

2026 Standard Deductions, Exemptions and Credits

Standard Deductions. The standard deduction for unmarried individuals and married persons filing separate returns is \$16,100, up from \$15,700 in 2025. The deduction for married couples filing jointly and surviving spouses is \$32,200, up from \$31,500 in 2025. The standard deduction for head of household is \$24,150, up from \$23,625 in 2025.

FILING STATUS	STANDARD DEDUCTION AMOUNT
Unmarried Individuals	\$16,100
Married Filing Jointly & Surviving Spouses	\$32,200
Married Filing Separately	\$16,100
Head of Household	\$24,150

Enhanced Senior Deduction. The senior deduction provides a \$6,000 deduction for each taxpayer aged 65 or older. The deduction begins to phase out at higher income levels: \$75,000 for single filers or \$150,000 for married filing jointly.

Itemized Deductions. Starting in 2026, for high-income taxpayers who itemize their deductions, a new phase-out mechanism applies when taxable income exceeds the threshold for the highest tax bracket.

Personal Exemptions. The personal exemption amounts for 2026 are \$0 and this amount was made permanent by the One Big Beautiful Bill Act of 2025.

Family Related Tax Item Updates:

Earned Income Tax Credit (EITC). For 2026, the maximum EITC amount available is \$4,427 for taxpayers filing jointly with one child; \$7,316 for two children; \$8,231 for three or more children and \$664 for no children. Phaseouts are based on filing status and number of children and begin at \$10,860 for single taxpayers with no children and \$23,890 for single taxpayers with one or more children. In 2026, the EITC is not allowed if the aggregate amount of investment income is more than \$12,200.

Child Tax Credit. The refundable portion of the Child Tax Credit may be as much as \$1,700 per child. A refundable credit means that you can receive the credit even if you do not owe any tax. The maximum nonrefundable portion of the Child Tax Credit for 2026 is \$2,200.

Kiddie Tax. For 2026, the exemption from the kiddie tax is \$2,700, unchanged from \$2,700 in 2025. A parent may be able to elect to include a child's income on the parent's return for 2025 if the child's income is more than \$1,350 and less than \$13,500.

Adoption Credit. For 2026, the credit allowed for an adoption of a child with special needs is \$17,670, and the maximum credit allowed for other adoptions is the amount of qualified adoption expenses up to \$17,670. Phaseouts begin with modified adjusted gross income (MAGI) in excess of \$265,080 and completely phased out with MAGI of \$305,080 or more.

Information gathered from [irs.gov](https://www.irs.gov), where you can obtain [additional information](#).

We provide you this information with the understanding that we are not rendering legal, accounting, or tax advice. Please consult your legal or tax advisor concerning such matters.



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Education Related Updates:

American Opportunity Tax Credit (AOTC). Formerly known as the Hope Scholarship Credit, the AOTC for 2025 will be an amount equal to 100% of qualified tuition and related expenses not in excess of \$2,000 plus 25% of those expenses in excess of \$2,000 but not in excess of \$4,000. That means that the maximum AOTC allowable for 2025 is \$2,500. Income restrictions do apply and kick in for taxpayers with MAGI in excess of \$80,000 (\$160,000 for a joint return).

Lifetime Learning Credit. As with the AOTC, income restrictions apply to the Lifetime Learning Credit. For 2025, those restrictions begin with taxpayers with MAGI in excess of \$80,000 (\$160,000 for a joint return).

Student Loan Interest Deduction. For 2025, the maximum amount that you can take as a deduction for interest paid on student loans remains at \$2,500. Phaseouts apply for taxpayers with MAGI in excess of \$85,000 (\$170,000 for joint returns) and is completely phased out for taxpayers with MAGI of \$100,000 or more (\$200,000 or more for joint returns).

Health Care and Fringe Benefit Updates:

Flexible Spending Accounts. The annual dollar limit on employee contributions to employer-sponsored healthcare flexible spending accounts (FSA) is \$3,300 for 2025, up from \$3,200 in 2024.

High-Deductible Health Plans (HDHP). For 2025, a self-coverage HDHP has an annual deductible of not less than \$2,850 and not more than \$4,300. For family coverage, the HDHP health plan has an annual deductible of not less than \$5,700 and not more than \$8,550. The contribution limits for a Health Savings Account (HSA) for an individual with self-only HDHP coverage is \$4,300 (up from \$4,150 in 2024), and for individuals with family HDHP coverage is \$8,550 (up from \$8,300 in 2024).

Qualified Transportation Fringe Benefit. For 2025, the monthly limitation for transportation in a commuter highway vehicle and any transit pass is \$325, up from \$315 in 2024. In addition, the monthly limitation for qualified parking is also \$325, up from \$315 in 2024.

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