 

# 2025 Tax Benefit Phaseout Levels

## Personal Exemption—Eliminated Through 2025

| | AGI Phaseout Level |
|---|---|
| Married, Filing Joint | na |
| Single | na |
| Married, Filing Separate | na |
| Head of Household | na |

## Itemized Deduction (“Pease” Limitation)—Eliminated Through 2025

| | AGI Phaseout Level |
|---|---|
| Married, Filing Joint | na |
| Single | na |
| Married, Filing Separate | na |
| Head of Household | na |

## Coverdell Education Account

$2,000 maximum nondeductible contribution per beneficiary; withdrawals are tax-free for qualified education expenses; phaseouts are not indexed to inflation

| | Modified AGI* Phaseout Levels |
|---|---|
| Married, Filing Joint | $190,000 to $220,000 |
| Single | $95,000 to $110,000 |
| Married, Filing Separate | $95,000 to $110,000 |
| Head of Household | $95,000 to $110,000 |

## IRA Deductibility

For those covered by employer retirement plan
[$7,000 maximum contribution per taxpayer;
if 50 or older, maximum is $8,000]

| | Modified AGI* Phaseout Levels |
|---|---|
| Married, Filing Joint | $126,000 to $146,000 |
| Single | $79,000 to $89,000 |
| Married, Filing Separate | $0 to $10,000 |
| Head of Household | $79,000 to $89,000 |
| Married, Filing Joint not covered by Pension plan, but spouse is | $236,000 to $246,000 |

## Roth IRA Eligibility

Maximum $7,000 nondeductible contribution;
if 50 or older, maximum is $8,000

| | Modified AGI* Phaseout Levels |
|---|---|
| Married, Filing Joint | $236,000 to $246,000 |
| Single | $150,000 to $165,000 |
| Married, Filing Separate | $0 |
| Head of Household | $150,000 to $165,000 |

**Modified AGI starts with your AGI (adjusted gross income) and adds back certain tax-exempt amounts including any IRA deductions.*

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income). See the box on page 11 for information about premiums and the income-related monthly adjustment amounts (IRMAAs).

### Selling a Home

Married home sellers filing joint returns can exclude the first $500,000 of capital gains on the sale of a house, provided eligibility requirements are met. The exclusion is $250,000 for single filers. These exclusions are not indexed to inflation and will stay the same in 2025 as they were in 2024.

The capital gains from the sale of a home are determined not only by the difference between what you paid for the house and then sold it for, but also by any adjustments to your cost basis. These adjustments include both certain fees and closing costs as well as many improvements made to your property. Keep receipts for improvements made, such as the replacement of a roof or all of your windows. More information can be found in IRS Publication 523.

## Be Vigilant About Tax Scams

The IRS continues to warn about tax scams. Among the common current ones are phishing and smishing scams designed to steal your sensitive information. These include text messages saying, “Your account has now been put on hold” or “Unusual Activity Report,” with a bogus “Solutions” link.

Other scams making the agency’s annual “Dirty Dozen” list include swindlers who offer to help you set up an online IRS account and fraudsters impersonating the IRS’ offer-in-compromise (OIC) service who aggressively claim they can make your tax debt disappear. Fake charities continue to be a common scam. Look at www.irs.gov/charities-non-profits/tax-exempt-organization-search to identify qualified, legitimate charities before making a donation.

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