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Wealth & Investment Management

INFORMATION PUBLISHED AND CURRENT AS OF AUGUST 1, 2025

2025 tax planning tables



Investment and Insurance Products:

• NOT FDIC Insured • NO Bank Guarantee • MAY Lose Value

2025 important deadlines

Last day to …

January 15

- Pay fourth-quarter 2024 federal individual estimated income tax

April 15

- Pay first-quarter 2025 federal individual estimated income tax
- File 2024 federal individual income tax return (or make payment with extension)
- Make 2024 contribution to Traditional IRA, Roth IRA, Health Savings Account (HSA), or Coverdell Education Savings Account (ESA)

June 16

- Pay second-quarter 2025 federal individual estimated income tax

September 15

- Pay third-quarter 2025 federal individual estimated income tax

October 15

- File 2024 federal individual income tax return subject to automatic extensions

November 28

- Double up to avoid violating the "wash sale" rule

December 31

- Sell stock or listed options to realize a gain or loss
- Take 2025 RMDs from Traditional IRAs and most qualified plans if required
- Complete a Roth IRA conversion
- Complete a 529 plan contribution
- Sell shares acquired through the 2025 exercise of incentive stock options (ISOs) in disqualifying disposition to limit Alternative Minimum Tax (AMT) exposure
- Deadline for completion of gifts for the current calendar year (charitable or other)

Updated as a result of One Big Beautiful Bill Act (OBBBA) passed on July 4, 2025.

2025 income tax rate schedules

Married taxpayer filing jointly/surviving spouse

If taxable income[1] is:	The tax is:
$0 – $23,850	10% of the taxable income
$23,850 – $96,950	$2,385.00 + 12% of excess over $23,850
$96,950 – $206,700	$11,157.00 + 22% of excess over $96,950
$206,700 – $394,600	$35,302.00 + 24% of excess over $206,700
$394,600 – $501,050	$80,398.00 + 32% of excess over $394,600
$501,050 – $751,600	$114,462.00 + 35% of excess over $501,050
$751,600 or more	$202,154.50 + 37% of excess over $751,600

Single Taxpayer

If taxable income[1] is:	The tax is:
$0 – $11,925	10% of the taxable income
$11,925 – $48,475	$1,192.50 + 12% of excess over $11,925
$48,475 – $103,350	$5,578.50 + 22% of excess over $48,475
$103,350 – $197,300	$17,651.00 + 24% of excess over $103,350
$197,300 – $250,525	$40,199.00 + 32% of excess over $197,300
$250,525 – $626,350	$57,231.00 + 35% of excess over $250,525
$626,350 or more	$188,769.75 + 37% of excess over $626,350

Head of household

If taxable income[1] is:	The tax is:
$0 – $17,000	10% of the taxable income
$17,000 – $64,850	$1,700.00 + 12% of excess over $17,000
$64,850 – $103,350	$7,442.00 + 22% of excess over $64,850
$103,350 – $197,300	$15,912.00 + 24% of excess over $103,350
$197,300 – $250,500	$38,460.00 + 32% of excess over $197,300
$250,500 – $626,350	$55,484.00 + 35% of excess over $250,500
$626,350 or more	$187,031.50 + 37% of excess over $626,350

Married taxpayer filing separately

If taxable income[1] is:	The tax is:
$0 – $11,925	10% of the taxable income
$11,925 – $48,475	$1,192.50 + 12% of excess over $11,925
$48,475 – $103,350	$5,578.50 + 22% of excess over $48,475
$103,350 – $197,300	$17,651.00 + 24% of excess over $103,350
$197,300 – $250,525	$40,199.00 + 32% of excess over $197,300
$250,525 – $375,800	$57,231.00 + 35% of excess over $250,525
$375,800 or more	$101,077.25 + 37% of excess over $375,800

[1] Taxable income is income after all deductions (including either itemized or standard deduction).

Standard deductions

Married/joint	Single	Head of household	Married/ separate	Dependents
$31,500	$15,750	$23,625	$15,750	$1,350

For dependents with earned income, the deduction is the greater of $1,350 or earned income + $450 (up to $15,750).

Additional standard deductions

Married, age 65 or older or blind	$1,600[2]
Married, age 65 or older and blind	$3,200[2]
Unmarried, age 65 or older or blind	$2,000
Unmarried, age 65 or older and blind	$4,000

[2] per person

Tax Credit for Dependents

	Credit up to	MAGI Phase-out on excess over
Child Tax Credit — each qualifying child under age 17	$2,200	$200,000 – other eligible filers $400,000 – joint filers

Taxpayers may be eligible for a $500 credit for each qualifying dependent age 17 or older.

New Deductions Created by OBBBA for 2025

New Deductions for 2025	Deduction up to	MAGI phase-out on excess over
Additional Deduction for each individual, age 65 or older	$6,000	$75,000 – other eligible filers $150,000 – joint filers
Deduction for Qualified Car Loan Interest	$10,000	$100,000 – other eligible filers $200,000 – joint filers
Deduction for Qualified Tip Income	$25,000	$150,000 – other eligible filers $300,000 – joint filers
Deduction for Qualified Overtime Compensation	$12,500 $25,000 – joint filers	$150,000 – other eligible filers $300,000 – joint filers

Deductions are available for taxpayers itemizing or not itemizing their deductions.

Capital gains and losses and dividends

Long-term capital gain rate (longer than one year)			
	0%[3]	15%[3]	20%[3]
Single	$0 – $48,350	$48,351 – $533,400	$533,401 +
Married filing jointly and surviving spouse	$0 – $96,700	$96,701 – $600,050	$600,051 +
Head of household	$0 – $64,750	$64,751 – $566,700	$566,701 +
Married filing separately	$0 – $48,350	$48,351 – $300,000	$300,001 +
Trusts and estates	$0 – $3,250	$3,251 – $15,900	$15,901 +

[3] Net long-term capital gains and/or qualified dividends are stacked on top of other taxable income net of deductions to determine the applicable long-term capital gain rate(s). Multiple tax rates may apply since rates are progressive.

For example, assume a joint filer has net taxable income of $100,000 which is comprised of $80,000 of ordinary income and $20,000 in net long-term capital gain. The first $16,700 of the gain falls within the 0% rate threshold of $96,700 and will be taxed at 0%; while the remaining $3,300 of long-term capital gain is above the $96,700 threshold and will be taxed at 15%.

Short-term capital gain rate (one year or less)	Taxed at ordinary income tax rate.
Dividends	Qualified dividends are taxed at the long-term capital gain rates. Nonqualified dividends are taxed at ordinary income tax rates.

Higher rates apply to collectibles and unrecaptured §1250 gain. Consult your tax advisor about how they apply to your situation.

Netting capital gains and losses

1. Net short-term gains and short-term losses.
2. Net long-term gains and long-term losses.
3. Net any excess short-term gains or losses (step 1), with any excess long-term gains or losses (step 2). Also known as 'netting the nets'.
4. Deduct up to $3,000 of excess losses against ordinary income per year.
5. Carry over any remaining losses to future tax years.

Alternative Minimum Tax (AMT)

Tax brackets

AMT income	Tax
Up to $239,100[4]	26%
Over $239,100	28%

[4] $119,550 if married filing separately

AMT exemption

	Exemption	Phased out on excess over
Married filing joint and surviving spouse	$137,000	$1,252,700
Unmarried individual	$88,100	$626,350
Married filing separately	$68,500	$626,350
Trusts and estates	$30,700	$102,500

Education planning

Coverdell Education Savings Account (ESA)

- Maximum nondeductible contribution is $2,000 per child, per year.
- Maximum contribution amount is lowered if a contributor's modified adjusted gross income (MAGI) is between:
  - $95,000 and $110,000 for individual filers
  - $190,000 and $220,000 for joint filers
- No contributions can be made if contributor's MAGI exceeds the stated limits or the beneficiary is age 18 or older. Special needs beneficiaries are allowed contributions beyond age 18.

- Interest, dividends, and capital gains grow tax-deferred and may be distributed federal-income-tax free as long as the money is used to pay qualified education expenses.

529 plans

- Earnings accumulate tax-deferred; qualified withdrawals may be federal-income-tax free.
- State-tax incentives available in some states.
- Contributions up to $95,000 (single) and $190,000 (married couples)[5] allowed in one year without a reduction in the applicable gift/estate tax exclusion. No additional gifting in the current year or next four years without incurring potential gift tax implications.

Please consider the investment objectives, risk, charges, and expenses carefully before investing in a 529 savings plan. The official statement for a specific plan, which contains this and other information, can be obtained by calling your financial advisor. Read it carefully before you invest.

[5] You may be required to file a Gift Tax Return. Consult with your tax advisor.

American Opportunity Credit

Maximum credit	$2,500 per student for first four years of qualified expenses paid
MAGI phaseouts:	
Married filing jointly	$160,000 – $180,000
Single filer	$80,000 – $90,000

Lifetime Learning Credit

Maximum credit	20% of first $10,000 (per tax return) of qualified expenses paid in the tax year
MAGI phaseouts:	
Married filing jointly	$160,000 – $180,000
Single filer	$80,000 – $90,000

Exclusion of U.S. Savings Bond interest

MAGI phaseouts:	
Married filing jointly	$149,250 – $179,250
Others	$99,500 – $114,500

Bonds must be titled in name(s) of taxpayer(s) only. Owner must be age 24 or older at time of issue. Must be Series EE issued after 1989 or any Series I bonds. Proceeds must be used for qualified postsecondary education expenses of the taxpayer, spouse, or dependent.

Student loan interest deduction

Maximum deduction	$2,500
MAGI phaseouts:	
Married filing jointly	$170,000 – $200,000
Others	$85,000 – $100,000

Kiddie tax

Children who have not reached the age of 19 by the end of the tax year are subject to the "kiddie tax" rules. If the child continues to be a full-time student, the rules apply until he or she turns age 24. If a child is age 18 or older and provides more than half of his or her own support, the kiddie tax rules do not apply. The following tax rate schedule will apply (assumes no earned income).

Unearned income	Tax treatment
Less than $1,350	No tax
$1,350 – $2,700	Taxed at child's rate
More than $2,700	Taxed at the higher of the parents' top marginal rate or the child's tax rate

Estimated annual college costs

	Public	Private
2025	$26,210	$59,890
2030	$29,799	$70,446
2035	$33,880	$82,862
2040	$38,519	$97,467

Total yearly costs for in-state tuition, fees, books, and room and board (transportation and miscellaneous expenses not included). Base is 2024 – 2025 school year. Costs for all future years projected by Wells Fargo Advisors in November 2024 assuming a 2.6% national average increase per year for public and 3.3% for private (based on a 10-year historical average).

Source: Trends in College Pricing and Student Aid. collegeboard.org

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Retirement accounts

Traditional and Roth IRA

Maximum contribution (per individual if under age 50)	Maximum contribution (per individual if age 50 or older within a particular tax year)
The lesser of $7,000 or total compensation for the year	The lesser of $8,000 or total compensation for the year

- The tax filing deadline for individuals is the last day to establish and/or make contributions — extensions do not apply.
- The total contribution to all of your Traditional and Roth IRAs cannot be more than the annual maximum for your age or 100% of earned income, whichever is less.
- There is no maximum age for making IRA contributions, as long as you, or your spouse if filing jointly, has earned income and meet other eligibility requirements.
- Roth IRA contributions are not tax-deductible.
- If you are a designated beneficiary of a 529 plan, you may be eligible to have a direct rollover contribution made on your behalf from your 529 plan to a Roth IRA if certain conditions are met:

- 529 must have been maintained for 15 years
  - May not exceed the aggregate of contributions (and earnings attributable thereto) made more than five years before the date of the rollover.
  - May not exceed $35,000 lifetime limit
  - Are subject to annual Roth IRA contribution limits
  - The Roth IRA owner must have earned income at least equal to the amount of the rollover. MAGI limits do not apply.

Since these rules are new and complex, contact your tax advisor for details.

Traditional IRA deductibility limits

- Fully deductible provided you and/or your spouse have enough earned income and neither of you are covered[6] by a workplace retirement plan (WRP), such as a 401(k), 403(b), SEP IRA, or SIMPLE IRA regardless of income.
- For individuals covered[6] by a WRP, deductions are phased out based upon marital status and Modified Adjusted Gross Income (MAGI):

Married/joint	Single/HH[7]	Deduction
Up to $126,000	Up to $79,000	Full
$126,000 – $146,000	$79,000 – $89,000	Partial
$146,000 or more	$89,000 or more	None

- If your spouse is covered[6] by a WRP, but you are not, your deductions are phased out based upon MAGI:

Married/joint	Married/separate[8]	Deduction
Up to $236,000	N/A	Full
$236,000 – $246,000	Up to $10,000	Partial
$246,000 or more	$10,000 or more	None

Roth IRA contribution phase-out limits

- Contributions are subject to the following MAGI limits:

Married/joint	Married/separate[8]	Single/HH[7]	Contribution
Up to $236,000	N/A	Up to $150,000	Full
$236,000 – $246,000	Up to $10,000	$150,000 – $165,000	Partial
$246,000 or more	$10,000 or more	$165,000 or more	None

[6] The "Retirement Plan" box in Box 13 of your W-2 tax form should be checked if you were covered by a WRP.

[7] HH stands for Head of Household.

[8] Your filing status is considered single for IRA contribution purposes if you did not live with your spouse during the tax year.

401(k), 403(b), Gov't 457(b) plan contribution limits

Employee maximum deferral contributions	Catch-up contribution (if age 50 or older)
$23,500	$7,500
Combined limit for designated Roth account and pretax 401(k), or 403(b) deferral contributions is $23,500 for those younger than 50 and $31,000 for those 50 and older within a particular tax year.	
Catch-up contribution for (ages 60 – 63)	$11,250

SEP, SIMPLE IRAs, and other retirement limits

Maximum elective deferral to SIMPLE IRA and SIMPLE 401(k) plans	$16,500
Catch-up contribution for SIMPLE IRA and SIMPLE 401(k) plans (if age 50 or older)	$3,500
Catch-up contribution for SIMPLE IRA and SIMPLE 401(k) plans (ages 60 – 63)	$5,250
Maximum annual defined contribution plan limit	$70,000
Maximum compensation for calculating qualified plan contributions	$350,000
Maximum annual defined benefit limit	$280,000
Threshold for highly compensated employee[9]	$160,000
Threshold for key employee[10] in top-heavy plans	$230,000
Maximum SEP contribution is lesser of limit or 25% of eligible income	$70,000

[9] Highly compensated employee: individual who earns at least $160,000 or 5% or greater owner.
[10] Key employee: individual who earns at least $230,000 or 1% owner and earns at least $150,000 (not indexed) or 5% or greater owner.

Uniform Life Expectancy Table

Age	Divisor	Age	Divisor
73	26.5	91	11.5
74	25.5	92	10.8
75	24.6	93	10.1
76	23.7	94	9.5
77	22.9	95	8.9
78	22.0	96	8.4
79	21.1	97	7.8
80	20.2	98	7.3
81	19.4	99	6.8
82	18.5	100	6.4
83	17.7	101	6.0
84	16.8	102	5.6
85	16.0	103	5.2
86	15.2	104	4.9
87	14.4	105	4.6
88	13.7	106	4.3
89	12.9	107	4.1
90	12.2	108	3.9

Source: Internal Revenue Service (IRS), March 2024

Qualified Charitable Distributions (QCD)

IRA owners and beneficiaries who are age 70 ½ or older can take advantage of QCDs. You may distribute up to $108,000 directly from your Traditional IRA or Traditional Inherited IRA to a qualifying charity with no federal income tax consequences. You are able to make a one-time $54,000 QCD paid directly from your IRA to certain split-interest entities that qualify. The $54,000, is part of the QCD annual limit. QCDs may satisfy all or part of your RMD or exceed it.

Social Security benefits

Earnings test

The earnings test indicates the level of earned income permissible for individuals collecting Social Security benefits without incurring a reduction in benefits. These limits are indexed to increases in national earnings.

Worker younger than full retirement age	$23,400
Year worker reaches full retirement age (applies only to earnings for months prior to attaining full retirement age)	$62,160
Worker at full retirement age	No limit

Maximum monthly benefit: $4,018

This benefit is for an individual who reaches full retirement age in 2025 and earns at least the maximum wage base amount for the best 35 years.

Information provided by the Social Security Administration.

Taxation thresholds

Up to a certain percentage of an individual's Social Security benefits is subject to taxation when his or her provisional income[11] exceeds certain threshold amounts:

	Up to 50% taxed	Up to 85% taxed
Married filing jointly	$32,000 – $44,000	More than $44,000
Single/Head of Household/ Qualifying Widower	$25,000 – $34,000	More than $34,000
Married filing separately	Up to 85% taxable[12]	

[11] Provisional income generally includes modified adjusted gross income (MAGI) plus nontaxable interest and one-half of Social Security benefits.
[12] There is an exception to this rule if you lived apart from your spouse for the entire year. Consult your tax advisor for more information.

Social Security tax rates

Maximum wage base for Social Security	$176,100
Employee	6.20%
Employer	6.20%
Self-employed	12.40%

Medicare tax rates

Thresholds

Single	$200,000
Married/joint	$250,000
Married/separate	$125,000
Trust/estate	$15,650

The thresholds above are applicable to additional information referenced on page 8.

	Below threshold	Above threshold
Tax rate on employee compensation		
Compare thresholds to Medicare wages as reported on IRS Form W-2		
Employee's tax rate	1.45%	2.35%[13]
Employer's tax rate	1.45%	1.45%
Tax rate on self-employment income		
Compare threshold to net self-employment income as determined on IRS Form 1040 Schedule SE		
Owner's rate	2.90%	3.80%[13]
Tax rate on net investment income		
Compare threshold to MAGI		
Investor's tax rate	0.00%	3.80%[14]

[13] Includes the 0.9% Medicare surtax.
[14] Assessed on the lesser of taxpayer's net investment income or the amount their MAGI exceeds the applicable threshold.

Health and long-term care

Long-term care deduction for medical care[15]

Age attained before the close of the taxable year	Limit on premiums
40 or less	$480
More than 40 but not more than 50	$900
More than 50 but not more than 60	$1,800
More than 60 but not more than 70	$4,810
More than 70	$6,020

[15] Limitations apply based on type of taxpayer. You should consult your tax advisor regarding your situation.

Health Savings Account (HSA) limits

Maximum contribution	
Single	Family
$4,300	$8,550
$1,000 catch-up contribution allowed per HSA owner age 55 or older	
Minimum health insurance plan deductible	
Single	Family
$1,650	$3,300
Maximum out-of-pocket expenses	
Single	Family
$8,300	$16,600

Estate, gift, and generation-skipping transfer tax

Gift tax annual exclusion

$19,000

An individual can give up to $19,000 per person per year to any number of beneficiaries (family or nonfamily) without paying gift tax or using any available applicable exclusion amount.

Estate and gift tax — basic exclusion

$13,990,000

Estate or gift taxes apply to the extent that your cumulative transfers (lifetime exclusion gifts plus the taxable estate at death) exceed your applicable exclusion.

Your applicable exclusion consists of your $13,990,000 basic exclusion plus any "unused" exclusion received from a spouse who predeceased you.

Portability: The election to transfer unused exclusion to a surviving spouse is made by filing an estate tax return. The filing deadline is 9 months after death for taxable estates, or 5 years after death if a return is filed solely to elect portability.

Generation-skipping transfer (GST) tax exemption

$13,990,000

Estate, gift, and GST tax rate

Maximum rate 40%

Applies to transfers in excess of the applicable exclusion/GST exemption.

Federal trust and estate income tax

Tax rates[16]

If taxable income is:	The tax is:
$0 – $3,150	10% of the taxable income
$3,150 – $11,450	$315 + 24% of the excess over $3,150
$11,450 – $15,650	$2,307 + 35% of the excess over $11,450
$15,650 or more	$3,777 + 37% of the excess over $15,650

[16] See page 5 for corresponding capital gain and qualified dividend rates.

Corporate income tax

- Tax rate — 21%
- A 15% Alternative Minimum Tax is effective for corporations with an average adjusted financial statement income of $1 billion over a three year period.

Note: There are no special federal capital gains rates for corporations. For corporations, capital losses are deductible only against capital gains.

Wells Fargo suggested spending guidelines

Mortgage payments	Not to exceed 28% of gross (pretax) income
Combined monthly debt	Not to exceed 36% of monthly gross (pretax) income

Compounding

At hypothetical rates of return

4%

Monthly investment		5 years	10 years	20 years	30 years
$50	Amount invested	$3,000	$6,000	$12,000	$18,000
	Value	$3,326	$7,387	$18,400	$34,818
$100	Amount invested	$6,000	$12,000	$24,000	$36,000
	Value	$6,652	$14,774	$36,800	$69,636
$500	Amount invested	$30,000	$60,000	$120,000	$180,000
	Value	$33,260	$73,870	$183,998	$348,181
$1,000	Amount invested	$60,000	$120,000	$240,000	$360,000
	Value	$66,520	$147,741	$367,997	$696,363

6%

Monthly investment		5 years	10 years	20 years	30 years
$50	Amount invested	$3,000	$6,000	$12,000	$18,000
	Value	$3,506	$8,235	$23,218	$50,477
$100	Amount invested	$6,000	$12,000	$24,000	$36,000
	Value	$7,012	$16,470	$46,435	$100,954
$500	Amount invested	$30,000	$60,000	$120,000	$180,000
	Value	$35,059	$82,349	$232,176	$504,769
$1,000	Amount invested	$60,000	$120,000	$240,000	$360,000
	Value	$70,119	$164,699	$464,351	$1,009,538

8%					
Monthly investment		5 years	10 years	20 years	30 years
$50	Amount invested	$3,000	$6,000	$12,000	$18,000
	Value	$3,698	$9,208	$29,647	$75,015
$100	Amount invested	$6,000	$12,000	$24,000	$36,000
	Value	$7,397	$18,417	$59,295	$150,030
$500	Amount invested	$30,000	$60,000	$120,000	$180,000
	Value	$36,983	$92,083	$296,474	$750,148
$1,000	Amount invested	$60,000	$120,000	$240,000	$360,000
	Value	$73,967	$184,166	$592,947	$1,500,295

Values shown are based on investments made at the beginning of each month, compounded monthly, and do not reflect the return of any particular investment. These tables are for illustrative purposes only and do not reflect the effects of taxes or transaction costs.

How a Wells Fargo professional can help

Connect with a Wells Fargo professional as a resource for a variety of strategies in the areas of portfolio management, tax planning, preparing for retirement, education funding, estate planning, cash flow management, and asset protection.

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