



GoTaxGurus Guide: The Over-65 Bonus Deduction (2025–2028)

This guide is designed to help seniors and their families understand and maximize the new Over-65 Bonus Deduction. It breaks down eligibility rules, income limits, and planning strategies so you can lower your taxable income, avoid costly mistakes, and make the most of this limited-time benefit. Practical examples, IRS rules, and California considerations are included to keep you informed and confident.

1. Understand the Bonus Deduction

Starting in 2025, taxpayers aged 65 and older can claim a \$6,000 bonus deduction (\$12,000 for married couples if both are 65+). This deduction is available whether you take the standard deduction or itemize. It stacks on top of both the regular standard deduction and the existing age-based add-on.

2. Check Eligibility

- Must be 65 or older by year-end.
- Both spouses must be 65+ and file jointly to claim the full \$12,000.
- Valid Social Security numbers are required.

3. Know the Income Limits

- Full bonus: up to \$75,000 MAGI (single) or \$150,000 (joint).
- Phased out gradually above these thresholds.
- Fully eliminated at \$175,000 (single) and \$250,000 (joint).

4. Temporary Window

The deduction is only authorized for tax years 2025 through 2028. Congress would need to act to extend it.

5. How It Works With Itemizing

Unlike most deductions, this bonus applies even if you itemize (charity, mortgage, SALT, etc.). That means seniors who have high medical or charitable expenses can still add this bonus on top.

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6. Example Savings

- Single filer (65+): Base \$15,750 + age add-on \$2,000 + bonus \$6,000 = \$23,750 total.
- Married filing jointly (both 65+): Base \$31,500 + age add-on \$3,200 + bonus \$12,000 = \$46,700 total.
- Phase-out: If your MAGI is \$85,000 as a single filer, your deduction is reduced by \$600 (6% × \$10,000 over limit), giving you a \$5,400 bonus.

7. What It Doesn't Do

- It doesn't exempt Social Security benefits from tax.
- It only reduces taxable income—it doesn't directly cut tax rates.

Why This Matters for GoTaxGurus Clients

- Bigger deductions: Even itemizers gain extra savings.
- Flexibility: Works for both standard deduction and itemizers.
- Time-sensitive: Only available 2025–2028, so planning is key.
- Income planning: Staying under MAGI thresholds preserves the full benefit.

Next Steps

Action Item	Due Date
Confirm eligibility (age & filing status)	Before filing 2025 return
Estimate 2025 MAGI to check phase-out	Early 2025
Decide whether to itemize or take standard deduction	Filing season 2026
Plan charitable giving & medical expenses ("bunching")	Throughout 2025–2028

Need help implementing any of the strategies above?

Whether you're deciding between itemizing or taking the standard deduction, planning around income limits, or coordinating deductions with Social Security and Medicare—**GoTaxGurus is here to help.** We'll run the numbers, outline your options, and build a strategy that works for you. Schedule a consultation today!

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