

2025 TAX PLANNING GUIDE*

ORDINARY TAX RATES AND BRACKETS				
Taxable Income (\$)	Pay(\$)	Plus % on Excess	Of the Amount Over(\$)	
Married Filing Jointly or Qualifying Widower				
0 - 23,850	0	10%	0	
23,851 - 96,950	2,385	12%	23,850	
96,951 - 206,700	11,157	22%	96,950	
206,701 - 394,600	35,302	24%	206,700	
394,601 - 501,050	80,398	32%	394,600	
501,051 - 751,600	114,462	35%	501,050	
Over 751,600	202,155	37%	751,600	
Single				
0 - 11,925	0	10%	0	
11,926 - 48,475	1,193	12%	11,925	
48,476 - 103,350	5,579	22%	48,475	
103,351 - 197,300	17,651	24%	103,350	
197,301 - 250,525	40,199	32%	197,300	
250,526 - 626,350	57,231	35%	250,525	
Over 626,350	188,770	37%	626,350	
Married Filing Separately				
0 - 11,925	0	10%	0	
11,926 - 48,475	1,193	12%	11,925	
48,476 - 103,350	5,579	22%	48,475	
103,351 - 197,300	17,651	24%	103,350	
197,301 - 250,525	40,199	32%	197,300	
250,526 - 375,800	57,231	35%	250,525	
Over 375,800	101,077	37%	375,800	
Head of Household				
0 - 17,000	0	10%	0	
17,001 - 64,850	1,700	12%	17,000	
64,851 - 103,350	7,442	22%	64,850	
103,351 - 197,300	15,912	24%	103,350	
197,301 - 250,500	38,460	32%	197,300	
250,501 - 626,350	55,484	35%	250,500	
Over 626,350	187,032	37%	626,350	
Estates and Trusts				
0 - 3,150	0	10%	0	
3,151 - 11,450	315	24%	3,150	
11,451 - 15,650	2,307	35%	11,450	
Over 15,650	3,777	37%	15,650	
Kiddie Tax				
Earned income is taxed at single tax bracket rates.				
Unearned income in excess of \$2,700 is taxed at the rates of the child's parents.				

LONG-TERM CAPITAL GAINS/QUALIFIED DIVIDEND RATES					
Long-Term Capital Gain Tax Rate	Married Filing Jointly or Qualifying Widower	Single	Married Filing Separately	Head of Household	Estates & Non-Grantor Trusts^
10%	0 - 96,700	0 - 48,350	0 - 48,350	0 - 64,750	0 - 3,250
15%	96,701 - 600,050	48,351 - 533,400	48,351 - 300,000	64,751 - 566,700	3,251 - 15,900
20%	600,051+	533,401+	300,001+	566,701+	15,901+
*Estates and Irrevocable Trusts that do not distribute capital gains are subject to these rates.					
Married taxpayers with a Modified AGI over \$250,000 (\$200,000 if Single; \$125,000 if Married Filing Separately) and estates/Irrevocable Trusts in the top tax bracket are subject to an additional 3.8% tax on Net Investment Income.					

STANDARD DEDUCTIONS		CAPITAL LOSS LIMIT	
Married Filing Jointly	30,000	Married Filing Jointly	3,000
Single	15,000	Single	3,000
Married Filing Separately	15,000	Married Filing Separately	1,500
Head of Household	22,500	Head of Household	3,000
Married taxpayers who are blind or over 65 get an additional \$1,600 (\$2,000 if single and not a surviving spouse).		If your capital loss exceeds your capital gains.	

SOCIAL SECURITY AND MEDICARE			
Maximum wages subject to FICA		Maximum wages before benefits are reduced	
Type	Limit	Age	Limit
Social Security	176,000	Under full retirement age	23,400
Medicare	No Limit	Year that full retirement age is met	62,160
		Full retirement age and over	No Limit

Base amount of MAGI ⁽¹⁾ that can cause benefits to be taxable		
	Up to 50% Taxable	Up to 85% Taxable
Married Filing Jointly	32,000 - 44,000	44,000+
Single	25,000 - 34,000	34,000+
Married Filing Separately	25,000 - 34,000	34,000+
Head of Household	25,000 - 34,000	34,000+

⁽¹⁾Modified Adjusted Gross Income = AGI + Nontaxable income + Half of Social Security benefits.

ESTATE AND GIFT TAX	
Transfer Tax Rate (maximum)	40%
Estate Tax Exemption	13,990,000
Gift Tax Exemption	13,990,000
Generation-skipping Transfer Exemption	13,990,000
Annual Gift Tax Exclusion	19,000

RETIREMENT	
IRA and Roth IRA Contribution Limits	
Under age 50	7,000
Aged 50 and over	8,000
Phaseout for Deducting IRA Contributions (for qualified plan participants only)	
Married Filing Jointly	126,000 - 146,000 MAGI ¹
Married Filing Jointly (non-covered) ²	236,000 - 246,000 MAGI ¹
Single or Head of Household	79,000 - 89,000 MAGI ¹
Phaseout of Roth Contribution Eligibility	
Married Filing Jointly	236,000 - 246,000 MAGI ¹
Married Filing Separately	0 - 10,000 MAGI ¹
Single	150,000 - 165,000 MAGI ¹
SEP Contribution Limits	
Up to 25% of Compensation	limit 70,000
SIMPLE Elective Deferral Limits	
Under age 50	16,500
Aged 50-59 and 64 and over	20,000
Aged 60-63	21,750
Qualified Plan Contribution Limits	
401(k), 403(b), 457 and SARSEP	23,500
Aged 50-59 and 64 and over	31,000
Aged 60-63	34,750
Limit on additions to Defined Contribution Plan	70,000
Benefit limit on Defined Benefit Plan	280,000
Maximum compensation for qualified plan benefit	350,000

¹Modified adjusted gross income.

²Phaseout occurs when an IRA contributor isn't a participant in a qualified plan but the spouse is.

DATA SOURCE: IRS.GOV

*Thompson Investment Management, Inc. does not provide tax advice.
*Please consult your tax advisor

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