

Taxation of Trusts

Why distributing income reduces taxes

Why should you care?

Trusts get to higher tax rates faster than individuals.

65 Day Rule

The last day to take a trust income distribution and have it count toward the previous year is 65 days after 12/31.

This means: You potentially have up to 65 days after the tax year to take an income distribution."

However, there may be reasons to keep the money in trust beyond tax liability. Or, it might make sense to keep some in the trust and distribute the rest.

BE SURE TO SPEAK YOUR TAX TEAM!

2025 TAX RATES:

TRUSTS/INDIVIDUALS

% TAX	TRUST	INDIVIDUAL	MARRIED FILING JOINTLY
10%	\$0-\$3,150	-	-
12%	-	\$11,926-\$48,475	\$23,851-\$96,950
22%	-	\$48,476-\$103,350	\$96,951-\$206,700
24%	\$3,151-\$11,450	\$103,351-\$197,300	\$206,701-\$394,600
32%	-	\$197,301-\$250,525	\$394,601-\$501,050
35%	\$11,451-\$15,650	\$250,526-\$626,350	\$501,051-\$751,600
37%	\$15,651+	\$626,351+	\$751,601+



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