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2022 Tax Brackets

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On a yearly basis the Internal Revenue Service (IRS) adjusts more than 60 tax provisions for inflation to prevent what is called “bracket creep.” Bracket creep occurs when people are pushed into higher income tax brackets or have reduced value from credits and deductions due to inflation, instead of any increase in real income.

The IRS used to use the Consumer Price Index (CPI) as a measure of inflation prior to 2018.^[1] However, with the Tax Cuts and Jobs Act of 2017 (TCJA), the IRS now uses the Chained Consumer Price Index (C-CPI) to adjust income thresholds, deduction amounts, and credit values accordingly.^[2]

The new inflation adjustments are for tax year 2022, for which taxpayers will file tax returns in early 2023. Note that the Tax Foundation is a 501(c)(3) educational nonprofit and cannot answer specific questions about your tax situation or assist in the tax filing process.

2022 Federal Income Tax Brackets and Rates

In 2022, the income limits for all tax brackets and all filers will be adjusted for inflation and will be as follows (Table 1). There are seven federal income tax rates in 2022: 10 percent, 12 percent, 22 percent, 24 percent, 32 percent, 35 percent, and 37 percent. The top marginal income tax rate of 37 percent will hit taxpayers with taxable income above \$539,900 for single filers and above \$647,850 for married couples filing jointly.

2022 Federal Income Tax Brackets and Rates for Single Filers, Married Couples Filing Jointly, and Heads of Households

Tax Rate	For Single Filers	For Married Individuals Filing Joint Returns	For Heads of Households
10%	\$0 to \$10,275	\$0 to \$20,550	\$0 to \$14,650
12%	\$10,275 to \$41,775	\$20,550 to \$83,550	\$14,650 to \$55,900
22%	\$41,775 to \$89,075	\$83,550 to \$178,150	\$55,900 to \$89,050
24%	\$89,075 to \$170,050	\$178,150 to \$340,100	\$89,050 to \$170,050
32%	\$170,050 to \$215,950	\$340,100 to \$431,900	\$170,050 to \$215,950
35%	\$215,950 to \$539,900	\$431,900 to \$647,850	\$215,950 to \$539,900
37%	\$539,900 or more	\$647,850 or more	\$539,900 or more

Source: Internal Revenue Service

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Standard Deduction and Personal Exemption

The standard deduction will increase by \$400 for single filers and by \$800 for joint filers (Table 2).

The personal exemption for 2022 remains at \$0 (eliminating the personal exemption was part of the Tax Cuts and Jobs Act of 2017 (TCJA)).

2022 Standard Deduction

Filing Status	Deduction Amount
Single	\$12,950
Married Filing Jointly	\$25,900
Head of Household	\$19,400
Source: Internal Revenue Source	

Alternative Minimum Tax (AMT)

The Alternative Minimum Tax (AMT) was created in the 1960s to prevent high-income taxpayers from avoiding the individual income tax. This parallel tax income system requires high-income taxpayers to calculate their tax bill twice: once under the ordinary income tax system and again under the AMT. The taxpayer then needs to pay the higher of the two.

The AMT uses an alternative definition of taxable income called Alternative Minimum Taxable Income (AMTI). To prevent low- and middle-income taxpayers from being subject to the AMT, taxpayers are allowed to exempt a significant amount of their income from AMTI. However, this exemption phases out for high-income taxpayers. The AMT is levied at two rates: 26 percent and 28 percent.

The AMT exemption amount for 2022 is \$75,900 for singles and \$118,100 for married couples filing jointly (Table 3).

2022 Alternative Minimum Tax (AMT) Exemptions

Filing Status	Exemption Amount
Unmarried Individuals	\$75,900
Married Filing Jointly	\$118,100
Source: Internal Revenue Source	

In 2022, the 28 percent AMT rate applies to excess AMTI of \$206,100 for all taxpayers (\$103,050 for married couples filing separate returns).

AMT exemptions phase out at 25 cents per dollar earned once AMTI reaches \$539,900 for single filers and \$1,079,800 for married taxpayers filing jointly (Table 4).

2022 Alternative Minimum Tax (AMT) Exemption Phaseout Thresholds

Filing Status	Threshold
Unmarried Individuals	\$539,900
Married Filing Jointly	\$1,079,800
Source: Internal Revenue Source	

Earned Income Tax Credit (EITC)

The maximum Earned Income Tax Credit (EITC) in 2022 for single and joint filers is \$560 if the filer has no children (Table 5). The maximum credit is \$3,733 for one child, \$6,164 for two children, and \$6,935 for three or more children.

2022 Earned Income Tax Credit (EITC) Parameters

Filing Status		No Children	One Child	Two Children	Three or More Children
Single or Head of Household	Income at Max Credit	\$7,320	\$10,980	\$15,410	\$15,410
	Maximum Credit	\$560	\$3,733	\$6,164	\$6,935
	Phaseout Begins	\$9,160	\$20,130	\$20,130	\$20,130
	Phaseout Ends (Credit Equals Zero)	\$16,480	\$43,492	\$49,399	\$53,057
Married Filing Jointly	Income at Max Credit	\$7,320	\$10,980	\$15,410	\$15,410
	Maximum Credit	\$560	\$3,733	\$6,164	\$6,935
	Phaseout Begins	\$15,920	\$26,260	\$26,260	\$26,260
	Phaseout Ends (Credit Equals Zero)	\$22,610	\$49,622	\$55,529	\$59,187
Source: Internal Revenue Service					

Child Tax Credit

The maximum Child Tax Credit is \$2,000 per qualifying child and is not adjusted for inflation. The refundable portion of the Child Tax Credit is adjusted for inflation and will increase from \$1,400 to \$1,500 for 2022.

Capital Gains Tax Rates & Brackets (Long-term Capital Gains)

Long-term capital gains are taxed using different brackets and rates than ordinary income.

2022 Capital Gains Tax Brackets

	For Unmarried Individuals, Taxable Income Over	For Married Individuals Filing Joint Returns, Taxable Income Over	For Heads of Households, Taxable Income Over
0%	\$0	\$0	\$0
15%	\$41,675	\$83,350	\$55,800
20%	\$459,750	\$517,200	\$488,500

Source: Internal Revenue Service

Qualified Business Income Deduction (Sec. 199A)

The Tax Cuts and Jobs Act of 2017 (TCJA) includes a 20 percent deduction for pass-through businesses. Limits on the deduction begin phasing in for taxpayers with income above \$170,050 (or \$340,100 for joint filers) in 2022 (Table 7).

2022 Qualified Business Income Deduction Thresholds

Filing Status	Threshold
Unmarried Individuals	\$170,050
Married Filing Jointly	\$340,100

Source: Internal Revenue Service

Annual Exclusion for Gifts

In 2022, the first \$16,000 of gifts to any person are excluded from tax, up from \$15,000. The exclusion is increased to \$164,000 from \$159,000 for gifts to spouses who are not citizens of the United States.

How Do Tax Brackets Work?



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[1] Internal Revenue Service, "Revenue Procedure 2020-45," <https://www.irs.gov/pub/irs-drop/rp-20-45.pdf>.

[2] Robert Cage, John Greenlees, and Patrick Jackman, "Introducing the Chained Consumer Price Index," U.S. Bureau of Labor Statistics, May 2003, <https://www.bls.gov/cpi/additional-resources/chained-cpi-introduction.pdf>.

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