



Tax Updates for Tax Year 2025: What You Need to Know

The IRS recently announced inflation adjustments for over 60 tax provisions for the 2025 tax year, and we've summarized the most relevant changes here for you. Tax updates like these present an excellent opportunity to review your personal finances and update your planning. Contact an Enza Financial Advisor to discuss how we can help you optimize your financial strategy for 2025 and beyond!

Standard Deduction Increases

- Single filers and married individuals filing separately: \$15,000 (up \$400 from 2024).
- Married couples filing jointly: \$30,000 (up \$800 from 2024).
- Heads of households: \$22,500 (up \$600 from 2024).

Marginal Tax Rates

For tax year 2025, the top tax rate remains 37% for individual single taxpayers with incomes greater than \$626,350 (\$751,600 for married couples filing jointly). The other rates are:

- 35%: for incomes over \$250,525 (\$501,050 for married couples filing jointly).
- 32%: for incomes over \$197,300 (\$394,600 for married couples filing jointly).
- 24%: for incomes over \$103,350 (\$206,700 for married couples filing jointly).
- 22%: for incomes over \$48,475 (\$96,950 for married couples filing jointly).
- 12%: for incomes over \$11,925 (\$23,850 for married couples filing jointly).
- 10%: for incomes \$11,925 or less (\$23,850 or less for married couples filing jointly).

Other Key Updates

- **Estate tax credits.** Estates of decedents who die during 2025 have a basic exclusion amount of \$13,990,000, increased from \$13,610,000 for estates of decedents who died in 2024.
- **Annual exclusion for gifts increases** to \$19,000 for calendar year 2025, rising from \$18,000 for calendar year 2024.

For more information, please visit: <https://www.irs.gov/newsroom/irs-releases-tax-inflation-adjustments-for-tax-year-2025>