

Understanding Marginal Income Tax Brackets



Have you ever questioned why you pay the tax rate you do? Understanding the concept of a marginal income tax bracket will assist with this question.

Taxpayers pay the tax rate in each bracket only for that portion of their overall income that falls within that bracket's range.

How Federal Income Tax Brackets Work

Say a married couple, filing jointly for the 2024 tax year, had a taxable income of \$210,000. Each dollar over \$201,050 – or \$8,950 – would fall into the 24% federal income tax bracket. However, the couple's total federal tax would be \$36,485 – about 17.4% of their adjusted gross income. This is a hypothetical example used for illustrative purposes only. It assumes no tax credits apply.

2024 Federal Income Tax Brackets

Your federal income tax bracket is determined by two factors: your total income and your tax-filing classification. For the 2024 tax year, there are seven tax brackets for ordinary income – ranging from 10% to 37% – and four classifications: single, married filing jointly, married filing separately, and head of household. [1]

Tax Rate	For Single Filers	For Married Filing Joint Returns	For Married Filing Separately	For Heads of Household
10%	\$0 to \$11,600	\$0 to \$23,200	\$0 to \$11,600	\$0 to \$16,550
12%	\$11,601 to \$47,150	\$23,201 to \$94,300	\$11,601 to \$47,150	\$16,551 to \$63,100
22%	\$47,151 to \$100,525	\$94,301 to \$201,050	\$47,151 to \$100,525	\$63,101 to \$100,500
24%	\$100,526 to \$191,950	\$201,051 to \$383,900	\$100,526 to \$191,150	\$100,501 to \$191,150
32%	\$191,951 to \$243,725	\$383,901 to \$487,450	\$191,151 to \$243,725	\$191,151 to \$243,700
35%	\$243,726 to \$609,350	\$487,451 to \$731,200	\$243,276 to \$365,600	\$243,701 to \$609,350
37%	\$609,351 or more	\$731,201 or more	\$365,601 or more	\$609,351 or more

[1] IRS.gov, 2024

Chart Source: Internal Revenue Service

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