving	20.5 cents
Charitable	14.0 cents

CHILD AND EDUCATION BREAKS¹

Tax break	Maximum	MAGI ² phaseout range	
		Single / Head of household ³	Married filing jointly
Credit			
Child	\$ 2,200 ⁴	\$ 200,000–\$ 240,000	\$ 400,000–\$ 440,000
Adoption	\$ 17,670 ⁵	\$ 265,080–\$ 305,080	\$ 265,080–\$ 305,080
American Opportunity	\$ 2,500	\$ 80,000–\$ 90,000	\$ 160,000–\$ 180,000
Lifetime Learning	\$ 2,000	\$ 80,000–\$ 90,000	\$ 160,000–\$ 180,000
Other			
Student loan interest deduction	\$ 2,500	\$ 85,000–\$ 100,000	\$ 175,000–\$ 205,000
ESA contribution	\$ 2,000	\$ 95,000–\$ 110,000	\$ 190,000–\$ 220,000

¹ Assumes one child or student. Amounts may vary for more than one child or student. Other rules and limits might reduce the break.

² Modified adjusted gross income.

³ These ranges also apply to married taxpayers filing separately, except that separate filers aren't eligible for adoption, American Opportunity or Lifetime Learning credits, or the student loan interest deduction.

⁴ The maximum refundable portion is \$1,700.

⁵ The maximum refundable portion is \$5,120.

HEALTH SAVINGS ACCOUNTS

Limit	Individual	Family
HSA contribution	\$4,400	\$ 8,750
HSA catch-up contribution	\$1,000	\$ 1,000
Minimum high-deductible health plan (HDHP) deductible	\$1,700	\$ 3,400
Maximum HDHP out-of-pocket costs	\$8,500	\$17,000

FLEXIBLE SPENDING ACCOUNT CONTRIBUTIONS

Health care FSA	\$3,400
Dependent care FSA	\$7,500

RETIREMENT BENEFIT LIMITS

Benefit	Limit
Contributions to 401(k), 403(b), 457(b)(2), 457(c)(1) and SARSEP plans	\$ 24,500
Contributions to defined contribution plans	\$ 72,000
Contributions to SIMPLEs	\$ 17,000
Contributions to IRAs	\$ 7,500
Catch-up contributions to 401(k), 403(b), 457(b)(2), 457(c)(1) and SARSEP plans	\$ 8,000
Catch-up contributions to SIMPLEs	\$ 11,250 ¹
	\$ 4,000
	\$ 5,250 ¹
Catch-up contributions to IRAs	\$ 1,100
Highly compensated employee threshold	\$160,000
Annual benefit for defined benefit plans	\$290,000

¹ For taxpayers age 60, 61, 62 or 63 by the end of 2026.

LONG-TERM-CARE INSURANCE

Age	Premium deduction limit
40 and under	\$ 500
41 to 50	\$ 930
51 to 60	\$1,860
61 to 70	\$4,960
Over 70	\$6,200

EARNINGS THRESHOLDS FOR PHASEOUT OF SOCIAL SECURITY BENEFITS

Retirement age status	Earnings limit
Before Full Retirement Age (FRA)	\$24,480 per year
Pre-FRA in year you reach FRA	\$5,430 per month
FRA and after	None

GIFT AND ESTATE TAX EXEMPTIONS AND RATES

Exemption	Top rate
\$15,000,000	40%

A surviving spouse may be able to use the deceased spouse's unused estate tax exemption. The annual gift tax exclusion is \$19,000 per recipient (\$38,000 if spouses elect "split-gift" treatment).

CORPORATE INCOME TAX RATES

C corporations and professional services corporations are taxed at a flat 21% rate.

SECTION 199A DEDUCTION FOR OWNERS OF PASS-THROUGH ENTITIES¹

20% of qualified business income.

Generally, when an owner's taxable income exceeds \$201,750 (\$403,500 for joint filers), the following limits are phased in over a \$75,000 range (\$150,000 range for joint filers):

- Deduction isn't available for income from specified service businesses.
- Deduction can't exceed the greater of the owner's share of:
 - 50% of the amount of W-2 wages paid to employees by the qualified business during the tax year, or
 - The sum of 25% of W-2 wages plus 2.5% of the cost of qualified property.

New for 2026: Minimum deduction of \$400 for taxpayers who materially participate in an active trade or business if they have at least \$1,000 of QBI from it.

¹ Including sole proprietors.

SECTION 179 EXPENSING AND BONUS DEPRECIATION

Sec. 179 expensing limit	\$2,560,000
Sec. 179 phaseout threshold	\$4,090,000
Bonus depreciation limit	100%

DEPRECIATION CLASSES AND METHODS

Class	Method	Examples
36-month	Straight-line	Software
3-year	200% DB ¹	Dies, molds, small tools
5-year	200% DB ¹	Vehicles, computers, office equipment
7-year	200% DB ¹	Manufacturing equipment, office furniture
7-year	150% DB ¹	Farm equipment
27.5-year	Straight-line	Rental residential buildings
39-year	Straight-line	Nonresidential buildings

¹ Declining-balance.

MACRS DEPRECIATION RATES (with half-year convention)

Year	Asset class		
	3-year	5-year	7-year
1	33.33%	20.00%	14.29%
2	44.45%	32.00%	24.49%
3	14.81%	19.20%	17.49%
4	7.41%	11.52%	12.49%
5	—	11.52%	8.93%
6	—	5.76%	8.92%
7	—	—	8.93%
8	—	—	4.46%

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