

THE ONE BIG BEAUTIFUL BILL ACT

Most of the changes in the One Big Beautiful Bill take effect on January 1, 2026, but some are retroactive and could impact your 2025 tax return filed in 2026. Many of the changes have certain requirements such as adjusted gross income limits, and some are temporary. Changes that might affect your 2025 tax return include:

1. no tax on tips - deduction of up to \$25,000 per taxpayer with phaseout for MAGI over \$150,000 for single (over \$300,000 for Married Filing Jointly)
2. no tax on overtime - deduction of up to \$12,500 per taxpayer with phaseout for MAGI over \$150,000 for single (over \$300,000 for Married Filing Jointly)
3. increased Child Tax Credit - increased from \$2000 in 2025 to \$2,200 retroactive for 2025 continuing through 2026
4. additional senior deduction (2025 through 2028) - additional \$6,000 deduction for taxpayers 65 and older with phaseout for MAGI over \$75,000 for single (over \$150,000 for Married Filing Jointly filers)
5. partially refundable adoption credit - up to \$5,000 (adjusted for inflation) refundable
6. increased state and local tax (SALT) itemized deduction - increased to \$40,000 (adjusted annually) for 2026 - 2029
7. deduction for interest payments on certain vehicles - up to \$10,000 deduction with phaseout for MAGI over \$100,000 for single (over \$200,000 for Married Filing Jointly filers)
8. Trump savings accounts for children - a form of an IRA retirement account with a \$1,000 tax credit when opened for a child born between January 1, 2025, and December 31, 2028. Additional contributions are also allowed with distributions beginning after the beneficiary turns 18.
9. end of the Electric Vehicle Credit as of September 30, 2025
10. increase in the standard deduction - increases the 2025 Standard Deduction to \$15,750 for Single, \$23,625 for Head of Household, and \$31,500 for Married Filing Jointly. These amounts will increase with inflation each year.

STANDARD MILEAGE RATES

Use	2026	2025
Business	.72½ per mile	.70 per mile
Moving	.20½ per mile*	.21 per mile*
Medical	.20½ per mile	.21 per mile
Charitable	.14 per mile	.14 per mile

*For members of the U.S. Armed Forces (or their spouse or dependents). The rates apply to EV's, hybrids, gas and diesel vehicles.

2026 FEDERAL TRUST AND ESTATE TAX

Estate Taxes

	2026	2025
Estate tax exemption/Unified tax credit	\$15,000,000	\$13,990,000
Married Couple Estate Exemption	\$30,000,000	\$27,980,000
Top estate tax rate	40%	40%

If trust taxable income is:

	The tax is:
\$ 0 - \$ 3,300	10% of the taxable income
\$ 3,301 - \$11,700	\$ 330 + 24% of excess over \$ 3,301
\$11,701 - \$16,000	\$2,346 + 35% of excess over \$11,701
\$16,001 - or more	\$3,851 + 37% of excess over \$16,001

GIFT TAXES

	2026	2025
Lifetime gift tax exemption	\$15,000,000	\$13,990,000
Annual gift tax exclusion		
Gifts per person	\$ 19,000	\$ 19,000
Joint gifts by spouse	\$ 38,000	\$ 38,000
Top gift tax rate	40%	40%

LONG-TERM CARE INSURANCE

You may deduct this much of your annual premiums

If your age is	2026	2025
Over 70	\$ 6,200	\$ 6,020
61 to 70	\$ 4,960	\$ 4,810
51 to 60	\$ 1,860	\$ 1,800
41 to 50	\$ 930	\$ 900
40 and under	\$ 500	\$ 480

CAPITAL GAINS

Capital Gains Tax Rate	Single	Married Filing Separately	Head of Household	Married Filing Jointly
0%	Up to \$49,450	Up to \$49,450	Up to \$66,200	Up to \$98,900
15%	\$49,451 to \$545,500	\$49,451 to \$306,850	\$66,201 to \$579,600	\$98,901 to \$613,700
20%	Over \$545,500	Over \$306,850	Over \$579,600	Over \$613,700

Capital gain rates may be subject to an additional 3.8% Medicare tax.

To reduce your taxable income, capital losses are netted against capital gains in a specific order. If losses exceed gains for the year, you can use a portion of the remaining loss to offset ordinary income, with any additional loss carried forward to future years.

2026 DEDUCTION FOR MORTGAGE INTEREST

✓ Deduction on interest for qualifying mortgages up to \$750,000 (\$375,000 if married/filing separately); homes under agreement before 12/15/17 for purchase prior to 1/1/18 (provided purchase occurred by 4/1/18) grandfathered under previous \$1,000,000 (\$500,000 if married/filing separately) limits.

✓ Interest on home equity lines of credit (HELOC) deductible in certain cases where proceeds are utilized to acquire or improve a residence.

2026 TAX POCKET TABLES

Updated for The One Big Beautiful Bill Act



Compliments of
Office of Gift Planning

Division

Name

Address

city, state, zip

Phone Number

@usw.salvationarmy.org

salwest.org



TABLES • RATES • BRACKETS • DEDUCTIONS

2026 INCOME TAX RATES*

Married Filing Jointly or Qualifying Widow (Widower)

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 24,800	10%	\$ 0
\$ 24,801 – \$ 100,800	\$ 2,480 + 12%	\$ 24,801
\$ 100,801 – \$ 211,400	\$ 11,600 + 22%	\$ 100,801
\$ 211,401 – \$ 403,550	\$ 35,932 + 24%	\$ 211,401
\$ 403,551 – \$ 512,450	\$ 82,048 + 32%	\$ 403,551
\$ 512,451 – \$ 768,700	\$ 116,896 + 35%	\$ 512,451
\$ 768,701 and above	\$ 260,583 + 37%	\$ 768,701

Married Filing Separately

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 12,400	10%	\$ 0
\$ 12,401 – \$ 50,400	\$ 1,240 + 12%	\$ 12,401
\$ 50,401 – \$ 105,700	\$ 5,800 + 22%	\$ 50,401
\$ 105,701 – \$ 201,775	\$ 17,966 + 24%	\$ 105,701
\$ 201,776 – \$ 256,225	\$ 41,024 + 32%	\$ 201,776
\$ 256,226 – \$ 384,350	\$ 58,448 + 35%	\$ 256,226
\$ 384,351 and above	\$ 103,282 + 37%	\$ 384,351

Single

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 12,400	10%	\$ 0
\$ 12,401 – \$ 50,400	\$ 1,240 + 12%	\$ 12,401
\$ 50,401 – \$ 105,700	\$ 5,800 + 22%	\$ 50,401
\$ 105,701 – \$ 201,775	\$ 17,966 + 24%	\$ 105,701
\$ 201,776 – \$ 256,225	\$ 41,024 + 32%	\$ 201,766
\$ 256,226 – \$ 640,600	\$ 58,448 + 35%	\$ 256,226
\$ 640,601 and above	\$ 192,979 + 37%	\$ 640,601

Head of Household

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 17,700	10%	\$ 0
\$ 17,701 – \$ 67,450	\$ 1,770 + 12%	\$ 17,701
\$ 67,451 – \$ 105,700	\$ 7,740 + 22%	\$ 67,451
\$ 105,701 – \$ 201,750	\$ 16,155 + 24%	\$ 105,701
\$ 201,751 – \$ 256,200	\$ 39,207 + 32%	\$ 201,751
\$ 256,201 – \$ 640,600	\$ 56,631 + 35%	\$ 256,201
\$ 640,601 and above	\$ 191,171 + 37%	\$ 640,601

The 2026 tax rate on qualified dividends is 0%, 15% or 20%, (plus a 3.8% Medicare Surtax on the 20% bracket) depending on your taxable income and filing status.

Note: TAX AMOUNTS HAVE BEEN ROUNDED UP

FILING STATUS STANDARD DEDUCTION

	2026	2025
Single; Married Filing Separately	\$16,100	\$15,750
Married Filing Jointly; Surviving Spouse	\$32,200	\$31,500
Head of Household	\$24,150	\$23,625

If you're at least 65 years old or blind, you can claim an additional standard deduction of \$1,650 in 2026 (\$2,050 if you're claiming the single or head of household filing status).

If you're both 65 or older and blind, the additional deduction amount is DOUBLED.

2025 INDIVIDUAL INCOME TAX RATES*

Married Filing Jointly or Qualifying Widow (Widower)

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 23,850	10%	\$ 0
\$ 23,850 – \$ 96,950	\$ 2,385 + 12%	\$ 23,850
\$ 96,950 – \$ 206,700	\$ 11,157 + 22%	\$ 96,950
\$ 206,700 – \$ 394,600	\$ 35,302 + 24%	\$ 206,700
\$ 394,600 – \$ 501,050	\$ 80,398 + 32%	\$ 394,600
\$ 501,050 – \$ 751,600	\$ 114,462 + 35%	\$ 501,050
\$ 751,600 and above	\$ 202,154 + 37%	\$ 751,600

Married Filing Separately

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 11,925	10%	\$ 0
\$ 11,925 – \$ 48,475	\$ 1,192 + 12%	\$ 11,925
\$ 48,475 – \$ 103,350	\$ 5,578 + 22%	\$ 48,475
\$ 103,350 – \$ 197,300	\$ 17,651 + 24%	\$ 103,350
\$ 197,300 – \$ 250,525	\$ 40,199 + 32%	\$ 197,300
\$ 250,525 – \$ 375,800	\$ 57,231 + 35%	\$ 250,525
\$ 375,800 and above	\$ 101,077 + 37%	\$ 375,800

Single

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 11,925	10%	\$ 0
\$ 11,925 – \$ 48,475	\$ 1,192 + 12%	\$ 11,925
\$ 48,475 – \$ 103,350	\$ 5,578 + 22%	\$ 48,475
\$ 103,350 – \$ 197,300	\$ 17,650 + 24%	\$ 103,350
\$ 197,300 – \$ 250,525	\$ 40,198 + 32%	\$ 197,300
\$ 250,525 – \$ 626,350	\$ 57,230 + 35%	\$ 250,525
\$ 626,350 and above	\$ 188,769 + 37%	\$ 626,350

Head of Household

If Taxable Income Is Between:	Your Tax Is:	Of Amount Over:
\$ 0 – \$ 17,000	10%	\$ 0
\$ 17,000 – \$ 64,850	\$ 1,700 + 12%	\$ 17,000
\$ 64,850 – \$ 103,350	\$ 7,442 + 22%	\$ 64,850
\$ 103,350 – \$ 197,300	\$ 15,912 + 24%	\$ 103,350
\$ 197,300 – \$ 250,500	\$ 38,460 + 32%	\$ 197,300
\$ 250,500 – \$ 626,350	\$ 55,484 + 35%	\$ 250,500
\$ 626,350 and above	\$ 187,031 + 37%	\$ 626,350

The 2025 tax rate on qualified dividends is 0%, 15% or 20%, (plus a 3.8% Medicare Surtax on the 20% bracket) depending on your taxable income and filing status.

Note: TAX AMOUNTS HAVE BEEN ROUNDED UP

EMPLOYER-PROVIDED EDUCATIONAL ASSISTANCE

Tax-free benefit: Employers can provide up to \$5,250 per year for tuition or student loan payments as a tax-free fringe benefit to their employees.

Permanent provision: This tax break was made permanent starting in 2026 and will be adjusted annually for inflation.

RETIREMENT PLANS

Indexed Contribution & Benefit Limits for Qualified Plans

Type of Plan	2026	2025
Individual Retirement Accounts (IRAs)*	\$ 7,500	\$ 7,000
Section 401(k), 402(g) plans or SAR-SEPs*	\$ 24,500	\$ 23,500
Section 403(b) plans*	\$ 24,500	\$ 23,500
Section 408(p)(2)(E) SIMPLE contributions*	\$ 17,000	\$ 16,500
Section 457(b)(2) limit*	\$ 24,500	\$ 23,500
Section 415 limit for:		
Defined contribution plans	\$ 72,000	\$ 70,000
Defined benefit plans	\$ 290,000	\$ 280,000
Highly compensated employees Section 414(q)	\$ 164,000	\$ 160,000
FICA taxable wage base		
Social Security	\$ 184,500	\$ 176,100
Medicare (tax rate 1.45% for employees; * 2.90% for self-employed)	No limit	No limit
* Age 50 additional contributions		
401(k) type plans	\$ 8,000	\$ 7,500
SIMPLEs	\$ 4,000	\$ 3,500
IRAs	\$ 1,100	\$ 1,000

*Plus 0.9% for those earning over \$200,000 (single filers) \$250,000 (joint filers) and \$125,000 (married filing separately)

ROTH IRAS

AGI limit for maximum contributions:	2026	2025
Joint filers	\$ 252,000	\$ 246,000
Individual filers	\$ 168,000	\$ 165,000

TRADITIONAL IRAS

AGI limits for full deductions:	2026	2025
Joint filers	\$129,000-\$149,000*	\$126,000-\$146,000*
Individual filers	\$ 81,000-\$ 91,000	\$ 79,000-\$ 89,000

* Depending on whether you or your spouse are covered by a plan at work. The income limit on converting traditional IRAs to Roth IRAs was eliminated in 2010.

SOCIAL SECURITY

Annual Earned Income Limit	2026	2025
Under full retirement age	\$ 24,480	\$ 23,400
Full retirement age	No Limit	No Limit

For people reaching full retirement age in 2026, the limit is \$65,160 for months prior to attainment. Beginning the month in which they turn full retirement age, there is no limit.

HEALTH SAVINGS ACCOUNTS

Contribution Limits	2026	2025
Individual, self-only	\$ 4,400	\$ 4,300
Family Coverage	\$ 8,750	\$ 8,550
Catch-up for those age 55 and older	\$ 1,000	\$ 1,000

For 2026, the minimum deductible for a high-deductible health plan (HDHP) is \$1,700 for self-only coverage and \$3,400 for family coverage. The maximum out-of-pocket limit is \$8,500 for self-only coverage and \$17,000 for family plans.

ALTERNATIVE MINIMUM TAX

AMT Exemptions	2026	2025
Married, filing jointly	\$ 140,200	\$ 137,000
Married, filing separately	\$ 70,100	\$ 68,500
Single/Head of household	\$ 90,100	\$ 88,100