

Federal tax rate brackets: Year 2021

The U.S. federal income tax system is progressive. This means that income is taxed in layers, with a higher tax rate applied to each layer. Below are the tax brackets for 2021 taxable income. Taxable income is generally Adjusted Gross Income (AGI) less the standard or itemized deductions.

Tax Brackets for 2021: Individuals				
Marginal Rate	Single	Married Filing Joint	Head of Household	Married Filing Separate
10%	0 - \$9,950	0 - \$19,900	0 - \$14,200	0 - \$9,950
12%	\$9,951 - \$40,525	\$19,901 - \$81,050	\$14,201 - \$54,200	\$9,951 - \$40,525
22%	\$40,526 - \$86,375	\$81,051 - \$172,750	\$54,201 - \$86,350	\$40,526 - \$86,375
24%	\$86,376 - \$164,925	\$172,751 - \$329,850	\$86,351 - \$164,900	\$86,376 - \$164,925
32%	\$164,926 - \$209,425	\$329,851 - \$418,850	\$164,901 - \$209,400	\$164,926 - \$209,425
35%	\$209,426 - \$523,600	\$418,851 - \$628,300	\$209,401 - \$523,600	\$209,426 - \$314,150
37%	Over \$523,600	Over \$628,300	Over \$523,600	Over \$314,150

Deductions and Exemptions 2021: Individuals	
Personal exemption	None
Standard deduction:	
Single	\$12,550
Married Filing Joint (MFJ)	\$25,100
Head of Household (HOH)	\$18,800
Married Filing Separate (MFS)	\$12,550
Dependent	The greater of \$1,100 or \$350 + dependent's earned income, up to a maximum of \$12,550.
Additional deduction:	
Married age 65 or older or blind	Standard deduction + \$1,350
Single (not a surviving spouse) age 65 or older or blind	Standard deduction + \$1,700

Tax Brackets for 2021: Income Tax Rates for Trusts and Estates	
Marginal Rate	Estates & Trusts
10%	0 - \$2,650
24%	\$2,651 - \$9,550
35%	\$9,551 - \$13,050
37%	Over \$13,050

Capital Gains and Dividends

Short-term capital gains and non-qualified dividends for individuals, estates, and trusts are treated as ordinary income, and are taxed as such. This rate applies to gains on securities held one year or less, and to short-term capital gain distributions reported by mutual funds.

Long-term capital gains and qualified dividends are taxed at a lower rate. After ordinary income is taxed, long-term capital gains from sales and exchanges,

long-term capital gain distributions from mutual funds and qualified dividends are taxed at the rate indicated until exceeding a particular breakpoint. After exceeding a breakpoint, the income is taxed at the next rate until it exceeds the next breakpoint, and so on.

Long-term Capital Gain & Qualified Dividend Brackets for 2021					
Marginal Rate	Single	Married Filing Joint	Head of Household	Married Filing Separate	Estates & Trusts
0%	0 - \$40,400	0 - \$80,800	0 - \$54,100	0 - \$40,400	0 - \$2,700
15%	\$40,401 - \$445,850	\$80,801 - \$501,600	\$54,101 - \$473,750	\$40,401 - \$250,800	\$2,701 - \$13,250
20%	\$445,851 and up	\$501,601 and up	\$473,751 and up	\$250,801 and up	\$13,251 and up

Edward Jones, its employees and financial advisors cannot provide tax or legal advice. You should consult your attorney or qualified tax advisor regarding your situation. This content should not be depended upon for other than broadly informational purposes. Specific questions should be referred to a qualified tax professional.

edwardjones.com
Member SIPC

Edward Jones[®]
MAKING SENSE OF INVESTING