

JENSON & JENSON

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TAX & ACCOUNTING PROFESSIONALS

Joshua Jenson, CPA aka JJ the CPA

Joshua has 32 years of public accounting experience in tax and is a licensed CPA in Oklahoma and Texas, and a member of the American Institute of CPAs and Oklahoma Society of CPAs. Joshua is a 1993 graduate of Abilene Christian University where he earned his accounting degree. JJ the CPA has over 100,000 SUBSCRIBERS and over 8 million views on his YouTube channel “JJ THE CPA,” and has authored 2 books available on Amazon.

Cooper Jenson

Cooper has been working with his father since 2017. He is preparing for CPA certification, inspired by his father's and great grandfather's career path. Although baseball was his initial passion, winning a state championship in 2019, Cooper's focus shifted to taxes full-time in 2022. He specializes in working in the real estate sector with both Realtors and investors.

JJ THE CPA®

Real Estate School & CE



@JJtheCPAusa



100,000+
Subscribers

CHECK
OUT OUR
CHANNEL



WRITE THIS DOWN

LLC S-Corp

15.3%

Receipts

Miles

REALTOR TAX STRATEGIES

How many days until
April 16, 2026?

REALTOR TAX STRATEGIES

Worst tax moves:

FSBO tax preparation

Best tax move:

LLC taxed as S-Corp

BEST REALTOR TAX STRATEGY

Set up an entity structure: Our clients select LLC

- You need to consult an attorney or use Legal Zoom
- Separate you and your assets from your business
- Limit your personal liability
- This is NOT selecting your tax classification

Select tax classification: S-Corp

- You must use a tax professional. **DO NOT DO YOURSELF!**
- Must file Form 2553 timely-75 Days **See instructions but use tax pro**
- Fit for clients who are “active” in their business
- NOTE: Partnership best for passive activities

TAX STRATEGIES: KEEP RECEIPTS

Keep receipts:

\$1 receipt saves approx 42¢ in tax

\$10,000 receipts = \$4,200 less tax

Without a receipt you do NOT get
the tax deduction = cost you!

Example based on 42% effective tax rate

TAX STRATEGIES: TRACK MILEAGE

1 mile = 70¢ (2025) deduction
= 29.4¢ Tax Saved

10,000 miles = \$7,000 deduction
= \$2,940 less tax

Without a mileage log you do NOT get the
tax deduction = cost you!

Example based on 42% effective tax rate

Standard business mileage rate

70 cents (per mile) 2025

72.5 cent (per mile) 2026

The previous example was based on the 2025 mileage rate, as that is the tax return you are filing now.

TAX RATES FOR REALTORS



SELF-
EMPLOYED
(FORM 1099)
= Sole Proprietor
= Business
Owner

AVERAGE REALTOR COMBINED TAX RATE ON TAXABLE INCOME

FILING SCHEDULE C

42% in total income taxes for
average Realtor in Oklahoma

Possibly as high as **57.05%** in total
taxes at maximum tax rates

SELF-EMPLOYED FILING SCHEDULE C BASED ON THE NET INCOME, THERE IS BOTH INCOME TAX & SELF-EMPLOYMENT TAXES DUE

You will pay three (3) types of taxes on the net income as a realtor filing as a sole proprietor filing Schedule C:

1. **Federal** income taxes (Max 37%) *Average Realtor 22%*
2. **Oklahoma** income taxes Example: (4.75%)
3. **Self-employment** (S/E) taxes (15.3% up to \$168,600)
 - 2.9% net S/E income above \$168,600
 - 3.8% net S/E income above \$250,000 MFJ or \$200,000 single/HH

NO SELF-EMPLOYED FILING S-CORPORATION BASED ON THE NET INCOME, THERE IS **ONLY** **INCOME TAX**

You will pay three (3) types of taxes on the net income as a realtor filing as a S-Corporation:

1. **Federal** income taxes (Max 37%) *Average Realtor 22%*
2. **Oklahoma** income taxes Example: (4.75%)
- ~~3. **Self-employment** (S/E) taxes (**15.3%** up to \$168,600)~~
 - ~~— 2.9% net S/E income above \$168,600~~
 - ~~— 3.8% net S/E income above \$250,000 MFJ or~~
 - ~~— \$200,000 single/HH~~



EXAMPLE:
Which result
do you pick?

YOU: TAX SEASON 2026

Homes were sellers or buyers agent

Home price times 3% commission

You sell 6 homes in 2025

YOU: TAX SEASON 2026

You sell 6 homes in 2025

1. $\$208,000 \times 3\% = \$6,240$

2. $\$456,000 \times 3\% = \$13,680$

3. $\$315,000 \times 3\% = \$9,450$

4. $\$523,000 \times 3\% = \$15,690$

5. $\$783,000 \times 3\% = \$23,490$

6. $\$672,000 \times 3\% = \$20,160$

Total Commission \$88,710

YOU: TAX SEASON 2026

Your Form 1099 from your Broker **\$88,710 Income**

Your Total Federal & Oklahoma Tax **Due April 15, 2026**

Not LLC taxed as S-Corp

\$20,914 No Receipts, No Mileage Log, No Deductions

\$15,955 \$10,000 Receipts & 10,000 mileage log

You have a LLC taxed as S-Corp

\$11,771 No Receipts, No Mileage Log, No Deductions

\$8,118 \$10,000 Receipts & 10,000 mileage log

YOU: TAX SEASON 2026

Form 1099 \$88,710 Income

Due April 15, 2026

What you did you already learn?

Wait & See: Write a check for \$20,914

LLC as S-Corp with receipts & mileage log:

Write a check for \$8,118

Savings: \$12,796

REALTOR
P&L



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Realtor Income & Expenses for Tax Purposes

Gross Income (Form 1099)	\$
Broker Fees "Deducted" Before Payment to You	\$
The amount on Form 1099 is the amount actually you deposited into your bank account? Some brokers list the amount before their deductions.	Yes / No
Or is the amount on Form 1099 your gross commission and your broker deducted fees before paying you the net amount?	Yes / No
If so, list broker fees deducted from commission for the year	
Did you confirm the above with your broker? If not, please confirm to avoid you overpaying your taxes.	Yes / No

Expenses (Only Include Any One Expense on One Line) Total for Entire Year

Only list items you spent with business purpose & intent that you wouldn't have spent except as a Realtor

Advertising Expense
Bank Charges or Fees
Beauty Supplies (<i>Rarely Allowed, See Notes</i>)
Broker Fees Paid
Cell Phone Charges
Cleaning Expense
Closing Gifts for Clients
Clothing with Logo or Uniform
Coaching Fees
Conference Fees
Continuing Education (CE)
Contractors
Credit Card Fees
Credit Card Interest Paid
Dues
FedEx, UPS, etc.
Financial Adviser Fees
Flowers
Food, Snacks, Drinks, etc. - Business
Gift Certificates & Gift Cards
Gifts for Clients
Hotel, Air BnB, Venmo
HSA Contributions
Independent Contractors
Inspection Fees
Insurance Expense - General
Insurance Expense - Health
Insurance Expense - Dental
Insurance Expense - Vision

<i>List items paid by check, cash or credit card</i>
Online, Facebook, Instagram, School Events, etc.
Look on bank statements
Personal use strictly NOT allowed. This is for photo-shoots, special even
You paid by check, credit card, cash (not included above)
Fees, accessories, etc.
Open house, showings, etc.
Gifts given to clients or vendors at closing
Regular clothing is strictly not allowed. Clothing for promo won't count i
Professional related, Tom Ferry Consulting, Masterminds, etc.
Realtor, professional, marketing, etc.
Fees to attend, in-person, online, etc.
Related to client's properties & realtor activities
Annual fees, etc.
See credit card statements
Realtor Board, associations, business groups, etc.
Shipping items related to realtor & business
Financial advice (not investment fees)
Gifts, clients, celebration, closings, open house, condolences
Events, open houses, appreciation parties, sponsoring
Given to others
Appreciation items, etc.
Realtor & business related travel
Health Savings Account (HSA) amount your deposited, not by employer
Give us the Form 1099's you sent
If you paid on behalf of the client & not reimbursed
Liability, professional, etc. (list auto below)
You paid, not through employer or your spouse/parents
You paid, not through employer or your spouse/parents
You paid, not through employer or your spouse/parents

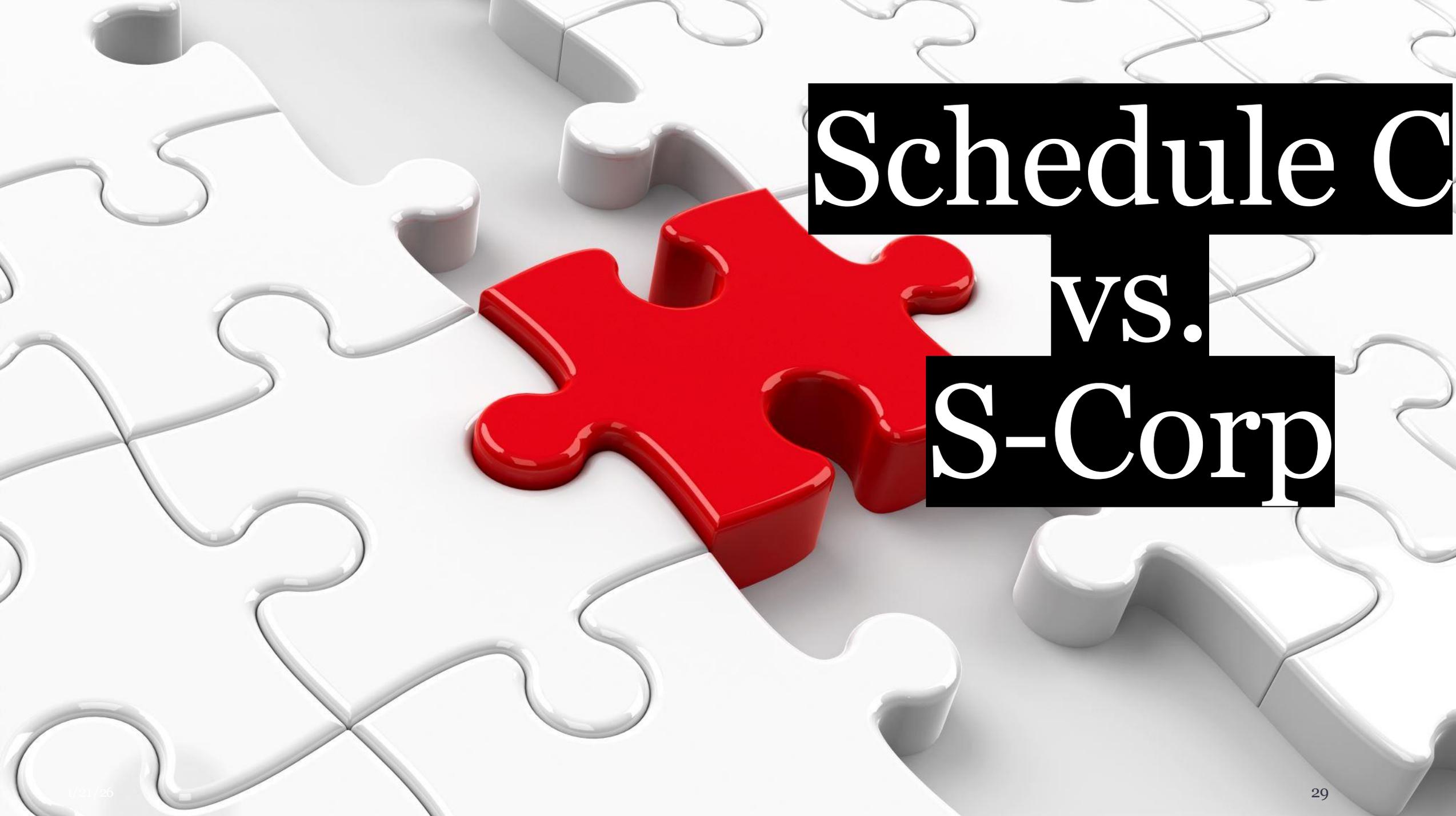


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Insurance Expense - Long Term Care	You paid, not through employer or your spouse/parents
Interest Expense	Business loans not home/personal (auto below)
Internet Fees	Home, office, mobile wifi
Lawn Care (At Clients Homes)	Not at your home & not reimbursed
Legal Fees	Paid an attorney, legal services, LLC set up fees
Licenses	Realtor Board, etc.
Meals with Clients & Prospects	Coffee, lunches, dinners, breakfast, etc.
Meals Traveling Overnight	Coffee, lunches, dinners, breakfast, etc.
Membership Fees	Business, realtor, civic groups, etc. (gym fees typically excluded)
Office Supplies	Amazon, staples, paper, etc.
Open House Expenses	Flowers, food, supplies, vendors, etc.
Outside Services	Temporary help
Parking Fees	Local, travel, by app, cash, etc.
Party's for Clients & Prospects	Food, drinks, disposable tableware, DJ, fees, rental costs, etc.
Payroll to Employees	Paid by Form W-2 (not paid by 1099)
Payroll Taxes	Tax paid by employer issuing Form W-2
Pedicures/Manicures for Clients (<i>Rarely Allowed, See Notes</i>)	Personal use strictly not allowed. Client, promotional event.
Postage	Mailing, shipping, etc.
Printing	Business cards, flyers, promo, events, stationary, signs, etc.
Professional Fees	Accounting fees, consulting fees, etc.
Promotional Expenses	Pens, logo items, etsy, etc.
Rent Expense	NOT at your home. This is for an office outside your home.
Repairs & Maintenance	At a client's home, not reimbursed. On your business assets. (Auto below)
Retirement Plan Contributions	IRA, Roth IRA, 401(k), Simple IRA, SEP (NOT thru an employer)
Security Expense	Security fees, app security, client home cameras (NOT at your home)
Sponsorships	Events, golf tournaments, charitable, school events, etc.
Staging Fees & Costs	Rentals, services, etc. (items you don't keep)
Subscriptions	iTunes, Microsoft, Adobe, magazines, etc.
Telephone	Office, 2nd line at home (cell listed above)
Tolls	Turnpike reports
Travel	Uber, Lyft, tips, dry cleaning (see hotel & airfare)
Travel - Airfare	Luggage fees, upgrades, etc.
Other? List Each	If you are unsure, list it and we will discuss



Schedule C

vs.

S-Corp

SEEK TAX ADVISOR

We recommend to clients they do not consider becoming an S-corporation until they are routinely netting over \$40,000 in “net” taxable income.

This is due to the cost of the s-corporation vs. The potential tax savings.

A WORD ON “LLC’S”

LLC’S ARE A LEGAL DESIGNATION

“LLC” IS **NOT** A TAX
CLASSIFICATION

**YOU MUST REGISTER YOUR LLC
WITH THE OKLAHOMA REAL
ESTATE COMMISSION**

A WORD ON “LLC’S”

You create an LLC at the
Oklahoma Secretary of State

You can only elect it to be a S-
corp with the IRS

A WORD ON “LLC’S”

YOU MUST REGISTER YOUR LLC WITH THE OKLAHOMA REAL ESTATE COMMISSION BEFORE YOU DO ANYTHING WITH IT. THE FINES WILL BE THOUSANDS AND THOUSANDS AND THOUSANDS OF DOLLARS. COORDINATE THIS WITH BROKER.

A REALTOR IN A PREVIOUS CLASS TOLD US THEIR FINE WAS \$28,000 AND THEY COULD NOT GET OUT OF IT! THIS IS NO JOKE!

FROM OREC WEBSITE



OKLAHOMA
Real Estate Commission

Payment of Commission Entity

A payment of commission entity is a business entity created by a real estate licensee for the sole purpose of receiving earned commissions from their brokerage. Many real estate licensees decide to receive their commissions through an entity instead of their legal name for tax purposes. For additional information, please seek advice from an attorney or CPA.



Entity may not advertise or receive commissions except from the Broker

The pay entity is prohibited from receiving commissions/income for any other business or brokerage (even if unrelated to real estate). The pay entity shall only be used for the purposes of receiving earned commissions from your Broker.



Each associate may only register one entity

Each associate may only register one entity for the purpose of receiving commissions from their brokerage.



Broker approval required

Broker approval must be provided in order for the pay entity to be registered with the Commission. Broker approval is obtained when requesting registration in the [License Portal](#).



Ownership in the entity is limited to spouses and blood relatives

Only blood relatives and spouses are allowed to have an ownership interest in the entity. Other licensees, team members, business partners, and unlicensed persons are not allowed to have ownership in the entity unless they are blood related or a spouse.



Licensee requesting registration must be the majority stockholder of the entity

The licensee requesting registration must own more than 50% of the pay entity being registered.



Register the pay entity with the Commission and with the Secretary of State

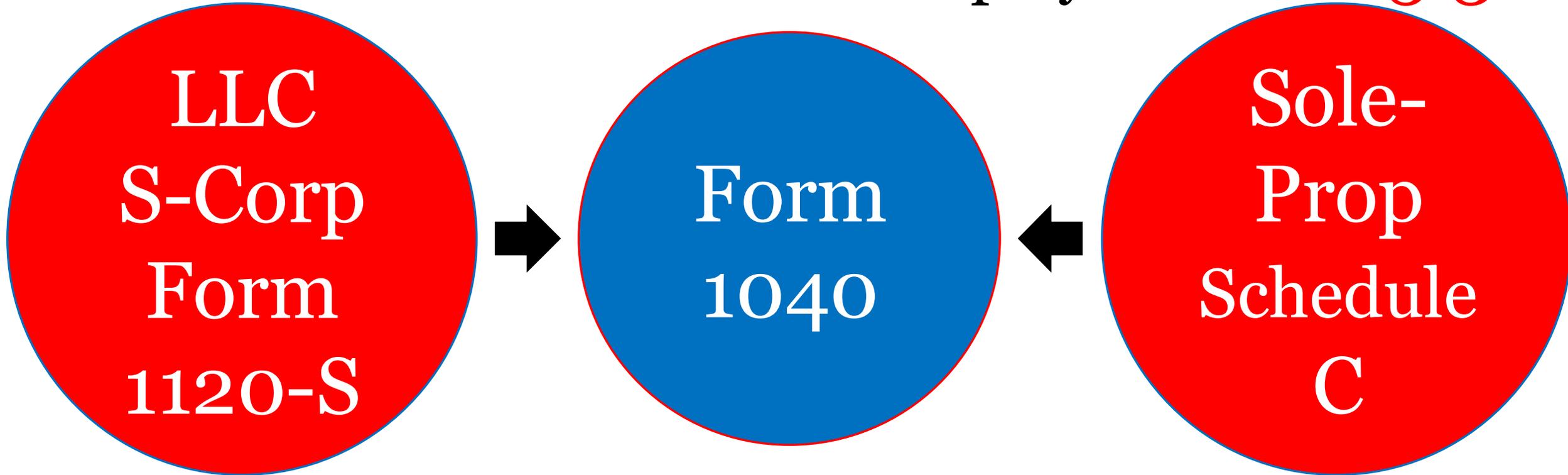
Visit the [Secretary of State website](#) and register the entity and obtain a certificate of Good Standing. Additionally, you will need to login to the your [License Portal](#) and request registration of the entity with the Commission.



Entity cannot perform licensable activity

The business entity is prohibited from performing any act requiring a real estate license (i.e. advertising or soliciting using the business entity name, selling, buying, etc.) and must not hold itself out to appear to be a real estate company or business.

All net income subject to
self-employment tax **15.3%**



Self-employment tax **0%**
Wages subject to 15.3%
but you decide that amount

S-CORP REQUIRES WAGES TO BE PAID TO THE REALTOR FOR SERVICES TO THE S-CORP

Wages are subject to payroll taxes which is the same rate as self-employment taxes, but on a lower amount that can be controlled and predictable vs. self-employment taxes.

Payroll taxes for owner who is both employee & employer:

$$\begin{aligned} & \text{Employee withholdings } 7.65\% \\ + & \text{ Employer match } 7.65\% \\ = & \text{ Total tax } 15.3\% \end{aligned}$$



FIRST STEPS



FIRST STEPS TO TAKE

1. Set up an entity structure (LLC)
2. REGISTER YOUR LLC WITH OKLAHOMA REAL ESTATE COMMISSION
3. Obtain EIN from IRS (Careful) (Seek tax professional)
4. Set up bank account for business
5. Sign up for Quickbooks online & connect to bank. Track receipts & mileage.
6. Start payroll to yourself.
7. **Go make money!**
Deposit all business income and pay all business expenses

KICK into GEAR



SEPARATE BANK ACCOUNT

Businesses have a business bank account, separate from the personal account of any owner.

Business bank account for

- All income to be deposited
- All expenses to be paid
- Pay credit card for amounts charged for business
- Separates out for audit
- **NOT FOR PERSONAL EXPENSES (Creates income)**

SEPARATE CREDIT CARD

Businesses have a separate credit card, separate from the personal credit card of any owner.

Credit card used for

- Business expenses
- Charge business expenses
- Pay the credit card from the business account
- Separates out for audit
- **NOT FOR PERSONAL EXPENSES (Creates income)**

CREDIT CARDS

A separate credit card is best to separate business charges from personal charges

It does not need to be in the “business name.”

- What counts is that the credit charges are for business
- The business bank account only pays for the business charges
- If you have personal credit charges:
 - Pay the personal charges from personal account
 - Pay the business charges from business account

TRACKING INCOME & EXPENSES

**We require our clients use QuickBooks online!
THE “SIMPLE START” PLAN**

We get access to assist, clean up, prepare reports

- Ensure you capture all your income & expenses
- Can upload pictures of your receipts
- Can track your mileage
- Keep you audit ready!



Simple Start



QuickBooks
Online

TRACKING MILEAGE

Get an app on your phone!



IMMEDIATELY START PAYROLL

**Pay yourself a wage from your LLC as S-Corp
SEEK TAX PROFESSIONAL**

Payroll



PAYING YOUR TAXES!



**QUARTERLY
ESTIMATED
TAX
PAYMENTS**

WHEN SHOULD YOU “PAY IN” YOUR TAXES?

QUARTERLY!

The IRS & OTC require your taxes **be paid** “evenly” through out the year. If not, you incur *underpayment penalties*,
Waiting until April 15th is only “penalty-free” only on the amount you owe above the required *safe-harbor* tax payments.

ESTIMATED TAX PAYMENTS FEDERAL & OKLAHOMA DUE DATES

April 15th

1st Quarter

June 15th

2nd Quarter

September 15th

3rd Quarter

January 15th

4th Quarter



ESTIMATED TAX PAYMENTS: MAKING PAYMENTS

These payments can be made online, over the phone, or mailed in.

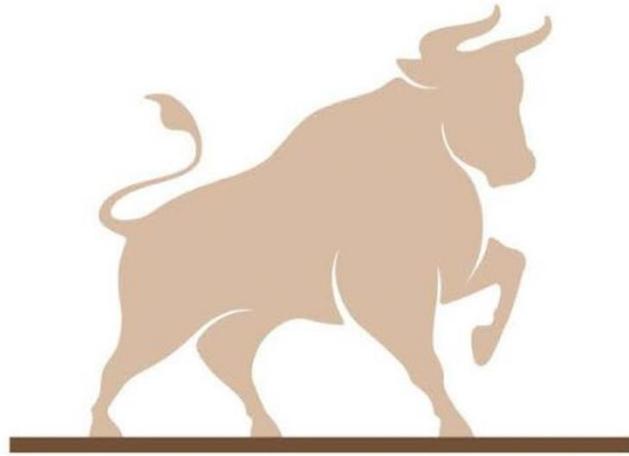
Federal: **Form 1040-ES**

Oklahoma: **Form OW-8-ES**



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THANK YOU!



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**DUE TO TIME RESTRICTIONS THE
FOLLOWING IS NOT EXPECTED
TO BE PRESENTD**





**BONUS
CONTENT
NOT COVERED**

GREAT NEWS FOR REALTORS® TAXES!

- QBI 20% Deduction Continues
- 100% Bonus Depreciation Back in Play for 2025
SUVs/Trucks Over 6,000 lb GVWR
- 100% Car Loan Interest Deduction - \$10,000
Now Fully Deductible in Addition to Mileage Rate
- EXPIRING: \$7,500 Clean Vehicle Tax Credit 10/1/25

REALTORS® CLIENTS – PERSONAL RESIDENCE!

- **SURVIVED: Gain on Sale of Home Exclusion**
\$250,000 Per Person (\$500,000 Married)
- **Mortgage Interest Deduction**
\$750,000 or Less Mortgages
- **Moving Expenses Continue to NOT Be Deductible**
Except Armed Forces & Intelligence Community

REALTORS® + ONE BIG BEAUTIFUL BILL ACT

REALTORS® CLIENTS – REAL ESTATE INVESTORS

- 100% Bonus Depreciation on Real Estate Assets
 - Only on Qualifying 20 Year or Less Class Life
- \$2,500,000 Section 179 Depreciation on Real Estate
 - On Qualifying Assets
- SURVIVED: 1031 Exchange of Real Estate
- 100% Mortgage Interest Deduction
 - \$750,000 Limit Does NOT Apply
- 100% Real Estate Tax Deduction
 - \$40,000 SALT Limit Does NOT Apply



**2025 &
2026
NUMBERS**



HEALTH SAVINGS ACCOUNT (HSA)

Year 2025:

\$8,550 Family or \$4,300 Single.

If age 55+ \$9,550 Family or \$5,300 Single

Year 2026:

\$8,750 Family or \$4,400 Single.

If age 55+ \$9,750 Family or \$5,400 Single

MAXING OUT TRADITIONAL IRA

Year 2025:

Traditional IRA: \$7,000

Catch-up \$1,000 or \$8,000 if age 50+

Year 2026:

Traditional IRA: \$7,500

Catch-up \$1,100 or \$8,100 if age 50+

Anyone 18 or older with earned income can contribute to a traditional IRA. However, for contributions to be tax-deductible, specific income limits apply.

MAXING OUT ROTH IRA

Year 2025:

Roth IRA: \$7,000

Catch-up \$1,000 or \$8,000 if age 50+

Year 2026:

Roth IRA: \$7,500

Catch-up \$1,100 or \$8,100 if age 50+

Anyone 18 or older who has earned income within specific IRS income limits can contribute to a Roth IRA.

SIMPLE-IRA: MAX OUT WITHHOLDINGS

Year 2025:

\$16,500

\$17,600 if employer has 25 or less employees

\$20,000 if age 50-59 & 64+

\$21,450 if employer has 25 or less employees

\$21,750 if ages 60-63

\$22,850 if employer has 25 or less employees

SIMPLE-IRA: MAX OUT WITHHOLDINGS

Year 2026:

\$17,000

\$18,100 if employer has 25 or less employees

\$21,000 if age 50-59 & 64+

\$21,950 if employer has 25 or less employees

\$21,750 if ages 60-63

\$23,350 if employer has 25 or less employees

401(K): MAX OUT WITHHOLDINGS

Year 2025:

401K: \$23,500

Catch up \$7,500 or \$31,000 if ages 50-59 and 64+

NEW: Catch up \$11,250 or \$34,750
for ages 60, 61, 62 & 63

This is total catch-up

401(K): MAX OUT WITHHOLDINGS

Year 2026:

401K: \$24,500

Catch up \$8,000 or \$32,500 if ages 50-59 and 64+

NEW: Catch up remains \$11,250 or \$35,750
for ages 60, 61, 62 & 63

This is total catch-up

MAX SEP RETIREMENT

25% BASED ON W-2 WAGES

Year 2025: (IRS Notice 2024-80)

\$70,000 Max (Requires \$280,000 in W-2 wages)

No Catch up

MAX SEP RETIREMENT

25% OF SELF-EMPLOYMENT EARNINGS

Year 2025: (IRS Notice 2024-80)

\$70,000 Max (Requires \$280,000 in S/E earnings)

No Catch up

MAX SEP RETIREMENT

25% BASED ON W-2 WAGES

Year 2026:

\$72,000 Max (Requires \$288,000 in W-2 wages)

No Catch up

MAX SEP RETIREMENT

25% OF SELF-EMPLOYMENT EARNINGS

Year 2026:

\$72,000 Max (Requires \$288,000 in S/E earnings)

No Catch up

IRS MILEAGE RATES

Standard business mileage rate

70 cents (per mile) 2025

72.5 cent (per mile) 2026

Standard charitable mileage rate

14 cents (per mile) 2025

14 cents (per mile) 2026 (No change)

Standard medical mileage rate

21 cents (per mile) 2025

20.5 cents (per mile) 2026

WAGES SOCIAL SECURITY TAX BASE

Individual taxable wages are annually subject to Social Security tax

- \$147,000 in 2022
- \$160,200 in 2023
- \$168,600 in 2024
- \$176,100 in 2025
- \$184,500 in **2026**

The wage base limit that applies to earnings subject to the old age, survivors, and disability insurance (OASDI) tax. The employee and the employer each will pay in tax at the OASDI tax rate of 6.2%.

The Medicare hospital insurance tax of 1.45% each for employees and employers has no wage limit.

Individuals with earned income of more than \$200,000 (\$250,000 for married couples filing jointly and \$125,000 for married taxpayers filing separately) pay an additional 0.9% of wages with respect to employment (also unchanged).

SOCIAL SECURITY TAX BASE: SELF-EMPLOYED

Self-employed individuals pay self-employment tax equal to the combined OASDI and Medicare taxes for both employees and employers, i.e., 12.4% of net self-employment income up to the OASDI wage base plus 2.9% in Medicare taxes on any amount of net self-employment income, with an offsetting above-the-line income tax deduction of half of the self-employment tax.

Annually will be subject to Social Security tax

- \$147,000 in 2022
- \$160,200 in 2023
- \$168,600 in 2024
- \$176,100 in 2025
- \$184,500 in 2026

The Medicare hospital insurance tax of 1.45% each for employees and employers has **no limit**; it is unchanged.