

A&B Accounting and Tax Services LLC

Fast Tax Facts – 2025

Standard Mileage Rates

The standard mileage rates are as follows:

- 70 cents per mile for business miles driven.
 - 21 cents per mile driven for medical or moving purposes.
 - 14 cents per mile driven in service of charitable organizations.
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Minimum Wage

The minimum wage rate is \$7.25.

Social Security Tax

The maximum amount of earnings subject to Social Security Tax (taxable maximum) is \$176,100.

Annual Gift Exclusion

The annual gift exclusion is \$19,000.

Health Savings Accounts (HSA)

The annual deductible contribution for HSA's is \$4,300 for individuals and \$8,550 for families. For those aged 55-64 and not enrolled in Medicare, there is an additional contribution of \$1,000.

American Opportunity Credit (AOTC)

The maximum credit is \$2,500 for qualified tuition and related expenses, per student, up to a maximum of \$10,000 over 4 years. If the credit brings the amount of tax owed to zero, 40 percent of any remaining amount of the credit (up to \$1,000) can be refunded.

401(k) and 403(b) Contributions

The maximum amount that can be contributed to your 401(k) or 403(b) Plan is \$23,500. For those aged 50 and over, the maximum amount is \$31,000.

Simple IRA Contributions

The amount an employee can contribute to a Simple IRA cannot exceed \$16,500. For those aged 50 and over, the maximum amount is \$20,000.

IRA Contributions

The maximum amount an individual can contribute to a Traditional IRA or Roth IRA is \$7,000. For those age 50 and over, the maximum amount is \$8,000.

ABLE IRA Contributions

The maximum amount an individual can contribute to an ABLE IRA is \$18,000.