

# 2026 Tax Reference Guide

Farther

## ■ ORDINARY INCOME - TAX RATES/BRACKETS

In general, the ordinary income tax rates/brackets apply to all income, unless otherwise specified (such as long-term capital gains). Ordinary income normally includes wages, income from self-employment, businesses, rental income, interest, ordinary dividends, and short-term capital gains (assets held for a year or less).

### Single Filers

| TAX RATE | TAXABLE INCOME                        |           |
|----------|---------------------------------------|-----------|
|          | FROM                                  | TO        |
| 0%       | Standard or Itemized Deduction Amount |           |
| 10%      | \$0                                   | \$12,400  |
| 12%      | \$12,401                              | \$50,400  |
| 22%      | \$50,401                              | \$105,700 |
| 24%      | \$105,701                             | \$201,775 |
| 32%      | \$201,776                             | \$256,225 |
| 35%      | \$256,226                             | \$640,600 |
| 37%      | \$640,601                             | No limit  |

### Married Filing Joint (and Surviving Spouse)

| TAX RATE | TAXABLE INCOME                        |           |
|----------|---------------------------------------|-----------|
|          | FROM                                  | TO        |
| 0%       | Standard or Itemized Deduction Amount |           |
| 10%      | \$0                                   | \$24,800  |
| 12%      | \$24,801                              | \$100,800 |
| 22%      | \$100,801                             | \$211,400 |
| 24%      | \$211,401                             | \$403,550 |
| 32%      | \$403,551                             | \$512,450 |
| 35%      | \$512,451                             | \$768,700 |
| 37%      | \$768,701                             | No limit  |

### Head of Household

| TAX RATE | TAXABLE INCOME                        |           |
|----------|---------------------------------------|-----------|
|          | FROM                                  | TO        |
| 0%       | Standard or Itemized Deduction Amount |           |
| 10%      | \$0                                   | \$17,700  |
| 12%      | \$17,701                              | \$67,450  |
| 22%      | \$67,451                              | \$105,700 |
| 24%      | \$105,701                             | \$201,750 |
| 32%      | \$201,751                             | \$256,200 |
| 35%      | \$256,201                             | \$640,600 |
| 37%      | \$640,601                             | No limit  |

### Married Filing Separately

| TAX RATE | TAXABLE INCOME                        |           |
|----------|---------------------------------------|-----------|
|          | FROM                                  | TO        |
| 0%       | Standard or Itemized Deduction Amount |           |
| 10%      | \$0                                   | \$12,400  |
| 12%      | \$12,401                              | \$50,400  |
| 22%      | \$50,401                              | \$105,700 |
| 24%      | \$105,701                             | \$201,775 |
| 32%      | \$201,776                             | \$256,225 |
| 35%      | \$256,226                             | \$384,350 |
| 37%      | \$384,351                             | No limit  |

## ■ LONG-TERM CAPITAL GAINS & QUALIFIED DIVIDENDS - TAX RATES/BRACKETS

Long-term capital gains tax rates/brackets generally apply to investment assets held for over a year and to qualified dividends. A Net Investment Income Tax (NIIT) of 3.8% may apply to certain investment income (such as dividends and interest income) and to long- and short-term capital gains. Short-term capital gains (assets held for a year or less) are taxed at ordinary income tax rates, unrecaptured section 1250 gain (such as from depreciated real estate) is taxed up to a maximum rate of 25%, and collectibles (such as coins or art) are taxed up to a maximum rate of 28%. To learn more about the taxation rules for asset sales and investment income, see IRS Publication 550.

### Single Filers

| TAX RATE | TAXABLE INCOME |           |
|----------|----------------|-----------|
|          | FROM           | TO        |
| 0%       | \$0            | \$49,450  |
| 15%      | \$49,451       | \$545,500 |
| 20%      | \$545,501      | No limit  |

### Married Filing Joint (and Surviving Spouse)

| TAX RATE | TAXABLE INCOME |           |
|----------|----------------|-----------|
|          | FROM           | TO        |
| 0%       | \$0            | \$98,900  |
| 15%      | \$98,901       | \$613,700 |
| 20%      | \$613,701      | No limit  |

### Head of Household

| TAX RATE | TAXABLE INCOME |           |
|----------|----------------|-----------|
|          | FROM           | TO        |
| 0%       | \$0            | \$66,200  |
| 15%      | \$66,201       | \$579,600 |
| 20%      | \$579,601      | No limit  |

### Married Filing Separately

| TAX RATE | TAXABLE INCOME |           |
|----------|----------------|-----------|
|          | FROM           | TO        |
| 0%       | \$0            | \$49,450  |
| 15%      | \$49,451       | \$306,850 |
| 20%      | \$306,851      | No limit  |

### Head of Household

| FILING STATUS                                | Single or Head of Household | Married Filing Joint (and Surviving Spouse) | Married Filing Separately |
|--|-----------------------------|---|---------------------------|
| AGI INCOME LIMIT WHEN 3.8% NIIT TAKES EFFECT | \$200,000                   | \$250,000                                   | \$125,000                 |

## ■ STANDARD DEDUCTION & ADDITIONAL STANDARD DEDUCTION

The standard deduction effectively creates a 0% tax bracket because it reduces your taxable income dollar for dollar (see page 1). In general, you can either take the standard deduction or itemize your deductions, but not both. To learn more about these deductions, see the instructions to the [Form 1040](#) or Schedule A.

### Standard Deduction

| FILING STATUS                               | DEDUCTION LIMIT |
|---|-----------------|
| Single & Married Filing Separately          | \$16,100        |
| Married Filing Joint (and Surviving Spouse) | \$32,200        |
| Head of Household                           | \$24,150        |

### Additional Standard Deduction

| FILING STATUS                   | DEDUCTION LIMIT        |
|---------------------------------|------------------------|
| Blind or over 65                | Add \$1,650 per person |
| Blind or over 65, and unmarried | Add \$2,050            |

## ■ OTHER KEY TAX DEDUCTIONS & CREDITS (THAT DO NOT REQUIRE YOU TO ITEMIZE)

Tax deductions reduce your taxable income dollar for dollar, whereas tax credits reduce your tax liability dollar for dollar. Generally, tax credits offer larger tax benefits for income in lower tax brackets, and tax deductions provide larger tax benefits for income in higher tax brackets.

### Tax Deductions

| STUDENT LOAN INTEREST DEDUCTION*   | AMOUNT                                  |
|--|---|
| For interest paid on qualified education loans (deduction phase out starts at \$175,000 for joint filers, \$85,000 for all other filers) | \$2,500                                 |
| EDUCATOR EXPENSE DEDUCTION*  |   |
| Eligible educators can deduct certain unreimbursed expenses for classroom materials  | \$350                                   |
| HEALTH SAVINGS ACCOUNT (HSA)*  |   |
| Must be coverage under a qualifying high-deductible health plan (if over age 55 you can contribute an additional \$1,000)                | For self \$5,850<br>For family \$10,700 |

### Tax Credits

| CHILD TAX CREDIT*   | AMOUNT  |
|---|---------|
| For child under the age of 17 (credit phase-out starts at \$400,000 for joint filers, \$200,000 for single filers)  | \$2,200 |
| LIFETIME LEARNING TAX CREDIT*   |         |
| Qualified education expenses (credit phase-out starts at \$160,000 for joint filers, \$80,000 for all other filers) | \$2,000 |
| AMERICAN OPPORTUNITY TAX CREDIT*  |         |
| Qualified education expenses (credit phase-out starts at \$160,000 for joint filers, \$80,000 for all other filers) | \$2,500 |

## ■ GIFT, TRUST & ESTATE - TAX RATES/BRACKETS & LIMITS

### Trust & Estate Ordinary Income Tax Rates & Brackets

| TAX RATE | TAXABLE INCOME                        |          |
|----------|---------------------------------------|----------|
|          | FROM                                  | TO       |
| 0%       | Standard or Itemized Deduction Amount |          |
| 10%      | \$0                                   | \$3,300  |
| 24%      | \$3,301                               | \$11,700 |
| 35%      | \$11,701                              | \$16,000 |
| 37%      | \$16,001                              | No limit |

### Tax Credits

|   |                         |
|---|-------------------------|
| <b>MAXIMUM ESTATE &amp; GIFT TAX RATE</b>   | 40%                     |
| <b>ANNUAL GIFT TAX EXCLUSION</b>  | \$19,000                |
| <b>UNIFIED ESTATE &amp; ESTATE TAX EXEMPTION</b><br><small>(Note: This is a lifetime unified amount that covers gifts, estates, and the generation-skipping tax.)</small> | \$15,000,000 per person |
| <b>ANNUAL EXCLUSION FOR GIFTS TO NONCITIZEN SPOUSE</b>  | \$194,000               |

## ■ RETIREMENT PLAN CONTRIBUTION LIMITS

### Employer-Sponsored Plans\*

| TYPE   | LIMIT  |
|--|--|
| Overall limit for contributions to employer-sponsored defined contribution plans (does not include 457(b) plans)                               | \$72,000   |
| 401(k), Roth 401(k), 403(b), and 457(b) plans; employee elective deferral limit  | \$24,500   |
| Catch-up contribution limit for age 50 and over for 401(k) and Roth 401(k) (special catch-up limits may also apply to 403(b) and 457(b) plans) | \$8,000 age 50 to 59 and age 64 or older,<br>\$11,250 age 60 to 63 |
| SIMPLE IRA and SIMPLE 401(k) plans; employee elective deferral limit   | \$17,000   |
| Catch-up contribution limit for age 50 and over for SIMPLE plans   | \$4,000 age 50 to 59 and age 64 or older,<br>\$5,250 age 60 to 63  |
| SEP IRA plans: only employer contributions are allowed   | Lesser of \$70,000 or<br>25% of wages (20% for owners)             |
| Catch-up contribution limit for age 50 and over for SEP IRA plans  | Not allowed  |

### Traditional IRAs & Roth IRAs\*

| ACCOUNT TYPE   | LIMIT           |
|--|-----------------|
| Traditional IRA<br>(Potentially tax deductible, see note below)              | \$7,500         |
| Catch-up contribution for age 50 and over                                    | \$1,100         |
| Roth IRA (No tax deduction allowed, and income limits apply, see note below) | \$7,500         |
| Catch-up contribution for age 50 and over                                    | \$1,100         |
| Roth Conversions   | No annual limit |

■ **Note:** Other limitations may apply, see [IRS Publication 590-A](#).

- **Deductibility of Traditional IRA contributions:** If you or your spouse is covered by an employer retirement plan, your deduction may be limited or completely phased out.
- **Roth IRA contribution limits:** If your income is over certain limits, your contributions may be limited or completely phased out.

\*Limitations may apply to certain tax deductions, tax credits, or contributions to retirement plans, such as income limitations or limitations based on eligible expenses. Consult the IRS website or work with a tax professional to ensure all rules and limitations are considered.