## 2025 IRS CHANGES by Dr. Vestine Matthew



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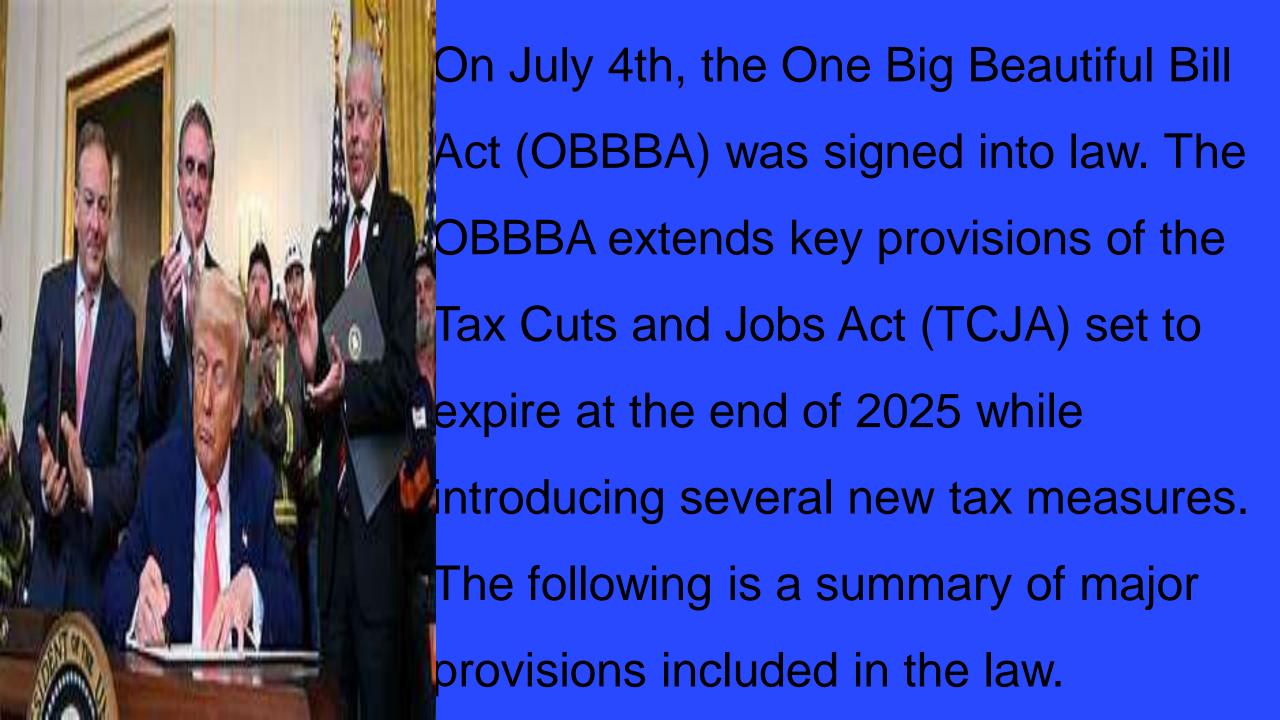
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# Income Tax Deduction & Provision

The increased standard deduction from the TCJA is made permanent. The 2025 standard deduction is \$15,750 for single filers and \$31,500 for married filing jointly, adjusted for inflation thereafter.



### Single

Bracket	TCJA		OBBBA	
	Start	End	Start	End
10%	\$0	\$12,116	\$0	\$12,341
12%	\$12,116	\$49,225	\$12,341	\$50,142
22%	\$49,225	\$104,938	\$50,142	\$104,938
24%	\$104,938	\$200,335	\$104,938	\$200,335
32%	\$200,335	\$254,394	\$200,335	\$254,394
35%	\$254,394	\$635,985	\$254,394	\$635,985
37%	\$635,985		\$635,985	

#### **Head of Household**

Bracket	TCJA		OBBBA	
	Start	End	Start	End
10%	\$0	\$17,299	\$0	\$17,621
12%	\$17,299	\$65,888	\$17,621	\$67,115
22%	\$65,888	\$104,938	\$67,115	\$104,938
24%	\$104,938	\$200,335	\$104,938	\$200,335
32%	\$200,335	\$254,394	\$200,335	\$254,394
35%	\$254,394	\$635,985	\$254,394	\$635,985
37%	\$635,985		\$635,985	

#### **Married Filing Jointly**

Bracket	TCJA		ОВВВА	
	Start	End	Start	End
10%	\$0	\$24,231	\$0	\$24,682
12%	\$24,231	\$98,450	\$24,682	\$100,284
22%	\$98,450	\$209,875	\$100,284	\$209,875
24%	\$209,875	\$400,671	\$209,875	\$400,671
32%	\$400,671	\$508,788	\$400,671	\$508,788
35%	\$508,788	\$763,182	\$508,788	\$763,182
37%	\$763,182		\$763,182	

#### **Enhanced Deduction for Seniors**

A \$6,000 deduction per eligible filer for seniors (age 65 or older) with a modified adjust gross income (MAGI) that does no exceed \$75,000 for single filers and \$150,000 for married filing jointly. The deduction is available for tax years 2025 through 2028



## No Tax on Tips

For tax years 2025 through 2028,

eligible taxpayers may deduct up to

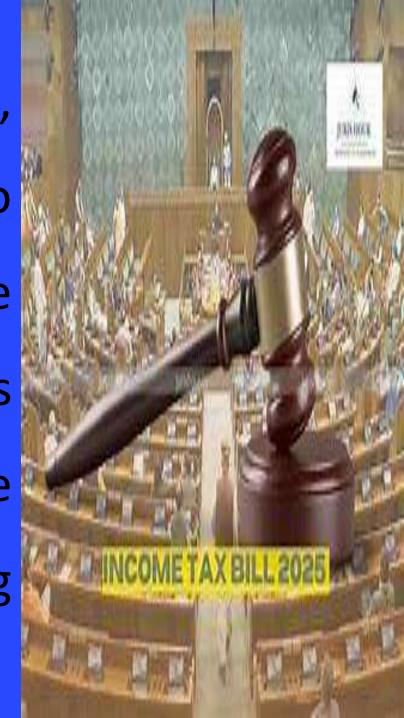
\$25,000 for qualified tips. The

deduction phases out for adjusted gross

income (AGI) over \$150,000 for single

filers and \$300,000 married filing

jointly.



#### No Tax on Overtime

For tax years 2025 through 2028, eligible taxpayers may deduct up to \$12,500 (\$25,000 in the case of a joint return) of qualified overtime compensation. The deduction phases out for AGI over \$150,000 for single filers and \$300,000 married filing jointly



#### **CTC-Child Tax Credit**

The One Big Beautiful Bill Act increases the Child Tax Credit by \$200 per child under the age of 17, to \$2,200 from \$2,000



#### Trump Accounts for child savings

New, temporary, one-time

account funding of \$1,000

per child born in 2025

through 2028.



Auto loan interest deduction

New temporary

deduction worth up to

\$10,000 of annual

interest on new auto

loans



1099-K reporting threshold

Reverts back to a previous threshold of \$20,000 and 200 transactions.



# Full expensing of certain business property

Allows businesses to take a 100% bonus expense deduction for certain property purchased during the tax year.



## **Clean Energy Credits**

The 2 most popular energy tax credit incentives currently available to taxpayers - the Energy Efficient Home Improvement Credit and Residential Clean Energy Credit now both expire on December 31,



#### clean vehicles, commercial clean vehicles

Clean vehicles and commercial clean vehicles are scheduled to terminate between September 30, 2025.





## Q&A