

Tax Facts: 2025 Tax Year

The following tables present various tax facts regarding potential tax exposure



Income tax 2025* - Unmarried filing	
\$0 to \$11,925	10%
\$11,926 to \$48,475	\$1,192.50 + 12%
\$48,476 to \$103,350	\$5,578.50 + 22%
\$103,351 to \$197,300	\$17,651 + 24%
\$197,301 to \$250,525	\$40,199 + 32%
\$250,526 to \$626,350	\$57,231 + 35%
\$626,351+	\$188,769.75 + 37%

Income tax 2025* - Married filing jointly	
\$0 to \$23,850	10%
\$23,851 to \$96,950	\$2,385 + 12%
\$96,951 to \$206,700	\$11,157 + 22%
\$206,701 to \$394,600	\$35,302 + 24%
\$394,601 to \$501,050	\$80,398 + 32%
\$501,051 to \$751,600	\$114,462 + 35%
\$751,601+	\$202,154.50 + 37%

Actual blended tax range by income (Married filing jointly)		
Taxable income	Income tax bracket	Actual tax range (blended) [†]
\$0 to \$23,850	10%	0%–0.0%
\$23,851 to \$96,950	12%	0.0%–7.8%
\$96,951 to \$206,700	22%	7.8%–13.9%
\$206,701 to \$394,600	24%	13.9%–18.6%
\$394,601 to \$501,050	32%	18.6%–20.9%
\$501,051 to \$751,600	35%	20.9%–25.5%
\$751,601+	37%	25.5%–37%

Source: IRS, Rev. Proc. 2024-40, 2024.

* These figures do not account for the standard deduction or any itemized deductions.

† Figures for actual tax range (blended) column are based on taxable dollars and account for the 2025 standard deduction for married filing jointly. They do not account for any other itemized deductions.

‡ Married filing jointly receive \$1,600 per individual 65 or over. Therefore, if both married filing jointly filers are 65+, the additional standard deduction amount is \$3,200.

§ Deduction only applies to overtime compensation in excess of employee's base wage.

** The deduction is reduced to \$10,000 for taxpayers with modified adjusted gross income (MAGI) over \$600,000.

Capital gains tax - Unmarried filing		
Taxable income	1 year or less	Greater than 1 year
\$0 to \$48,350	Ordinary income	0%
\$48,351 to \$533,400	Ordinary income	15%
\$533,401+	Ordinary income	20%

Capital gains tax - Married filing jointly		
Taxable income	1 year or less	Greater than 1 year
\$0 to \$96,700	Ordinary income	0%
\$96,701 to \$600,050	Ordinary income	15%
\$600,051+	Ordinary income	20%

Standard deductions		
	Deduction	Additional 65+ deduction
Married:	\$31,500	\$1,600 [‡]
Unmarried:	\$15,750	\$2,000

Age 65+ deductions		
	Deduction	Income phaseout
Married (if both over 65):	\$12,000	\$150,000–\$250,000
Unmarried:	\$6,000	\$75,000–\$175,000

Sources: IRS, Rev. Proc. 2024-40, 2024; IRS, "One, Big, Beautiful Bill Provisions," October 23, 2025; IRS, Topic 409, "Capital Gains and Losses," January 30, 2024.

Tip income deduction		
	Deduction	Income phaseout
Married:	Up to \$25,000	Deduction reduced by \$100 for every \$1,000 of MAGI over \$300,000
Unmarried:	Up to \$25,000	Deduction reduced by \$100 for every \$1,000 of MAGI over \$150,000

Overtime income deduction		
	Deduction [§]	Income phaseout
Married:	Up to \$25,000	Deduction reduced by \$100 for every \$1,000 of MAGI over \$300,000
Unmarried:	Up to \$12,500	Deduction reduced by \$100 for every \$1,000 of MAGI over \$150,000

SALT deduction		
Deduction	Income phaseout	
\$40,000**	\$500,000–\$600,000	

Net investment income tax		
	Threshold	Tax rate
Married:	\$250,000	3.8%
Unmarried:	\$200,000	3.8%

Sources: One Big Beautiful Bill Act (OBBBA), Pub. L. No. 119-21, H.R. 1, 119th Cong. (2025); IRS, "One, Big, Beautiful Bill Provisions," October 23, 2025; IRS, "Questions and Answers on the Net Investment Income Tax," September 13, 2024.

Estate tax exclusion		
2024	\$13,610,000	40% tax rate
2025	\$13,990,000	40% tax rate
2025 gift tax exclusion:	\$19,000/year	\$13,990,000/ lifetime*
2025 generation- skipping tax:	\$13,990,000	40% tax rate
Estate and trust tax rates		
\$0	\$3,150	10%
\$3,151	\$11,450	\$315 + 24%
\$11,451	\$15,650	\$2,307 + 35%
\$15,651+	–	\$3,777 + 37%
Social Security tax		
Modified AGI	Up to 50% taxable	Up to 85% taxable
Married:	\$32,000 to \$44,000	\$44,000+
Unmarried:	\$25,000 to \$34,000	\$34,000+
FICA taxable cap:	\$176,100	–

Sources: IRS, "What's New - Estate and Gift Tax," October 8, 2024; IRS, Rev. Proc. 2024-40, 2024; Social Security Administration, "Benefits Planner: Income Taxes and Your Social Security Benefit," 2024; Social Security Administration, "Fact Sheet, Social Security, 2025 Social Security Changes," 2024.

* Gifts above \$19,000/year reduce an individual's \$13,990,000 lifetime gift exclusion.

† Beginning in 2025, plan participants ages 60 to 63 are entitled to a higher catch-up contribution amount compared to the standard catch-up contribution amount for other participants over the age of 50.

‡ The annual deferral and catch-up contribution limits are 10% higher for employers with 25 or fewer employees, and for employers with 26 to 100 employees where certain contribution criteria are met.

Those participating in a solo 401(k) can contribute income as both an employer and an employee. As an employee, the maximum deferral amount one can contribute is \$23,500 and as an employer the maximum amount one can contribute is \$46,500 for a total contribution of \$70,000 for 2025. IRS, "One-Participant 401(k) Plans," August 20, 2024.

Retirement plan contribution limits			
	Maximum deferral	50+ catch-up	60 to 63 catch-up†
401(k)-403(b)-457:	\$23,500	\$7,500	\$11,250
SIMPLE:	\$16,500‡	\$3,500	\$5,250
SEP (salary reduction):	\$70K/25% of compensation	–	–
Total defined contribution plan cap:	\$70,000	\$7,500	\$11,250
Solo 401(k):	\$70,000	\$7,500	\$11,250
Traditional IRA:	\$7,000	\$1,000	–
Roth:	\$7,000	\$1,000	–

Sources: IRS, IR-2024-285, "401(k) Limit Increases to \$23,500 for 2025, IRA Limit Remains \$7,000," November 1, 2024; IRS, "Retirement Plans: FAQs Regarding SEPs," July 31, 2024; IRS, Notice 2024-80, 2024; Gregory Prescott, The CPA Journal, "Examining the Highlights of the Secure Act 2.0," 2024.

Defined benefit plans			
Maximum compensation:		\$350,000	
Traditional IRA			
Deduction phaseouts:	IRA owner (and spouse) not covered by employer retirement plan	IRA owner covered by employer retirement plan	Spouse covered by employer retirement plan but IRA owner not covered
Married:	No income limit	\$126,000 to \$146,000	\$236,000 to \$246,000
Unmarried:	No income limit	\$79,000 to \$89,000	N/A
Roth IRA			
Contribution phaseouts		Modified adjusted gross income	
Married:		\$236,000 to \$246,000	
Unmarried:		\$150,000 to \$165,000	
Conversion limit:		N/A	

Source: IRS, Notice 2024-80, 2024.



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