



HUNGERFORD

2026 TAX GUIDE

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ESTATE AND GIFT TAX

	2025	2026
Estate tax:		
Exclusion amount	\$13,990,000	\$15,000,000
Maximum tax rate	40%	40%
Gift tax:		
Exemption	\$13,990,000	\$15,000,000
Annual exclusion	19,000	19,000

TRUST TAX RATES

	BASE TAXABLE INCOME	TAX ON BASE
2025		
10% rate above base	\$0	\$0
24% rate above base	3,150	315
35% rate above base	11,450	2,307
37% rate above base	15,650	3,777
2026		
10% rate above base	\$0	\$0
24% rate above base	3,300	330
35% rate above base	11,700	2,346
37% rate above base	16,000	3,851

MICHIGAN TAXPAYERS

CORPORATE INCOME TAX (CIT)

Tax rate	6.00%
Filing threshold	\$350,000

INDIVIDUAL INCOME TAX

	2025	2026
Tax rate	4.25%	4.25%
Personal exemption	\$5,800	\$5,900

SECTION 199A DEDUCTION

Maximum qualified business income deduction: 20%

- Limitation:
- 1. 50% of W-2 wages, or
 - 2. 25% of W-2 wages + 2.5% of qualified property.

	2025	2026
Phase-in of W-2 wages and qualified property limitations, and phate-out for specified service trade or business.		
Joint return (taxable income)	\$394,600/494,600	\$403,550/553,550
Single (taxable income)	197,300/247,300	201,750/276,775

EMPLOYMENT TAX RATES

SOCIAL SECURITY AND MEDICARE TAXES

	2025	2026
Social Security wage base	\$176,100	\$184,500
Social Security tax rate:		
Employee	6.20%	6.20%
Employer	6.20%	6.20%
Medicare tax rate:		
Employee	1.45%	1.45%
Employer	1.45%	1.45%
Total Social Security and Medicare taxes:		
Employee	7.65%	7.65%
Employer	7.65%	7.65%
Total	15.30%	15.30%
Additional 0.9% Medicare tax on wages and self-employment income in excess of:		
Joint return	\$250,000	\$250,000
Single	200,000	200,000

DEPRECIATION

BONUS DEPRECIATION

	1/1/25-1/19/25	1/20/25-Future
Bonus depreciation rate	40%	100%

SECTION 179 DEDUCTION

	2025	2026
Deduction limit	\$2,500,000	\$2,560,000
Qualifying property limit	4,000,000	4,090,000
SUV deduction limit	31,300	32,000

LUXURY AUTO MAXIMUM DEDUCTION

	2025
First year	\$12,200
First year, with bonus depreciation	20,200
Second year	19,600
Third year	11,800
Fourth year and thereafter	7,060

AUTO STANDARD MILEAGE ALLOWANCES

	Business	Medical/Moving	Charitable
2025	70.0¢	21.0¢	14.0¢
2026	72.5¢	20.5¢	14.0¢



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INDIVIDUAL INCOME TAX RATES

REGULAR TAX 2025

	BASE TAXABLE INCOME	TAX ON BASE	% ON EXCESS OVER BASE
Joint return	\$ 0	\$ 0	10%
	23,850	2,385	12%
	96,950	11,157	22%
	206,700	35,302	24%
	394,600	80,398	32%
	501,050	114,462	35%
	751,600	202,155	37%
Single	\$ 0	\$ 0	10%
	11,925	1,193	12%
	48,475	5,579	22%
	103,350	17,651	24%
	197,300	40,199	32%
	250,525	57,231	35%
	626,350	188,770	37%
Head of household	\$ 0	\$ 0	10%
	17,000	1,700	12%
	64,850	7,442	22%
	103,350	15,912	24%
	197,300	38,460	32%
	250,500	55,484	35%
	626,350	187,032	37%

2026

Joint return	\$ 0	\$ 0	10%
	24,800	2,480	12%
	100,800	11,600	22%
	211,400	35,932	24%
	403,550	82,048	32%
	512,450	116,896	35%
	768,700	206,584	37%
Single	\$ 0	\$ 0	10%
	12,400	1,240	12%
	50,400	5,800	22%
	105,700	17,966	24%
	201,775	41,024	32%
	256,225	58,448	35%
	640,600	192,979	37%
Head of household	\$ 0	\$ 0	10%
	17,700	1,770	12%
	67,450	7,740	22%
	105,700	16,155	24%
	201,750	39,207	32%
	256,200	56,631	35%
	640,600	191,171	37%

LONG-TERM CAPITAL GAINS AND QUALIFIED DIVIDENDS

2025 *Married filing separate thresholds are one-half of these amounts

Joint return*	Single	Head of Household	Tax Rate
<\$96,700	<\$48,350	<\$64,750	0%
<600,050	<533,400	<566,700	15%
>600,050	>533,400	>566,700	20%

2026

Joint return*	Single	Head of Household	Tax Rate
<\$98,900	<\$49,450	<\$66,200	0%
<613,700	<545,500	<579,600	15%
>613,700	>545,500	>579,600	20%

INDIVIDUALS

STANDARD DEDUCTION

Standard deduction	2025	2026
Joint return	\$31,500	\$32,200
Single	15,750	16,100
Head of household	23,625	24,150
Additional deduction for the blind and/or elderly:		
Joint return (each)	\$1,600	\$1,650
Single	2,000	2,050

SENIOR BONUS DEDUCTION (AGE 65 AND OLDER)

	2025	2026
Maximum deduction		
Joint return	\$12,000	\$12,000
Single	6,000	6,000
Phaseout:		
Joint return	\$150,000/250,000	\$150,000/250,000
Single	75,000/175,000	75,000/175,000

AUTO LOAN INTEREST DEDUCTION

	2025	2026
Maximum deduction	\$10,000	\$10,000
Phaseout:		
Joint return	\$200,000/250,000	\$200,000/250,000
Single	100,000/150,000	100,000/150,000

OVERTIME DEDUCTION

	2025	2026
Maximum deduction		
Joint return	\$25,000	\$25,000
Single	\$12,500	\$12,500
Phaseout:		
Joint return	\$300,000/550,000	\$300,000/550,000
Single	150,000/275,000	150,000/275,000

TIPS DEDUCTION

	2025	2026
Maximum deduction	\$25,000	\$25,000
Phaseout:		
Joint return	\$300,000/550,000	\$300,000/550,000
Single	150,000/400,000	150,000/400,000

STATE AND LOCAL TAXES DEDUCTION

	2025	2026
Maximum deduction for joint & single	\$40,000	\$40,400
Phaseout for both joint & single	\$500,000/\$600,000	\$505,000/\$606,000

CHARITABLE CONTRIBUTION DEDUCTION

	2025	2026
Non-itemizers		
Joint return	\$0	\$2,000
Single	0	1,000
Itemizers		
Percentage of AGI floor	0%	0.5%

DEPENDENT TAX CREDITS

	2025	2026
Dependent child under age 17	\$2,200	\$2,200
Maximum refundable portion	1,700	1,700
Child 17 & older or Other Dependents	500	500

INDIVIDUALS

ADDITIONAL 3.8% MEDICARE TAX ON NET INVESTMENT INCOME

Lesser of: 1) net investment income or 2) Modified Adjusted Gross Income (MAGI)
in excess of:

Joint return	\$250,000
Single/Head of Household	200,000

RETIREMENT PLAN CONTRIBUTION LIMITS

INDIVIDUAL AND CORPORATE LIMITATIONS

Annual deferral limits:	2025	2026
401(k)/403(b)	\$23,500	\$24,500
SIMPLE Plan	16,500	17,000
Individual Retirement Account (IRA)	7,000	7,500
Roth IRA	7,000	7,500

Catch-up contribution for taxpayers age 50 and over:

Individual Retirement Account (IRA)	1,000	1,100
Roth IRA	1,000	1,100
401(k)/403(b), age 50-59 and 64+	7,500	8,000
SIMPLE Plan, age 50-59 and 64+	3,500	4,000
401(k)/403(b), age 60-63	11,250	11,250
SIMPLE Plan, age 60-63	5,250	5,250

Traditional IRA deduction phaseout:

Unmarried and active participant	\$79,000/89,000	\$81,000/91,000
MFJ - nonparticipating spouse	236,000/246,000	242,000/252,000
MFJ - participating spouse	126,000/146,000	129,000/149,000

Roth IRA contribution eligibility:

Joint return	\$236,000/246,000	\$242,000/252,000
Single, head of household	150,000/165,000	153,000/168,000

Other information:

Compensation limit	\$350,000	\$360,000
Qualified charitable distribution max	108,000	111,000

HEALTH SAVINGS ACCOUNTS (HSA)

	2025	2026
Individual	\$4,300	\$4,400
Family	8,550	8,750
Catch-up contribution (age 55+)	1,000	1,000

AMERICAN OPPORTUNITY CREDIT AND LIFETIME LEARNING CREDIT

	2025	2026
Maximum American Opportunity	\$2,500	\$2,500
Maximum Lifetime Learning Credit	2,000	2,000
Phaseout:		
Joint return	160,000/180,000	160,000/180,000
Single	80,000/90,000	80,000/90,000

*Not allowed under married filing separate

ALTERNATIVE MINIMUM TAX (AMT)

	2025	2026
Tax rate:		
26% of AMT income up to:	\$239,100	\$244,500
Plus 28% of AMT income in excess of:	239,100	244,500

Exemption:

Joint return	\$137,000	\$140,200
Single	88,100	90,100

Exemption phaseout:

Joint return	\$1,252,700/1,800,700	\$1,000,000/1,280,400
Single	626,350/978,750	500,000/680,200