

2025 Standard Deductions, Exemptions and Credits

Standard Deductions. The standard deduction for unmarried individuals and married persons filing separate returns is \$15,000, up from \$14,600 in 2024. The deduction for married couples filing jointly and surviving spouses is \$30,000, up from \$29,200 in 2024. The standard deduction for head of household is \$22,500, up from \$21,900 in 2024.

FILING STATUS	STANDARD DEDUCTION AMOUNT
Unmarried Individuals	\$15,000
Married Filing Jointly & Surviving Spouses	\$30,000
Married Filing Separately	\$15,000
Head of Household	\$22,500

Itemized Deductions. For high-income taxpayers who itemize their deductions, the Pease limitations, named after former Representative Don Pease (D-OH), previously capped or phased out certain deductions. The Pease limitation was eliminated as of the 2018 tax year, but will return after 2025 when the Tax Jobs and Cuts Act of 2017 expires, unless Congress takes action to adjust that expiration.

Personal Exemptions. There will be no personal exemption amounts for 2025. The personal exemption was eliminated as of the 2018 tax year, but will return after 2025 when the Tax Jobs and Cuts Act of 2017 expires, unless Congress takes action to adjust that expiration.

Family Related Tax Item Updates:

Earned Income Tax Credit (EITC). For 2025, the maximum EITC amount available is \$4,328 for taxpayers filing jointly with one child; \$7,152 for two children; \$8,046 for three or more children and \$649 for no children. Phaseouts are based on filing status and number of children and begin at \$10,620 for single taxpayers with no children and \$23,350 for single taxpayers with one or more children. In 2025, the EITC is not allowed if the aggregate amount of investment income is more than \$11,950.

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 use the credit even if you do not owe any tax.

Kiddie Tax. For 2025, the exemption from the kiddie tax is \$2,700, up from \$2,600 in 2024. 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 2025, the credit allowed for an adoption of a child with special needs is \$17,280, and the maximum credit allowed for other adoptions is the amount of qualified adoption expenses up to \$17,280. Phaseouts begin with modified adjusted gross income (MAGI) in excess of \$259,190 and completely phased out with MAGI of \$299,190 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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