



Taxland Newsletter
2024

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DECEMBER ISSUE

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UPCOMING DEADLINES:

4th QTR ESTIMATED TAX PAYMENTS DUE: 01-15-25

DEADLINE FOR REQUIRED MINIMUM DISTRIBUTIONS (RMDS): 12-31-24

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Last Chance For Year End Tax Planning:

If you are interested in having Taxland provide you with tax planning services please call the office to schedule your appointment. **All appointments must be scheduled before 12-21-2024.**

Tax Organizers:

Time flies, and believe it or not it is time for us to start planning for the upcoming tax season. Tax organizers are helpful tools and are created by pulling information from your prior year's return to aid you as you gather your documents and other necessary information. It also serves an opportunity to reflect on any life changes that have occurred which may impact this year's return.

Taxland will be producing tax organizers and sending them out in the first few weeks of January. If you have not received one in the past and feel it would be helpful for you to use, please call our office and we can generate one for you. As always we are here to make the tax process as seamless and efficient for our clients as possible.

2025 Tax Brackets Announced:

This information pertains to the 2025 tax year, the upcoming tax season will be the 2024 tax year

The IRS has announced its new inflation-adjusted tax brackets for 2025, with the annual income thresholds rising by about 2.8% from 2024.

The IRS each fall announces inflation-adjusted changes to the tax brackets and dozens of other provisions for the following tax year. Because inflation jumped during the pandemic, the bracket adjustments were larger in the past few years, reaching 7% in 2023 and [5.4% in the current year](#).

The idea is to protect taxpayers from "bracket creep" – when workers are pushed into higher tax bands due to the impact of cost-of-living adjustments aimed at offsetting inflation – without a change in their standard of living.

But with U.S. inflation cooling to its [lowest level in three years](#) , the IRS' annual adjustments are likewise becoming smaller.

For instance, the new threshold for the 10% tax bracket for married couples filing jointly will rise to \$23,850 in 2025, a 2.8% increase from its 2024 threshold of \$23,200.

New standard deduction for 2025:

The standard deduction in 2025 will rise to \$30,000 for married couples filing jointly, around a 2.7% increase from the current tax year's \$29,200. Single filers and married couples filing separate returns will see their standard deduction rise to \$15,000 from this year's \$14,600.

The standard deduction, which is used to reduce an individual's taxable income, is relied on by a majority of taxpayers. A married couple earning a combined \$100,000 could use the 2025 standard deduction to reduce their taxable income to \$70,000 for instance.

The other option is to itemize one's annual tax deductions, but most people's deductions aren't large enough to exceed the standard deduction, which is why most taxpayers opt for the latter.

New capital gains thresholds for 2025:

0% - individuals who earn up to \$48,350 (married couples who earn up to \$96,700)

15% - individuals who earn between \$48,350 and \$533,400 (married couples who earn between \$96,700 to \$600,050)

20% - individuals who earn above \$533,400 (married couples who earn more than \$600,050)

The IRS adjusts the income thresholds for paying various capital gains tax rates for inflation, with low-income and some middle-income taxpayers enjoying a 0% tax rate on sales of stocks or other assets that have appreciated in value.

Estate tax and tax-free gifts:

In 2025, the federal estate-tax exclusion amount, which is the dollar figure for how much in assets can be sheltered from the estate tax, will rise to \$13.99 million from \$13.61 million in 2024.

Additionally, people will be able to give others up to \$19,000 on a tax-free basis, up from \$18,000 this year.

ONE month to go! Contact us to schedule an appointment to discuss YOUR year end tax planning. WE ARE HERE TO HELP YOU.

TAXLANDONLINE.COM - 413-782-8292