

## Inflation Adjusted Amounts

### Cross References

- Rev. Proc. 2024-40
- Notice 2024-80

Each year, a number of provisions in the Internal Revenue Code (IRC) are adjusted for inflation. The IRS recently released the inflation adjusted amounts for 2025. The following chart highlights a number of these adjustments, as they compare to the 2023 and 2024 amounts. A complete list will appear in Tab 1 of the *1040/Deluxe Editions of The TaxBook*.

Tax Provision	2025	2024	2023
Standard deduction – MFJ/QSS	\$30,000	\$29,200	\$27,700
Standard deduction – Single/MFS	\$15,000	\$14,600	\$13,850
Standard deduction – HOH	\$22,500	\$21,900	\$20,800
Qualifying relative income limit	\$5,200	\$5,050	\$4,700
Maximum EIC for 3 or more qualifying children	\$8,046	\$7,830	\$7,430
Maximum EIC for 2 qualifying children	\$7,152	\$6,960	\$6,604
Maximum EIC for 1 qualifying child	\$4,328	\$4,213	\$3,995
Maximum EIC for no qualifying children	\$649	\$632	\$600
Section 179 expense limit	\$1,250,000	\$1,220,000	\$1,160,000
Section 179 investment limit	\$3,130,000	\$3,050,000	\$2,890,000
Section 179 SUV limit	\$31,300	\$30,500	\$28,900
Estates basic exclusion amount	\$13,990,000	\$13,610,000	\$12,920,000
Annual exclusion for gifts	\$19,000	\$18,000	\$17,000
Defined contribution plan contribution limit	\$70,000	\$69,000	\$66,000
401(k) elective deferral limit for under age 50	\$23,500	\$23,000	\$22,500
401(k) elective deferral limit for age 50 and older	\$31,000	\$30,500	\$30,000
401(k) elective deferral limit for ages 60 thru 63	\$34,750	\$30,500	\$30,000
SIMPLE elective deferral limit for under age 50*	\$16,500	\$16,000	\$15,500
SIMPLE elective deferral limit for age 50 and older*	\$20,000	\$19,500	\$19,000
SIMPLE elective deferral limit for ages 60 thru 63*	\$21,750	\$19,500	\$19,000
IRA deduction limit for under age 50	\$7,000	\$7,000	\$6,500
IRA deduction limit for age 50 and older	\$8,000	\$8,000	\$7,500
Qualified plan compensation limit	\$350,000	\$345,000	\$330,000
Child Tax Credit (per qualifying child)	\$2,000	\$2,000	\$2,000
Refundable portion of child tax credit	\$1,700	\$1,700	\$1,600
QBI Threshold Amount – MFJ	\$394,600	\$383,900	\$364,200
QBI Threshold Amount – Single & HOH	\$197,300	\$191,950	\$182,100
QBI Threshold Amount – MFS	\$197,300	\$191,950	\$182,100
Foreign Earned Income Exclusion	\$130,000	\$126,500	\$120,000

\* SIMPLE elective deferrals are increased to 110% of limit if no more than 25 employees, or if a large employer elects a higher matching percentage (effective beginning in 2024).