

Understanding itemized vs. standard tax deductions



FIXED STANDARD DEDUCTIONS

Standard deductions are fixed amounts set by the IRS; for the 2025 tax year¹:

- Single filers: \$15,750
- Married filing jointly: \$31,500
- Head of household: \$23,625



EXPENSES THAT CAN BE ITEMIZED AND DEDUCTED INDIVIDUALLY:

- Mortgage interest
- Property taxes
- Charitable contributions
- Medical and dental expenses exceeding 7.5% of your adjusted gross income
- *Business expenses are separate from personal itemized deductions



WHEN TO CONSIDER ITEMIZING

- If your total itemized deductions exceed the standard deduction
- If you have significant deductible expenses
- If you strategically consolidate your deductions into one year to exceed the standard deduction
- Compare each year to determine the best option



WHY TO CONSIDER THE STANDARD DEDUCTION

- If your itemized deductions are less than the standard deduction
- Simplifies the filing process
- Reduces the likelihood of an audit

SUMMARY

Evaluate your deductions annually and consult with a tax professional to optimize your tax strategy. For further personalized advice, please consult with your wealth management advisor or email us at dtroyer@monetagroup.com.

¹: <https://www.irs.gov/newsroom/irs-releases-tax-inflation-adjustments-for-tax-year-2026-including-amendments-from-the-one-big-beautiful-bill>