What Are the Income Tax Brackets for 2022 vs. 2021?

Rocky Mengle, Senior Tax Editor
February 9, 2021

Smart taxpayers are planning ahead and already thinking about their next federal income tax return. For most Americans, that's their return for the 2022 tax year — which will be due on April 18, 2023 (or October 16, 2023, if you request an extension next year). When it comes to federal income tax rates and brackets, the tax *rates* themselves didn't change from 2021 to 2022. There are still seven tax rates in effect for the 2022 tax year: 10%, 12%, 22%, 24%, 32%, 35% and 37%. However, as they are every year, the 2022 tax *brackets* were adjusted to account for inflation. That means you could wind up in a different tax bracket when you file your 2022 federal income tax return than the bracket you were in before – which also means you could pay a different tax rate on some of your income.

- SEE MORE What's the Standard Deduction for 2022 vs. 2021?

The 2022 and 2021 tax bracket ranges also differ depending on your filing status. For example, for single filers, the 22% tax bracket for the 2022 tax year starts at $41,776 and ends at $89,075. However, for head-of-household filers, it goes from $55,901 to $89,050. (For 2021, the 22% tax bracket for singles went from $40,526 to $86,375, while the same rate applied to head-of-household filers with taxable income from $54,201 to $86,350.) So, that's something else to keep in mind when you're filing a return or planning to reduce a future tax bill.

Now, let's get to the actual tax brackets for 2022 and 2021. When you're working on your 2022 federal income tax return next year, here are the tax brackets and rates you'll need:

2022 Tax Brackets for Single Filers and Married Couples Filing Jointly

Tax Rate	Taxable Income (Single)	Taxable Income (Married Filing Jointly)
10%	Up to $10,275	Up to $20,550
12%	$10,276 to $41,775	$20,551 to $83,550
22%	$41,776 to $89,075	$83,551 to $178,150
24%	$89,076 to $170,050	$178,151 to $340,100
32%	$170,051 to $215,950	$340,101 to $431,900
35%	$215,951 to $539,900	$431,901 to $647,850
37%	Over $539,900	Over $647,850

--

2022 Tax Brackets for Married Couples Filing Separately and Head-of-Household Filers

Tax Rate	Taxable Income (Married Filing Separately)	Taxable Income (Head of Household)
10%	Up to $10,275	Up to $14,650
12%	$10,276 to $41,775	$14,651 to $55,900
22%	$41,776 to $89,075	$55,901 to $89,050
24%	$89,076 to $170,050	$89,051 to $170,050
32%	$170,051 to $215,950	$170,051 to $215,950
35%	$215,951 to $323,925	$215,951 to $539,900
37%	Over $332,925	Over $539,900

If you still haven't filed your 2021 tax return yet, or you just want to compare to see what's changed, here are the 2021 tax brackets and rates:

2021 Tax Brackets for Single Filers and Married Couples Filing Jointly

Tax Rate	Taxable Income (Single)	Taxable Income (Married Filing Jointly)
10%	Up to $9,950	Up to $19,900
12%	$9,951 to $40,525	$19,901 to $81,050
22%	$40,526 to $86,375	$81,051 to $172,750
24%	$86,376 to $164,925	$172,751 to $329,850
32%	$164,926 to $209,425	$329,851 to $418,850
35%	$209,426 to $523,600	$418,851 to $628,300
37%	Over $523,600	Over $628,300

--

2021 Tax Brackets for Married Couples Filing Separately and Head-of-Household Filers

Tax Rate	Taxable Income (Married Filing Separately)	Taxable Income (Head of Household)
10%	Up to $9,950	Up to $14,200
12%	$9,951 to $40,525	$14,201 to $54,200
22%	$40,526 to $86,375	$54,201 to $86,350
24%	$86,376 to $164,925	$86,351 to $164,900
32%	$164,926 to $209,425	$164,901 to $209,400
35%	$209,426 to $314,150	$209,401 to $523,600
37%	Over $314,150	Over $523,600

--

How the Tax Brackets Work

Suppose you're single and end up with $100,000 of taxable income in 2022. Since $100,000 is in the 24% bracket for singles, will your 2022 tax bill simply a flat 24% of $100,000 – or $24,000? ***No*!** Your tax is actually *less* than that amount. That's because, using marginal tax rates, only a *portion* of your income is taxed at the 24% rate. The rest of it is taxed at the 10%, 12%, and 22% rates.

- SEE MORE [Tax Changes and Key Amounts for the 2022 Tax Year]

Here's how it works. Again, assuming you're single with $100,000 taxable income in 2022, the first $10,275 of your income is taxed at the 10% rate for $1,028 of tax. The next $31,500 of income (the amount from $10,276 to $41,775) is taxed at the 12% rate for an additional $3,780 of tax. After that, the next $47,300 of your income (from $41,776 to $89,075) is taxed at the 22% rate for $10,406 of tax. That leaves only $10,925 of your taxable income (the amount over $89,075) that is taxed at the 24% rate, which comes to an additional $2,622 of tax. When you add it all up, your total 2022 tax is only $17,836. (That's $6,164 less than if a flat 24% rate was applied to the entire $100,000.)

Now, suppose you're a millionaire. (We can all dream, right?) If you're single, only your 2022 income over $539,900 is taxed at the top rate (37%). The rest is taxed at lower rates as described above. So, for example, the tax on $1 million for a single person in 2022 is $332,955. That's a lot of money, but it's still $37,045 less than if the 37% rate were applied as a flat rate on the entire $1 million (which would result in a $370,000 tax bill).

The Marriage Penalty

The difference between bracket ranges sometimes creates a "**marriage penalty**." This tax-law twist makes certain married couples filing a joint return pay more tax than they would if they were single (typically, where the spouses' incomes are similar). The penalty is triggered when, for any given rate, the minimum taxable income for the joint filers' tax bracket is less than twice the minimum amount for the single filers' bracket.

- SEE MORE Getting Married? Let's Talk Taxes

Before the 2017 tax reform law, this happened in the four highest tax brackets. But now, as you can see in the tables above, only the top tax bracket contains the marriage penalty trap. As a result, only couples with a combined taxable income over $647,850 are at risk when filing their 2022 federal tax return. For 2021 returns, the marriage penalty was possible only for married couples with a combined taxable income above $628,300. (Note that the tax brackets for your *state's* income tax could contain a marriage penalty.)

Capital Gains Tax Rates

It's important to note that the tax rates on capital gains from the sale of stocks, bonds, cryptocurrency, real estate, and other capital assets aren't necessarily the same as the tax rates mentioned above for wages, interest, retirement account withdrawals, and other "ordinary" income. When determining the tax on capital gains, the rates that apply generally depend on how long you held the capital asset before selling it.

- SEE MORE Capital Gains Tax on Real Estate

If you hold a capital asset for one year or less, any gain from the sale is considered short-term capital gain and taxed using the rates for ordinary income listed above. However, if you hold the asset for more than one year, the gain is treated as long-term capital gain and taxed a lower rate – either 0%, 15%, or 20%. As with the ordinary tax rates and brackets, which specific long-term capital gains tax rate applies depends on your taxable income. However, the long-term capital gain brackets are set up so that you'll generally pay tax at a lower rate than if the ordinary tax rates and brackets were applied.

For more on the taxation of capital gains, see Capital Gains Tax 101: Basic Rules Investors and Others Need to Know.

What About the 2023 Tax Brackets?

The IRS typically provides the tax brackets for the upcoming year in late October or early November. At this point, there's no reason to believe that the timetable will be modified this year, so that's when we expect the 2023 tax brackets to be released.

- SEE MORE The Inflation Reduction Act and Taxes: What You Should Know

Again, the 2023 rates won't change, but the brackets will be adjusted for inflation. And, since inflation is much higher now than it has been in the recent past, the extent to which the brackets will get "wider" is expected to be greater for 2023 than it has been for the past several years.

For example, the 22% bracket for a single person in 2021, which ran from $40,526 to $86,375 of taxable income, covered $45,849 of taxable income ($86,375 – $40,526 = $45,849). For the 2022 tax year, that same bracket covers $47,299 of taxable income ($89,075 – $41,776 = $47,299). So, for 2022, the 22% bracket for single filers is $1,450 wider than it was for 2021. However, for 2023, the width of the same bracket is expected to increase by more than twice the rate of growth seen in 2022. (Bloomberg Tax projects an increase of $3,351 from 2022 to 2023 for the bracket.)

Wider tax brackets are generally a good thing, since it helps prevent "bracket creep." In other words, if a bracket gets wider, you're less likely to end up in a higher tax bracket if your income stays flat or doesn't increase at the rate of inflation from one year to the next.

How to Get Into a Lower Tax Bracket and Pay a Lower Tax Rate

Tax professionals spend countless hours trying to move their clients into a lower tax bracket. The key, of course, is reducing your taxable income. And, fortunately, there are number of easy (and smart!) things you can do yourself to knock down the taxable income on your next return. For example, putting money into a traditional IRA or 401(k) account will reduce your taxable income because contributions to these accounts are made on a "pre-tax" basis, which means what you put in doesn't count as income (up to a certain limit). You'll also be building your nest egg for retirement.

You should also make sure you're taking advantage of any deductions you're entitled to claim. This includes the many "above-the-line" deductions provided in the tax code. When it comes to choosing between the standard deduction and itemized deductions, make sure you're picking the larger of the two options (itemized deductions include write-offs for medical expenses, state and local taxes, mortgage interest, gifts to charity, and more).

And, while they don't reduce taxable income because they're subtracted after your tax is calculated, don't forget about tax credits. These are actually more valuable than tax deductions, since they're subtracted on a dollar-for-dollar basis from your tax bill. For example, if you're in the 22% tax bracket, a $1,000 tax deduction will save you $220 ($1,000 x .22 = $220). However, a $1,000 tax credit can actually be worth $1,000 (unless it's a nonrefundable credit and your tax bill is less than $1,000). There's a wide variety of tax credits available, such as for education expenses, saving for retirement, energy-efficient upgrades to your home, buying an electric vehicle or EV charging equipment, having a child, and child and dependent care expenses – just to name a few.

For a list of common tax breaks that you may have missed, see 20 Most-Overlooked Tax Deductions, Credits and Exemptions.

Will the Tax Rates Go Up?

Will the federal income tax rates go up in the near future? Yes…unless the current law is changed in the next couple of years. As it stands right now, the reduced tax rates that were part of the 2017 tax reform law (i.e., the Tax Cuts and Jobs Act) will expire at the end of 2025. As a result, the tax rates are scheduled to be 10%, 15%, 25%, 28%, 33%, 35% and 39.6% starting in 2026.

- SEE MORE When Are 2022 Estimated Tax Payments Due?

Whether some or all those rates will actually go up in 2026 (or sooner) will depend on who controls Congress and the White House between now and then. If the Democrats retain control in the House of Representatives and expand their majority in the Senate during the 2022 mid-term elections, expect them to look at raising the top rate from 37% to 39.6% in 2023 or 2024. In March 2022, President Biden's budget proposal called for the

39.6% rate being applied to taxable income over $450,000 for married couples filing a joint return, $400,000 for singles, $425,000 for head-of-household filers, and $225,000 for married people filing a separate return. (These thresholds would still be indexed for inflation each year after 2023 under Biden's plan.) Given the president's frequent pledge not to raise taxes on anyone making under $400,000 per year, the other rates probably wouldn't be touched before 2026.

If Republicans take control of either the House or the Senate (or both) during the mid-terms, then don't expect any major tax law changes during the remainder of President Biden's first term (including rate changes). However, if the Republicans control Congress and the White House after the 2024 elections, then expiration of the higher federal income tax rates could be pushed back indefinitely.