



Tax Provision Comparison for Tax Years 2023, 2024 and 2025



Earned Income Tax Credit

2023 Provisions—Claimed on the 2023 tax return	2024 Provisions—Claimed on the 2024 tax return	2025 Provisions—Claimed on the 2025 tax return
<p>The minimum age to collect EITC for a taxpayer without a qualifying child is 25.</p> <p>A taxpayer without a qualifying child must be under age 65 to claim EITC which is the same as pre-2021 rules.</p> <p>Taxpayers claiming EITC in 2023 no longer have the option to use a prior year's earned income to calculate the credit. Taxpayers must use their 2023 earned income to claim the credit.</p> <p>The maximum investment income that a taxpayer can receive and still collect EITC is \$11,000 which will be adjusted in future years for inflation.</p> <p>The maximum amount of EITC for a taxpayer without a qualifying child is \$600 in 2023.</p> <p>The maximum amount of EITC for a for a taxpayer with one qualifying child is \$3,995 in 2023.</p> <p>The maximum amount of EITC for a for a taxpayer with two qualifying children is \$6,604 in 2023.</p> <p>The maximum amount of EITC for a for a taxpayer with three or more qualifying children is \$7,430 in 2023.</p> <p>Taxpayers filing MFS that are separated from their spouse and living apart for the last six months of the year may be eligible for EITC if they have a qualifying child that lived with them for at least six months out of the year.</p>	<p>The minimum age to collect EITC for a taxpayer without a qualifying child is 25.</p> <p>A taxpayer without a qualifying child must be under age 65 to claim EITC which is the same as pre-2021 rules.</p> <p>Taxpayers claiming EITC in 2024 no longer have the option to use a prior year's earned income to calculate the credit. Taxpayers must use their 2024 earned income to claim the credit.</p> <p>The maximum investment income that a taxpayer can receive and still collect EITC is \$11,600 which will be adjusted in future years for inflation.</p> <p>The maximum amount of EITC for a taxpayer without a qualifying child is \$632 in 2024.</p> <p>The maximum amount of EITC for a taxpayer with one qualifying child is \$4,213 in 2024.</p> <p>The maximum amount of EITC for a taxpayer with two qualifying children is \$6,960 in 2024.</p> <p>The maximum amount of EITC for a taxpayer with three or more qualifying children is \$7,830 in 2024.</p> <p>Taxpayers filing MFS who are separated from their spouse and living apart for the last six months of the year may be eligible for EITC if they have a qualifying child who lived with them for at least six months out of the year.</p>	<p>Taxpayers without a qualifying child must be at least 25 years old and under age 65 to claim the Earned Income Tax Credit (EITC), consistent with pre-2021 rules.</p> <p>Taxpayers must use their 2025 earned income to calculate the credit, as the option to use prior-year income is no longer available.</p> <p>The maximum investment income allowed to qualify for EITC is \$11,950 in 2025, with future adjustments for inflation.</p> <p>The maximum EITC amounts for 2025 are as follows:</p> <p>\$649 for taxpayers without a qualifying child</p> <p>\$4,328 for those with one qualifying child</p> <p>\$7,152 for those with two qualifying children</p> <p>\$8,046 for those with three or more qualifying children.</p> <p>Taxpayers who file as Married Filing Separately and were separated from their spouse, living apart for the last six months of the year, may be eligible for EITC if they have a qualifying child who lived with them for at least six months.</p>



Tax Provision Comparison for Tax Years 2023, 2024 and 2025



Child Tax Credit—Basic Provisions

2023 Provisions—Claimed on 2023 tax return	2024 Provisions—Claimed on the 2024 tax return	2025 Provisions—Claimed on the 2025 tax return
<p>Child Tax Credit is \$2,000 for each qualifying child under age 17 that is claimed as a dependent on the tax return which is the same as in 2022.</p> <p>The refundable portion of the Child Tax Credit (Additional Child Tax Credit) is raised to \$1,600 for each qualifying child.</p> <p>To receive the Additional Child Tax Credit the taxpayer must have earned income.</p> <p>The refundable amount is calculated on Schedule 8812 and it is limited to 15% of the earned income on the return over \$2,500. This is the same calculation that existed in 2018-2020 and in 2022.</p> <p>Child Tax Credit is phased out if the Taxpayer’s Adjusted Gross Income is more than the following:</p> <ul style="list-style-type: none"> • \$400,000 for MFJ • \$200,000 for all other filing statuses <p>For taxpayers with AGI above the threshold amounts, the credit is reduced by an amount equal to 5% for each \$1,000 of income or part thereof that exceeds the limits</p>	<p>Child Tax Credit is \$2,000 for each qualifying child under age 17 that is claimed as a dependent on the tax return which is the same as in 2023.</p> <p>The refundable portion of the Child Tax Credit (Additional Child Tax Credit) is raised to \$1,700 for each qualifying child.</p> <p>To receive the Additional Child Tax Credit the taxpayer must have earned income.</p> <p>The refundable amount is calculated on Schedule 8812 and it is limited to 15% of the earned income on the return over \$2,500. This is the same calculation that existed in 2018-2020, 2022 and 2023.</p> <p>Child Tax Credit is phased out if the Taxpayer’s Adjusted Gross Income is more than the following:</p> <ul style="list-style-type: none"> • \$400,000 for MFJ • \$200,000 for all other filing statuses <p>For taxpayers with AGI above threshold amounts, the credit is reduced by an amount equal to 5% for each \$1,000 of income or part thereof that exceeds the limits.</p>	<p>Child Tax Credit is \$2,200 for each qualifying child under age 17 who is claimed as a dependent on the tax return.</p> <p>This marks a \$200 increase from previous years and reflects a permanent adjustment indexed for inflation.</p> <p>The refundable portion of the Child Tax Credit, known as the Additional Child Tax Credit (ACTC), remains at \$1,700 per qualifying child.</p> <p>To receive the ACTC, the taxpayer must have earned income of more than \$2,500.</p> <p>The refundable amount is calculated on Schedule 8812, limited to 15% of earned income over \$2,500. This calculation method is consistent with the rules used in 2018–2020, 2022, 2023 and 2024</p> <p>The Child Tax Credit begins to phase out when a taxpayer’s Adjusted Gross Income (AGI) exceeds \$400,000 for married couples filing jointly and \$200,000 for all other filing statuses.</p> <p>For income above these thresholds, the credit is reduced by \$50 for every \$1,000 (or part thereof) over the limit.</p>



Tax Provision Comparison for Tax Years 2023, 2024 and 2025



Child Tax Credit—Puerto Rico

2023 Provisions—Claimed on 2023 tax return	2024 Provisions—Claimed on the 2024 tax return	2025 Provisions—Claimed on the 2025 tax return
<p>Residents of Puerto Rico will claim the Child Tax Credit for each qualifying child under age 17 that is claimed as a dependent on 1040-SS or 1040-SS (sp).</p> <p>Form 1040-PR has been replaced with a Spanish language version of 1040-SS.</p> <p>To receive the refundable portion of the CTC, PR residents must reported income that demonstrates they paid Social Security Taxes, Medicare and/or Self-Employment Taxes.</p> <p>The requirement that a resident of Puerto Rico must have three or more qualifying children to claim the refundable portion of the Child Tax Credit has been eliminated.</p>	<p>Residents of Puerto Rico will claim the Child Tax Credit for each qualifying child under age 17 that is claimed as a dependent on 1040-SS or 1040-SS (sp).</p> <p>Form 1040-PR was replaced with a Spanish language version of 1040-SS.</p> <p>To receive the refundable portion of the CTC, PR residents must reported income that demonstrates they paid Social Security Taxes, Medicare and/or Self Employment Taxes.</p> <p>The requirement that a resident of Puerto Rico must have three or more qualifying children to claim the refundable portion of the Child Tax Credit has been eliminated.</p>	<p>Residents of Puerto Rico will claim the Child Tax Credit for each qualifying child under age 17 that is claimed as a dependent on 1040-SS or 1040-SS (sp).</p> <p>Form 1040-PR was replaced with a Spanish language version of 1040-SS.</p> <p>To receive the refundable portion of the CTC, PR residents must reported income that demonstrates they paid Social Security Taxes, Medicare and/or Self Employment Taxes.</p> <p>The requirement that a resident of Puerto Rico must have three or more qualifying children to claim the refundable portion of the Child Tax Credit has been eliminated.</p>

Adoption Credit

2023 Provisions—Claimed on 2023 tax return	2024 Provisions—Claimed on the 2024 tax return	2025 Provisions—Claimed on the 2025 tax return
<p>The adoption credit in 2023 is \$15,950. The credit is non-refundable but can be carried over.</p>	<p>The adoption credit in 2024 is \$16,810. The credit is non-refundable but can be carried over.</p>	<p>Starting in 2025, a portion of the adoption credit, \$5,000 will be refundable. The refundable portion shall be adjusted in future years.</p> <p>The maximum credit in in 2025 is \$17,280.</p>



Tax Provision Comparison for Tax Years

2023, 2024 and 2025



Child and Dependent Care Credit

2023 Provisions—Claimed on 2023 tax return	2024 Provisions—Claimed on the 2024 tax return	2025 Provisions—Claimed on the 2025 tax return
<p>Child and Dependent Care Credit remains a nonrefundable credit and the limitations on the credit remains the same as the 2022 provisions.</p> <p>Child care or dependent care expenses are subject in 2023 to the following limits:</p> <ul style="list-style-type: none"> • \$3,000 for one qualifying individual • \$6,000 for more than one qualifying individual <p>The credit remains a percentage of the eligible child care expenses and that percentage is based on the Taxpayer's Adjusted Gross Income.</p> <p>The maximum credit in 2023 is 35% of eligible expenses for Taxpayers with AGI of up to \$15,000.</p> <p>Once AGI is above \$15,000, the credit is reduced by an amount equal to 1% for each \$2,000 of income or part thereof that exceeds \$15,000 until AGI reaches \$43,000. Above \$43,000 the credit is 20% of the eligible expenses and there is no maximum AGI limitation.</p> <p>Based on expense and AGI limitations, the maximum nonrefundable credit that a Taxpayer can claim in 2023 is the following:</p> <ul style="list-style-type: none"> • \$1,050 for one qualifying individual (\$3,000 x 35%) • \$2,100 for more than one qualifying individual (\$6,000 x 35%) 	<p>Child and Dependent Care Credit remains a nonrefundable credit and the limitations on the credit remains the same as the 2023 provisions.</p> <p>Child care or dependent care expenses are subject in 2024 to the following limits:</p> <ul style="list-style-type: none"> • \$3,000 for one qualifying individual • \$6,000 for more than one qualifying individual <p>The credit remains a percentage of the eligible child care expenses and that percentage is based on the Taxpayer's Adjusted Gross Income.</p> <p>The maximum credit in 2024 is 35% of eligible expenses for Taxpayers with AGI of up to \$15,000.</p> <p>Once AGI is above \$15,000, the credit is reduced by an amount equal to 1% for each \$2,000 of income or part thereof that exceeds \$15,000 until AGI reaches \$43,000. Above \$43,000 the credit is 20% of the eligible expenses and there is no maximum AGI limitation.</p> <p>Based on expense and AGI limitations, the maximum nonrefundable credit that a Taxpayer can claim in 2024 is the following:</p> <ul style="list-style-type: none"> • \$1,050 for one qualifying individual (\$3,000 x 35%) • \$2,100 for more than one qualifying individual (\$6,000 x 35%) 	<p>Child and Dependent Care Credit remains a nonrefundable credit and the limitations on the credit remain the same as 2024 provisions.</p> <p>Childcare or dependent care expenses are subject in 2025 to the following limits:</p> <ul style="list-style-type: none"> • \$3,000 for one qualifying individual • \$6,000 for more than one qualifying individual <p>The credit remains a percentage of the eligible childcare expenses and that percentage is based on the Taxpayer's Adjusted Gross Income.</p> <p>The maximum credit in 2025 is 35% of eligible expenses for Taxpayers with AGI of up to \$15,000.</p> <p>Once AGI is above \$15,000, the credit is reduced by an amount equal to 1% for each \$2,000 of income or part thereof that exceeds \$15,000 until AGI reaches \$43,000. Above \$43,000 the credit is 20% of the eligible expenses and there is no maximum AGI limitation.</p> <p>Based on expense and AGI limitations, the maximum nonrefundable credit that a Taxpayer can claim in 2025 is the following:</p> <ul style="list-style-type: none"> • \$1,050 for one qualifying individual (\$3,000 x 35%) • \$2,100 for more than one qualifying individual (\$6,000 x 35%)



Tax Provision Comparison for Tax Years

2023, 2024 and 2025



Residential Energy Credits—Form 5695 Part I

2023 Provisions—Claimed on 2023 tax return	2024 Provisions—Claimed on the 2024 tax return	2025 Provisions—Claimed on the 2025 tax return
<p>Residential Clean Energy Credit—As part of the Inflation Reduction Act, starting in 2023, biomass systems will no longer be eligible for the credit.</p> <p>Items that qualify are the following:</p> <ul style="list-style-type: none">• Qualified solar electric property• Solar water heating property• Small wind energy property• Geothermal heat pump property• Fuel cell property• Battery storage technology (new for 2023) <p>The credit remains available for qualifying expenditures incurred to install new clean energy property in an existing home or a newly constructed home.</p> <p>This credit has no annual or lifetime dollar limit except for fuel cell property. The credit amount for costs paid for qualified fuel cell property is limited to \$500 for each one-half kilowatt of capacity of the property.</p> <p>This credit remains a nonrefundable credit but it can be carried forward to future years to offset future income tax liability.</p>	<p>Residential Clean Energy Credit—As part of the Inflation Reduction Act, starting in 2023, biomass systems will no longer be eligible for the credit.</p> <p>Items that qualify are the following:</p> <ul style="list-style-type: none">• Qualified solar electric property• Solar water heating property• Small wind energy property• Geothermal heat pump property• Fuel cell property• Battery storage technology <p>The credit remains available for qualifying expenditures incurred to install new clean energy property in an existing home or a newly constructed home.</p> <p>This credit has no annual or lifetime dollar limit except for fuel cell property. The credit amount for costs paid for qualified fuel cell property is limited to \$500 for each one-half kilowatt of capacity of the property.</p> <p>This credit remains a nonrefundable credit but it can be carried forward to future years to offset future income tax liability.</p>	<p>The Residential Clean Energy Credit—Items include solar electric systems, solar water heaters, small wind turbines, geothermal heat pumps, fuel cell property, and battery storage technology.</p> <p>Under the One Big Beautiful Bill Act (OBBB), the credit will expire for residential installations after December 31, 2025.</p> <p>Installations must be placed in service by that date to qualify. There is no annual or lifetime dollar limit, except for fuel cell property, which is capped at \$500 per half kilowatt of capacity.</p> <p>The credit remains nonrefundable, but unused amounts may be carried forward to future years to offset future income tax liability.</p> <p>It is currently unclear how carryforward amounts will be handled if the IRS discontinues Form 5695 after 2025 but based on recent IRS draft instructions, it appears that any unused credit in 2025 will carryover to 2026.</p>



Tax Provision Comparison for Tax Years 2023, 2024 and 2025



Energy Efficient Home Improvement Credits—Form 5695 Part II

2023 Provisions—Claimed on 2023 tax return	2024 Provisions—Claimed on the 2024 tax return	2025 Provisions—Claimed on the 2025 tax return
<p>Energy Efficient Home Improvement Credit— This credit is claimed in Part II of Form 5695—Residential Energy Credits. The lifetime limit of \$500 was eliminated in 2023 and replaced with an annual limit of \$1,200.</p> <p>The credit is equal to 30% of the cost of various energy efficient products up to a maximum \$1,200 credit. The amounts that can be claimed on your primary residence for each type of improvement are as follows:</p> <ul style="list-style-type: none"> • \$600 for any single energy property item such as advanced main air circulating fans; central air conditioning; hot-water boilers, furnaces, or electric heat pump water heaters fueled by gas, propane, or oil; insulation materials, metal or asphalt roofing. • \$600 for windows or skylights • \$500 for exterior doors at \$250 per door • \$150 for energy audits. <p>The taxpayer can also claim up to \$2,000 for heat pumps; air source heat pumps; biomass stoves and boilers.</p> <p>If the taxpayer has both types of expenses, they can claim up to \$3,200 in total. This credit is not available on new construction. Only on an existing primary residence.</p> <p>The energy efficient home improvement credit is a non-refundable credit and cannot be carried forward.</p>	<p>Energy Efficient Home Improvement Credit— This credit is claimed in Part II of Form 5695—Residential Energy Credits. The lifetime limit of \$500 was eliminated in 2023 and replaced with an annual limit of \$1,200.</p> <p>The credit is equal to 30% of the cost of various energy efficient products up to a maximum \$1,200 credit. The amounts that can be claimed on your primary residence for each type of improvement are as follows:</p> <ul style="list-style-type: none"> • \$600 for any single energy property item such as advanced main air circulating fans; central air conditioning; hot-water boilers, furnaces, or electric heat pump water heaters fueled by gas, propane, or oil; insulation materials, metal or asphalt roofing. • \$600 for windows or skylights • \$500 for exterior doors at \$250 per door • \$150 for energy audits. <p>The taxpayer can also claim up to \$2,000 for heat pumps; air source heat pumps; biomass stoves and boilers.</p> <p>If the taxpayer has both types of expenses, they can claim up to \$3,200 in total. This credit is not available on new construction. Only on an existing primary residence.</p> <p>The energy efficient home improvement credit is a non-refundable credit and cannot be carried forward.</p>	<p>Energy Efficient Home Improvement Credit — Claimed on Part II of Form 5695 (Residential Energy Credits), this credit allows homeowners to claim 30% of qualified energy-efficiency expenses for improvements placed in service during 2025, subject to annual limits. There is no lifetime cap, but expenditures are capped annually:</p> <ul style="list-style-type: none"> • Up to \$1,200 total for improvements such as insulation, ENERGY STAR windows or skylights (max \$600), exterior doors (max \$250 per door, up to \$500), central air systems, gas/propane/oil furnaces or boilers, advanced air-circulating fans, electric heat-pump water heaters, and energy audits (max \$150). • Up to \$2,000 for high-efficiency systems including electric or natural-gas heat pumps, heat-pump water heaters, and biomass stoves/boilers. • Combined, taxpayers can claim up to \$3,200 in total credit per year. <p>Eligibility is limited to improvements on an existing primary U.S. residence (new construction is excluded). For items placed in service in 2025, you must report the qualified manufacturer identification number (QMID). This non-refundable credit cannot be carried forward to future years and applies only for improvements placed in service through December 31, 2025.</p> <p>This credit was set to expire December 31, 2032, the expiration date for this credit is now December 31, 2025.</p>



Tax Provision Comparison for Tax Years

2023, 2024 and 2025



Clean (Electric) Vehicle Credits—New Vehicles

2023 Provisions—Claimed on 2023 tax return	2024 Provisions—Claimed on the 2024 tax return	2025 Provisions—Claimed on the 2025 tax return
<p>In 2023, the credit is renamed the Clean Vehicles Credit and remains a non-refundable credit of a maximum of \$7,500. The manufacturer limitations (Tesla & GM) that applied to the old credit are no longer in effect.</p> <p>To qualify for the Clean Vehicle Credit, the taxpayer must purchase and place in service a qualified motor vehicle during 2023 and each of the following conditions must be satisfied:</p> <ol style="list-style-type: none"> The taxpayer purchased the vehicle new. The taxpayer started using the vehicle in 2023. The taxpayer’s modified adjusted gross income (MAGI) is equal to or less than \$300,000 (Married Filing Jointly and Qualifying Surviving Spouse), \$225,000 (Head of Household), or \$150,000 for all other filers. The vehicle meets one or both of the following (up to \$3,750 each for meeting each part): <ul style="list-style-type: none"> Critical mineral specifications Battery components specifications Vehicle must be assembled in North America. Vehicle must have a manufacturer-suggested retail price (MSRP) of no more than \$80,000 for vans, SUVs, and pick-ups, and \$55,000 for other vehicles. 	<p>In 2024, the credit is renamed the Clean Vehicles Credit and remains a non-refundable credit of a maximum of \$7,500. The manufacturer limitations (Tesla & GM) that applied to the old credit are no longer in effect.</p> <p>To qualify for the Clean Vehicle Credit, the taxpayer must purchase and place in service a qualified motor vehicle during 2023 and each of the following conditions must be satisfied:</p> <ol style="list-style-type: none"> The taxpayer purchased the vehicle new. The taxpayer started using the vehicle in 2024. The taxpayer’s modified adjusted gross income (MAGI) is equal to or less than \$300,000 (Married Filing Jointly and Qualifying Surviving Spouse), \$225,000 (Head of Household), or \$150,000 for all other filers. The vehicle meets one or both of the following (up to \$3,750 each for meeting each part): <ul style="list-style-type: none"> Critical mineral specifications Battery components specifications Vehicle must be assembled in North America. Vehicle must have a manufacturer-suggested retail price (MSRP) of no more than \$80,000 for vans, SUVs, and pick-ups, and \$55,000 for other vehicles. 	<p>For the 2025 tax year, the Clean Vehicle Credit remains a nonrefundable credit of up to \$7,500 for the purchase of a new qualified clean vehicle. To qualify, the taxpayer must purchase and place the vehicle in service on or before September 30, 2025. After this date, the credit will no longer be available for new vehicle purchases under the One Big Beautiful Bill Act.</p> <p>To be eligible, the taxpayer must have purchased the vehicle new and begun using it in 2025.</p> <p>The taxpayer’s Modified Adjusted Gross Income (MAGI) must not exceed \$300,000 for Married Filing Jointly or Qualifying Surviving Spouse, \$225,000 for Head of Household, or \$150,000 for all other filers.</p> <p>The vehicle must meet critical mineral and/or battery component requirements, with up to \$3,750 available for each category. It must also be assembled in North America and have a manufacturer’s suggested retail price (MSRP) of no more than \$80,000 for vans, SUVs, and pickups, and \$55,000 for other vehicles.</p> <p>Additionally, to claim the credit, the taxpayer must have a binding written contract and make a down payment or trade-in by September 30, 2025. A signed purchase agreement alone is not sufficient.</p>



Tax Provision Comparison for Tax Years 2023, 2024 and 2025



Clean (Electric) Vehicle Credits—Used Vehicles

2023 Provisions—Claimed on 2023 tax return	2024 Provisions—Claimed on the 2024 tax return	2025 Provisions—Claimed on the 2025 tax return
<p>Clean Vehicle Credit (Used Vehicles)—Qualified buyers can claim a credit of up to \$4,000. The credit for a used electric vehicles is limited to 30% of the purchase price of the used vehicle. This credit can only be claimed every three years starting in 2023.</p> <p>The used vehicle must also satisfy the following conditions:</p> <ol style="list-style-type: none"> The vehicle must be at least two years old. The taxpayer started using the vehicle in 2023 The vehicle must have an eligible VIN. The vehicle must be purchased through a dealer (no private sales) and No credit (either new or used) was previously claimed for the vehicle. <p>To claim the credit there is a \$25,000 price cap on the used vehicles.</p> <p>There are the following income limitations based on filing status:</p> <ul style="list-style-type: none"> \$150,000 for joint returns \$112,500 for HOH \$75,000 for all single filers. 	<p>Clean Vehicle Credit (Used Vehicles)—Qualified buyers can claim a credit of up to \$4,000. The credit for a used electric vehicles is limited to 30% of the purchase price of the used vehicle. This credit can only be claimed every three years starting in 2023.</p> <p>The used vehicle must also satisfy the following conditions:</p> <ol style="list-style-type: none"> The vehicle must be at least two years old. The taxpayer started using the vehicle in 2024 The vehicle must have an eligible VIN. The vehicle must be purchased through a dealer (no private sales) and No credit (either new or used) was previously claimed for the vehicle. <p>To claim the credit there is a \$25,000 price cap on the used vehicles.</p> <p>There are the following income limitations based on filing status:</p> <ul style="list-style-type: none"> \$150,000 for joint returns \$112,500 for HOH \$75,000 for all single filers. 	<p>Clean Vehicle Credit (Used Vehicles)—Qualified buyers can claim a credit of up to \$4,000. The credit for a used electric vehicles is limited to 30% of the purchase price of the used vehicle. This credit can only be claimed every three years starting in 2023.</p> <p>The used vehicle must also satisfy the following conditions:</p> <ol style="list-style-type: none"> The vehicle must be at least two years old. The taxpayer started using the vehicle in 2025 The vehicle must have an eligible VIN. The vehicle must be purchased through a dealer (no private sales) and No credit (either new or used) was previously claimed for the vehicle. <p>To claim the credit there is a \$25,000 price cap on the used vehicles.</p> <p>Income limitations based on filing status are the same as the previous year.</p> <p>The credit is valid only for vehicles acquired (contract signed and deposit/data submitted) on or before September 30, 2025, and placed in service by that date.</p>



Tax Provision Comparison for Tax Years

2023, 2024 and 2025



Clean (Electric) Vehicle Credits—Commercial Clean Vehicle Credit

2023 Provisions—Claimed on 2023 tax return	2024 Provisions—Claimed on the 2024 tax return	2025 Provisions—Claimed on the 2025 tax return
<p>Commercial Clean Vehicle Credit—Starting in 2023, businesses (including pass-through entities) and tax-exempt organizations that buy a qualified commercial clean vehicle that is used in the United States may qualify for a clean vehicle tax credit. Taxpayers claiming the credit on Form 8936 will be required to provide the VIN on Schedule A (Form 8936) and only one credit per VIN is available.</p> <p>Tax-exempt entities have the option to receive direct payments of the credit amount rather than a credit.</p> <p>The credit equals the lesser of:</p> <ul style="list-style-type: none"> • 15% of your basis in the vehicle (30% if the vehicle is not powered by gas or diesel) • The incremental cost of the vehicle over the cost of a comparable vehicle powered solely by a gas or diesel engine. • The maximum credit is \$7,500 for qualified vehicles with gross vehicle weight ratings (GVWRs) of under 14,000 pounds and \$40,000 for all other vehicles. <p>There is no limit on the number of credits a business can claim, but the credits are nonrefundable. However, the credit can be carried over as a general business credit on Form 3800.</p> <p>Any credit received will reduce the depreciable basis of the vehicle.</p>	<p>Commercial Clean Vehicle Credit—Starting in 2023, businesses (including pass-through entities) and tax-exempt organizations that buy a qualified commercial clean vehicle that is used in the United States may qualify for a clean vehicle tax credit. Taxpayers claiming the credit on Form 8936 will be required to provide the VIN on Schedule A (Form 8936) and only one credit per VIN is available.</p> <p>Tax-exempt entities have the option to receive direct payments of the credit amount rather than a credit.</p> <p>The credit equals the lesser of:</p> <ul style="list-style-type: none"> • 15% of your basis in the vehicle (30% if the vehicle is not powered by gas or diesel) • The incremental cost of the vehicle over the cost of a comparable vehicle powered solely by a gas or diesel engine. • The maximum credit is \$7,500 for qualified vehicles with gross vehicle weight ratings (GVWRs) of under 14,000 pounds and \$40,000 for all other vehicles. <p>There is no limit on the number of credits a business can claim, but the credits are nonrefundable. The credit can be carried over as a general business credit on Form 3800.</p> <p>Any credit received will reduce the depreciable basis of the vehicle.</p>	<p>Commercial Clean Vehicle Credit—Starting in 2023, businesses (including pass-through entities) and tax-exempt organizations that buy a qualified commercial clean vehicle that is used in the United States may qualify for a clean vehicle tax credit. Taxpayers claiming the credit on Form 8936 will be required to provide the VIN on Schedule A (Form 8936) and only one credit per VIN is available.</p> <p>Tax-exempt entities have the option to receive direct payments of the credit amount rather than a credit.</p> <p>The credit equals the lesser of:</p> <ul style="list-style-type: none"> • 15% of your basis in the vehicle (30% if the vehicle is not powered by gas or diesel) • The incremental cost of the vehicle over the cost of a comparable vehicle powered solely by a gas or diesel engine. • The maximum credit is \$7,500 for qualified vehicles with gross vehicle weight ratings (GVWRs) of under 14,000 pounds and \$40,000 for all other vehicles. <p>There is no limit on the number of credits a business can claim, but the credits are nonrefundable. The credit can be carried over as a general business credit on Form 3800. The credit is valid only for vehicles acquired (contract signed and deposit/data submitted) on or before September 30, 2025, and placed in service by that date.</p> <p>Any credit received will reduce the depreciable basis of the vehicle.</p>



Tax Provision Comparison for Tax Years 2023, 2024 and 2025



Clean (Electric) Vehicle Credits

2023 Provisions—Claimed on 2023 tax return	2024 Provisions—Claimed on the 2024 tax return	2025 Provisions—Claimed on the 2025 tax return
<p>The ability to transfer the tax credit is not available for tax year 2023</p>	<p>Starting in 2024, the option to transfer the tax credit to the dealer was given to taxpayers, this will result in the taxpayer getting an immediate discount on the vehicle rather than the credit being claimed on the individual's tax return. Taxpayers will still need to include Form 8936 even if they elected to transfer the credit to the dealer.</p> <p>The Clean Vehicle Credit was set to expire December 31, 2032</p>	<p>Starting in 2024, the option to transfer the tax credit to the dealer was given to taxpayers, this will result in the taxpayer getting an immediate discount on the vehicle rather than the credit being claimed on the individual's tax return. Taxpayers will still need to include Form 8936 even if they elected to transfer the credit to the dealer.</p> <p>The Clean Vehicle Credit will now expire on September 30, 2025.</p>



Tax Provision Comparison for Tax Years 2023, 2024 and 2025



Car Loan Interest

2023 Provisions—Claimed on 2023 tax return	2024 Provisions—Claimed on the 2024 tax return	2025 Provisions—Claimed on the 2025 tax return
Car loan interest is non-deductible.	Car loan interest is non-deductible.	In 2025 , car loan interest is deductible for new car loans made after December 31, 2024

Additional Deduction for Seniors

2023 Provisions—Claimed on 2023 tax return	2024 Provisions—Claimed on the 2024 tax return	2025 Provisions—Claimed on the 2025 tax return
Taxpayers that are 65 or older receive an increased standard deduction amount but there was no additional deduction.	Taxpayers that are 65 or older receive an increased standard deduction amount but there was no additional deduction.	<p>Starting in 2025, Taxpayers that are 65 or older can claim a new \$6,000 bonus deduction.</p> <p>This provision was included to help offset taxes on Social Security benefits, but it is not tied to Social Security.</p> <p>The new \$6,000 senior deduction is an below the line deduction and can be taken even if they itemize their deductions.</p> <p>It has been called an “exemption”, but it is a deduction.</p> <p>The deduction begins to phase out for taxpayers with Modified Adjusted Gross Income (MAGI) over at the rate of 6% of MAGI over the threshold amounts:</p> <ul style="list-style-type: none">• \$75,000 for single filers• \$150,000 for MFJ



Tax Provision Comparison for Tax Years

2023, 2024 and 2025



Tips

2023 Provisions—Claimed on 2023 tax return	2024 Provisions—Claimed on the 2024 tax return	2025 Provisions—Claimed on the 2025 tax return
<p>Tips are reported on the W-2 and are subject to Federal Income Taxes, FICA and Medicare Tax.</p> <p>Tips are reported separately on the W-2.</p>	<p>Tips are reported on the W-2 and are subject to Federal Income Taxes, FICA and Medicare Tax.</p> <p>Tips are reported separately on the W-2.</p>	<p>For 2025 – 2028 – Tips will continue be reported on the W-2.</p> <p>Tips are subject to Federal Income Tax Withholding, FICA and Medicare Tax in the same manner as previously.</p> <p>For 2025 – 2028, up to \$25,000 per return, for tips can be deducted as an below the line deduction.and will reduce Adjusted Gross Income.</p> <p>Tip income will still be included in earned income.</p> <p>The deduction for Tips begins to phase out for taxpayers with Modified Adjusted Gross Income (MAGI) over:</p> <ul style="list-style-type: none"> • \$150,000 for single filers • \$300,000 for MFJ

Overtime

2023 Provisions—Claimed on 2023 tax return	2024 Provisions—Claimed on the 2024 tax return	2025 Provisions—Claimed on the 2025 tax return
<p>Overtime is considered part of the taxpayer’s wages and is subject to Federal Income Taxes, FICA and Medicare Tax.</p> <p>Overtime is not reported separately on the W-2.</p>	<p>Overtime is considered part of the taxpayer’s wages and is subject to Federal Income Taxes, FICA and Medicare Tax.</p> <p>Overtime is not reported separately on the W-2.</p>	<p>For 2025 – 2028, up to \$12,500 (\$25,000 maximum on a MFJ return) in Overtime Premium can be taken as an below the line deduction and will reduce Adjusted Gross Income. It will still be included in earned income.</p> <p>The deduction for Overtime also begins to phase out for taxpayers with Modified Adjusted Gross Income (MAGI) over:</p> <ul style="list-style-type: none"> • \$150,000 for single filers • \$300,000 for MFJ



Tax Provision Comparison for Tax Years

2023, 2024 and 2025



Other Miscellaneous Tax Provisions

2023 Provisions—Claimed on 2023 tax return	2024 Provisions—Claimed on the 2024 tax return	2025 Provisions—Claimed on the 2025 tax return
<p>Qualified Cancelled Mortgage Debt—The Consolidated Appropriations Act, extended through 2025 the exclusion from income for cancelled mortgage debt income (as reported on Form 1099-C) associated with a taxpayer’s primary residence.</p>	<p>Qualified Cancelled Mortgage Debt—This income exclusion is reported on Form 982 and remains in effect through 2025.</p>	<p>Qualified Cancelled Mortgage Debt—This income exclusion is reported on Form 982 and remains in effect through 2025.</p>
<p>Research and Development Costs- Research and development costs are to be capitalized and amortized over a 15-year period.</p>	<p>Research and Development Costs- Research and development costs are to be capitalized and amortized over a 15-year period.</p>	<p>Research and Development Costs- Starting in 2025, research and development cost conducted in the United States can be expensed or amortized.</p> <p>There are also provisions to accelerate existing capitalized costs.</p>
<p>Premium Tax Credit—Premium Tax Credits (PTC) were enhanced for Taxpayers that received unemployment and for Taxpayers with Household Income (HI) between 100% and 150% of the Federal Poverty Level (FPL) for their family size. Taxpayers with HI over 400% of the FPL are required to contribute 8.5% of their income towards their health coverage purchased through the Marketplace.</p>	<p>Premium Tax Credit—Taxpayers with Household Income (HI) between 100% and 150% of the Federal Poverty Level (FPL) for their family size are eligible for zero-premium coverage depending on the plan selected.</p> <p>Taxpayers with Household Income (HI) over 400% of the FPL will contribute 8.5% of their HI towards their health coverage purchased through the Federal Marketplace or State Exchanges. The enhanced Premium Tax Credit for taxpayer that received unemployment no longer apply.</p>	<p>Premium Tax Credit—Taxpayers with Household Income (HI) between 100% and 150% of the Federal Poverty Level (FPL) for their family size are eligible for zero-premium coverage depending on the plan selected.</p> <p>Through 2025, taxpayers with Household Income (HI) over 400% of the FPL will contribute 8.5% of their HI towards their health coverage purchased through the Federal Marketplace or State Exchanges. Starting in 2026, taxpayers with Household Income (HI) over 400% of the FPL will no longer be eligible for any PTC</p>
<p>Educator Expense Deduction—Secondary and elementary educators are allowed an adjustment to income of \$250. Married educators are each eligible for the deduction for a total of \$500.</p>	<p>Educator Expense Deduction—Secondary and elementary educators are allowed an adjustment to income of \$300. Married educators are each eligible for the deduction for a total of \$600.</p>	<p>Educator Expense Deduction—The deduction remains the same for 2025 as last year. Secondary and elementary educators are allowed an adjustment to income of \$300. Married educators are each eligible for the deduction for a total of \$600.</p>



Tax Provision Comparison for Tax Years 2023, 2024 and 2025



Other Miscellaneous Tax Provisions (continued)

2023 Provisions—Claimed on 2023 tax return	2024 Provisions—Claimed on the 2024 tax return	2025 Provisions—Claimed on the 2025 tax return
<p>Bonus Depreciation—Bonus Depreciation—Eligible property remains property subject to Modified Accelerated Cost Recovery System (MACRS) property with a recovery period of twenty years or less but the bonus depreciation percentage for such property acquired and put in use in 2024 is 80%.</p> <p>Bonus Depreciation will be reduced by 20% each year after 2023 until it is eliminated as a deduction at the end of 2026.</p>	<p>Bonus Depreciation—Eligible property remains property subject to Modified Accelerated Cost Recovery System (MACRS) property with a recovery period of twenty years or less but the bonus depreciation percentage for such property acquired and put in use in 2024 is 60%.</p> <p>Bonus Depreciation will be reduced by 20% each year after 2023 until it is eliminated as a deduction at the end of 2026.</p>	<p>The OBBB has reinstated 100% expensing of qualified assets in the year they were put into service for property acquired beginning Jan 1, 2025, rather than 40%.</p> <ul style="list-style-type: none"> • Bonus Depreciation is now permanent at 100%. • The scope of qualified assets will also cover manufacturing buildings, but only for buildings placed in service before Jan. 1, 2031. Currently these buildings would be depreciated over 39 years.
<p>Retirement Plan and IRA Required Minimum Distributions (RMDs)—RMDs are the minimum amounts a taxpayer must withdraw from their retirement accounts each year. Participants in such plans must start taking withdrawals from traditional IRA, SEP IRA, SIMPLE IRA, and retirement plan accounts.</p> <p>Account owners in a workplace retirement plan (for example, 401(k) or profit-sharing plan) can delay taking their RMDs until the year they retire, unless they're a 5% owner of the business sponsoring the plan.</p> <p>Beginning in 2023, the SECURE 2.0 Act raised the age for taking RMDs to age 73.</p> <p>Participants who reached age 72 in 2023 the first RMD will not occur until 2024, the year the participant reaches 73. For such participants the first RMD is due by April 1, 2025, and their second RMD by December 31, 2025.</p>	<p>Retirement Plan and IRA Required Minimum Distributions (RMDs)—RMDs are the minimum amounts a taxpayer must withdraw from their retirement accounts each year. Participants in such plans must start taking withdrawals from traditional IRA, SEP IRA, SIMPLE IRA, and retirement plan accounts.</p> <p>Account owners in a workplace retirement plan (for example, 401(k) or profit-sharing plan) can delay taking their RMDs until the year they retire, unless they're a 5% owner of the business sponsoring the plan.</p> <p>Beginning in 2023, the SECURE 2.0 Act raised the age for taking RMDs to age 73.</p>	<p>Retirement Plan and IRA Required Minimum Distributions (RMDs)— RMDs are the minimum amounts a taxpayer must withdraw from their retirement accounts each year. Participants in such plans must start taking withdrawals from traditional IRA, SEP IRA, SIMPLE IRA, and retirement plan accounts.</p> <p>Account owners in a workplace retirement plan (for example, 401(k) or profit-sharing plan) can delay taking their RMDs until the year they retire, unless they're a 5% owner of the business sponsoring the plan.</p> <p>Beginning in 2023, the SECURE 2.0 Act raised the age for taking RMDs to age 73.</p>



Tax Provision Comparison for Tax Years 2023, 2024 and 2025



Other Miscellaneous Tax Provisions (continued)

2023 Provisions—Claimed on 2023 tax return	2024 Provisions—Claimed on the 2024 tax return	2025 Provisions—Claimed on the 2025 tax return
<p>State and Local Tax- TCJA established a limit of \$10,000 for deducting State and Local Taxes through 2025.</p> <p>This limitation was set to expire at the end of this year and would have reverted to pre-TCJA levels which had no cap.</p>	<p>State and Local Tax- TCJA established a limit of \$10,000 for deducting State and Local Taxes through 2025.</p> <p>This limitation was set to expire at the end of this year and would have reverted to pre-TCJA levels which had no cap.</p>	<p>State and Local Tax- For the next five years the SALT deduction will be increased. It will be \$40,000 in 2025 and increase by 1% each year thereafter.</p> <p>However, in 2030 the SALT deduction will revert to \$10,000.</p> <ul style="list-style-type: none">• 2025 - \$40,000• 2026 - \$40,400• 2027 - \$40,804• 2028 - \$41,212• 2029 - \$41,624• 2030 - \$10,000 <p>The SALT deduction is phased out for taxpayers once their income exceeds a threshold of an AGI of \$500,000 (250,000 for MFS) and the deduction is reduced by \$50 for each \$1,000 over the threshold.</p>