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News

Key Tax Provisions That Are Expiring After 2025

Unless Congress decides to act, lots of tax changes will take effect in 2026, including higher tax rates and lower standard deductions.



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BY [JOY TAYLOR](#)

PUBLISHED 2 WEEKS AGO

Getting the right tax advice and tips is vital in the complex tax world we live in. The Kiplinger Tax Letter helps you stay right on the money with the latest news and forecasts, with insight from our highly experienced team ([Get a free issue of The Kiplinger Tax Letter or subscribe](#)). You can only get the full array of advice by subscribing to the Tax Letter, but we will regularly feature snippets from it online, and here is one of those samples...

Big tax changes are likely coming in 2026. The culprit is the 2017 tax reform law. Most individual tax provisions were temporary. They expire after 2025. Unless extended by Congress, the provisions will revert automatically on January 1, 2026, to the rules in effect for 2017. We will look at key expiring provisions.

- **Tax brackets:** The individual income tax rates of 10%, 12%, 22%, 24%, 32%, 35% and 37% will return to 10%, 15%, 25%, 28%, 33%, 35% and 39.6%, with different income-level break points than now.
- **Bigger standard deductions:** The 2017 law more than doubled these breaks.
- **Higher child tax credits:** Before 2018, it was \$1,000. Now, it's \$2,000. Plus the \$500 credit for each dependent who is not a qualifying child.
- **Alternative minimum tax:** The higher exemption amounts and phaseout zones after 2017 have resulted in far fewer individual taxpayers having to pay the AMT.
- The 20% qualified business income deduction for self-employed people and people who own interests in S corps, partnerships, LLCs and other pass-through entities.
- **The adjusted-gross-income (AGI) limitation** on cash donations to qualified charities was increased from 50% to 60% under the 2017 tax legislation, helping big donors.
- The larger lifetime estate and gift tax exemption. People who die this year have a \$13,610,000 exemption. Compare this with \$5,490,000 for 2017 deaths.
- The cutback on high itemizations for upper-income taxpayers would return.

Restrictions on popular deductions also end after 2025. Among them:

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- **Personal exemptions:** In 2017, filers could take a deduction of \$4,050 for themselves and each of their dependents. For example, a family of three claimed a \$12,150 personal exemption deduction. The 2017 law eliminated this.
- **The \$10,000 cap on deducting state and local taxes** on Schedule A of the 1040: This would be welcome relief for folks paying high property tax and/or state income tax.
- **The curbs on deducting home mortgage interest:** Under the 2017 law, interest can be deducted on up to \$750,000 of home acquisition debt down from \$1 million.
- **Miscellaneous deductions on Schedule A**, subject to the 2%-of-AGI threshold. The 2017 law eliminated this category of itemized deductions through 2025. This includes unreimbursed employee expenses (travel, meals, education, etc.), brokerage and IRA fees, hobby expenses, and tax return preparation fees.
- **Theft and casualty losses:** Under current law, only casualty losses arising in a federally declared disaster area can be deducted on Schedule A.
- **Job-related moving expenses:** Now, only members of the military get the break.

2025 is also the last year for two tax breaks not in the 2017 law: The expansion of the Obamacare health premium credit to more individuals who buy insurance through a marketplace. And, most student loan debt forgiven from 2021 through 2025 is exempt from federal income tax, which is an exception to the general rule that income from the cancellation of indebtedness is taxable.

This first appeared in The Kiplinger Tax Letter. It helps you navigate the complex world of tax by keeping you up-to-date on new and pending changes in tax laws, providing tips to lower your business and personal taxes, and forecasting what the White House and Congress might do with taxes. [Get a free issue of The Kiplinger Tax Letter or subscribe.](#)



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Joy is an experienced CPA and tax attorney with an L.L.M. in Taxation from New York University School of Law. After many years working for big law and accounting firms, Joy saw the light and now puts her education, legal experience

and in-depth knowledge of federal tax law to use writing for Kiplinger. She writes and edits The Kiplinger Tax Letter and contributes federal tax and retirement stories to kiplinger.com and Kiplinger's Retirement Report. Her articles have been picked up by the Washington Post and other media outlets. Joy has also appeared as a tax expert in newspapers, on television and on radio discussing federal tax developments.

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