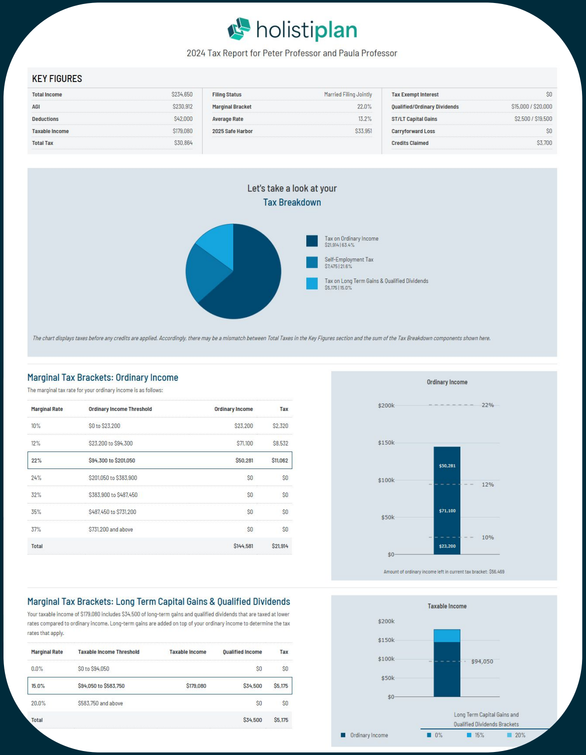


holistiplan

2024 Tax Report for Peter Professor and Paula Professor

KEY FIGURES

Total Income	$234,650	**Filing Status**	Married Filing Jointly	**Tax Exempt Interest**	$0
AGI	$230,912	**Marginal Bracket**	22.0%	**Qualified/Ordinary Dividends**	$15,000 / $20,000
Deductions	$42,000	**Average Rate**	13.2%	**ST/LT Capital Gains**	$2,500 / $19,500
Taxable Income	$179,080	**2025 Safe Harbor**	$33,951	**Carryforward Loss**	$0
Total Tax	$30,864			**Credits Claimed**	$3,700

Let's take a look at your
Tax Breakdown

The chart displays taxes before any credits are applied. Accordingly, there may be a mismatch between Total Taxes in the Key Figures section and the sum of the Tax Breakdown components shown here.

Marginal Tax Brackets: Ordinary Income

The marginal tax rate for your ordinary income is as follows:

Marginal Rate	Ordinary Income Threshold	Ordinary Income	Tax
10%	$0 to $23,200	$23,200	$2,320
12%	$23,200 to $94,300	$71,100	$8,532
22%	$94,300 to $201,050	$50,281	$11,062
24%	$201,050 to $383,900	$0	$0
32%	$383,900 to $487,450	$0	$0
35%	$487,450 to $731,200	$0	$0
37%	$731,200 and above	$0	$0
Total		**$144,581**	**$21,914**

Marginal Tax Brackets: Long Term Capital Gains & Qualified Dividends

Your taxable income of $179,080 includes $34,500 of long-term gains and qualified dividends that are taxed at lower rates compared to ordinary income. Long-term gains are added on top of your ordinary income to determine the tax rates that apply.

Marginal Rate	Taxable Income Threshold	Taxable Income	Qualified Income	Tax
0.0%	$0 to $94,050		$0	$0
15.0%	$94,050 to $583,750	$179,080	$34,500	$5,175
20.0%	$583,750 and above		$0	$0
Total			**$34,500**	**$5,175**

holistiplan

Using the **Tax Report**

Basics of Taxation

Reviewing the basics of taxation that make its way from the tax return to the Tax Report.

Tax Report Sections

A preview of the sections that may populate on the Tax Report, their uses, and planning opportunities.

Peter and Paula Professor

A live demonstration reviewing Peter and Paula's 2024 Tax Report.

Basics of **Taxation**

Total Income

"Above the Line" Deductions
- IRA contributions
- HSA contributions
- SE Tax
- SE Health Insurance
- SEP-IRA/Solo 401k Contributions

Adjusted Gross Income

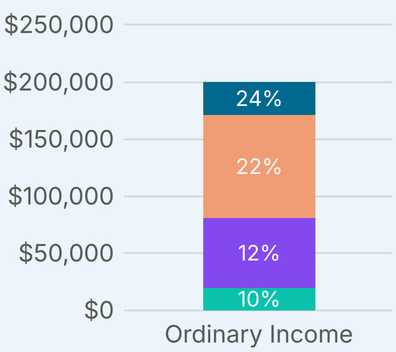
Standard/Itemized Deductions

Qualified Business Income Deduction

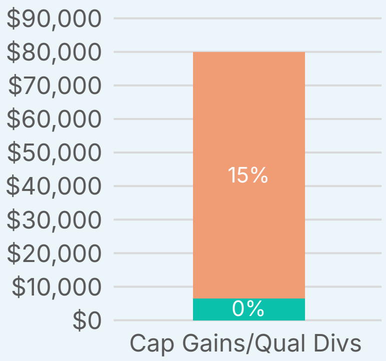
Taxable Income

Ordinary income

- Wages
- Taxable Interest
- Ordinary Dividends
- Taxable IRA Distributions
- Taxable Social Security
- Short-Term Capital Gains
- Business Income (Schedule C)
- Rental, Royalty, Partnership, S-Corp (Schedule E)



Qualified Dividends/Long-Term Capital Gains



Taxes

Taxes and Credits

Taxes

- Income Taxes
- Other Taxes
  - Alternative Minimum Tax (AMT)
  - Self-Employment Tax
  - Additional Medicare Tax
  - Net Investment Income Tax

Credits

- Non-Refundable: reduce tax bill to zero
  - Foreign Tax Credit
  - Child Tax Credit (mostly)
  - Dependent Care Expenses
- Refundable: reduce tax bill *below* zero
  - Earned Income Tax Credit
  - ACA Premium Tax Credit
  - American Opportunity Credit (partial)

Tax Report
Sections

KEY FIGURES

Total Income	$234,650
AGI	$230,912
Deductions	$42,000
Taxable Income	$179,080
Total Tax	$30,864

Filing Status	Married Filing Jointly
Marginal Bracket	22.0%
Average Rate	13.2%
2025 Safe Harbor	$33,951

Tax Exempt Interest	$0
Qualified/Ordinary Dividends	$15,000 / $20,000
ST/LT Capital Gains	$2,500 / $19,500
Carryforward Loss	$0
Credits Claimed	$3,700

Marginal Rate = Rate of tax on last dollar of ordinary income

KEY FIGURES

Total Income	$234,650	Filing Status	Married Filing Jointly	Tax Exempt Interest	$0
AGI	$230,912	Marginal Bracket	22.0%	Qualified/Ordinary Dividends	$15,000 / $20,000
Deductions	$42,000	Average Rate	13.2%	ST/LT Capital Gains	$2,500 / $19,500
Taxable Income	$179,080	2025 Safe Harbor	$33,951	Carryforward Loss	$0
Total Tax	$30,864			Credits Claimed	$3,700

Average Rate = Total Tax / Total Income

KEY FIGURES

Total Income	$234,650
AGI	$230,912
Deductions	$42,000
Taxable Income	$179,080
Total Tax	$30,864

Filing Status	Married Filing Jointly
Marginal Bracket	22.0%
Effective Rate	17.2%
2025 Safe Harbor	$33,951

Tax Exempt Interest	$0
Qualified/Ordinary Dividends	$15,000 / $20,000
ST/LT Capital Gains	$2,500 / $19,500
Carryforward Loss	$0
Credits Claimed	$3,700

Effective Rate = Total Tax / Taxable Income

KEY FIGURES

Total Income	$234,650
AGI	$230,912
Deductions	$42,000
Taxable Income	$179,080
Total Tax	$30,864

Tax Exempt Interest	$0
Qualified/Ordinary Dividends	$15,000 / $20,000
ST/LT Capital Gains	$2,500 / $19,500
Carryforward Loss	$0
Credits Claimed	$3,700

Safe Harbor ×

This number represents the amount that the taxpayer could pay, via withholding and estimated taxes, to avoid an underpayment penalty.

This safe harbor amount is calculated by multiplying last year's tax bill, net of credits, by 100%, (or 110% for taxpayers with AGI over $150,000, or $75,000 for married filing separate).

Not depicted here is the alternative calculation, which is to pay at least 90% of the eventual tax bill. This method is potentially more challenging and prone to error, given that estimating the tax bill with certainty will be harder than using a fixed number from last year's return.

Note that this safe harbor amount does not necessarily preclude all penalties. The taxpayer could still get a penalty for incorrectly matching the timing of estimated tax payments against the timing of the actual income.

Close

KEY FIGURES

Total Income	$114,550
AGI	$114,550
Deductions	$32,300
Taxable Income	$82,250
Total Tax	$8,776

Filing Status	Married Filing Jointly
Marginal Bracket	12.0%
Average Rate	7.7%
2025 Safe Harbor	$8,776
Tax Exempt Pct. of Total Interest	63.8%

Tax Exempt Interest	$3,700
Qualified/Ordinary Dividends	$2,250 / $10,000
ST/LT Capital Gains	$1,000 / $3,000
Carryforward Loss	$0
Total/Taxable Social Security	$57,000 / $48,450
Credits Claimed	$0

$$\text{Tax Equivalent Yield} = \frac{\text{Tax-Exempt Yield}}{(1 - \text{Tax Rate})}$$

Tax Exempt Yield = 2%	Tax Equivalent Yield
10%	2.2%
12%	2.27%
22%	2.56%
24%	2.63%
32%	2.94%
35%	3.08%
37%	3.17%

KEY FIGURES

Total Income	$114,550	Filing Status	Married Filing Jointly	Tax Exempt Interest	$3,700
AGI	$114,550	Marginal Bracket	12.0%	Qualified/Ordinary Dividends	$2,250 / $10,000
Deductions	$32,300	Average Rate	7.7%	ST/LT Capital Gains	$1,000 / $3,000
Taxable Income	$82,250	2025 Safe Harbor	$8,776	Carryforward Loss	$0
Total Tax	$8,776	Tax Exempt Pct. of Total Interest	63.8%	Total/Taxable Social Security	$57,000 / $48,450
				Credits Claimed	$0

Social Security - depending on income, benefits are taxable anywhere from 0% to 85%

KEY FIGURES

Three Columns Two Columns

Total Income	$102,880	Filing Status	Married Filing Jointly	Tax Exempt Interest	$3,700
Adjusted Gross Income (AGI)	$102,880	Marginal Bracket	12.0%	Qualified/Ordinary Dividends	$2,250 / $10,000
Deductions	$34,700	Average Rate	2.3%	ST/LT Capital Gains	$0 / $0
Taxable Income	$26,180	2025 Safe Harbor	$2,155	Carryforward Loss	$0
Total Tax	$2,395	Tax Exempt Pct. of Total Interest	63.8%	Total/Taxable Social Security	$60,000 / $45,780
Enhanced Senior Deduction	$12,000	Qualified Tips Deduction	$10,000	Credits Claimed	$0
Qualified Overtime Deduction	$10,000			Car Loan Interest Deduction	$10,000

Beginning Tax Year 2025

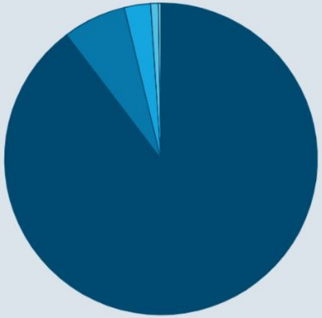
Let's take a look at your

Tax Breakdown

The chart displays taxes before any credits are applied. Accordingly, there may be a mismatch between Total Taxes in the Key Figures section and the sum of the Tax Breakdown components shown here.

Let's take a look at your

Tax Breakdown



- Tax on Ordinary Income
  $34,905 | 89.7%
- Tax on Long Term Gains & Qualified Dividends
  $2,550 | 6.5%
- Net Investment Income Tax
  $1,061 | 2.7%
- Self-Employment Tax
  $317 | 0.8%
- Additional Medicare Tax
  $98 | 0.3%

The chart displays taxes before any credits are applied. Accordingly, there may be a mismatch between Total Taxes in the Key Figures section and the sum of the Tax Breakdown components shown here.

KEY FIGURES

Total Income	$234,650
AGI	$230,912
Deductions	$42,000
Taxable Income	$179,080
Total Tax	$30,864

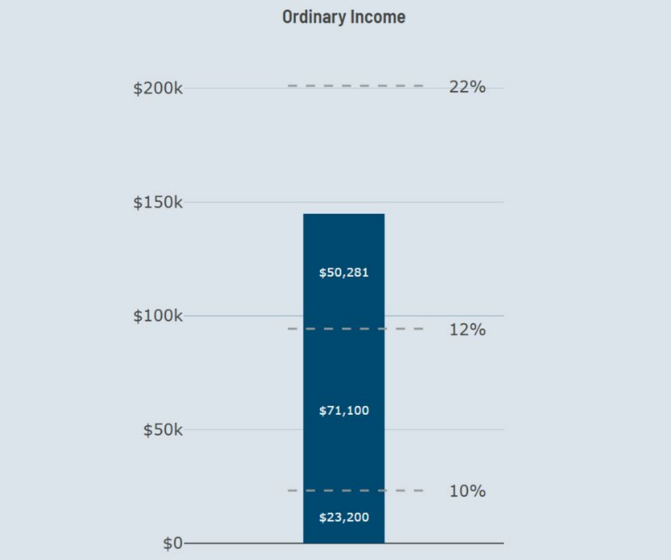
Filing Status	Married Filing Jointly
Marginal Bracket	22.0%
Average Rate	13.2%
2025 Safe Harbor	$33,951

Tax Exempt Interest	$0
Qualified/Ordinary Dividends	$15,000 / $20,000
ST/LT Capital Gains	$2,500 / $19,500
Carryforward Loss	$0
Credits Claimed	$3,700

Marginal Tax Brackets: Ordinary Income

The marginal tax rate for your ordinary income is as follows:

Marginal Rate	Ordinary Income Threshold	Ordinary Income	Tax
10%	$0 to $23,200	$23,200	$2,320
12%	$23,200 to $94,300	$71,100	$8,532
22%	$94,300 to $201,050	$50,281	$11,062
24%	$201,050 to $383,900	$0	$0
32%	$383,900 to $487,450	$0	$0
35%	$487,450 to $731,200	$0	$0
37%	$731,200 and above	$0	$0
Total		$144,581	$21,914



Amount of ordinary income left in current tax bracket: $56,469

KEY FIGURES

Total Income	$234,650
AGI	$230,912
Deductions	$42,000
Taxable Income	$179,080
Total Tax	$30,864

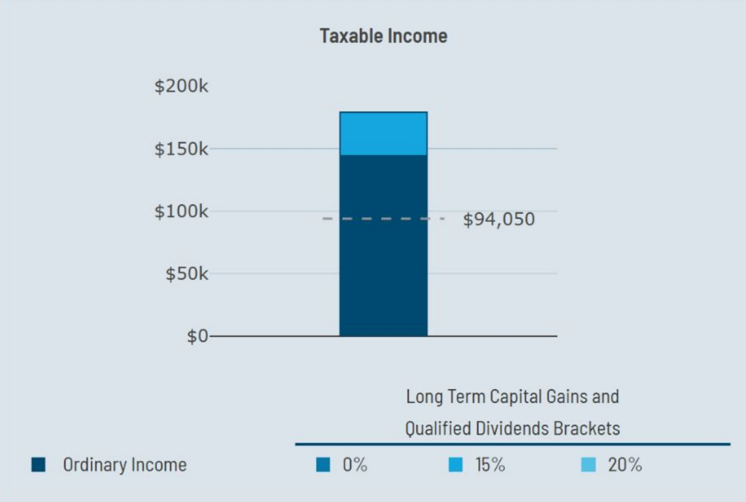
Filing Status	Married Filing Jointly
Marginal Bracket	22.0%
Average Rate	13.2%
2025 Safe Harbor	$33,951

Tax Exempt Interest	$0
Qualified/Ordinary Dividends	$15,000 / $20,000
ST/LT Capital Gains	$2,500 / $19,500
Carryforward Loss	$0
Credits Claimed	$3,700

Marginal Tax Brackets: Long Term Capital Gains & Qualified Dividends

Your taxable income of $179,080 includes $34,500 of long-term gains and qualified dividends that are taxed at lower rates compared to ordinary income. Long-term gains are added on top of your ordinary income to determine the tax rates that apply.

Marginal Rate	Taxable Income Threshold	Taxable Income	Qualified Income	Tax
0.0%	$0 to $94,050		$0	$0
15.0%	$94,050 to $583,750	$179,080	$34,500	$5,175
20.0%	$583,750 and above		$0	$0
Total			**$34,500**	**$5,175**



Marginal Tax Brackets: Ordinary Income

Alternative Minimum Tax (AMT)

Technically, the IRS asks taxpayers to calculate their taxes two ways (the standard way and the Alternative Minimum Tax way), with the resulting tax liability being whichever method results in a higher amount. The AMT method starts with the taxable income of the standard way, then adds back certain deductions and "preference items." Qualified dividends and long-term capital gains are taxed the same in both systems, but ordinary income is subject to just two marginal rates of 26% and 28% in the AMT system.

Before factoring in any other taxes, your standard tax liability was $70,503, while your AMT tax liability was $87,145, so you paid the latter.

The marginal tax rate for your ordinary income is as follows:

Marginal Rate	AMT Ordinary Income Threshold	AMT Income	Tax
26%	$0 to $220,700	$220,700	$57,382
28%	$220,700 and above	$72,188	$20,213
Total		$292,888	$77,595

Medicare Part B/D Premiums for 2026

Medicare Parts B and D premiums can be impacted by Modified Adjusted Gross Income* (MAGI). Your MAGI is $230,913.
Amounts are monthly per person.

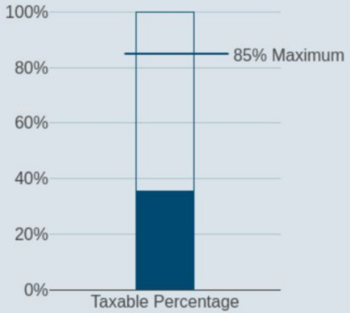
*MAGI = AGI + Tax-Exempt Interest

MAGI Threshold	MAGI	Part B Premium	Part D Premium
$0 to $212,000		$185.00	Your Plan Premium
$212,000 to $266,000	**$230,913**	**$185.00 + $74.00 = $259.00**	**Your Plan Premium + $13.70**
$266,000 to $334,000		$185.00 + $185.00 = $370.00	Your Plan Premium + $35.30
$334,000 to $400,000		$185.00 + $295.90 = $480.90	Your Plan Premium + $57.00
$400,000 to $750,000		$185.00 + $406.90 = $591.90	Your Plan Premium + $78.60
$750,000 and above		$185.00 + $443.90 = $628.90	Your Plan Premium + $85.80

Social Security

TAXATION OF SOCIAL SECURITY

Taxable Percentage	Income Threshold	Combined Income *	Your Taxable Percentage
0% Taxable	Less than $32,000		
Up to 50.0% taxable	$32,000 to $44,000		
Up to 85.0% taxable	**More than $44,000**	**$55,723**	**35.5%**



SOCIAL SECURITY

Description	Amount
Total Benefits	$45,000
Taxable Percentage	35.5%
Taxable Benefits	$15,965

* *Combined income (provisional income)*

AGI (not including Social Security benefits)	*$33,223*
Nontaxable Interest	*$0*
50% of your Social Security benefits	*$22,500*
Total combined income	***$55,723***

Schedule A

The tax return listed the following items on Schedule A:

ITEMIZED DEDUCTION SUMMARY

Deduction	Amount Claimed
Medical & Dental Expenses	$0
State & Local Taxes	$10,000
Mortgage & Investment Interest Expense	$22,000
Gifts To Charity	$10,000
Casualty & Theft Losses	$0
Other Itemized Deductions	$0
Total Itemized Deductions	$42,000

Your total itemized deductions exceeded the standard deduction by $12,800

Schedule B - Income Sources

The tax return listed the following income sources on Schedule B

INTEREST

Description	Amount
BANK OF AMERICA	$1,500
ALLY BANK	$2,000
SCHWAB	$2,500

DIVIDENDS

Description	Amount
VANGUARD	$10,000
SCHWAB	$10,000

- Did we know about these accounts?
- If there is significant interest coming from a bank, is that an indication that there are large amounts of cash potentially sitting unproductive?

Schedule D - Capital Gains/Losses

The tax return listed the following sources of capital gains/losses

SHORT TERM

Description	Amount
Short Term Gain/Loss for 2023	$5,000
Short Term Loss Carryover from 2022	($10,000)
Total Short Term Gain/Loss for 2023	($5,000)

LONG TERM

Description	Amount
Long Term Gain/Loss for 2023	$50,000
Capital Gain Distributions for 2023	$10,000
Total Long Term Gain/Loss for 2023	$60,000

TOTAL

Total Gains/Losses for 2023	$55,000

CARRY FORWARD LOSSES TO 2024

Short Term Loss	$0
Long Term Loss	$0

GAINS AND COLLECTIBLES

1250 Gains: $10,000

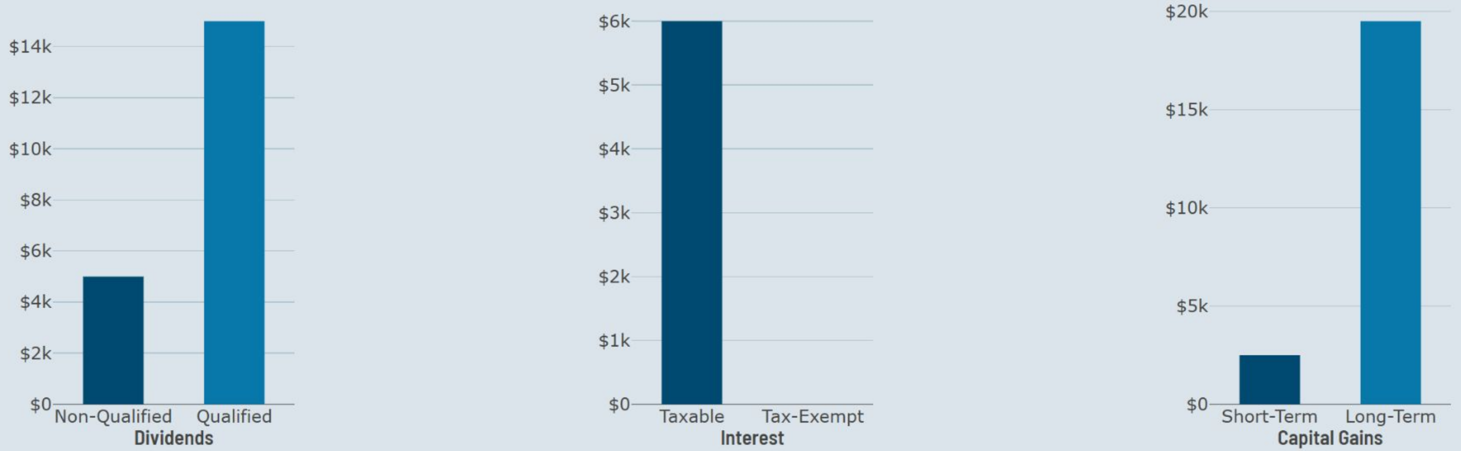
Section 1250 depreciation capture is taxed as ordinary income up to a maximum rate of 25%. You had $10,000 of this type of income that was taxed at the 25% rate for $2,500, with any remainder that helped make up taxable income taxed as ordinary income.

Collectibles: $10,000

Collectibles are taxed as ordinary income up to a maximum rate of 28%. You had $0 of this type of income that was taxed at the 28% rate for $0, with any remainder that helped make up taxable income taxed as ordinary income.

Let's take a look at the tax efficiency of your investment income

Different types of investment income are taxed differently. For example, non-qualified dividends and short-term capital gains are taxed as ordinary income at higher rates, while qualified dividends and long-term capital gains are taxed at lower preferential rates. And depending on your marginal bracket, it may be more tax efficient to use tax-free income vehicles like municipal bonds/bond funds instead of taxable income options.



Schedule C/E - Income Sources

The tax return listed the following businesses and entities on schedules C or E

SCHEDULE C

Business Name	Net Profit
PAULA'S PALATE	$52,900.00

SCHEDULE E

Rental Real Estate and Royalties
100 BEACHFRONT DRIVE WILMINGTON, NC 27516

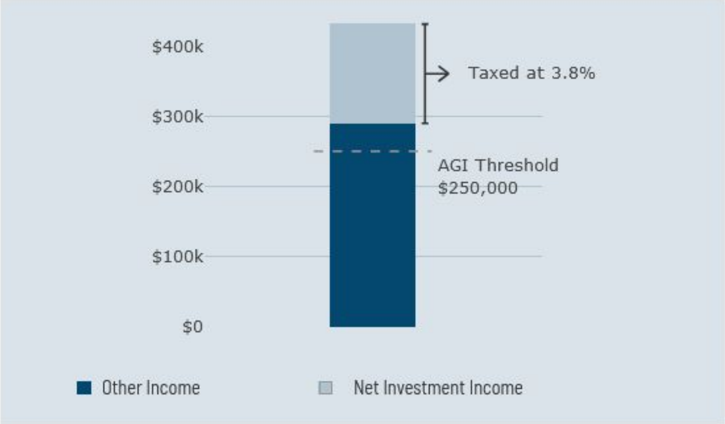
- Did we know about the business?
- Liability protection?
- Are there opportunities for retirement plan contributions?
- Are there opportunities for *other* deductions, like self-employed health insurance?

- Did we know about these entities?
- Are rental properties productive/cash flow positive?
- Potential depreciation recapture upon sale of rental properties
- Liability protection?
- Estate distribution ramifications

Net Investment Income Tax Summary

The Net Investment Income Tax (NIIT) is a 3.8% tax on the lesser of investment income or the amount over the income threshold where the NIIT is triggered which is $200,000 (single filers) or $250,000 (joint filers).

Description	Amount
Modified adjusted gross income	$430,761
Threshold for Net Investment Income Tax	$250,000
Net Investment Income	$141,000
Lesser of Net Investment Income or MAGI in excess of the NIIT threshold	$141,000
Net Investment Income Tax	$5,358



Modified Adjusted Gross Income (MAGI): Planning Considerations

Certain deductions and tax incentives phase out as income reaches certain levels. The definition of "income" for these phase outs can be different. The term "Modified Adjusted Income" (MAGI) is generally used, but there are several definitions of MAGI that are slightly different from each other.

MAGI Definition 1 (Hide All Items)	**$230,913**	
Coverdell ESA	$190,000 - $220,000	Over
Lifetime Learning Credit	$160,000 - $180,000	Over
American Opportunity Credit	$160,000 - $180,000	Over
Child Tax Credit	$400,000 - $440,000	Under
Qualified Adoption Expenses Credit	$252,150 - $292,150	Under
Savers Credit	$46,000 - $76,500	Over
Clean Vehicle Credit (New)	$0 - $300,000	Under
Clean Vehicle Credit (Used)	$0 - $150,000	Over
MAGI Definition 2 (Hide All Items)	**$230,913**	
Net Investment Income Tax	$0 - $250,000	Under
MAGI Definition 3 (Hide All Items)	**$221,163**	
Roth IRA Contribution	$230,000 - $240,000	Under
MAGI Definition 4 (Hide All Items)	**$230,913**	
Student Loan Interest Deduction	$165,000 - $195,000	Over
MAGI Definition 5 (Hide All Items)	**$230,912**	
IRA Contribution Deductibility - Covered by Qualified Plan	$123,000 - $143,000	Over
IRA Contribution Deductibility - Not Covered/Spouse Covered	$230,000 - $240,000	Phase Out
MAGI Definition 6 (Hide All Items)	**$230,913**	
ACA Premium Credit	770% of federal poverty limit (48 States and DC)	

Modified Adjusted Gross Income (MAGI): Planning Considerations

Certain deductions and tax incentives phase out as income reaches certain levels. The definition of "income" for these phase outs can be different. The term "Modified Adjusted Income" (MAGI) is generally used, but there are several definitions of MAGI that are slightly different from each other.

MAGI Definition 1 (Hide All Items)		
Coverdell ESA		Over
Lifetime Learning Credit		Over
American Opportunity Credit		Over
Child Tax Credit		Under
Qualified Adoption Expenses Credit		Under
Savers Credit		Over
Clean Vehicle Credit (New)		Under
Clean Vehicle Credit (Used)		Over
MAGI Definition 2 (Hide All Items)		
Net Investment Income Tax		Under
MAGI Definition 3 (Hide All Items)		
Roth IRA Contribution		Under
MAGI Definition 4 (Hide All Items)		
Student Loan Interest Deduction	$190,000 - $220,000	Over
MAGI Definition 5 (Hide All Items)	$230,912	
IRA Contribution Deductibility - Covered by Qualified Plan	$123,000 - $143,000	Over
IRA Contribution Deductibility - Not Covered/Spouse Covered	$230,000 - $240,000	Phase Out
MAGI Definition 6 (Hide All Items)	$230,913	
ACA Premium Credit	770% of federal poverty limit (48 States and DC)	

Savers Credit

Credit for contributions to an IRA or employer-sponsored retirement plan, or an ABLE account (if the taxpayer is the designated beneficiary). Depending on AGI, credit could be 10%, 20%, or 50% of the first $2,000 ($4,000 for joint filers) contributed to eligible retirement accounts.

Close

Modified Adjusted Gross Income (MAGI): Planning Considerations

Certain deductions and tax incentives phase out as income reaches certain levels. The definition of "income" for these phase outs can be different. The term "Modified Adjusted Income" (MAGI) is generally used, but there are several definitions of MAGI that are slightly different from each other.

Total Income	$234,650
AGI	$230,912
Deductions	$42,000
Taxable Income	$179,080
Total Tax	$30,864

MAGI Definition 1 (Hide All Items)	$230,913	
Coverdell ESA	$190,000 - $220,000	
Lifetime Learning Credit	$160,000 - $180,000	
American Opportunity Credit	$160,000 - $180,000	
Child Tax Credit	$400,000 - $440,000	
Qualified Adoption Expenses Credit	$252,150 - $292,150	
Savers Credit	$46,000 - $76,500	
Clean Vehicle Credit (New)	$0 - $300,000	Under
Clean Vehicle Credit (Used)	$0 - $150,000	Over
MAGI Definition 2 (Hide All Items)	$230,913	
Net Investment Income Tax	$0 - $250,000	Under
MAGI Definition 3 (Hide All Items)	$221,163	
Roth IRA Contribution	$230,000 - $240,000	Under
	$230,913	
	$165,000 - $195,000	Over
	$230,912	
	$123,000 - $143,000	Over
	$230,000 - $240,000	Phase Out
	$230,913	
	770% of federal poverty limit (48 States and DC)	
	$0 - $300,000	

MAGI Definition 3 ×

AGI + IRA Deduction + Student Loan Interest Deduction + Tuition and Fees Deduction (2020 only) + Total Foreign Income Exclusions + Foreign Housing Deduction - Taxable Roth Conversion

Close

Modified Adjusted Gross Income (MAGI): Planning Considerations

Certain deductions and tax incentives phase out as income reaches certain levels. The definition of "income" for these phase outs can be different. The term "Modified Adjusted Income" (MAGI) is generally used, but there are several definitions of MAGI that are slightly different from each other.

MAGI Definition 1 (Hide All Items)	$102,880		
Coverdell ESA	$190,000 - $220,000	Under	
Lifetime Learning Credit	$160,000 - $180,000	Under	
American Opportunity Credit	$160,000 - $180,000	Under	
Child Tax Credit	$400,000 - $400,000	Under	
Qualified Adoption Expenses Credit	$259,190 - $299,190	Under	
Savers Credit	$51,000 - $79,000	Above	
Clean Vehicle Credit (New) - Expires 9/30/2025	$0 - $300,000	Under	
Clean Vehicle Credit (Used) - Expires 9/30/2025	$0 - $150,000	Under	
Enhanced Deduction for Seniors	$150,000 - $250,000	Under	
SALT Deduction Cap	$500,000 - $600,000	Under	
Qualified Tips Deduction	$300,000 - $550,000	Under	
Overtime Deduction	$300,000 - $550,000	Under	
Car Loan Interest Deduction	$200,000 - $250,000	Under	

Beginning Tax Year 2025

Modified Adjusted Gross Income (MAGI): Planning Considerations

Certain deductions and tax incentives phase out as income … sted Income" (MAGI) is generally used, but there are several definitions of MAGI that are slightly different from each oth…

MAGI Definition 1 (Hide All Items)

Coverdell ESA		Under
Lifetime Learning Credit		Under
American Opportunity Credit		Under
Child Tax Credit		Under
Qualified Adoption Expenses Credit		Under
Savers Credit		Above
Clean Vehicle Credit (New) - Expires 9/30/2025		Under
Clean Vehicle Credit (Used) - Expires 9/30/2025		Under
Enhanced Deduction for Seniors		Under
SALT Deduction Cap		Under
Qualified Tips Deduction		Under
Overtime Deduction		Under
Car Loan Interest Deduction	$160,000 - $180,000	Under

Enhanced Deduction for Seniors

From 2025 to 2028, seniors who are age 65 or older by the end of the tax year can claim a deduction of up to $6,000 per eligible filer. The deduction is available to both itemizers and non-itemizers. However, married couples filing separately who live together are not eligible.

Close

Beginning Tax Year 2025

Deductions & Credits

Deductions reduce the amount of income subject to tax while credits reduce taxes dollar for dollar.

DEDUCTIONS

Claimed	Deduction
Deductible Part of Self-Employment Tax	$3,738
State, Local, and Other Taxes Deducted	$10,000
Mortgage and Investment Interest Expense Deduction	$22,000
Gifts to Charity	$10,000
Qualified Business Income Deduction	$9,832

CREDITS

Claimed	Credit	Type
Non-Refundable Child Tax Credit + Credit for Other Dependents	$2,500	Non-refundable
Dependent Care	$600	Non-refundable
Energy Efficient Home Improvement Credit	$600	Non-refundable

Peter and Paula
Professor