Tax & Financial 2026

PROSPERITY NETWORK OF ADVISORS

2026 Tax Rate Schedule

Single Taxable Income

$ 0	to	12,400	X	10%	minus	0.00	=	Tax
12,401	to	50,400	X	12%	minus	248.00	=	Tax
50,401	to	105,700	X	22%	minus	5,288.00	=	Tax
105,701	to	201,775	X	24%	minus	7,402.00	=	Tax
201,776	to	256,225	X	32%	minus	23,544.00	=	Tax
256,226	to	640,600	X	35%	minus	31,230.75	=	Tax
640,601	and over		X	37%	minus	44,042.75	=	Tax

Married Filing Jointly (MFJ) or Qualifying Widow (QW) Taxable Income

$ 0	to	24,800	X	10%	minus	0.00	=	Tax
24,801	to	100,800	X	12%	minus	496.00	=	Tax
100,801	to	211,400	X	22%	minus	10,576.00	=	Tax
211,401	to	403,550	X	24%	minus	14,804.00	=	Tax
403,551	to	512,450	X	32%	minus	47,088.00	=	Tax
512,451	to	768,700	X	35%	minus	62,461.50	=	Tax
768,701	and over		X	37%	minus	77,835.50	=	Tax

Married Filing Separately (MFS) Taxable Income

$ 0	to	12,400	X	10%	minus	0.00	=	Tax
12,401	to	50,400	X	12%	minus	248.00	=	Tax
50,401	to	105,700	X	22%	minus	5,288.00	=	Tax
105,701	to	201,775	X	24%	minus	7,402.00	=	Tax
201,776	to	256,225	X	32%	minus	23,544.00	=	Tax
256,226	to	384,350	X	35%	minus	31,230.75	=	Tax
384,351	and over		X	37%	minus	38,917.75	=	Tax

Head of Household (HOH) Taxable Income

$ 0	to	17,700	X	10%	minus	0.00	=	Tax
17,701	to	67,450	X	12%	minus	354.00	=	Tax
67,451	to	105,700	X	22%	minus	7,099.00	=	Tax
105,701	to	201,750	X	24%	minus	9,213.00	=	Tax
201,751	to	256,200	X	32%	minus	25,353.00	=	Tax
256,201	to	640,600	X	35%	minus	33,039.00	=	Tax
640,601	and over		X	37%	minus	45,851.00	=	Tax

Tax Rate Schedule for Estates and Trusts (Form 1041)

$ 0	to	3,300	X	10%	minus	0.00	=	Tax
3,301	to	11,700	X	24%	minus	462.00	=	Tax
11,701	to	16,000	X	35%	minus	1,749.00	=	Tax
16,001	and over		X	37%	minus	2,069.00	=	Tax

Standard Deductions

Filing Status	Standard Deduction
Married, filing jointly or surviving spouses	$ 32,200
Single or Married filing separately	$ 16,100
Head of Household	$ 24,150

Additional Deductions for Non-Itemizers

Blind or over 65	Add $ 1,650
Blind or over 65 and unmarried and not a surviving spouse	Add $ 2,050

Additional Deductions for All Filers (Age 65 & Above):

Filing Status	Deduction	MAGI Phaseouts:
Single, MFS, HOH	Add $ 6,000	$75,000 - $ 175,000
MFJ (per person)	Add $ 6,000	$ 150,000 - $ 250,000

3.8% Tax on Lesser of Net Investment Inc. or Excess of MAGI Over

Married, filing jointly or surviving spouses	$ 250,000
Single and HOH	$ 200,000
Married, filing separately	$ 125,000

Gift and Estate Tax Exclusions and Credit

Maximum estate, gift & GST rates	40%
Estate, gift & GST exclusions	$ 15,000,000
Gift tax annual exclusion	$ 19,000
Exclusion on gifts to non-citizen spouse	$ 194,000

Education Distributions and Credits

Account/Credit	Maximum Credit/ Distribution	Income Phaseouts Begin at MAGI of:
529 Plan (K-12)	Distributions are tax free for qualified expenses up to $20,000	None
529 Plan (Higher Ed)	Distributions are tax free for all qualified expenses	None
American Opportunity Tax Credit	100% of first $2,000 of qualified expenses, 25% of the next $2,000	$160,000-$180,000 MFJ $80,000-$90,000 others
Lifetime Learning Credit	20% of the first $10K of qualified expenses	$160,000-$180,000 MFJ $80,000-$90,000 others

Tax on Long-Term Capital Gains and Qualified Dividends (Taxable Income)

Filing Status	0%	15%	20%
Single	$0—49,450	$49,451—545,500	$545,501+
Married Filing Jointly	$0—98,900	$98,901—613,700	$613,701+
Married Filing Separately	$0—49,450	$49,451,—306,850	$306,851+
Head of Household	$0—66,200	$66,201—579,600	$579,601+
Estates & Non-Grantor Trusts	$0—3,300	$3,301—16,250	$16,251+

529 Plan Deductible Contribution Limits

State	Parity State	Single	MFJ
Kansas	Yes	$3,000 deduction per beneficiary	$6,000 deduction per beneficiary
Missouri	Yes	$8,000 deduction total	$16,000 deduction total
Ohio	Yes	$4,000 deduction per beneficiary with unlimited carryforward	
Indiana	No	20% tax credit up to $1,500/year ($750/year for married filing separately). That means you'd need to contribute $7,500 to get the full $1,500 tax credit.	
North Carolina	No	No State tax deduction	

Retirement Plan Contribution Limits

Annual compensation used to determine contribution for most plans	$ 360,000
Defined-contribution plans, basic limit	72,000
Defined-benefit plans, basic limit	290,000
401(k), 403(b), 457(b), Roth 401(k) plans elective deferrals	24,500
Catch-up provision for individuals 50 and over, 401(k), 403(b), 457(b), Roth 401(k) plans	8,000
Catch-up provision for individuals turning 60-63 ONLY, 401(k), 403(b), 457(b), Roth 401(k) plans	11,250
Super Catch-up provision for individuals turning 60-63 ONLY for SIMPLE Plans	5,250
*SIMPLE plans, elective deferral limit	17,000
*SIMPLE plans, catch-up contribution for individuals 50 and over	4,000

* increased deferral limits apply for certain applicable Simple IRA plans. Please check with employer to confirm.

Individual Retirement Accounts (Modified Adjusted Gross Income)

IRA Type	Contribution Limit	Catch-Up at 50+	Income Limits (MAGI)
Traditional nondeductible	$7,500	$1,100	None
Traditional deductible	$7,500	$1,100	**If covered by a plan:** $129,000 - $149,000 MFJ $81,000 - $91,000 Single, HOH $0 - $10,000 MFS **If one spouse is covered by a plan:**
Roth	$7,500	$1,100	$242,000 - $252,000 MFJ $153,000 - $168,000 Single, HOH $0 - $10,000 MFS
Roth Conversion			No income limit

*MAGI = AGI + any of these deductions (if applicable): student loan interest, half of self-employment tax, qualified tuition expenses, passive losses or passive income, non-taxable social security payments, U.S. Savings Bond interest income, foreign earned income or foreign housing deductions, Section 137 adoption expenses, rental losses, and losses from publicly traded partnerships.

Health Savings Accounts

Annual Limit	Maximum Deductible Contribution	Expense limits (deductibles and co-pays)	Minimum Annual Deductible
Individuals	$4,400	$8,500	$1,700
Families	$8,750	$17,000	$3,400
Catch-up for 55 and older	$1,000		

Kiddie Tax

Standard Deduction for dependent with no earned income	$1,350
Maximum net unearned income taxed at child's rate (using tax rates & brackets for a single filer)	$1,350
Floor beyond which additional unearned income is taxed at the parent's tax rate	$2,700
Floor beyond which additional unearned income is taxed at the trust tax rate	N/A

*The standard deduction for a dependent is the greater of (i) $1,350 or (ii) the sum of $450 and the individual's earned income.

Social Security—Benefits

Full retirement age (FRA) if born between 1943 and 1954	66
Full retirement age (FRA) if born 1960 +	67
Estimated maximum monthly benefit at FRA	$4,152
Retirement earnings exempt amounts	$24,480 under FRA $65,160 during year reach FRA No limit after FRA

Tax on Social Security Benefits: Income Brackets

Taxability of Benefits	Single, HOH, MFS	MFJ	Taxable Portion
Provisional Income*	$0—25,000	$0—32,000	0%
	$25,001—34,000	$32,001—44,000	50%
	Over $34,000	Over $44,000	85%

*Provisional income = adjusted gross income (not including Social Security) + tax-exempt interest + 50% of Social Security

Medicare Premiums

2024 MAGI Single	2024 MAGI Joint	Part B Premium	Part D Adjustment
$109,000 or less	$218,000 or less	$202.90	$ 0
109,001—137,000	218,001—274,000	$284.10	$ 14.50
137,001—171,000	274,001—342,000	$405.80	$ 37.50
171,001—205,000	342,001—410,000	$527.50	$ 60.40
205,001—500,000	410,001—750,000	$649.20	$ 83.30
500,001 and above	750,001 and above	$689.90	$ 91.00

State Specific Tax Nuances (excluding local tax levies)

State	Income Tax	Corporate Income Tax	Sales Tax	Other
Kansas	5.2% — 5.58%	4.00% — 7.00%	6.5%	- No tax on SS benefits - Public pension income is exempt from income tax - No estate or inheritance tax
Missouri	4.7% plus KC and SL	3.00%	4.225%	- No tax on SS benefits - No estate or inheritance tax -
Ohio	2.75% plus municipal and school district	0%, but levies gross receipts tax	5.75%	- No tax on SS benefits - No estate or inheritance tax
Indiana	2.95% plus county rate	4.90%	7.00%	- No tax on SS benefits - No estate or inheritance tax
North Carolina	3.99%	2.00%	4.75%	- No tax on SS benefits or railroad benefits - Bailey Exemption (some retirement income not taxed) - No estate or inheritance tax

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