



2024 Income Tax Brackets

The IRS has released the 2024 federal income tax brackets. The income tax brackets have seen increases from the prior year to keep up with inflation. The tax brackets need to maintain some flexibility in accordance with economic conditions to prevent taxpayers from having a greater tax deficit as well as to ensure the government receives a “proper amount” of funds to operate for the year. The 2024 tax brackets for individuals can be seen below:

2024 Income Tax Brackets				
Tax Rates	Filing Single	Married Filing Jointly	Married Filing Separate	Head of Household
10%	\$0-\$11,600	\$0-\$23,200	\$0-\$11,600	\$0-\$16,550
12%	\$11,601-\$47,150	\$23,201-\$94,300	\$11,601-\$47,150	\$16,551-\$63,100
22%	\$47,151-\$100,525	\$94,301-\$201,050	\$47,151-\$100,525	\$63,101-\$100,500
24%	\$100,526-\$191,950	\$201,051-\$383,900	\$100,526-\$191,950	\$100,501-\$191,950
32%	\$191,951-\$243,725	\$383,901-\$487,450	\$191,951-\$243,725	\$191,951-\$243,700
35%	\$243,726-\$609,350	\$487,451-\$731,200	\$243,725-\$365,600	\$243,701-\$609,350
37%	Over \$609,350	Over \$731,200	Over \$365,600	Over \$609,350

Keep in mind that these brackets are based upon your taxable income, which is income after deductions.

While the seven different tax rates themselves remain consistent with the prior year, the tax brackets seen here were moved up by 5.4% by the IRS.

2024 Capital Gains Tax Rates

The capital gains tax rates also see a change consistent with the other updates of 2024, increasing the higher limit for each bracket by about 5.4%. Capital gains are a result of income coming from the sale of an investment asset. There are two different types of capital gains: short-term (which are taxed as ordinary income using the individual tax rates shown above) and long-term. Capital gains resulting from assets that were owned for over 12 months are taxed at the lower long term capital gains rates, which only uses 3 tax brackets as shown below:

2024 Long Term Capital Gains Tax Rates				
	Single	Married Filing Jointly	Married Filing Separate	Head of Household
0%	\$0-\$47,025	\$0-\$94,050	\$0-\$47,025	\$0-\$63,000
15%	\$47,026-\$518,900	\$94,051-\$583,750	\$47,026-\$291,850	\$63,001-\$551,350
20%	Over \$518,900	Over \$583,750	Over \$291,850	Over \$551,350