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2025 - 2026 Federal Tax Guidance

ANGEL LIGHT CAPITAL
Registered Investment Adviser
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2026 Federal Income Tax Brackets



The federal income tax brackets for 2026 have been adjusted for inflation. Below is a summary of the tax rates and income ranges. (Source: Internal Revenue Service)

TAX RATE	SINGLE FILERS / MARRIED FILING SEPARATELY	MARRIED FILING JOINTLY / QUALIFYING SURVIVING SPOUSES	HEADS OF HOUSEHOLDS
10%	\$0 - \$11,925	\$0 - \$23,850	\$0 - \$17,000
12%	\$11,926 - \$48,475	\$23,851 - \$96,950	\$17,701 - \$64,850
22%	\$48,476 - \$103,350	\$96,951 - \$206,700	\$64,851 - \$103,350
24%	\$103,351 - \$197,300	\$206,701 - \$394,600	\$103,351 - \$197,300
32%	\$197,301 - \$250,525	\$394,601 - \$501,050	\$197,301 - \$250,500
35%	\$250,526 - \$626,350	\$501,051 - \$1,000,000	\$250,501 - \$500,000
37%	Over \$626,350	Over \$1,000,000	Over \$500,000

2025 Federal Income Tax Brackets



TAX RATE	SINGLE FILERS / MARRIED FILING SEPARATELY	MARRIED FILING JOINTLY / QUALIFYING SURVIVING SPOUSES	HEADS OF HOUSEHOLDS
10%	\$0 to \$11,925	\$0 to \$23,850	\$0 to \$17,000
12%	\$11,925 to \$48,475	\$23,850 to \$96,950	\$17,000 to \$64,850
22%	\$48,475 to \$103,350	\$96,950 to \$206,700	\$64,850 to \$103,350
24%	\$103,350 to \$197,300	\$206,700 to \$394,600	\$103,350 to \$197,300
32%	\$197,300 to \$250,525	\$394,600 to \$501,050	\$197,300 to \$250,500
35%	\$250,525 to \$626,350	\$501,050 to \$751,600	\$250,500 to \$626,350
37%	over \$626,350	over \$751,600	over \$626,350

2025-2026 Standard Deductions



The standard deduction amounts are part of the inflation adjustments made by the IRS under the One, Big, Beautiful Bill (OBBBA), which was signed into law on July 4, 2025.

These adjustments are designed to help taxpayers keep pace with inflation.

FILING STATUS	2026 STANDARD DEDUCTION	2025 STANDARD DEDUCTION
Married Filing Jointly	\$32,200	\$31,500
Married Filing Separately	\$16,100	\$15,750
Single Taxpayers	\$16,100	\$15,750
Head of Household	\$24,150	\$23,625

2025 - 2026 Capital Gains Tax Rates and Brackets (Long-Term Capital Gains)



Long-term capital gains face different brackets and rates than ordinary income. (Source: Internal Revenue Service)

YEAR	TAX RATE	For Unmarried Individuals, Taxable Income Over	For Married Individuals Filing Joint Returns, Taxable Income Over	For Heads of Households, Taxable Income Over
2026	0%	\$0	\$0	\$0
	15%	\$49,450	\$98,900	\$66,200
	20%	\$545,500	\$613,700	\$579,600
2025	0%	\$0	\$0	\$0
	15%	\$48,350	\$96,700	\$64,750
	20%	\$533,400	\$600,050	\$566,700

Short-Term Capital Gains vs. Long-Term Capital Gains



GAIN TYPE	HOLDING PERIOD	TAX RATES	KEY CHARACTERISTICS
Short-Term Capital Gains	Less than 1 year	Taxed as Ordinary Income	10% - 37% based on tax bracket
Long-Term Capital Gains	More than 1 year	Preferential Rates	0%, 15%, or 20% depending on income

Recommendation:

- Hold investments longer than one year when possible
- Consider tax-loss harvesting
- Align investment (stock) sales with your overall tax planning
- Consult a financial adviser for personalized advice

2025 and 2026 Retirement Account Contribution Limits



IRA Contribution Limits

ACCOUNT TYPE	2026 LIMIT	2025 LIMIT	CATCH-UP CONTRIBUTION (50+)
Traditional/Roth IRA	\$7,500	\$7,000	\$1,100 (total \$8,600)

401(k) Contribution Limits

ACCOUNT TYPE	2026 LIMIT	2025 LIMIT	CATCH-UP CONTRIBUTION (50+)	SPECIAL 60-63 AGE GROUP CATCH-UP
Standard 401(k)	\$24,500	\$23,500	\$8,000 (total \$32,500)	\$11,250 (total \$35,750)
SIMPLE 401(k)	\$17,000	\$16,500	Varies by plan	N/A

Recommendation: Maximize your retirement contributions if possible, taking advantage of the increased limits and catch-up provisions. Always consult with a financial advisor to understand how these limits apply to your specific financial situation.



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