

2026

Tax Guide

DISCLAIMER

This *CPA Practice Advisor Annual Tax Guide 2026* is provided for general informational purposes only and does not constitute tax, legal, or financial advice. While CPA Practice Advisor has made reasonable efforts to ensure accuracy, CPA Practice Advisor makes no representations or warranties, express or implied, regarding the completeness, accuracy, or reliability of any information herein. Tax laws are subject to change, and individual circumstances vary. CPA Practice Advisor, its affiliates, employees, and agents shall not be liable for any losses, damages, or claims arising from reliance on this guide, including those caused by errors, omissions, or inaccuracies. Recipients should consult a qualified tax professional before making decisions based on this information.

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 l	Catch-up	Phaseouts (AGI)
Traditional Nondeductible	\$7,500	\$1,100	No Income Limit
			If covered by qualified plan:
			MFJ - \$129,000 to \$149,000
Traditional Deductible	\$7,500	\$1,100	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	8,001 to \$274,000	\$284.10	\$14.50
\$137,001 to \$171,000	4,001 to \$342,000	\$405.80	\$37.50
\$171,001 to \$205,000	2,001 to \$410,000	\$527.50	\$60.40
\$205,001 to \$500,000	0,001 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		Social Security Full Retirement Age (FRA)			
Initiate benefits at	Max monthly benefit	Year of Birth	FRA	% at age 62	% at age 70
At age 62	\$2,969	1943-1954	66	75.00%	132.00%
FRA	\$4,207	1955	66 + 2 mo.	74.17%	130.67%
At age 70	\$5,181	1956	66 + 4 mo.	73.33%	129.33%
		1957	66 + 6 mo.	72.50%	128.00%
Retirement earnings exempt amounts	\$24,480 under FRA	1958	66 + 8 mo.	71.67%	126.67%
	\$65,160 in yr. reach FRA	1959	66 + 10 mo.	70.83%	125.33%
	no limit after FRA	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 spouse)		\$25,000 to \$34,000		up to 50%	
		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 deductible 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

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)

Individual Tax Rates									
Single					Married Filing Jointly				
Taxable Income	Ordinary Income	Capital Gains & Dividends	Affordable Health Care Act		Taxable Income	Ordinary Income	Capital Gains & Dividends	Affordable Health Care Act	
			Earned Income	Investment Income**				Earned Income	Investment Income**
\$0 to \$12,400	10%	0%	0%	0%	\$0 to \$24,800	10%	0%	0%	0%
\$12,401 to \$49,450	12%				\$24,801 to \$98,900	12%			
\$49,451 to \$50,400	22%	15%	0%	0%	\$98,901 to \$100,800	22%	15%	0%	0%
\$50,401 to \$105,700	24%				\$100,801 to \$211,400	22%			
\$105,701 to \$200,000	24%				\$211,401 to \$250,000	24%			
\$200,001 to \$201,775	32%	0.9%	0.9%	3.8%*	\$250,001 to \$403,550	32%	20%	0.90%	3.8%*
\$201,776 to \$256,225	35%				\$403,501 to \$512,450	32%			
\$256,225 to \$545,500	35%	20%	0.9%	3.8%*	\$512,451 to \$613,700	35%	20%	0.90%	3.8%*
\$545,501 to \$640,600	37%				\$613,701 to \$768,700	35%			
over \$640,600	37%				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%
\$3,331 to \$11,700	\$330	+	24%
\$11,701 to \$16,000	\$2,346	+	35%
over \$16,001 *	\$3,851	+	37%
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

DISCLAIMER

This *CPA Practice Advisor Annual Tax Guide 2026* is provided for general informational purposes only and does not constitute tax, legal, or financial advice. While CPA Practice Advisor has made reasonable efforts to ensure accuracy, CPA Practice Advisor makes no representations or warranties, express or implied, regarding the completeness, accuracy, or reliability of any information herein. Tax laws are subject to change, and individual circumstances vary. CPA Practice Advisor, its affiliates, employees, and agents shall not be liable for any losses, damages, or claims arising from reliance on this guide, including those caused by errors, omissions, or inaccuracies. Recipients should consult a qualified tax professional before making decisions based on this information.