

2025 and 2026 tax brackets and federal income tax rates

Understanding how your income falls into different tax brackets can help with tax planning.

Fidelity Viewpoints



Key takeaways

The IRS uses 7 brackets to calculate your tax bill based on your income and filing status.

As your income rises it can push you into a higher tax bracket and may increase how much you owe.

You don't pay the same tax rate on every dollar of income. Your income is broken down by thresholds. As you surpass each threshold, your income gradually moves to a higher bracket with a higher tax rate.

Your marginal tax rate is the rate you pay on your highest dollar of income. Your effective tax rate is the total percentage of income you pay in taxes.

You can potentially lower your tax bill by contributing more to retirement plans, claiming more deductions, delaying income until the following year, and tax-loss harvesting.

Figuring out how much you owe for taxes can be complex and sometimes takes some work. That's because the federal government and the Internal Revenue Service (IRS) don't assess the same amount of tax for every dollar you earn. Instead, the IRS assigns your income to brackets with tax rates that increase as you earn more money.

In addition to important changes to tax brackets, [recent legislation](#) has also expanded tax deductions that could help you save more if you plan to give to charity, live in a high-tax state, and more.

Following are the federal tax tables and how to make sense of them to potentially reduce your upcoming tax bill.

2025 tax brackets

10%	\$11,925 or less	\$23,850 or less	\$11,925 or less	\$17,000 or less
12%	\$11,926 to \$48,475	\$23,851 to \$96,950	\$11,926 to \$48,475	\$17,001 to \$64,850
22%	\$48,476 to \$103,350	\$96,951 to \$206,700	\$48,476 to \$103,350	\$64,851 to \$103,350
24%	\$103,351 to \$197,300	\$206,701 to \$394,600	\$103,351 to \$197,300	\$103,351 to \$197,300
32%	\$197,301 to \$250,525	\$394,601 to \$501,050	\$197,301 to \$250,525	\$197,301 to \$250,500
35%	\$250,526 to \$626,350	\$501,051 to \$751,600	\$250,526 to \$375,800	\$250,501 to \$626,350
37%	Over \$626,350	Over \$751,600	Over \$375,800	Over \$626,350

Source: Internal Revenue Service

2026 tax brackets

Tax rate	Single filers	Married couples filing jointly	Married couples filing separately	Head of household
10%	\$12,400 or less	\$24,800 or less	\$12,400 or less	\$17,700 or less
12%	\$12,401 to \$50,400	\$24,801 to \$100,800	\$12,401 to \$50,400	\$17,701 to \$67,450
22%	\$50,401 to \$105,700	\$100,801 to \$211,400	\$50,401 to \$105,700	\$67,451 to \$105,700
24%	\$105,701 to \$201,775	\$211,401 to \$403,550	\$105,701 to \$201,775	\$105,701 to \$201,750
32%	\$201,776 to \$256,225	\$403,551 to \$512,450	\$201,776 to \$256,225	\$201,751 to \$256,200
35%	\$256,226 to \$640,600	\$512,451 to \$768,700	\$256,226 to \$384,350	\$256,201 to \$640,600
37%	Over \$640,600	Over \$768,700	Over \$384,350	Over \$640,600

Source: Internal Revenue Service

How do tax brackets work?

The US has a progressive tax system at the federal level with 7 tax brackets. As you earn more money, the additional income jumps to a higher bracket with a higher tax rate. (Over a certain amount, your income is taxed no further.) The Internal Revenue Service [adjusts federal income tax brackets](#) annually to account for inflation, and the new brackets can help you estimate your tax obligation based on your income and filing status for the year.

For example, a hypothetical single filer would owe 10% on the first \$11,925 of taxable income in 2025 whether that amount represents their total earnings, or they earn \$1 million. The next tax bracket is 12% of taxable income levels between \$11,926 to \$48,475. The tax rates continue to increase as someone's income moves into higher brackets.

The IRS uses different federal income tax brackets and ranges depending on filing status:

- Single filers
- [Married filing jointly](#)
- Married filing separately
- Heads of households who are unmarried but taking care of a qualifying child or dependent

Read more in *Viewpoints* about [how tax brackets work](#).

How do you figure out what tax bracket you're in?

You can [figure out what tax bracket you're in](#) using the tables published by the IRS (see tables above). To figure out your tax bracket, first look at the rates for the filing status you plan to use: single, married filing jointly, married filing separately, or head of household.

Next, determine your taxable income. Start by adding up all the income you've earned for the year that will be taxed, such as from salary, bonuses, tips, freelance income, alimony (from an agreement finalized prior to 2019 that has not since been modified), and interest earnings. Subtract things like 401(k) contributions and HSA contributions (these are already factored into your W-2, if you will receive one). Then subtract

Note: The top tax rate your income falls into is not the actual rate you'll pay. It's the rate you'll pay on the amount of income that falls into the last bracket.

Find the appropriate boxes listing the income thresholds for your taxable income and filing status to determine how much of your income falls in each bracket.

What is your federal marginal tax rate?

The federal marginal tax rate is the federal income tax rate owed on your highest dollar of income. For example, if your income falls into the 24% tax bracket, your federal marginal tax rate is 24%. You might owe 24 cents for every dollar you earn. If your income pushes you into a higher tax bracket, your marginal tax rate increases to that next percentage, and you'd owe a higher share of taxes on the additional income.

What is your federal effective tax rate?

Your federal effective tax rate is the total percentage of your income you pay in federal income tax, calculated by dividing what you owe in taxes by your total income. It essentially sums up how much you owe for each tax bracket into one percentage. For example, assume a hypothetical taxpayer who is married with \$150,000 of joint income in 2025 is claiming the standard deduction of \$31,500.

Without considering other income, adjustments to income, or other deductions, their taxable income would be \$118,500. They would owe the following in federal income taxes for 2025.

- 10% of the first \$23,850 = \$2,385
- 12% of the next portion (\$73,100) up to \$96,950 = \$8,772
- 22% Of the remaining portion (\$21,550) up to \$206,700 = \$4,741

They owe \$15,898 of total taxes on \$150,000 of income. Their effective tax rate is then calculated as follows:

- $\$15,898 / \$150,000 = 10.59\%$

Potential ways to get into a lower tax bracket

You can potentially get into a lower tax bracket by reducing your taxable income for the year. Here are some tactics to consider:

- **Maximize potential tax breaks.** Any deductions and adjustments to income you claim could reduce your taxable income, which can push you into a lower tax bracket. Ensure you are using all the deductions and adjustments to income you are eligible for.

Find out more about the expanded deduction for state and local taxes (SALT) and a new senior deduction in *Viewpoints*.

- **Consider bunching deductions if you plan to itemize.** Bunching means concentrating deductions in a single year. This strategy can work well when your total itemized deductions for a single year fall below the standard deduction. Charitable contributions for several years made at once may allow the total of itemized deductions to exceed the standard deduction, making it possible to obtain a tax deduction for at least part of the charitable contributions. However, this strategy requires having the financial capacity to pack more than a year's worth of your contributions into a single year. Deducting charitable contributions may be subject to adjusted gross income (AGI) limits depending on the receiving charity and what you donated. **Good to know:** Starting in 2026 non-itemizers can deduct cash donations to charity—up to \$1,000 for single filers or \$2,000 for married couples filing jointly. Read more about this deduction and other changes to charitable contributions starting in 2026 in *Viewpoints*.

- **Maximize retirement savings.** If you have access to a workplace plan such as a 401(k) or a traditional individual retirement account (IRA) each dollar you contribute may reduce your annual taxable income.¹ Alternatively, you could contribute to a Roth IRA or Roth 401(k). You don't get an upfront tax deduction, but your retirement withdrawals would be tax- and penalty-free, assuming you've met the 5-year aging rule and other conditions. This may help keep you in a lower tax bracket after you stop working. The IRS has also announced higher retirement account contribution limits for 2026, giving savers a chance to put away more for the future. Don't already have an IRA? Explore the options.

- **Health savings account (HSA).** A health savings account (HSA) allows you to put money aside if you have a qualifying high-deductible health insurance plan. The money you contribute to an HSA reduces your taxable income, which can lower the tax bracket you're in.

- **Tax-loss harvesting.** If you invest in a taxable brokerage account, you could consider delaying the sale of profitable investments until at least a year has passed to take advantage of lower long-term capital gains tax rates. You could also sell investments that have lost value to reduce your current taxable income and possibly your tax bracket. This strategy, known as tax-loss harvesting, generally allows you to sell investments that are down, replace them with new, reasonably similar investments, and then use those losses to offset realized investment gains in the current calendar year. Any leftover net capital losses can generally offset up to \$3,000 of ordinary income each year. Further losses can be carried forward to a future tax year. Note: Wash-sale rules may apply, meaning you can't sell most investments for a loss and reinvest in the same, or a substantially identical one, 30 days prior to or after the sale, or you'll lose the tax break.

Turn market losses into potential tax savings

Fidelity customers with taxable investment accounts can use our [Tax-Loss Harvesting Tool](#) to see any realized gains, identify potential losses, and sell positions that may help save on taxes.

- **Consider delaying income.** If you expect to have more income than usual, such as from freelance or gig work, an annual bonus, or sales commissions, consider asking for a delayed payout until the following year, which could lower your income for the current year. The same concept can apply for your investments, for example, you could wait to sell an investment at a gain until the following year.

Consult a tax advisor to help you pinpoint your exact tax bracket and, more importantly, the strategies you can use to reduce how much you owe.

Is an IRA right for you?

We can help you decide whether you might want a traditional, Roth, or rollover IRA.

[Compare IRAs](#)

More to explore

Tips on taxes

Ideas to help reduce taxes on income, investments, and savings.

Save on tax prep services

Fidelity is pleased to offer special discounts with third-party providers.

Subscribe to *Fidelity Viewpoints*[®]

Timely news and insights from our pros on markets, investing, and personal finance.

All fields are required.

First name

Last name

Email address

Subscribe

[Managing taxes](#)[Investing for income](#)[Preparing for retirement](#)[Saving for retirement](#)[Living in retirement](#)

1. A distribution from a Traditional IRA is penalty-free provided certain conditions or circumstances are applicable: age 59 1/2; qualified first-time homebuyer (up to \$10,000); birth or adoption expense (up to \$5,000 per child); emergency expense (up to \$1000 per calendar year); qualified higher education expenses; death, terminal illness or disability; health insurance premiums (if you are unemployed); some unreimbursed medical expenses; domestic abuse (up to \$10,000); substantially equal period payments; Qualified Federally Declared Disaster Distributions or tax levy.

Fidelity does not provide legal or tax advice. The information herein is general and educational in nature and should not be considered legal or tax advice. Tax laws and regulations are complex and subject to change, which can materially impact investment results. Fidelity cannot guarantee that the information herein is accurate, complete, or timely. Fidelity makes no warranties with regard to such information or results obtained by its use, and disclaims any liability arising out of your use of, or any tax position taken in reliance on, such information. Consult an attorney or tax professional regarding your specific situation.

Tax-smart (i.e., tax-sensitive) investing techniques, including tax-loss harvesting, are applied in managing certain taxable accounts on a limited basis, at the discretion of the portfolio manager, primarily with respect to determining when assets in a client's account should be bought or sold. Assets contributed may be sold for a taxable gain or loss at any time. There are no guarantees as to the effectiveness of the tax-smart investing techniques applied in serving to reduce or minimize a client's overall tax liabilities, or as to the tax results that may be generated by a given transaction.

The views expressed are as of the date indicated and may change based on market or other conditions. Unless otherwise noted, the opinions provided are those of the speaker or author, as applicable, and not necessarily those of Fidelity Investments. The experts are not employed by Fidelity but may receive compensation from Fidelity for their services. Fidelity Investments is not affiliated with any other company noted herein and doesn't endorse or promote any of their products or services. Please determine, based on your investment objectives, risk tolerance, and financial situation, which product or service is right for you.

This information is intended to be educational and is not tailored to the investment needs of any specific investor.

Fidelity Brokerage Services LLC, Member NYSE, [SIPC](#), 900 Salem Street, Smithfield, RI 02917

1125127.3.0



[Careers](#) [News Releases](#) [About Fidelity](#) [International](#)

Copyright 1998-2025 FMR LLC. All Rights Reserved.

[Terms of Use](#) [Privacy](#) [Security](#) [Site Map](#) [Accessibility](#) [Contact Us](#)

[Share Your Screen](#) [Disclosures](#)

[Manage My Targeting/Advertising Cookies](#)

[This is for persons in the US only.](#)

Stay Connected

Locate an Investor Center by ZIP Code

