

## How Income Taxes Affect the Rate of Return on Investments

### *Individual Tax Rate Schedules for 2025 (For Taxes Due in April 2026)*

	Taxable Income		Marginal Tax Bracket Rate
<b>Married Filing Jointly:</b>	\$	0 to \$ 23,850	10%
		23,851 to 96,950	12%
		96,951 to 206,700	22%
		206,701 to 394,600	24%
		394,601 to 501,050	32%
		501,051 to 751,600	35%
		Over \$751,600	37%
<b>Head of Household:</b>	\$	0 to \$ 17,000	10%
		17,001 to 64,850	12%
		64,851 to 103,350	22%
		103,351 to 197,300	24%
		197,301 to 250,500	32%
		250,501 to 626,350	35%
		Over \$626,350	37%
<b>Single:</b>	\$	0 to \$ 11,925	10%
		11,926 to 48,475	12%
		48,476 to 103,350	22%
		103,351 to 197,300	24%
		197,301 to 250,525	32%
		250,526 to 626,350	35%
		Over \$626,350	37%
<b>Married Filing Separately:</b>	\$	0 to \$ 11,925	10%
		11,926 to 48,475	12%
		48,476 to 103,350	22%
		103,351 to 197,300	24%
		197,301 to 250,525	32%
		250,526 to 375,800	35%
		Over \$375,800	37%

### ***Tax-exempt and Taxable Yields Compared***

You can compare taxable and tax-free investment yields, using your federal marginal tax bracket rate, by using the following formula:

**Taxable equivalent yield = Tax-free yield divided by (100% - marginal tax bracket %)**

**Example:** Assume you are in the 22% tax bracket and have an account with a 4.0% tax-free yield. To get the equivalent taxable yield, divide 4.0% by .78% (100% - .22%).

The taxable yield is 5.13%.