

1040

FINGERTIP GUIDE

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2025 Dependent Credit

Under 17: \$2,200

17 or over: \$500

2025 Standard Deduction

	Standard De- duction	65/over, Blind	Senior Ad- dition
Single	\$15,750	\$2,000	\$6,000
Head House	\$23,625	\$2,000	\$6,000
Joint	\$31,500	\$1,600 each	\$12,000

2025 Tax Rate Schedule

MARRIED JOINT

≤ \$23,850			10%
> \$23,850-96,950	\$ 2,385.00	+ 12%	excess> \$ 23,850
> \$96,950-206,700	\$ 11,157.00	+ 22%	excess> \$ 96,950
> \$206,700-394,600	\$ 35,302.00	+ 24%	excess> \$206,700
> \$394,600-501,050	\$ 80,398.00	+ 32%	excess> \$394,600
> \$501,050-751,600	\$ 114,462.00	+ 35%	excess> \$501,050
> \$751,600	\$ 202,154.50	+ 37%	excess> \$751,600

SINGLE

≤ \$11,925			10%
> \$11,925-48,475	\$ 1,192.50	+ 12%	excess> \$ 11,925
> \$48,475-103,350	\$ 5,578.50	+ 22%	excess> \$ 48,475
> \$103,350-197,300	\$ 17,651.00	+ 24%	excess> \$103,350
> \$197,300--250,525	\$ 40,199.00	+ 32%	excess> \$197,300
> \$250,525-626,350	\$ 57,231.00	+ 35%	excess> \$250,525
> \$626,350	\$188,769.75	+ 37%	excess> \$626,350

HEAD OF HOUSEHOLD

< \$17,000			10%
> \$17,000-64,850	\$ 1,700.00	+ 12%	Excess>\$ 17,000
> \$64,850-103,350	\$ 7,442.00	+ 22%	Excess>\$ 64,850
> \$103,350-197,300	\$ 15,912.00	+ 24%	Excess>\$103,350
> \$197,300-250,500	\$ 38,460.00	+ 32%	Excess>\$197,300
> \$250,500-626,350	\$ 55,484.00	+ 35%	Excess>\$250,500
> \$626,350	\$187,031.50	+ 37%	Excess>\$626,350

The 20% QBI Deduction Rules-Small Business

1. 20% of Lesser of trade or business income OR
2. 20% of Taxable income (TI)
3. TI must be less than threshold of \$394,600 MFJ, \$197,300 others

2025 Mileage

Cents Per Mile

Business 70

Charity 14

Medical/Moving 21

2025 HSA

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Single 4,300

Family 8,550

≥ Age 55 1,000

2025 Phaseouts

IRA Contributions \$7,000 Max + >49

Roth-Single \$150,000 - \$165,000

Roth-MFJ \$236,000 - \$246,000

Roth-MFS \$ 10,000

IRA-Single, HH \$ 79,000 - \$ 89,000

IRA-MFJ \$ 126,000 - \$146,000

\$2,500 Max Student Loan Interest

Single \$ 85,000 \$100,000

Joint \$170,000 \$200,000

2025 CAPITAL GAINS AGI not TI

Rate- Single AGI MFJ AGI

0% <64,100 <128,200

15% Between Between

20% >549,150 >631,550

3.8% NII Surtax

Single AGI \$200,000 Same for HofH Over

MFJ Over \$250,000 Use AGI

LIFETIME Credit

Am. Opportunity Credit

Sgl \$ 80,000 \$ 90,000 \$ 80,000 \$ 90,000

MJ \$160,000 \$180,000 \$160,000 \$180,000

Asset Sale Reporting	Form 8949	Form 4797
Stocks & Bonds	X	
Personal assets	X	
Non-business bad debts	X	
Business bad debts		X
Business property		X
Section 179 recapture		X
Depreciable property		X
Capital gain distributions	Sch D.	

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Where to Deduct Interest Expense

Basis & Holding

<u>TYPE OF INTEREST</u>	<u>WHERE TO DEDUCT</u>	<u>MORE INFORMATION</u>
Student loan interest	Form 1040, Sch. 1, Line 21	Pub. 970
Home mortgage interest & points on Form 1098	Schedule A, Line 8a	Pub. 936
Home mortgage interest and points not on Form 1098	Schedule A, Line 8b	Pub. 936
Deductible points not on Form 1098	Schedule A, Line 8c	Pub. 936
Investment interest for raw land	Form 4952	Pub. 550
Investment interest for stocks & taxable bonds	Form 4952	Pub. 550
Investment interest for S corporation stock	Schedule E, Page 2, Part 2, Line 28 as "Business Interest"	Notice 89-35
Non-farm business interest	Schedule C, Line 16	Pub. 535
Farm business interest	Schedule F, Line 21	Pub. 225
Rent/royalty related interest	Schedule E, Line 13	Pub. 527
New Car Loan after 12/31/24	Form 1040, Pre-AGI Form To Be Determined	7/4/25 BBB
Other personal interest	Non-deductible	§163(h)

<u>Type of Acquisition</u>	<u>Basis</u>	<u>Holding Period</u>
Gift	Lesser of donor's basis plus gift tax or FMV (if sold at gain use donor's basis, if sold at loss use lesser of donor's basis or FMV)	Donor's holding period unless valued at FMV then use gift date
Inheritance	FMV date of death or alternate valuation date	Always long term-if sold, show acquisition date as "inherited"
Inherited by spouse in joint tenant state	1/2 of cost basis plus 1/2 of FMV at date of death (but use full estate tax value for property purchased by decedent before 1977)	Same as above on inherited value
Divorce	Transferor's basis	Transferor's holding period

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Contribution Summary

Amount	Non-Cash	Cash
<\$250	Receipt Required	Receipt Required
>\$249 and <\$500	Receipt required and contemporaneous written acknowledgement from the charity	Receipt required and contemporaneous written acknowledgement from the charity
>\$500 and sold by charity	Receipt required and Form 1098-C showing charity's sales price; , and attach 1098-C to Form 1040, and deduction limited to 1098-C amount	Receipt required and contemporaneous written acknowledgement from the charity
>\$500 and <\$5,000 and retained for use or improved by charity	Receipt required and Form 8283 and contemporaneous written acknowledgement meeting certification of non-sale requirements, deduction allowed at FMV using private party sales pricing guidelines in used vehicle pricing guides	Receipt required and contemporaneous written acknowledgement from the charity
Over \$5,000 and retained for use or improvement by charity	Receipt required and written appraisal and signed Form 8283 and contemporaneous written acknowledgement meeting certification of non-sale requirements, deduction allowed at FMV using private party sales pricing guidelines in used vehicle pricing guides	Receipt required and contemporaneous written acknowledgement from the charity
Over \$500,000	All of the above, plus attach the appraisal to the tax return	Receipt required and contemporaneous written acknowledgement from the charity

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<u>Taxable Social Security</u>	<u>Single</u>	<u>Married Joint</u>
Not taxable MAGI	<\$25,000	<\$32,000
50% Taxable	\$25,000-34,000	\$32,000-44,000
85% Taxable	>\$34,000	>\$44,000

Other 2025 Limits	
Sec. 179	\$ 2,500,000
Teacher Deduction	\$300
Medical deduction floor	7.5% of AGI
Mortgage Interest Deduction Limit	\$750,000

2025 Babysitting (Dependent Care) Credit

1. Dependent under age 13 (or unable to self-care) when care is provided
2. 35% Credit rate on up to \$3,000 for 1, \$6,000 for >1 dependent care
3. Phaseout begins at \$15,000, ends at \$43,000 *and is non-refundable*

Tax Planning Tips

2025 After-the-Fact Planning	2025 After-the-Fact Questions
IRA/HSA contribute by 4/15	Electric car or solar?
Don't use installment/1031	Babysitting Credit?
Roth IRA by 4/15	Grandchild Dependent?
2026 Future Planning Tips	2026 More Future Planning Tips
Maximize 401k	Understand & Use 125 Plan
529 Plans	Health Savings Contributions
Rental Property	QCD for IRA RMD's

Qualifying Child Tests

1. *Child must be son, daughter, stepchild, foster child, brother, sister, 1/2 brother or sister, stepbrother or sister or any descendant of them.*
2. *Child must be either under 19 at end of year, OR under age 24 at end of year and full-time student, OR any age and permanently and totally disabled.*
3. *Child must have lived with taxpayer over 1/2 of year.*
4. *Child must not have provided over 1/2 of their own support.*
5. *The child is not filing a joint return with someone else (unless only a claim for a refund).*

2025 Gifts, Estates, LTC, Kiddie Tax

Annual gift, per person	\$19,000
Estate Exemption Equivalent	\$13,990,000
LTC Premium Deduction Age 41-50 <i>per person</i>	\$900.00
LTC Premium Deduction Age 51-60 <i>per person</i>	\$1,800.00
Kiddie Tax-Unearned Income Limit	\$2,700

2025 Home Energy Credits

25D	Solar, Wind or Geothermal	Clean Energy	30% of cost ends 12/31/2025
25C	Exterior Windows, Skylights	Efficient Home	30%, up to \$600 in purchase year Ends 12/31/2025
25C	Energy Efficient Doors	Efficient Home	30%, \$250 1 door, \$500 annual max. ends 12/31/2025
25C	Electric Heat Pumps	Efficient Home	30%, Up to \$2,000 ends 12/31/2025
30D	Electric Vehicle	Clean Vehicle	Up to \$7,500 Ends 9/30/25