



AccountingAidSociety

Standard Deduction

What is Standard Deduction?

- Taxpayers can choose to take either the **standard deduction** or **itemized deductions**. Most taxpayers — including most of our clients — typically use the **standard deduction**.
- The standard deduction is a **fixed amount set by the federal government** that reduces the portion of income subject to tax. In other words, you do not pay taxes on income up to this amount.
- The deduction amount depends on:
 - **Filing status** (single, married filing jointly, etc.)
 - **Age** (additional amounts apply if 65 or older)
 - **Blindness** (additional amounts also apply if blind)
- The standard deduction has **increased every year since 2018** and will continue to rise under the **One Big Beautiful Bill (OB BB)**.

Standard Deduction

Filing Status	Single	Head of Household (HOH)	Married Filing Jointly (MFJ)	Married Filing Separately (MFS)	Qualified Surviving Spouse With Dependent (QSS)
Standard deduction	\$15,750	\$23,625	\$31,500	\$15,750	\$31,500

Some taxpayers cannot take the standard deduction and must itemize. During the interview, find out if the taxpayer is:

- Filing as Married Filing Separately and the spouse itemizes regardless of who files first.
- A nonresident or dual-status alien during the year (and not married to a U.S. citizen or resident at the end of the year) – both are out of scope for the VITA/TCE programs
- Filing a return for a short tax year due to a change in the annual accounting period - out of scope for the VITA/TCE programs

Examples

Example-Single:

Your client Khalel is unmarried and is not claiming any dependents. He does not have itemizable expenses to claim on his return. He will claim the standard deduction of **\$15,750**.

Example-Head of Household:

Jenna, your client, is married but hasn't lived with her spouse in a few years. She provides all the support and pays for all the household costs for her 13 year old son Bob. She elects to file as head of household. Since she will not be itemizing her deductions, she will take the standard deduction of \$23,625.

Example-Married Filing Jointly:

Your clients Gary and Savannah always file married filing jointly. They tell you that they donated to their church \$6,000 but you realize besides this they don't have any additional itemizable expenses. So, you recommend they take the standard deduction since it is more advantageous. Their standard deduction is \$31,500.

Examples

Example-Married Filing Separately:

Kyle, your client, tells you he hasn't lived with his wife for 2 years but is still legally married to her. You inform him he has to file as married filing separate. Since his spouse isn't itemizing his return he wishes to take the standard deduction. His standard deduction is \$15,750.

Example-Qualifying Surviving Spouse:

Your client Veronica told you her husband passed away in 2024 and she filed as MFJ for the 2024 tax return. After you learn that Veronica's 15 year old daughter qualifies as a dependent for Veronica you recommend she file as qualifying surviving spouse for the next two tax years. Veronica doesn't wish to itemize her return. Her standard deduction will be \$31,500.

Standard Deduction for 65+ and/or Blind

The standard deduction increases if the taxpayer or spouse is age 65 or older, or if one or both are blind.

- **Additional Amounts (2025):**

- **Married Filing Jointly (MFJ), Married Filing Separately (MFS), or Qualifying Surviving Spouse (QSS):** \$1,600 for each taxpayer who qualifies
- **Single or Head of Household (HOH):** \$2,000 for each taxpayer who qualifies

If a taxpayer is **not totally blind**, they must provide a certified statement from an ophthalmologist or optometrist confirming that either:

- Vision in the better eye with glasses or contacts is 20/200 or worse, **or**
- The field of vision is 20 degrees or less

This information is reported by checking the appropriate boxes on **Form 1040 or 1040-SR**. The more boxes checked, the higher the standard deduction.

Additional Deduction for Seniors

Deduction for Seniors

- **New deduction:** Effective for 2025 through 2028, individuals who are age 65 and older may claim an **additional deduction of \$6,000**. This new deduction is **in addition to the current additional standard deduction for seniors under existing law**.
 - The \$6,000 senior deduction is per eligible individual (i.e., \$12,000 total for a married couple where both spouses qualify).
 - Deduction phases out for taxpayers with modified adjusted gross income over \$75,000 (\$150,000 for joint filers).
- **Qualifying taxpayers:** To qualify for the additional deduction, a taxpayer must attain age 65 on or before the last day of the taxable year.
- **Taxpayer eligibility:** Deduction is available for both itemizing and non-itemizing taxpayers.
 - Taxpayers must:
 - include the Social Security Number of the qualifying individual(s) on the return, and
 - file jointly if married, to claim the deduction.

Example

Your client Denise is unmarried and not claiming any dependents. She is 66 years old by the end of the tax year and is filing as single. Based on this information we can conclude that her standard deduction is **\$23,350** ($\$15,750 + \$1,600 + \$6,000$). Since she is single her standard deduction is \$15,750. However, because she is also older than 65, she gets an additional \$7,600 ($\$1,600 + \$6,000$), which is why her total standard deduction comes out to **\$23,350**.

Standard Deduction for Dependents

- If a taxpayer can be claimed as a dependent on someone else's return, their basic standard deduction is the greater of:
 - \$1,350, or
 - Earned income + \$450, capped at the basic standard deduction for their filing status (Single \$15,000; HOH \$22,500; MFJ/MFS/QSS \$30,000).
- Note: The cap above is the basic standard deduction cap. Additional amounts for age 65+ and/or blindness are added on top of the basic standard deduction:
 - Married filing jointly, MFS, or QSS: +\$1,600 each
 - Single or Head of Household: +\$2,000 each.
- A dependent's standard deduction will be automatically calculated in TaxSlayer, as long as the box indicating they can be claimed as a dependent by another taxpayer has been checked.

Example

Your client Mandy is a 19 year old college student and she is **being claimed as a dependent** by her parents. In the summer she worked a part time job and earned wages of \$3,000. She also earned interest from her bank of \$200. Since she is a **dependent** we can use the following information to calculate her standard deduction:

- The greater of: \$1,300 or \$450 + **earned income** (but not more than the standard deduction for single which is \$15,750).
- Mandy has **earned income** so we will use this rule: $\$450 + \$3,000 = \textbf{\$3,450}$. This is less than \$15,750, so her standard deduction will be \$3,450.

Note: TaxSlayer will automatically calculate the correct standard deduction for the dependent once you click the checkbox indicating that the taxpayer is a dependent! Don't forget to do that!!

Practice Scenario

Your client Fred is unmarried with no dependents. He doesn't have enough itemizable expenses to itemize his deductions. So, you recommend he takes the standard deduction. What is his standard deduction?

- A. \$23,625
- B. \$25,625
- C. \$15,750
- D. \$31,500

Practice Scenario

Your client Fred is unmarried with no dependents. He doesn't have enough itemizable expenses to itemize his deductions. So, you recommend he takes the standard deduction. What is his standard deduction?

- A. \$23,625
- B. \$25,625
- C. \$15,750
- D. \$31,500

Remember, the standard deduction for the filing status single is **\$15,750**.

Practice Scenario

Your clients, John and Mary, are married and will file a joint tax return. Neither taxpayer is blind. John is age 66 and Mary is 64 at the end of 2025. They elect to take the standard deduction. What is the amount of their standard deduction?

- A. \$31,500
- B. \$23,625
- C. \$15,750
- D. \$39,100

Practice Scenario

Your clients, John and Mary, are married and will file a joint tax return. Neither taxpayer is blind. John is age 66 and Mary is 64 at the end of 2025. They elect to take the standard deduction. What is the amount of their standard deduction?

- A. \$31,500
- B. \$23,625
- C. \$15,750
- D. \$39,100

Because they are MFJ they will get a standard deduction of \$31,500 automatically. Because John is over 65 he can get an additional \$7,600. Therefore, D is the correct answer.

Practice Scenario

Mike and Abby are still legally married but are separated and did not live together at any point in 2025. Mike has full custody of their child Steve and Mike provides more than half the cost of support for Steve and provides more than half the cost of maintaining the home too. What should be Mike's standard deduction based on this information?

- A. \$31,500
- B. \$23,625
- C. \$25,625
- D. \$15,750

Practice Scenario

Mike and Abby are still legally married but are separated and did not live together at any point in 2025. Mike has full custody of their child Steve and Mike provides more than half the cost of support for Steve and provides more than half the cost of maintaining the home too. What should be Mike's standard deduction based on this information?

- A. \$31,500
- B. \$23,625
- C. \$25,625
- D. \$15,750

Based on this information, Mike's filing status is **head of household**. We know that the head of household standard deduction is \$23,625, which is why B is the correct answer.

Practice Scenario

Greg and Amy have been married for 17 years and also elect to file jointly. Greg is 50 years old and Amy is 48 years old. They both agree to go with the standard deduction instead of itemizing their deductions. What is their standard deduction?

- A. \$15,750
- B. \$17,750
- C. \$31,500
- D. \$23,625

Practice Scenario

Greg and Amy have been married for 17 years and also elect to file jointly. Greg is 50 years old and Amy is 48 years old. They both agree to go with the standard deduction instead of itemizing their deductions. What is their standard deduction?

- A. \$15,750
- B. \$17,750
- C. \$31,500
- D. \$23,625

Because they are both under 65 and they are not blind, they will get the standard deduction for MFJ of \$31,500.

Practice Scenario

Ali and Fatima are still legally married but they haven't lived together since May of 2025. Neither one of them can claim any dependents so they will both file separate from each other. Neither spouse elects to itemize. What is the standard deduction that they both must use?

- A. \$15,750
- B. \$23,625
- C. \$31,500
- D. \$37,500

Practice Scenario

Ali and Fatima are still legally married but they haven't lived together since May of 2025. Neither one of them can claim any dependents so they will both file separate from each other. Neither spouse elects to itemize. What is the standard deduction that they both must use?

- A. \$15,750
- B. \$23,625
- C. \$31,500
- D. \$37,500

Because they both go with the standard deduction and they are married filing separately, their standard deduction is \$15,750.

Practice Scenario

Hannah's husband, Oliver, passed away in 2024. For her 2024 return she correctly filed married filing jointly. Hannah provides all the support for and pays for all the household expenses for her 11 year old daughter Nina. You inform Hannah that she can file as Qualifying Surviving Spouse (QSS) for the next two tax years. Hannah will not be itemizing her deductions. What is Hannah's standard deduction for 2025?

- A. \$23,625
- B. \$15,750
- C. \$31,500
- D. \$37,500

Practice Scenario

Hannah's husband, Oliver, passed away in 2024. For her 2024 return she correctly filed married filing jointly. Hannah provides all the support for and pays for all the household expenses for her 11 year old daughter Nina. You inform Hannah that she can file as Qualifying Surviving Spouse (QSS) for the next two tax years. Hannah will not be itemizing her deductions. What is Hannah's standard deduction for 2025?

- A. \$23,625
- B. \$15,750
- C. \$31,500
- D. \$37,500

Because Hannah is filing as QSS and is not itemizing, her standard deduction will be \$31,500.

End of Standard Deduction

Take a few moments with your table and discuss any questions you may have regarding this topic.