CPA PRACTICE ADVISOR

2026
Tax Guide

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2026 Tax Guide

Retirement Plan Contribution Limits - catch up age 50+	
Annual compensation used to determine contribution for most plans	$360,000
Defined contribution plans, basic limit	$72,000
Defined benefit plans, basic limit	$290,000
401(k) / 403(b) / 457(b) / Roth 401(k) plans - elective deferrals	$24,500
401(k) / 403(b) / 457(b) / Roth 401(k) plans - catch-up 50+ / 60-63	$8,000 / $11,250
SIMPLE plans - elective deferrals	$17,000
SIMPLE plans - catch-up at 50+ / 60-63	$4,000 / $5,250
Max ESOP balance subject to 5 year distribution period	$1,455,000

Individual Retirement Accounts - catch up age 50+

IRA type	Contribution limit	Catch-up	Phaseouts (AGI)
Traditional Nondeductible	$7,500	$1,100	No Income Limit
Traditional Deductible	$7,500	$1,100	**If covered by qualified plan:** MFJ - $129,000 to $149,000 Single & HOH - $81,000 to $91,000 MFS - $0 to $10,000 **If one spouse covered by a plan:** MFJ - $242,000 to $252,000
Roth	$7,500	$1,100	MFJ - $242,000 to $252,000 Single & HOH - $153,000 to $168,000 MFS - $0 to $10,000
Roth conversion			No Income Limit

Medicare Premiums & Deductibles

Part B premium	$202.90	
Part B deductible	$283.00	
Part A (inpatient services) deductible < 61 days of hospitalization	$1,736.00	per benefit period
Part A deductible 61 - 90 days of hospitalization	$434.00	per day
Part A deductible > 90 days of hospitalization	$868.00	per day

Part B / Part D Premiums for High-Income Taxpayers

2024 MAGI Single *	2024 MAGI MFJ *	Part B	Part D
≤ $10,000	≤ $218,000	$202.90	$0.00
$109,001 to $137,000	$218,001 to $274,000	$284.10	$14.50
$137,001 to $171,000	$274,001 to $342,000	$405.80	$37.50
$171,001 to $205,000	$342,001 to $410,000	$527.50	$60.40
$205,001 to $500,000	$410,001 to $750,000	$649.20	$83.30
≥ $500,001	≥ $750,001	$689.90	$91.00

"Trump" Accounts (2025-2027) (Available July 2026)

Special type of IRA for those born in these years. $1,000 gov't contribution. Up to $5,000 non-deductible contributions allowed. No distributions < age 18. Limited to low-cost U.S equity index investments.

*Can be appealed if a life-altering event occurs, use Form SSA-44.

Social Security Benefits

Initiate benefits at	Max monthly benefit
At age 62	$2,969
FRA	$4,207
At age 70	$5,181
Retirement earnings exempt amounts	$24,480 under FRA $65,160 in yr. reach FRA no limit after FRA

Social Security Full Retirement Age (FRA)

Year of Birth	FRA	% at age 62	% at age 70
1943-1954	66	75.00%	132.00%
1955	66 + 2 mo.	74.17%	130.67%
1956	66 + 4 mo.	73.33%	129.33%
1957	66 + 6 mo.	72.50%	128.00%
1958	66 + 8 mo.	71.67%	126.67%
1959	66 + 10 mo.	70.83%	125.33%
1960 or later	67	70.00%	124.00%

Taxation of Benefits	AGI + provisional income **	Taxable portion
	under $32,000	0%
MFJ	$32,000 to $44,000	up to 50%
	over $44,000	up to 85%
Single / HOH / MFS	under $25,000	0%
(living apart from	$25,000 to $34,000	up to 50%
spouse)	over $34,000	up to 85%
MFS (living w/spouse)	over $0	up to 85%

Payroll Taxes - Social Security paid on income to $184,500 / Medicare on all income

Tax (FICA)	% withheld	Max tax payable
Employer pays	6.20%	$11,439.00
Employee pays	6.20%	$11,439.00
Self-employed pays	12.40%	$22,878.00
Medicare tax *		
Employer pays	1.45%	varies per income
Employee pays	1.45%	varies per income
Self-employed pays	2.90%	varies per income

You Can Work and Receive Social Security Benefits

If you are	You can make up to	If you make more, some benefits will be w
Before FRA in 2026	$24,480 ($2,040/m)	$1 for every $2
Turning FRA in 2026	$65,160 ($5,430/m)	$1 for every $3
Month you attain FRA	no limit	no limit

Deductibility of LTC Insurance Premiums on Qualified Policies

Attained age before close of tax year / Amount of LTC premiums that qualify as medical expense		
under 40 / $500	51 to 60 / $1,860	over 70 / $6,200
41 to 50 / $930	61 to 70 / $4,960	

Health Savings Accounts - catch up age 55+

Household	Max deductable contrib.	Deductible/Co-pay limits	Min deductible
Individuals	$4,400	$8,500	$1,700
Families	$8,750	$17,000	$3,400
Catch-up	$1,000		

* Additional 0.9% for wages exceeding $200,000 (Single) and $250,000 (MFJ).
** Provisional income = adjusted gross income (not incl. SS) + tax-exempt interest + 50% of SS benefit

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2026 Tax Rate Schedule

Taxable Income			Base amount of tax		Marginal tax rate	Of the amount over
Single						
$0	to	$12,400	$0.00	+	10.0%	$0
$12,401	to	$50,400	$1,240.00	+	12.0%	$12,400
$50,401	to	$105,700	$5,800.00	+	22.0%	$50,400
$105,701	to	$201,775	$17,966.00	+	24.0%	$105,700
$201,776	to	$256,225	$41,024.00	+	32.0%	$201,775
$256,226	to	$640,600	$58,448.00	+	35.0%	$256,225
	over	$640,600	$192,979.25	+	37.0%	$640,600
Married Filing Joint (MFJ) / Surviving Spouses						
$0	to	$24,800	$0.00	+	10.00%	$0
$24,801	to	$100,800	$2,480.00	+	12.00%	$24,800
$100,801	to	$211,400	$11,600.00	+	22.00%	$100,800
$211,401	to	$403,550	$35,932.00	+	24.00%	$211,400
$403,551	to	$512,450	$82,048.00	+	32.00%	$403,550
$512,451	to	$768,700	$116,896.00	+	35.00%	$512,450
	over	$768,700	$206,583.50	+	37.00%	$768,700
Head of Household (HOH)						
$0	to	$17,700	$0.00	+	10.00%	$0
$17,701	to	$67,450	$1,770.00	+	12.00%	$17,700
$67,451	to	$105,700	$7,740.00	+	22.00%	$67,450
$105,701	to	$201,750	$16,155.00	+	24.00%	$105,700
$201,751	to	$256,200	$39,207.00	+	32.00%	$201,750
$256,201	to	$640,600	$56,631.00	+	35.00%	$256,200
	over	$640,600	$191,171.00	+	37.00%	$640,600
Married Filing Separately (MFS)						
$0	to	$12,400	$0.00	+	10.00%	$0
$12,401	to	$50,400	$1,240.00	+	12.00%	$12,400
$50,401	to	$105,700	$5,800.00	+	22.00%	$50,400
$105,701	to	$201,775	$17,966.00	+	24.00%	$105,700
$201,776	to	$256,225	$41,024.00	+	32.00%	$201,775
$256,226	to	$384,350	$58,448.00	+	35.00%	$256,225
	over	$384,350	$103,291.75		37.00%	$384,350
Estates & Trusts						
$0	to	$3,300	$0.00	+	10.00%	$0
$3,301	to	$11,700	$330.00	+	24.00%	$3,300
$11,701	to	$16,000	$2,346.00	+	35.00%	$11,700
	over	$16,000	$3,851.00	+	37.00%	$16,000

Kiddie Tax

Dependent children < age 19 (< 24 for full-time students) pay federal income tax at a rate equal to that of their parents' marginal tax rate on unearned income–including capital gain distributions, dividends, and interest income > $2,700

Standard Deductions & Personal Exemptions

Filing Status	Standard Deduction	Phaseouts (Start)
Joint	$32,200	N/A
Single or MFS	$16,100	N/A
HOH	$24,150	N/A
Dependent filing own tax return	$1,350*	N/A
Additional deductions for non-itemizers		
Blind or over 65	add $1,650 eac +	add $6,000** each
Blind or over 65, unmarried & not a surviving spouse	add $2,050 eac +	add $6,000** each
Additional deductions (2025 - 2028)		
Tip Income (all filing statuses)	Up to $25,000	$150,000 (S, HOH) | $300,000 (MFJ)
Overtime income (MFJ)	Up to $25,000	$300,000
Overtime income (Non-MFJ)	Up to $12,500	$150,000 (S, HOH)
Qualified car loan interest	Up to $10,000	$100,000 (S, HOH) | $200,000 (MFJ)

Selected Itemized Deductions & Phaseouts

Charitable Contributions	Itemizers	Non-Itemizers
Deduction Amount	0.5% AGI Floor	$1,000 (Single) / $2,000 (MFJ)
Cap on Deduction Value for Top Earners:	Benefit of Itemized Deductions capped at 35% for those in 37% bracket	
SALT Deduction	**Maximum Limit**	**Phaseout (MAGI)**
	$40,400 (Single / MFJ)	$505,000 (Single / MFJ)

Gift & Estate Tax Exclusions & Credit

Maximum Estate, Gift & GST Rates	Estate, Gift & GST	Gift Tax Annual Exclusion
40%	$15,000,000	$19,000

AMT Exemptions & Phaseouts

Filing status	Exemption	Income phaseout threshold
MFJ / Qualifying Widow(er)	$140,200	$1,000,000
Single & HOH	$90,100	$500,000
MFS	$70,100	$500,000

Tax Rates on Capital Gains & Qualified Dividends (Using Taxable Income)

Assets held < 1 year	Marginal Rate
Below $49,450 - Single/MFS / $98,900 - MFJ / $66,200 - HOH / $3,300 - Trusts/Estates	0%
At or above $49,450 - Single/MFS / $98,900 - MFJ / $66,200 - HOH / $3,300 - Trusts/Estates	15%
At or above $545,500 - Single / $306,850 - MFS / $613,700 - MFJ / $579,600 - HOH / $16,000 - Trusts/Estates	20%

Education Credits / Deductions / Distributions

Credit / Deduction / Account	Maximum credit /	Income phaseouts begin at AGI:	
American Opportunity Tax Credit	$2,500 credit	$160,000 to $180,000	MFJ
		$80,000 to $90,000	all others
Lifetime Learning Credit	$2,000 credit	$160,000 to $180,000	MFJ
		$80,000 to $90,000	all others
Student loan interest deduction	$2,500 deduction	$175,000 to $205,000	MFJ
		$85,000 to $100,000	all others
Savings bond interest tax-free if used for education deduction	limited to amount of qualified expenses	$152,650 to $182,650	MFJ
		$101,800 to $116,800	all others
Coverdell	$2,000 max contribution (nondeductible)	$190,000 to $220,000	MFJ
		$95,000 to $110,000	all others
529 Plan (K-12)	$20,000 distribution / year	none	
529 Plan Student Loan Debt Repayment	$10,000 distribution / lifetime	none	

*Greater of $1,350 or $450 plus the individual's earned income; cannot exceed $16,100.

** MAGI Phase outs: single - $75,000-$175,000; MFJ - $150,000-$250,000 (simultaneous for each taxpayer over 65)

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Individual Tax Rates

Single

Taxable Income	Ordinary Income	Capital Gains & Dividends	Afforable Health Care Act: Earned Income	Afforable Health Care Act: Investment Income**
$0 to $12,400	10%	0%	0%	0%
$12,401 to $49,450	12%			
$49,451 to $50,400		15%		
$50,401 to $105,700	22%			
$105,701 to $200,000	24%			
$200,001 to $201,775			0.9%	3.8%*
$201,776 to $256,225	32%			
$256,225 to $545,500	35%			
$545,501 to $640,600		20%		
over $640,600	37%			

Married Filing Jointly

Taxable Income	Ordinary Income	Capital Gains & Dividends	Affordable Health Care Act: Earned Income	Affordable Health Care Act: Investment Income**
$0 to $24,800	10%	0%	0%	0%
$24,801 to $98,900	12%			
$98,901 to $100,800		15%		
$100,801 to $211,400	22%			
$211,401 to $250,000	24%			
$250,001 to $403,550			0.90%	3.8%*
$403,501 to $512,450	32%			
$512,451 to $613,700	35%			
$613,701 to $768,700		20%		
over $768,700	37%			

*3.8% tax is only imposed on modified adjusted gross income (MAGI) in excess of the $200,000 ($250,000 joint) threshold

** Investment income for purposes of 3.8% tax = dividends / interest / capital gains / non-qualified annuity distributions / royalties / rents / passive income (NOT qualified retirement distributions)

Miscellaneous Items

Tax Limits		2026
Gift tax annual exclusion		$19,000
Estate tax exemption		$15,000,000 + DSUEA*
Top federal estate/gift tax rate		37%
IRA distributions direct to charity / QCDs (over age 70.5)		$111,000
IRA / Roth IRA contribution limit		$7,500
Catch-up provisions for individuals 50+		$1,100
Health Savings Account contribution limit (Individual / Family)		$4,400 / $8,750
Catch-up provisions for individuals *55+*		$1,000
Phaseout Items	**Single**	**Joint**
Itemized deduction phaseout	For 37% bracket |	Deduction capped at 35%
Personal exemption phaseout	Eliminated	
Deductible IRA contribution phaseout (qualified plan)	$81,000 to $91,000	$129,000 to $149,000
If one spouse covered by a plan		$242,000 to $252,000
Roth IRA contribution phaseout	$153,000 to $168,000	$242,000 to $252,000
AMT exemption	$90,100	$140,200
Part B / Part D Premiums begin to increase with MAGI over	$109,000	$218,000

*Basic exclusion amount plus deceased spousal unused exclusion amount (DSUEA) -- exclusion is portable for 2011 onward

Retirement Plan Contribution Limits

Plan	Limit
Defined contribution plan aggregate limit	$72,000
401(k) / 403(b) / 457(b) / Roth 401(k) plans	$24,500
Catch-up provision for individuals 50+ / 60-63	$8,000 / $11,250
SIMPLE plans	$17,000
Catch-up provision for individuals 50+ / 60-63	$4,000 / $5,250

Estates & Trusts

Income	Base amount		Rate	Of amount over
0 to $3,300	$0	+	10%	$0
$3,331 to $11,700	$330	+	24%	$3,300
$11,701 to $16,000	$2,346	+	35%	$11,700
over $16,001 *	$3,851	+	37%	$16,000

Special Capital Gains Rates

Unrecaptured Code Section 1250 property	25%
Collectibles	28%

Short (Sold) Options

Put/Call Action	Taxable Amount	Taxation (long/short)
Option expires worthless	Premium	Short
Option is closed	Net gain / loss of closing	Short
Call option assigned	Premium (+) strike price (-) security basis	Short or long **

*investment income > $16,001 subject to additional 3.8% surtax

** Underlying security held: >1 year is long term gain/loss | held < 1 year is short term gain/loss

Thank you