

# 2025 tax rate quick guide

**WIPFLI**

## Corporate income tax rate

Flat rate of 21%

## Standard mileage rates

Business use of auto	\$0.70 per mile
Charitable contribution	\$0.14 per mile
Medical	\$0.21 per mile
Moving (military)	\$0.21 per mile

## Standard deductions

Single and married filing separately	\$15,000
Married filing jointly or surviving spouse	\$30,000
Head of household	\$22,500
If married and age 65 or older or blind, then add	\$1,600
If unmarried and age 65 or older or blind, then add	\$2,000

## Personal exemption

Repealed through December 31, 2025

## Social Security earnings limits for retired workers

Retirement age	Earnings limit
Prior to retirement age	\$23,400
Year of retirement	\$62,160
At or over retirement age	None

## Self-employment tax

Tax rate for self-employment income is 12.4% on first \$176,100 and 2.9% thereafter. An additional 0.9% applies to MFJ over \$250,000, MFS over \$125,000, and all other individuals over \$200,000.

## Gift, estate and trust tax rates

Taxable income is over	But not over	The tax is	+	Of the amount over
-	\$3,150	10%	-	-
\$3,150	\$11,450	\$315	24%	\$3,150
\$11,450	\$15,650	\$2,307	35%	\$11,450
\$15,650	-	\$3,777	37%	\$15,650

Applicable exclusion amount for estate, gift and generation-skipping transfer (GST) tax \$13,990,000

Maximum estate, gift and GST tax rate 40%

Gift tax annual exclusion \$19,000

Portability (deceased spousal unused exclusion [DSUE]) and step-up/step-down basis to date of death value apply.

## Single filing

Taxable income is over	But not over	The tax is	+	Of the amount over
-	\$11,925	10%	-	-
\$11,925	\$48,475	\$1,192.50	12%	\$11,925
\$48,475	\$103,150	\$5,578.50	22%	\$48,475
\$103,350	\$197,300	\$17,651	24%	\$103,350
\$197,300	\$250,525	\$40,199	32%	\$197,300
\$250,525	\$626,350	\$57,231	35%	\$250,525
\$626,350	-	\$188,769.75	37%	\$626,350

## Married filing jointly or surviving spouse

Taxable income is over	But not over	The tax is	+	Of the amount over
-	\$23,850	10%	-	-
\$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	-	\$202,154.50	37%	\$751,600

## Married filing separately

Taxable income is over	But not over	The tax is	+	Of the amount over
-	11,925	10%	-	-
\$11,925	\$48,475	1,192.50	12%	\$11,925
\$48,475	\$103,350	\$5,578.50	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	-	\$101,077.25	37%	\$375,800

## Head of household

Taxable income is over	But not over	The tax is	+	Of the amount over
-	\$17,000	10%	-	-
\$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	-	\$187,031.50	37%	\$626,350

Top individual rates in selected states			
Arizona	2.5% effective 1/1/23 flat rate system	Maine	7.15%
Arkansas	3.9%	Minnesota	9.85% plus 1% tax on modified net investment income in excess of \$1M
California	12.3% plus 1% on portion of CA taxable income in excess of \$1M	Missouri	4.8%
Colorado	4.25%	Montana	5.9%
District of Columbia	10.75%	Pennsylvania	3.07% flat rate system
Georgia	5.39% effective 1/1/24 flat rate system	Virginia	5.75%
Idaho	5.695%	Washington	7% capital gains tax
Illinois	4.95% flat rate system	Wisconsin	7.65%
Kentucky	4.0% flat rate system		

### Maximum rate applicable to noncorporate net capital gain and qualified dividends

Capital asset	Holding period	Tax rate	Filing status	Below taxable income threshold
Short-term capital gains	One year or less	Ordinary income tax rates	-	-
Long-term capital gains	More than one year	0%	MFJ or surviving spouse	\$96,700
			Head of household	\$64,750
			Single or MFS	\$48,350
			Estate and trust	\$3,250
Long-term capital gains	More than one year	15%	MFJ or surviving spouse	\$600,050
			Head of household	\$566,700
			Single	\$533,400
			MFS	\$300,000
Long-term capital gains	More than one year	20%	Estate and trust	\$15,900
			Greater than 15% thresholds	
1250 recapture	More than one year	25%	If taxpayer is in a lower tax bracket, the lower rate applies	-
Collectible	More than one year	28%	If taxpayer is in a lower tax bracket, the lower rate applies	-

### 3.8% Medicare tax on net investment income

Tax imposed on lesser of net investment income or MAGI > \$250,000 (MFJ), \$125,000 (MFS) or \$200,000 (single)

### Medicare tax on high-income earners additional 0.9% tax on wages greater than:

Single or head of household	\$200,000
Married filing jointly or surviving spouse	\$250,000
Married filing separately	\$125,000

### Retirement plan limits

#### Deferral limits for plans

\$401(k), 403(b) and 457 plans	\$23,500
SIMPLE	\$16,500

#### Catch-up contributions for participants age 50 or older

Other than SIMPLE plans	\$7,500
Age 60-63 Special Catch-up	\$11,250
SIMPLE plans	\$3,500
Age 60-63 Special Catch-up	\$5,250

#### Other limitations and thresholds

Qualified plans — annual compensation limit	\$350,000
Defined benefit — maximum annual benefit	\$280,000
Defined contribution — maximum annual addition	\$70,000
Key employee in top-heavy plan	\$230,000
Highly compensated employee threshold	\$160,000
SEP compensation threshold for participation	\$750

### Individual retirement accounts

#### Traditional IRAs and Roth IRAs

Contribution limit	\$7,000
Catch-up contribution (age 50 or older)	\$1,000

#### Traditional IRA deductions phaseout

Traditional IRA deductions phaseout	
Single, head of household — active participant	\$77,000–\$87,000
Married filing separately — any spouse participates	\$0–\$10,000
Married filing jointly — nonparticipating spouse	\$230,000–\$240,000
Married filing jointly — participating spouse	\$123,000–\$143,000
Roth IRA contribution eligibility	
Married filing jointly	\$230,000–\$240,000
Single, head of household	\$146,000–\$161,000
Married filing separately — any spouse participates	\$0–\$10,000

### Health savings account

Plan minimum deductible (self/family)	\$1,650/\$3,300
Contribution maximum (self/family)	\$4,300/\$8,550
Catch-up contribution (age 55 or older)	\$1,000
Plan out-of-pocket limit (self/family)	\$8,300/\$16,600

In the year a participant enrolls in Medicare or changes to a plan that is not HSA eligible, the contribution is prorated based on the number of months the participant has qualifying coverage prior to the month of Medicare

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