

KANAWHA CAPITAL MANAGEMENT

First Quarter 2026

2026 Federal Income Tax Brackets

SINGLE

\$0 – \$12,400	10%
\$12,401 – \$50,400	12%
\$50,401 – \$105,700	22%
\$105,701 – \$201,775	24%
\$201,776 – \$256,225	32%
\$256,226 – \$640,600	35%
\$640,601 or more	37%

HEAD OF HOUSEHOLD

\$0 – \$17,700	10%
\$17,701 – \$67,450	12%
\$67,451 – \$105,700	22%
\$105,701 – \$201,750	24%
\$201,751 – \$256,200	32%
\$256,201 – \$640,600	35%
\$640,601 or more	37%

MARRIED, FILING JOINTLY

\$0 – \$24,800	10%
\$24,801 – \$100,800	12%
\$100,801 – \$211,400	22%
\$211,401 – \$403,550	24%
\$403,551 – \$512,450	32%
\$512,451 – \$768,700	35%
\$768,701 or more	37%

MARRIED, FILING SEPARATELY

\$0 – \$12,400	10%
\$12,401 – \$50,400	12%
\$50,401 – \$105,700	22%
\$105,701 – \$201,775	24%
\$201,776 – \$256,225	32%
\$256,226 – \$384,350	35%
\$384,351 or more	37%

Standard & Extra Standard Deductions

STANDARD DEDUCTIONS

Married, Filing Jointly, Surviving Spouse	\$32,200
Head of Household	\$24,150
Single, Married, Filing Separately	\$16,100

EXTRA STANDARD DEDUCTIONS (BLIND / OVER 65)

Blind or Over 65 – MFJ, MFS	\$1,650
Blind & Over 65 – MFJ, MFS	\$3,300
Blind or Over 65 – Single, HOH	\$2,050
Blind & Over 65 – Single, HOH	\$4,100
Over 65 – Single (temp. 2025–2028)	\$2,000
Over 65 – MFJ (temp. 2025–2028)	\$1,600
Over 65 – Separate bonus deduction (temp.)	\$6,000

Itemized Deductions, Charitable Contributions & AMT Exemptions

ITEMIZED DEDUCTIONS

Medical Expenses	Excess of 7.5% AGI
State & Local Taxes (through 2029)	\$40,000
Mortgage Interest (post-12/15/17)	Up to \$750,000 debt
Mortgage Interest (pre-12/15/17)	Up to \$1,000,000 debt

CHARITABLE CONTRIBUTIONS

Cash	60% of AGI
Property (limited to basis)	50% of AGI
Appreciated Property	30% of AGI
For taxpayers who itemize	0.5% of AGI

ALTERNATIVE MINIMUM TAX (AMT) EXEMPTIONS

Filing Status	Exemption	Phase-Out Begins
MFJ, Surviving Spouse	\$140,200	\$1,000,000
Single, HOH	\$90,100	\$500,000
Married, Filing Separately	\$70,100	\$500,000
Estates and Trusts	\$31,400	\$104,800

LONG-TERM CAPITAL GAINS TAX RATES

Rate	Single	Married Filing Jointly	Head of Household	MFS & Estates & Trusts
0%	Below \$49,450	Below \$98,900	Below \$66,200	Below \$49,450 & \$3,300
15%	\$49,451 – \$545,500	\$98,901 – \$613,700	\$66,201 – \$579,600	\$49,451 – \$306,850 & \$3,301 – \$16,250
20%	\$545,501 or more	\$613,701 or more	\$579,601 or more	\$306,851 or more & \$16,251 or more
28%	Collectibles (coins, art, antiques)			
25%	Unrecaptured gain on real estate			

The dollar figures above represent taxable income. Long-term rate applies to assets held more than one year. Short-term gains are taxed at ordinary income rates. Net capital losses may offset ordinary income up to \$3,000 per year; any remaining excess carries forward to future tax years.

ESTATES & TRUSTS INCOME TAX & KIDDIE TAX

Taxable Income	Rate
\$0 – \$3,330	10%
\$3,331 – \$11,700	24%
\$11,701 – \$16,000	35%
\$16,001 or more	37%

Exemption Type	Amount
Estate Exemption Amount	\$600
Simple Trust Exemption	\$300
Complex Trust Exemption	\$100
Kiddie Tax Exemption Amount	\$1,350

ESTATE & GIFT TAXES · SOCIAL SECURITY · QCD

Estate & Gift Taxes	Amount
Estate Tax Exclusion (per individual)	\$15,000,000
Annual Gift Tax Exclusion	\$19,000
Maximum Transfer Tax Rate	40%

Social Security	Amount
Social Security Wage Base	\$184,500

Qualified Charitable Distribution	Amount
QCD per Individual (from IRA)	\$115,000

MEDICARE SURTAXES

Filing Status	Threshold
Married, Filing Jointly, Qualifying Widow(er)	\$250,000
Married, Filing Separately	\$125,000
Single, Head of Household	\$200,000

A 3.8% Net Investment Income Tax applies to net investment income above the MAGI thresholds listed above. An additional 0.9% Medicare Tax applies to wages and self-employment income above these same thresholds.

Medicare IRMAA Premiums (Determined by 2024 MAGI)

INCOME-RELATED MONTHLY ADJUSTMENT AMOUNTS — PART B & PART D

Individual MAGI	Joint MAGI	Married Filing Separately	Part B Premium	Part D Premium
\$109,000 or less	\$218,000 or less	\$109,000 or less	\$202.90	Plan Premium Only
\$109,001 – \$137,000	\$218,001 – \$274,000	Not applicable	\$284.10	\$14.50 + plan premium
\$137,001 – \$171,000	\$274,001 – \$342,000	Not applicable	\$405.80	\$37.50 + plan premium
\$171,001 – \$205,000	\$342,001 – \$410,000	Not applicable	\$527.50	\$60.40 + plan premium
\$205,001 – \$499,999	\$410,001 – \$749,999	\$109,001 – \$390,999	\$649.20	\$88.30 + plan premium
\$500,000 or above	\$750,000 or above	\$391,000 or above	\$689.90	\$91.00 + plan premium

Retirement Plans

IRA & ROTH IRA CONTRIBUTIONS

Age Group	Limit
Under Age 50	\$7,500
Age 50 and over	\$8,600
Catch-up Contribution (Age 50+)	\$1,100

IRA Deduction Phase-Outs (MAGI)	Range
Married, Filing Jointly	\$129,000 – \$149,000
Single, Head of Household	\$81,000 – \$91,000
Spousal IRA	\$242,000 – \$252,000

Roth Contribution Phase-Outs (AGI)	Range
Married, Filing Jointly	\$242,000 – \$252,000
Single	\$153,000 – \$168,000

401(K), 403(B) & SIMPLE PLANS

401(k), 403(b) Contributions	Limit
Under Age 50	\$24,500
Age 50–59 and 64+	\$32,500
Age 60–63	\$35,750
Catch-up (Ages 50–59 and 64+)	\$8,000
Catch-up (Ages 60–63)	\$11,250

SIMPLE Elective Deferral	Limit
Under Age 50	\$17,000
Age 50–59 and 64+	\$21,000
Age 60–63	\$22,250
Catch-up (Ages 50–59 and 64+)	\$4,000
Catch-up (Ages 60–63)	\$5,250

**Employees earning more than \$145,000 in the prior year must make 401(k) catch-up contributions on a Roth (after-tax) basis.*

SEP-IRA & HSA

SEP-IRA (All Ages)	Limit
Lesser of 25% of compensation or	\$72,000

Health Savings Account (HSA)	Limit
Single Coverage	\$4,400
Family Coverage	\$8,750
Catch-up Contribution (Age 55+)	\$1,000

Standard Mileage Rate (2026)	Per Mile
Business	\$0.725

Education

529 PLAN CONTRIBUTIONS

Contribution Type	Amount
Annual Exclusion – Individual (per recipient)	\$19,000
Annual Exclusion – Married (per recipient)	\$38,000
Superfunding – Individual (5-year combined)	\$95,000
Superfunding – Joint (5-year combined)	\$190,000

529 plans can cover up to \$20,000 per year, per beneficiary for K-12 education expenses.

EDUCATION TAX CREDITS & DEDUCTIONS

Item	Amount
American Opportunity Tax Credit	Up to \$2,500 per student*
Lifetime Learning Credit	20% of first \$10,000 of expenses*
Coverdell Education Savings Contribution	\$2,000 per beneficiary
Student Loan Interest Deduction	Up to \$2,500

**American Opportunity and Lifetime Learning Credits phase out for MAGI between \$80,000–\$90,000 (single) and \$160,000–\$180,000 (married filing jointly).*

One Big Beautiful Bill Act — Key 2026 Tax Law Changes

The **One Big Beautiful Bill Act (OBBB)** was signed into law on July 4, 2025. It made the temporary provisions of the 2017 Tax Cuts and Jobs Act permanent and introduced several new provisions now in effect for tax year 2026.

NEW SENIOR DEDUCTION (2025–2028)

- A new \$6,000 above-the-line deduction is available for taxpayers age 65 and older.
- Phases out for MAGI exceeding \$75,000 (single) or \$150,000 (married filing jointly).
- This is in addition to the existing over-65 and blind standard deduction add-ons.

TAX RATES & BRACKETS

- The top individual income tax rate of 37% has been made permanent.

529 PLAN EXPANSION

- K-12 qualified expenses now include fees, textbooks, and tutoring — not just tuition.
- The annual K-12 expense limit increased from \$10,000 to \$20,000 starting in 2026.
- Post-secondary qualified expenses now include workforce training and certification programs.

AMT REFORMS

- The current Alternative Minimum Tax exemption amounts have been made permanent.
- Income phase-out thresholds were reduced back to 2018 levels.
- These changes have significant implications for employees holding incentive stock options (ISOs).

QUALIFIED SMALL BUSINESS STOCK — QSBS / §1202

- Tiered gain exclusions now apply based on holding period: 3–5+ years.
- Per-taxpayer gain exclusion cap increased from \$10 million to \$15 million, inflation-adjusted from 2027.
- Qualifying gross asset threshold for eligible businesses raised from \$50M to \$75M.

AUTO LOAN INTEREST DEDUCTION (THROUGH 2028)

- Individuals may deduct up to \$10,000 of interest on loans for new U.S. assembled vehicles.
- Applies to vehicles purchased after December 31, 2024; deduction available through tax year 2028.
- MAGI limit: \$100,000 or less (single) / \$200,000 or less (married filing jointly).

EV & RESIDENTIAL ENERGY CREDITS REPEALED

- New and used clean vehicle credits eliminated for vehicles acquired after September 30, 2025.
- Qualified Commercial Clean Vehicle Credit also eliminated after September 30, 2025.
- Residential energy efficiency improvement credits terminated after December 31, 2025.

NO TAX ON TIPS

- Workers may deduct up to \$25,000 in tips where tipping is customary, on a dollar-for-dollar basis.
- Phaseout begins at MAGI of \$150,000 (single) or \$300,000 (married filing jointly); not available for married filing separately.
- Eligibility requires a valid SSN and employer-reported income; self-employed individuals in a Specified Service Trade or Business under section 199A are not eligible.

Source: [irs.gov](https://www.irs.gov), Rev. Proc. 2025-32, Notice 2025-67, Centers for Medicare & Medicaid Services ([cms.gov](https://www.cms.gov)) | IRS Tax Inflation Adjustments for Tax Year 2026 ([irs.gov/newsroom](https://www.irs.gov/newsroom), Oct. 2025) | 2026 Medicare Parts A & B Premiums and Deductibles ([cms.gov](https://www.cms.gov), Nov. 2025) | Capital gains tax rates, Investopedia (Oct. 2025) | One Big Beautiful Bill Act: Tax Deductions for Working Americans and Seniors ([irs.gov](https://www.irs.gov)) | 529 Plans and Private School Tuition, Saving for College (Flynn, July 2025) | Child Tax Credit: How It Works and Who Receives It, [Congress.gov](https://www.congress.gov). The data contained on this sheet is for informational purposes only and should not be interpreted as tax or investment advice. Consult your tax professional for specific advice about your personal situation.