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Taxes: What's New for 2015?

By Rande Spiegelman - January 14, 2015

Key Points

Tax changes in recent years included a new Medicare surtax for high-income earners, a new top rate for dividends and long-term capital gains, and the phase-out of itemized deductions for high earners.

If you're subject to higher taxes, it's even more important to take advantage of whatever tax breaks apply to you.

Learn more about this year's inflation adjustments and common tax breaks, including retirement plan contributions and charitable giving.

Although there are no major tax law changes this year, there are still inflation adjustments and other routine changes to consider. As always, it's not what you make but what you keep that counts—that's why it's important to take advantage of every tax break you're entitled to. Here are a number of items to consider as you plan for the year ahead.

Take advantage of federal income tax changes

To keep pace with inflation, the IRS has widened the federal income tax brackets and increased certain exemptions, deductions and credits¹ (see table below). For additional information, please visit the IRS website

2015 federal income tax brackets

Tax rate on ordinary income	Single		Tax rate on qualified dividends and long term capital gains
	over	to	
10%	\$0	\$9,225	0%
15%	\$9,225	\$37,450	0%
25%	\$37,450	\$90,750	15%
28%	\$90,750	\$189,300	15%
33%	\$189,300	\$411,500	15%
35%	\$411,500	\$413,200	15%
39.60%	\$413,200		20%
Married filing jointly / Qualifying widow or widower			
	over	to	
10%	\$0	\$18,450	0%
15%	\$18,450	\$74,900	0%
25%	\$74,900	\$151,200	15%
28%	\$151,200	\$230,450	15%
33%	\$230,450	\$411,500	15%
35%	\$411,500	\$464,850	15%
39.60%	\$464,850		20%

Source: IRS.

Payroll and Medicare taxes