

## ESTATE AND GIFT TAX

	2024	2025
<b>Estate tax:</b>		
Exclusion amount	\$13,610,000	\$13,990,000
Maximum tax rate	40%	40%
<b>Gift tax:</b>		
Exemption	\$13,610,000	\$13,990,000
Annual exclusion	18,000	19,000

## CORPORATE INCOME TAX RATES

<b>REGULAR TAX</b>	
2024 & 2025	Flat Rate 21%

## NET OPERATING LOSSES

### LIMITATION ON CARRYFORWARD:

	2024	2025
Taxable income limitation of NOL	80%	80%
Period of Carryover	Indefinite	Indefinite

### LIMITATION ON CARRYBACK:

Period of Carryback	Not allowed	Not allowed
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## MICHIGAN TAXPAYERS

### CORPORATE INCOME TAX (CIT)

Tax rate	6.00%
Filing threshold	\$350,000

### INDIVIDUAL INCOME TAX

	2024	2025
Tax rate	4.25%	4.25%
Personal exemption	\$5,600	\$5,800

## PER DIEM RATES\*

	High Cost Locality	Low Cost Locality
Meals and incidental expenses	\$86	\$74
Lodging	233	151
Total	\$319	\$225

\*Using the simplified method of determination.

## SECTION 199A DEDUCTION

Maximum qualified business income deduction: 20%

### Limitation:

- 50% of W-2 wages, or
- 25% of W-2 wages + 2.5% of qualified property.

	2024	2025
<b>Phase-in of W-2 wages and qualified property limitations:</b>		
Joint return (taxable income)	\$383,900/483,900	\$394,600/494,600
Single (taxable income)	191,950/241,950	197,300/247,300

### Phase-out for specified service trade or businesses:

Joint return (taxable income)	\$383,900/483,900	\$394,600/494,600
Single (taxable income)	191,950/241,950	197,300/247,300

## EMPLOYMENT TAX RATES

### SOCIAL SECURITY AND MEDICARE TAXES

	2024	2025
Social Security wage base	\$168,600	\$176,100
Social Security tax rate:		
Employee	6.20%	6.20%
Employer	6.20%	6.20%
Medicare tax rate:		
Employee	1.45%	1.45%
Employer	1.45%	1.45%
Total Social Security and Medicare taxes:		
Employee	7.65%	7.65%
Employer	7.65%	7.65%
Total	15.30%	15.30%
Additional 0.9% Medicare tax on wages and self-employment income in excess of:		
Joint return	\$250,000	\$250,000
Single	200,000	200,000

## DEPRECIATION

### BONUS DEPRECIATION

	2024	2025
Bonus depreciation rate	60%	40%

### SECTION 179 DEDUCTION

	2024	2025
Deduction limit*	\$1,220,000	\$1,250,000
Qualifying property limit*	3,050,000	3,130,000
SUV deduction limit*	30,500	31,300

\*Permanent and is indexed for inflation beginning in 2019

### LUXURY AUTO MAXIMUM DEDUCTION

	2024
First year	\$12,400
First year, with bonus depreciation	20,400
Second year	19,800
Third year	11,900
Fourth year and thereafter	7,160

## AUTO STANDARD MILEAGE ALLOWANCES

	Business	Medical/Moving	Charitable
2024	67.0¢	21.0¢	14.0¢
2025	70.0¢	21.0¢	14.0¢



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# 2025 TAX GUIDE

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## INDIVIDUAL INCOME TAX RATES

REGULAR TAX 2024	BASE TAXABLE INCOME	TAX ON BASE	% ON EXCESS OVER BASE
Joint return	\$ 0	\$ 0	10%
	23,200	2,320	12%
	94,300	10,852	22%
	201,050	34,337	24%
	383,900	78,221	32%
	487,450	111,357	35%
	731,200	196,670	37%
Single	\$ 0	\$ 0	10%
	11,600	1,160	12%
	47,150	5,426	22%
	100,525	17,169	24%
	191,950	39,111	32%
	243,725	55,679	35%
	609,350	183,647	37%
Head of household	\$ 0	\$ 0	10%
	16,550	1,655	12%
	63,100	7,241	22%
	100,500	15,469	24%
	191,950	37,417	32%
	243,700	53,977	35%
	609,350	181,955	37%
<b>2025</b>			
Joint return	\$ 0	\$ 0	10%
	23,850	2,385	12%
	96,950	11,157	22%
	206,700	35,302	24%
	394,600	80,398	32%
	501,050	114,462	35%
	751,600	202,155	37%
Single	\$ 0	\$ 0	10%
	11,925	1,193	12%
	48,475	5,579	22%
	103,350	17,651	24%
	197,300	40,199	32%
	250,525	57,231	35%
	626,350	188,770	37%
Head of household	\$ 0	\$ 0	10%
	17,000	1,700	12%
	64,850	7,442	22%
	103,350	15,912	24%
	197,300	38,460	32%
	250,500	55,484	35%
	626,350	187,032	37%
<b>LONG-TERM CAPITAL GAINS AND QUALIFIED DIVIDENDS</b>			
<b>2024</b> *Married filing separate thresholds are one-half of these amounts			
<b>Joint return*</b>	<b>Single</b>	<b>Head of Household</b>	<b>Tax Rate</b>
<\$94,050	<\$47,025	<\$63,000	0%
<583,750	<518,900	<551,350	15%
>583,750	>518,900	>551,350	20%
<b>2025</b>			
<b>Joint return*</b>	<b>Single</b>	<b>Head of Household</b>	<b>Tax Rate</b>
<\$96,700	<\$48,350	<\$64,750	0%
<600,050	<533,400	<566,700	15%
>600,050	>533,400	>566,700	20%

## INDIVIDUALS

### STANDARD DEDUCTION

	2024	2025
<b>Standard deduction</b>		
Joint return	\$29,200	\$30,000
Single	14,600	15,000
Head of household	21,900	22,500
<b>Additional deduction for the blind and/or elderly:</b>		
Joint return (each)	\$1,550	\$1,600
Single	1,950	2,000

### ALTERNATIVE MINIMUM TAX (AMT)

	2024	2025
<b>Tax rate:</b>		
26% of AMT income up to:	\$232,600	\$239,100
Plus 28% of AMT income in excess of:	232,600	239,100
<b>Exemption:</b>		
Joint return	\$133,300	\$137,000
Single	85,700	88,100
<b>Exemption phaseout:</b>		
Joint return	\$1,218,700/1,751,900	\$1,252,700/1,800,700
Single	609,350/952,150	626,350/978,750

### DEPENDENT TAX CREDITS

	2024	2025
Dependent child under age 17	\$2,000	\$2,000
Maximum refundable portion	1,700	1,700
Child 17 & older or Other Dependents	500	500

### AMERICAN OPPORTUNITY CREDIT\*

	2024	2025
Maximum credit	\$2,500	\$2,500
<b>Phaseout:</b>		
Joint return	\$160,000/180,000	\$160,000/180,000
Single	80,000/90,000	80,000/90,000

\*Not allowed under married filing separately

### LIFETIME LEARNING CREDIT

	2024	2025
Maximum credit	\$2,000	\$2,000
<b>Phaseout:</b>		
Joint return	\$160,000/180,000	\$160,000/180,000
Single	80,000/90,000	80,000/90,000

### STUDENT LOAN INTEREST DEDUCTION

	2024	2025
Maximum deduction	\$2,500	\$2,500
<b>Phaseout:</b>		
Joint return	\$165,000/195,000	\$170,000/200,000
Single	80,000/95,000	85,000/100,000

### ITEMIZED DEDUCTION FOR MEDICAL EXPENSES

	2024	2025
Percentage of AGI floor	7.5%	7.5%

## INDIVIDUALS

### ADDITIONAL 3.8% MEDICARE TAX ON NET INVESTMENT INCOME

Lesser of: 1) net investment income or 2) Modified Adjusted Gross Income (MAGI) in excess of:

Joint return	\$250,000
Single/Head of Household	200,000

## RETIREMENT PLAN CONTRIBUTION LIMITS

### INDIVIDUAL AND CORPORATE LIMITATIONS

Annual deferral limits:	2024	2025
401(k)/403(b)	\$23,000	\$23,500
SIMPLE Plan	16,000	16,500
Individual Retirement Account (IRA)	7,000	7,000
Roth IRA	7,000	7,000
<b>Catch-up contribution for taxpayers age 50 and over:</b>		
Individual Retirement Account (IRA)	1,000	1,000
Roth IRA	1,000	1,000
401(k)/403(b), age 50-59 and 64+	7,500	7,500
SIMPLE Plan, age 50-59 and 64+	3,500	3,500
401(k)/403(b), age 60-63	7,500	11,250
SIMPLE Plan, age 60-63	3,500	5,250

Traditional IRA deduction phaseout:	2024	2025
Unmarried and active participant	\$77,000/87,000	\$79,000/89,000
MFJ - nonparticipating spouse	230,000/240,000	236,000/246,000
MFJ - participating spouse	123,000/143,000	126,000/146,000

Roth IRA contribution eligibility:	2024	2025
Joint return	\$230,000/240,000	\$236,000/246,000
Single, head of household	146,000/161,000	150,000/165,000

Other information:	2024	2025
Compensation limit	\$345,000	\$350,000
Qualified charitable distribution max	105,000	108,000

## HEALTH SAVINGS ACCOUNTS (HSA)

	2024	2025
Individual	\$4,150	\$4,300
Family	8,300	8,550
Catch-up contribution (age 55+)	1,000	1,000

## FLEXIBLE SPENDING ACCOUNTS (FSA)

Maximum Deduction	2024	2025
	\$3,200	\$3,300

## SOCIAL SECURITY BENEFITS

### TAXABLE SOCIAL SECURITY BENEFITS

Provisional income*	Single	% Subject to Tax
<b>Married</b>		
Over \$32,000	Over \$25,000	50%
Over \$44,000	Over \$34,000	85%

\*Provisional income includes adjusted gross income, tax exempt interest, certain foreign source income and one-half of Social Security benefits.

### MAXIMUM ANNUAL EARNED INCOME LIMIT\*

	2024	2025
Below full retirement age	\$22,320	\$23,400
Year full retirement age reached	59,520	62,160
Full retirement age	no limit	no limit

\*Earned income exceeding this limit results in reduction of Social Security benefits.