

# 2025 TAX FACTS & FIGURES



## FEDERAL TAXES

**Federal Income Tax Brackets and Rates** (Note: Short-term capital gains are taxed as ordinary income.)

| Tax Rate | Married Filing Jointly (MFJ) | Single              | Married Filing Separately (MFS) | Heads of Households (HOH) |
|----------|------------------------------|---------------------|---------------------------------|---------------------------|
| 10%      | \$0–\$23,850                 | \$0–\$11,925        | \$0–\$11,925                    | \$0–\$17,000              |
| 12%      | \$23,851–\$96,950            | \$11,926–\$48,475   | \$11,926–\$48,475               | \$17,001–\$64,850         |
| 22%      | \$96,951–\$206,700           | \$48,476–\$103,350  | \$48,476–\$103,350              | \$64,851–\$103,350        |
| 24%      | \$206,701–\$394,600          | \$103,351–\$197,300 | \$103,351–\$197,300             | \$103,351–\$197,300       |
| 32%      | \$394,601–\$501,050          | \$197,301–\$250,525 | \$197,301–\$250,525             | \$197,301–\$250,500       |
| 35%      | \$501,051–\$751,600          | \$250,526–\$626,350 | \$250,526–\$375,800             | \$250,501–\$626,350       |
| 37%      | Over \$751,600               | Over \$626,350      | Over \$375,800                  | Over \$626,350            |

## Long-Term Capital Gains/Qualified Dividend Tax

| Tax Rate | MFJ                | Single             | MFS                | HOH                |
|----------|--------------------|--------------------|--------------------|--------------------|
| 0%       | \$0–\$96,700       | \$0–\$48,350       | \$0–\$48,350       | \$0–\$64,750       |
| 15%      | \$96,701–\$600,050 | \$48,351–\$533,400 | \$48,351–\$300,000 | \$64,751–\$566,700 |
| 20%      | Over \$600,050     | Over \$533,400     | Over \$300,000     | Over \$566,700     |

## Standard Deduction<sup>1</sup>, NIIT<sup>2</sup> Threshold, Capital Loss Limit<sup>3</sup>

| Tax Rate             | MFJ       | Single    | MFS       | HOH       |
|----------------------|-----------|-----------|-----------|-----------|
| Standard Deduction   | \$30,000  | \$15,000  | \$15,000  | \$22,500  |
| 3.8% NIIT Thresholds | \$250,000 | \$200,000 | \$125,000 | \$200,000 |
| Capital Loss Limit   | \$3,000   | \$3,000   | \$1,500   | \$3,000   |

## Self-Employment Tax

| Tax Rate              | MFJ   | Single         | MFS            | HOH            |
|-----------------------|---|----------------|----------------|----------------|
| Social Security 12.4% | Applicable to net earnings up to \$176,100    |                |                |                |
| Medicare Tax 2.9%     | Applicable to all net earnings, with no limit |                |                |                |
| Medicare Surtax 0.9%  | Over \$250,000                                | Over \$200,000 | Over \$125,000 | Over \$200,000 |

## Kiddie Tax

- Kiddie tax exemption: \$2,700
- The parent's marginal income tax rate (not taxable trust tax rate) applies to a child's unearned income over \$2,700.

## 529 Plans / Annual Gift Tax Exclusion

|   | Per Individual | Per Couple |
|---|----------------|------------|
| Contributions per year before gift tax    | \$19,000       | \$38,000   |
| Accelerate 5 years of gifting into 1 year | \$95,000       | \$190,000  |

- Primary school distributions per year: up to \$10,000
- The named beneficiary on the 529 plan and each sibling can each withdraw up to \$10,000 to repay student loans (lifetime limit).

## Student Loan Interest Deduction

- Deduction limit: \$2,500
- Phaseout for income levels
  - Single: The phaseout range is \$85,000 to \$100,000 modified adjusted gross income (MAGI), with the deduction fully eliminated above \$100,000.
  - Married Filing Jointly: The phaseout range is \$170,000 to \$200,000 MAGI, with the deduction fully eliminated above \$200,000.

## Pass-Through Entity Tax: Qualified Business Income (QBI) Deduction

An eligible individual taxpayer generally may deduct 20% of domestic qualified business income from a partnership, S corporation, or sole proprietorship. There are many qualifications and exemptions. Be sure to consult with a tax advisor.

## Alternative Minimum Tax (AMT)

Exemptions: \$137,000 for married, \$88,100 for single and \$68,500 for married filing separately. Phaseout of exemption begins at \$1,252,700 for married taxpayers and \$626,350 for others.

<sup>1</sup> Blind, or age 65 or older: +\$1,600 (Married); +\$2,000 (Single or Head of Household)

<sup>2</sup> Net investment income tax

<sup>3</sup> Maximum capital loss that can be deducted in a tax year, if your capital loss exceeds your capital gains.

NOT A DEPOSIT • NOT FDIC INSURED • MAY LOSE VALUE •  
NOT BANK GUARANTEED • NOT INSURED BY ANY  
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Retirement Plan Limits for 2025

|   |  |
|---|--|
| Traditional IRA and Roth IRA Contribution Limits            | <ul style="list-style-type: none"><li>Under age 50: \$7,000</li><li>Age 50 and over: \$8,000</li></ul>   |
| Traditional IRA Deduction Phaseout: MAGI <sup>4</sup> Range | <ul style="list-style-type: none"><li>MFJ: \$126,000–\$146,000</li><li>Single/HOH: \$79,000–\$89,000</li><li>MFS: \$0–\$10,000</li></ul>   |
| Roth IRA Contribution Phaseout: MAGI Range                  | <ul style="list-style-type: none"><li>MFJ: \$236,000–\$246,000</li><li>Single/HOH: \$150,000–\$165,000</li><li>MFS: \$0–\$10,000</li></ul>   |
| SEP IRA <sup>5</sup> Contribution                           | <ul style="list-style-type: none"><li>Contributions limit: Lesser of 25% of compensation or max \$70,000</li><li>Participation requires minimum annual compensation of \$750</li></ul> |

|  |  |
|--|--|
| SIMPLE <sup>6</sup> Elective Deferrals and Catch-Up Contribution Limits                            | <ul style="list-style-type: none"><li>Under age 50: \$16,500</li><li>Age 50 and over: \$20,000</li><li>Age 60, 61, 62, or 63: \$21,750</li></ul> |
| 401(k), 403(b), 457, SARSEP Plans <sup>7</sup> Elective Deferrals and Catch-Up Contribution Limits | <ul style="list-style-type: none"><li>Under age 50: \$23,500</li><li>Age 50 and over: \$31,000</li><li>Age 60, 61, 62, or 63: \$34,750</li></ul> |
| Defined Contribution Plans   | <ul style="list-style-type: none"><li>Max annual contribution: \$70,000</li></ul>  |
| Defined Benefit Plans  | <ul style="list-style-type: none"><li>Max annual benefit: \$280,000.</li></ul>   |
| Compensation Limit   | <ul style="list-style-type: none"><li>Max compensation limit under Section 401(a)(17): \$350,000</li></ul>                                       |
| Highly Compensated Employee Definition   | <ul style="list-style-type: none"><li>Income threshold: \$160,000</li></ul>  |

Taxable Trust Income Tax

| Taxable Income    | Tax Due  |
|-------------------|--|
| \$0–\$3,150       | 10% of taxable income  |
| \$3,151–\$11,450  | \$315 + 24% of the amount over \$3,150   |
| \$11,451–\$15,650 | \$2,307 + 35% of the amount over \$11,450  |
| \$15,651 and over | \$3,777 + 37% of the amount over \$15,650 + unearned income will qualify for an additional 3.8% NIIT |

Many trusts have to pay tax on the income generated from stocks, bonds, mutual funds, etc. that is not distributed to the beneficiaries. Their tax rates are much more progressive than those paid by individuals.

STATE TAXES

Top State Marginal Individual Income Tax<sup>9</sup>

| State | Top Rate | State | Top Rate | State | Top Rate | State | Top Rate |
|-------|----------|-------|----------|-------|----------|-------|----------|
| AL    | 5.00%    | IL*   | 4.95%    | MT    | 5.90%    | RI    | 5.99%    |
| AK    | N/A      | IN*   | 3.00%    | NE    | 5.20%    | SC    | 6.20%    |
| AZ*   | 2.50%    | IA*   | 3.80%    | NV    | N/A      | SD    | N/A      |
| AR    | 3.90%    | KS    | 5.58%    | NH    | N/A      | TN    | N/A      |
| CA    | 13.30%   | KY*   | 4.00%    | NJ    | 10.75%   | TX    | N/A      |
| CO*   | 4.25%    | LA*   | 3.00%    | NM    | 5.90%    | UT*   | 4.55%    |
| CT    | 6.99%    | ME    | 7.15%    | NY    | 10.90%   | VT    | 8.75%    |
| DE    | 6.60%    | MD    | 5.75%    | NC*   | 4.25%    | VA    | 5.75%    |
| DC    | 10.75%   | MA    | 9.00%    | ND    | 2.50%    | WA**  | 7.00%    |
| FL    | N/A      | MI*   | 4.25%    | OH    | 3.50%    | WV    | 4.82%    |
| GA*   | 5.39%    | MN    | 9.85%    | OK    | 4.75%    | WI    | 7.65%    |
| HI    | 11.00%   | MS*   | 4.40%    | OR    | 9.90%    | WY    | N/A      |
| ID*   | 5.70%    | MO    | 4.70%    | PA*   | 3.07%    |       |          |

Estate Tax Per Person<sup>8</sup>

|  |
|--|
| <ul style="list-style-type: none"><li>Transfer tax rate (maximum): 40.00%</li><li>Estate tax exemption: \$13,990,000</li><li>Gift tax exemption: \$13,990,000</li><li>Generation-skipping transfer exemption: \$13,990,000</li></ul> |
|--|

<sup>4</sup> Modified Adjusted Gross Income

<sup>5</sup> Simplified Employee Pension IRA

<sup>6</sup> Saving Incentive Match Plan for Employees IRA

<sup>7</sup> Salary Reduction Simplified Employee Pension Plans

<sup>8</sup> Refers to federal rates only; does not include applicable state rates or exemptions. Rates are per person, unless filing jointly.

<sup>9</sup> The table displays the top marginal tax rates, representing the maximum statutory rates in each state. These rates include any surtax applied to high-income taxpayers. Effective marginal rates, which incorporate the effects of phase-outs of various tax preferences, are not reflected in this table. Additionally, local income taxes are excluded.

(\*) State has a flat income tax.

(\*\*) State only taxes capital gains income.

Source: Tax Foundation; state tax statutes, forms and instructions; Bloomberg Tax

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