

PERSONAL EXEMPTION AND STANDARD DEDUCTIONS

Personal and Dependency Exemptions:

	Federal	Vermont
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Individuals	N/A	\$5,100
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Standard Deduction:	A	B
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Married filing jointly and surviving spouses	\$32,200	\$14,050
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Single Taxpayers	\$16,100	\$7,000
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Head of Households	\$24,150	\$10,550
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Married filing separately	\$16,100	\$7,000
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Dependents who file	\$1,350	
(Could be up to \$16,100 if they have earned income)		

A. Taxpayers who are blind or age 65 and over receive an additional amount of \$1,650 if married (whether filing jointly or separately), or \$2,050 if single or head of household.

B. Taxpayers who are blind and age 65 and over receive an additional amount of \$1,650. In addition, there is a special calculation for medical deductions for Vermont taxpayers.

C. Taxpayers aged 65+ receive an additional amount of \$6,000 (\$12,000 MFJ) (temporary with income phaseout)

ESTATE AND TRUST TAX RATES

FEDERAL

Range of taxable income	Tax	of amount over
\$0 - \$3,300	10%	\$0
3,301 - 11,700	\$330 + 24%	3,300
11,701 - 16,000	2,346 + 35%	11,700
Over 16,000	3,851 + 37%	16,000

VERMONT

Range of taxable income	Tax	of amount over
\$0 - \$3,300	3.35%	\$0
3,301 - 7,750	\$111 + 6.6%	3,300
7,751 - 11,900	404 + 7.6%	7,750
Over 11,900	720 + 8.75%	11,900

INDIVIDUAL TAX RATES FEDERAL

Married Persons Filing Jointly and Surviving Spouses

Range of taxable income	Tax	of amount over
\$0 - 24,800	10%	\$0
24,801 - 100,800	\$2,480 + 12%	24,800
100,801 - 211,400	11,600 + 22%	100,800
211,401 - 403,550	35,932 + 24%	211,400
403,551 - 512,450	82,048 + 32%	403,550
512,451 - 768,700	116,896 + 35%	512,450
Over 768,700	206,583.50 + 37%	768,700

Married Persons Filing Separately

Range of taxable income	Tax	of amount over
\$0 - 12,400	10%	\$0
12,401 - 50,400	\$1,240 + 12%	12,400
50,401 - 105,700	5,800 + 22%	50,400
105,701 - 201,775	17,966 + 24%	105,700
201,776 - 256,225	41,024 + 32%	201,775
256,226 - 384,350	58,448 + 35%	256,225
Over 384,350	103,291.75 + 37%	384,350

Single Taxpayers

Range of taxable income	Tax	of amount over
\$0 - 12,400	10%	\$0
12,401 - 50,400	\$1,240 + 12%	12,400
50,401 - 105,700	5,800 + 22%	50,400
105,701 - 201,775	17,966 + 24%	105,700
201,776 - 256,225	41,024 + 32%	201,775
256,226 - 640,600	58,448 + 35%	256,225
Over 640,600	192,979.25 + 37%	640,600

Head of Household

Range of taxable income	Tax	of amount over
\$0 - 17,700	10%	\$0
17,701 - 67,450	\$1,770 + 12%	17,700
67,451 - 105,700	7,740 + 22%	67,450
105,701 - 201,750	16,155 + 24%	105,700
201,751 - 256,200	39,207 + 32%	201,750
256,201 - 640,600	56,631 + 35%	256,200
Over 640,600	191,171 + 37%	640,600

INDIVIDUAL TAX RATES VERMONT (ESTIMATED)

Married Persons Filing Jointly and Surviving Spouses

Range of taxable income	Tax	of amount over
\$0 - 75,000	3.35%	\$0
75,001 - 79,950	\$2,513 + 3.35%	75,000
79,951 - 193,300	2,678 + 6.6%	79,950
193,301 - 294,600	10,159 + 7.6%	193,300
Over 294,600	17,585 + 8.75%	294,600

Married Filing Separately

Range of taxable income	Tax	of amount over
\$0 - 39,975	3.35%	\$0
39,976 - 75,000	\$1,339 + 6.6%	39,975
75,001 - 96,650	3,651 + 6.6%	75,000
96,651 - 147,300	5,080 + 7.6%	96,650
Over 147,300	8,929 + 8.75%	147,300

Single Taxpayers

Range of taxable income	Tax	of amount over
\$0 - 47,900	3.35%	\$0
47,901 - 75,000	\$1,605 + 6.6%	47,900
75,001 - 116,000	3,393 + 6.6%	75,000
116,001 - 242,000	6,099 + 7.6%	116,000
Over 242,000	15,675 + 8.75%	242,000

Head of Household

Range of taxable income	Tax	of amount over
\$0 - 64,200	3.35%	\$0
64,201 - 75,000	\$2,151 + 6.6%	64,200
75,001 - 165,700	2,864 + 6.6%	75,000
165,701 - 268,300	8,850 + 7.6%	165,700
Over 268,300	16,647 + 8.75%	268,300

Vermont taxable income is based on federal adjusted gross income reduced by the Vermont personal exemptions and the standard deduction. Vermont will allow a 5% credit for all charitable contributions up to a maximum \$1,000 credit (\$20,000 of contributions). Please note that for AGI exceeding \$150,000, tax is greater of 1) 3% of AGI less U.S. interest or 2) tax tables above.

Additional Federal Surtax: Certain individual taxpayers who have net investment income will incur a 3.8% surtax on certain unearned income, potentially increasing their total federal income tax rate to 40.8%. The surtax applies to taxpayers with an adjusted gross income above \$200,000 (single) and \$250,000 (joint filers).

INDIVIDUAL CAPITAL GAINS RATES FEDERAL

Top Capital Gains Rate	Income Thresholds	
	Married filing joint	Married filing separately
0%	Married filing joint	Married filing separately
Taxable Income Below	Single	Single
	Head of household	Head of household
	Estates and trusts	Estates and trusts
	Married filing joint	Married filing separately
	Single	Head of household
Taxable Income Below	Head of household	Estates and trusts
	Estates and trusts	Married filing joint
	Married filing separately	Single
	Single	Head of household
	Head of household	Estates and trusts
20%	Capital gains in excess of the income amounts for the 15% rate	

Rates are for long-term capital gains on assets held more than one year. Short-term and long-term capital gains are treated separately and a loss can be used to offset a gain of the same type. Short-term gains are taxed as ordinary income. Net capital losses may offset other income by up to \$3,000 per year (\$1,500 for married filing separately). The balance of unused capital losses is carried forward indefinitely.

VERMONT

Vermont has a general exclusion for capital gains of up to \$5000. Taxpayers may also exclude 40% of their adjusted net capital gains from the sale of selected types of assets held more than 3 years. However, effective July 1, 2019, the 40% capital gain exclusion is limited to \$350,000. This means the benefit of this exclusion phases out with capital gains in excess of \$875,000.

CORPORATE TAX RATES FEDERAL

Range of taxable income	Tax	of amount over
All income	21%	\$0

VERMONT

Range of taxable income	Tax	of amount over
\$0 - 10,000	6%	\$0
10,001 - 25,000	\$600 + 7%	10,000
Over 25,000	1,650 + 8.5%	25,000

VERMONT CORPORATE MINIMUM TAX

Gross Receipts	Tax
\$500,000 or less	\$100
\$500,001 - \$1,000,000	\$500
\$1,000,001 - \$5,000,000	\$2,000
\$5,000,001 - \$300,000,000	\$6,000
\$300,000,001 and over	\$100,000

INCOME PHASEOUT RANGES¹ FILING STATUS

	Married-Joint	Head of Household	Single	Married-Separate
Personal Exemption	Exemptions repealed			
Itemized Deduction	Itemized deductions no longer phased out			
Child Tax Credit²	\$400,000- 444,000	\$200,000- - 244,000	\$200,000- - 244,000	\$200,000- - 244,000
Education Loan Interest Deduction	\$175,000- -205,000	\$85,000- -100,000	\$85,000- -100,000	N/A ³
Roth IRA	\$242,000- 252,000	\$153,000- -168,000	\$153,000- -168,000	\$0 ⁴ - -10,000
Traditional IRA w/ Pension	\$129,000- -149,000	\$81,000- -91,000	\$81,000- -91,000	\$0 ⁴ - -10,000
Traditional IRA Spouse w/ Pension	\$242,000- 252,000	N/A	N/A	\$0 ⁴ - -10,000
American Opportunity Credit	\$160,000- -180,000	\$80,000- -90,000	\$80,000- -90,000	N/A ³
Lifetime Learning Credit	\$160,000- -180,000	\$80,000- -90,000	\$80,000- -90,000	N/A ³
Alternative Minimum Tax (AMT) Exemption	\$140,200	\$90,100	\$90,100	\$70,100 ⁵
Car Loan Interest Deduction	\$200,000- -\$249,000	\$100,00- -149,000	\$100,00- -149,000	\$100,00- -149,000

¹ Income refers to adjusted gross income with some modifications

² The income level at which this credit will be completely phased out depends on the number of qualified children

³ A married person must file a joint return in order to take advantage of this tax break

⁴ This limit applies if you lived with your spouse any time during the year. If not, use single figures

⁵ Subject to phaseout based upon AMT income

CONSUMER PRICE INDEX (CPI-U)

Year	Average 12-Month Increase
2023	3.4%
2024	2.9%
2025	2.7%

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OTHER IMPORTANT TAX INFORMATION

	2026	2025
Unearned Income w/o Kiddie Tax	\$2,700	\$2,700
Child Tax Credit	\$2,200	\$2,000
Family Tax Credit (Non-child dependent)	\$500	\$500
Auto Standard Mileage Allowances		
Business	72.5¢	70¢
Charity Work	14¢	14¢
Medical/Moving	20.5¢	21¢
Section 179 Deduction	\$2,560,000	\$2,500,000
Earning Ceiling for Social Security		
Under full retirement age	\$2,040/mo	\$1,950/mo
Year retirement age reached	\$5,430/mo	\$5,180/mo
Above full retirement age	Unlimited	Unlimited
Estate Tax Exclusion		
Equivalent—Federal	\$15,000,000	\$13,990,000
Equivalent—Vermont	\$5,000,000	\$5,000,000
Federal Estate Tax (Above Exemption Amount)	up to 40%	up to 40%
Vermont Estate Tax (Above Exemption Amount)	up to 16%	up to 16%
Vermont Charitable Tax Credit	5% up to \$20,000	5% up to \$20,000
Annual Gift Exclusion	\$19,000	\$19,000
Lifetime Gift Exclusion	\$15,000,000	\$13,990,000
Max Compensation Qualified Plans	\$360,000	\$350,000
Max Contribution Defined Contribution Plan		
50 and Over Catch up	\$72,000	\$70,000
	\$8,000	\$7,500
Max Deferral 401(k)/403(b)		
50 & Over Catch up	\$24,500	\$23,500
60-63 Catch up	\$8,000	\$7,500
	\$11,250	n/a
Max Deferral SIMPLE		
50 & Over Catch up	\$17,000	\$16,500
60-63 Catch up	\$4,000	\$3,500
	\$5,250	n/a
IRA, Traditional and Roth		
50 and Over Catch up	\$7,500	\$7,000
	\$1,100	\$1,000
HSA - Maximum Contribution		
Self	\$4,400	\$4,300
Family	\$8,750	\$8,550
55 and Over Catch Up	\$1,000	\$1,000

PAYROLL TAX RATES

FICA: The maximum taxable wage base for FICA (Social Security) is \$184,500.

Medicare	FICA
Employer/Employee	1.45% 6.2%
Self-Employed	2.9% 12.4%

Medicare: The Medicare Part A (Hospital Insurance) payroll tax rate is 1.45% for both employers and employees and 2.9% for the self-employed. There is no cap on the amount of earned income subject to the Medicare tax. There is an additional 0.9% Medicare tax on income over \$200,000 for Singles and Head of Household, \$250,000 for Married Filing Jointly, and \$125,000 for Married Filing Separately.

SUTA: A state unemployment compensation tax is imposed on all Vermont employers for the first \$15,400 of wages paid in 2026 to each covered employee. The rate is specific to each employer.

FUTA: A federal unemployment compensation tax rate of 6.0% is imposed on employers for the first \$7,000 of wages paid in 2026 to each covered employee. However, because of credits allowed to employers for their contributions to state unemployment funds, the effective FUTA rate paid by Vermont employers will be only 0.6%. Quarterly deposits are required if the tax exceeds \$500.

ESTIMATED TAX PAYMENTS

(These due dates apply to a calendar-year taxpayer)

Installment	Due Date
Last 2025 Payment	January 15, 2026
First 2026 Payment	April 15, 2026
Second 2026 Payment	June 15, 2026
Third 2026 Payment	September 15, 2026
Fourth 2026 Payment	January 15, 2027

Exceptions to Underpayment Penalties

To avoid penalties for underpaying estimated taxes, individual taxpayers must pay in through withholding and estimated taxes at least the lesser of (1) 100% of the 2025 tax liability, (2) 90% of the 2026 tax liability or (3) based on an annualized income installment method. For taxpayers with adjusted gross income in excess of \$150,000 (\$75,000 for married filing separately) the prior year safe harbor percentage is 110% for federal estimates.

Addresses for Individual Estimated Tax Payments

Internal Revenue Service (for VT, NY, NH residents)
P.O. Box 931100, Louisville, KY 40293-1100

Vermont Department of Taxes
P.O. Box 1779, Montpelier, VT 05601-1779

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2026 Tax Tables

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802.878.1963 (Williston)

802.775.7132 (Rutland)

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