

Various Adjustments of Tax Numbers for 2026

Filing statuses: S=single, HH=head of household, MFS=married filing separately, MFJ=married filing joint, QSS=qualifying surviving spouse

(MAGI mean modified adjusted gross income for that deduction.)

TCJA refers to the Tax Cuts and Jobs Act passed in 2017 which made major changes to many deductions/ adjustments.

The 2025 tax bill "Public Law 119-21" made further changes, some retroactively for 2025 and others for future years.

Maximum Salary Deferrals:	<p>\$24,500 for 401(k), 403(b), 501(c), 457 plans; / \$17,000 for SIMPLE <i>'catch-up' contribution limits for age 50+*</i>: additional \$8,000 / \$4,000 for SIMPLE <i>*'super-catch up' amount for ages 60-63</i>: additional \$11,250 / \$5,250 for SIMPLE <i>New for 2026: If wages over 150K, any catch-up must be to a Roth plan, if offered.</i> Maximum contribution including any employer-matching: \$72,000</p> <p>\$3,400 for Health FSA \$340/month transit benefits</p>
Self-Employed:	SEP-IRA: \$72,000, with limitation of 20% adjusted net s/e income
Traditional IRA Contributions Limit:	<p>\$7,500 (up to amount of earned income for the year) <i>additional catch-up \$1,100 for age 50+</i></p>
Traditional IRA Deduction MAGI Phaseout: (when also eligible to contribute to a retirement plan at work)	<p>MFJ, QSS: \$129,000-\$149,000 S, HH: \$81,000-\$91,000 MFS: 0-\$10,000 (living apart all year, see S) MFJ taxpayer when only other spouse covered by a plan: \$242,000-\$252,000</p>
Roth IRA Contributions MAGI Phaseout:	<p>MFJ, QSS: \$242,000-\$252,000 S, HH: \$153,000-\$168,000 MFS: 0-\$10,000 (living apart all year, see S)</p>
Retirement Savings Credit ('Saver's Credit') Maximum AGI Limit:	<p>MFJ: \$80,500 HH: \$60,375 S, QSS, MFS: \$40,250</p>
Social Security:	<p>Before retirement age, can earn up to \$24,480 without repaying benefits. <i>Benefits reduced \$1 for each \$2 earned over limit</i> Preceding months in year of reaching retirement age: \$65,160. <i>Benefits reduced \$1 for each \$3 earned over limit</i> On/after retirement month, no earning limit. Maximum monthly benefits for 2025: \$5,251</p> <hr/> <p>Earnings subject to SS tax:</p>

	Employee: \$184,500 (maximum \$11,439 w/h) Household help: cash wages over \$3,000
Health Savings Account:	Maximum HSA contribution \$4,400 individual coverage / \$8,750 family coverage. <i>additional catch-up \$1,000 for age 55+</i>
Child Tax Credit:	\$2,200 per child under age 17, with up to \$1700 potentially refundable. with phaseout starting at AGI of 400K MFJ, 200K others. \$500 credit for other dependents.
Child and Dependent Care Expenses/Credit:	Allowed expenses for 20-50% credit on 3K for one child / 6K for two or more. (<i>maximum credit rate increased from 35% to 50% for lower income taxpayers</i>) Dependent care benefits set-aside 5K. Maximum credit \$1,500 (one child) / \$3,000 (two or more children) at 50% credit rate.
Educational Credit: (MFS ineligible)	American Opportunity Credit (aka Hope Credit): 100% of first \$2,000, 25% of next \$2,000 tuition (all 4 years college) MAGI phaseout: \$80,000-\$90,000 (individual); \$160,000-\$180,000 (MFJ) Lifetime Learning Credit: 20% of up to \$10,000 tuition (any year college+) MAGI phaseout: \$80,000-\$90,000 (individual); \$160,000-\$180,000 (MFJ)
Student Loan Interest: (MFS ineligible)	Up to \$2,500 MAGI phaseout: \$85,000-\$100,000 (individual); \$175,000-\$205,000 (MFJ)
Earned Income Credit: (MFS ineligible)	Maximum Earned income/MAGI limit: \$19,540 (25-64 years old, no children), \$51,593 (one child), \$58,629 (two children), \$62,974 (three children) <i>limits increased for MFJ by \$7,280 (no children) else \$7,270 / \$7,250</i> Maximum credit will range from \$664 for no children up to \$8,231 for three or more children. (<i>disqualified if investment income over \$12,200, any filing status</i>)
Adoption Credit:	Up to \$17,670 (MAGI phaseout \$265,080-\$305,080) Up to \$5,120 can be refundable
'Kiddie Tax'	Child under 18/full-time student under 24, with interest/dividends over \$2,700 That portion in excess of \$2,700 is taxed at the parents' marginal (top) rate.
Standard Mileage Rates:	Business: 72.5¢ (Depreciation adjustment: 35¢) Charity: 14¢ Medical: 20.5¢
Itemized Deduction phaseouts:	Back in effect, but only applies to the top tax bracket of 37% with the phaseout calculation reducing the total itemizing to a 35% tax benefit rather than a 37% tax benefit. Charitable deductions: this is a separate limitation reducing the deduction by 0.5% AGI. (Similar to the 7.5% AGI threshold on medical/dental deductions, this is a 0.5% threshold.) Gambling losses: limited to 90% of gambling winnings (previously could deduct 100% of losses up the amount of winnings).
Itemized state and local tax deductions ('SALT' limitation):	40.4K. In succeeding years through 2029, the deduction will increase annually another 1%. Without future tax law changes, will revert back to a 10K cap.

	However, this deduction is reduced by 30% of MAGI exceeding 500K (250K MFS) though not reduced below 10K.
Seperate charity deduction:	Without having to itemize, a charitable deduction up to 1K or 2K (MFJ) for cash-type charities. Same charity rules apply: to 501(c3) organizations and a written receipt if donation over \$250 given. <i>This deduction available to those taking the standard deduction, not for those already itemizing, even if subject to the new 0.5% reduction.</i>
Section 179 Expense:	total limit for tangible personal property placed in service: \$2,560,000 phaseout starts at \$4,090,000 placed in service
Depreciation Limit (with/without bonus depreciation): 2026 yet to be announced by IRS	2025 limits were for passenger auto, first year business: \$12,200 / \$20,200
Capital Gain Tax:	Long-term (holding over a year): 0% for taxable income up to \$49,450K (S,MFS), \$66,200K (HH), \$98,900K (MFJ, QSS) 15% for next range of taxable income to \$545,500 (S), \$579,600 (HH), \$613,700 (MFJ,QSS) or \$306,850 (MFS) 20% for taxable income over those amounts.
Gift Tax Exclusion/ Estate Exclusion:	\$19,000 / \$15M
Foreign Income Exclusion:	\$132,900