Tax Facts: 2026 Tax Year

If the uncertainty surrounding the current state of the economy has left you looking for answers for the 2026 tax year, you may need some guidance for a course of action for your financial planning. The following tables present various tax facts regarding potential tax exposure you might be subject to. Contact a financial professional for help with your tax planning.

Income tax 2026*– Unmarried filing	
$0 to $12,400	10%
$12,401 to $50,400	$1,240 + 12%
$50,401 to $105,700	$5,800 + 22%
$105,701 to $201,775	$17,966 + 24%
$201,776 to $256,225	$41,024 + 32%
$256,226 to $640,600	$58,448 + 35%
$640,601+	$192,979.25 + 37%

Income tax 2026* – Married filing jointly	
$0 to $24,800	10%
$24,801 to $100,800	$2,480 + 12%
$100,801 to $211,400	$11,600 + 22%
$211,401 to $403,550	$35,932 + 24%
$403,551 to $512,450	$82,048 + 32%
$512,451 to $768,700	$116,896 + 35%
$768,701+	$206,583.50 + 37%

Actual blended tax range by income (Married filing jointly)		
Taxable income	Income tax bracket	Actual tax range (blended)†
$0 to $24,800	10%	0%–0.0%
$24,801 to $100,800	12%	0.0%–7.7%
$100,801 to $211,400	22%	7.7%–13.6%
$211,401 to $403,550	24%	13.6%–18.4%
$403,551 to $512,450	32%	18.4%–20.8%
$512,451 to $768,700	35%	20.8%–25.4%
$768,701+	37%	25.4%–37%

Source: IRS, Rev. Proc. 2025-32, 2025.

Capital gains tax – Unmarried filing		
Taxable income	1 year or less	Greater than 1 year
$0 to $49,450	Ordinary income	0%
$49,451 to $545,500	Ordinary income	15%
$545,501+	Ordinary income	20%

Capital gains tax – Married filing jointly		
Taxable income	1 year or less	Greater than 1 year
$0 to $98,900	Ordinary income	0%
$98,901 to $613,700	Ordinary income	15%
$613,701+	Ordinary income	20%

Standard deductions		
	Deduction	Additional 65+ deduction
Married:	$32,200	$1,650‡
Unmarried:	$16,100	$2,050

Age 65+ deductions		
	Deduction	Income phaseout
Married (if both over 65):	$12,000	$150,000–$250,000
Unmarried:	$6,000	$75,000–$175,000

Sources: IRS, Rev. Proc. 2025-32, 2025; IRS, "One, Big, Beautiful Bill Provisions," October 23, 2025; IRS, Topic 409, "Capital Gains and Losses," September 12, 2025.

Tip income deduction		
	Deduction	Income phaseout
Married:	Up to $25,000	Deduction reduced by $100 for every $1,000 of MAGI over $300,000
Unmarried:	Up to $25,000	Deduction reduced by $100 for every $1,000 of MAGI over $150,000

Overtime income deduction		
	Deduction§	Income phaseout
Married:	Up to $25,000	Deduction reduced by $100 for every $1,000 of MAGI over $300,000
Unmarried:	Up to $12,500	Deduction reduced by $100 for every $1,000 of MAGI over $150,000

SALT deduction	
Deduction	Income phaseout
$40,400**	$505,000 – $606,333

Net investment income tax		
	Threshold	Tax rate
Married:	$250,000	3.8%
Unmarried:	$200,000	3.8%

Sources: One Big Beautiful Bill Act (OBBBA), Pub. L. No. 119-21, H.R. 1, 119th Cong. (2025); IRS, "One, Big, Beautiful Bill Provisions," October 23, 2025; IRS, "Questions and Answers on the Net Investment Income Tax," September 13, 2025.

* These figures do not account for the standard deduction or any itemized deductions.

† Figures for actual tax range (blended) column are calculated by Jackson. They are based on taxable dollars and account for the 2026 standard deduction for married filing jointly. They do not account for any other itemized deductions.

‡ Married filing jointly receive $1,650 per individual 65 or over. Therefore, if both married filing jointly filers are 65+, the additional standard deduction amount is $3,300.

§ Deduction only applies to overtime compensation in excess of employee's base wage.

** The deduction is reduced to $10,000 for taxpayers with modified adjusted gross income (MAGI) over $606,333.

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Estate tax exclusion		
2025	$13,990,000	40% tax rate
2026	$15,000,000	40% tax rate
2026 gift tax exclusion:	$19,000/year	$15,000,000/ lifetime*
2026 generation-skipping tax:	$15,000,000	40% tax rate
Estate and trust tax rates		
$0	$3,300	10%
$3,301	$11,700	$330 + 24%
$11,701	$16,000	$2,346 + 35%
$16,001+	–	$3,851 + 37%
Social Security tax		
Modified AGI	Up to 50% taxable	Up to 85% taxable
Married:	$32,000 to $44,000	$44,000+
Unmarried:	$25,000 to $34,000	$34,000+
FICA taxable cap:	$184,500	

Sources: IRS, "What's New - Estate and Gift Tax," July 17, 2025; IRS, Rev. Proc. 2025-32, 2025; Social Security Administration, "Benefits Planner: Income Taxes and Your Social Security Benefit," 2025; Social Security Administration, "Fact Sheet, Social Security, 2026 Social Security Changes," 2025.

Retirement plan contribution limits			
	Maximum deferral	50+ catch-up	60 to 63 catch-up†
401(k)-403(b)-457:	$24,500	$8,000	$11,250
SIMPLE:	$17,000‡	$4,000	$5,250
SEP (salary reduction):	$72K/25% of compensation		
Total defined contribution plan cap:	$72,000	$8,000	$11,250
Solo 401(k):	$72,000	$8,000	$11,250
Traditional IRA:	$7,500	$1,100	
Roth:	$7,500	$1,100	

Sources: IRS, IR-2025-111, "401(k) Limit Increases to $24,500 for 2026, IRA Limit Increases to $7,500," November 13, 2025; IRS, "Retirement Plans: FAQs Regarding SEPs," August 26, 2025; IRS, Notice 2025-67, 2025.

Defined benefit plans			
Maximum compensation:	$360,000		
Traditional IRA			
Deduction phaseouts	IRA owner (and spouse) not covered by employer retirement plan	IRA owner covered by employer retirement plan	Spouse covered by employer retirement plan but IRA owner not covered
Married:	No income limit	$129,000 to $149,000	$242,000 to $252,000
Unmarried:	No income limit	$81,000 to $91,000	N/A
Roth IRA			
Contribution phaseouts	Modified adjusted gross income		
Married:	$242,000 to $252,000		
Unmarried:	$153,000 to $168,000		
Conversion limit:	N/A		

Source: IRS, IR-2025-111, "401(k) Limit Increases to $24,500 for 2026, IRA Limit Increases to $7,500," November 13, 2025; IRS, Notice 2025-67, 2025.

* Gifts of more than $19,000 per year reduce an individual's $15,000,000 lifetime gift exclusion.

† Plan participants ages 60 to 63 are entitled to a higher catch-up contribution amount compared to the standard catch-up contribution amount for other participants over the age of 50.

‡ The annual deferral and catch-up contribution limits are increased by 10% for employers with 25 or fewer employees, and for employers with 26 to 100 employees if certain contribution criteria are met.

Those participating in a solo 401(k) can contribute income as both an employer and an employee. As an employee, the maximum deferral amount one can contribute is $24,500 and as an employer the maximum amount one can contribute is $47,500 for a total contribution of $72,000 for 2025. IRS, "One-Participant 401(k) Plans," August 26, 2025.

Please contact your financial professional or visit jackson.com/taxdeferral for more information.

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