

Correction and Clarification Concerning the Senior Deduction

Webinar July 10, 2025

§ 70103

This section permanently repeals the personal exemption tax deduction for most taxpayers and establishes a temporary (for 2025-2028) personal exemption tax deduction of up to \$6,000 for individuals who are 65 years or older (subject to income limitations and identification requirements).

In teaching this section, I erroneously stated that the new deduction was directly related to Social Security benefits received by individuals 65 and older. In reviewing the written H.R. 1 final bill, the deduction only applies to individuals 65 or older regardless of whether they are receiving social security benefits. Sorry for any confusion I may have caused, it was not my intent to mislead. A BIG thank you to the practitioner who brought this to my attention.

As will any new law, I will continue to decipher the technical aspects in an effort to assist with the transition of learning law that will impact clients in the future.

Therefore, individuals 65 or older regardless of the type of income will qualify for this deduction if they are within the threshold amounts and phase out calculation and have a social security number.

There is much confusion surrounding this area of law. As IRS seeks to implement the new law, they will look at the text that was passed (below) but they will also review the “intent” of Congress. The issue began with the current presidential campaign noted to provide relief from the taxation of Social Security benefits. When support was not sufficient the law enacted, modified the original “non-taxation of Social Security benefits” and the Senior Deduction was born.

Regardless this will be a boon for Seniors and provide tax relief.

Note: As with any new law there is a possibility for “technical correction” down the road. For now, those 65 or older can reap the benefits.

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SEC. 70103. TERMINATION OF DEDUCTION FOR PERSONAL EXEMPTIONS
OTHER THAN
TEMPORARY SENIOR DEDUCTION.

(a) In General. --Section 151(d)(5) is amended--

(1) by striking ``2018 through 2025' in the heading and inserting ``beginning after 2017',

(2) by striking ``', and before January 1, 2026', and

(3) by adding at the end, the following new subparagraph:

``(C) Deduction for seniors. --

``(i) In general. --In the case of a taxable year beginning before January 1, 2029, there shall be allowed a deduction in an amount equal to \$6,000 for each qualified individual with respect to the taxpayer.

``(ii) Qualified individual. --For purposes of clause (i), the term `qualified individual' means--

``(I) the taxpayer, if the taxpayer has attained age 65 before the close of the taxable year, and

``(II) in the case of a joint return, the taxpayer's spouse, if such spouse has attained age 65 before the close of the taxable year.

``(iii) Limitation based on modified adjusted gross income. --

• In general. --In the case of any taxpayer for any taxable year, the \$6,000 amount in clause (i) shall be reduced (but not below zero) by 6 percent of so much of the taxpayer's modified adjusted gross income as exceeds \$75,000 (\$150,000 in the case of a joint return).

``(II) Modified adjusted gross income. --For purposes of this clause, the term `modified adjusted gross income' means the adjusted gross income of the taxpayer for the taxable year increased by any amount excluded from gross income under section 911, 931, or

933.

“(iv) Social security number required. --

“(I) In general. --Clause (i) shall not apply with respect to a qualified individual unless the taxpayer includes such qualified individual's social security number on the return of tax for the taxable year.

“(II) Social security number. --For purposes of subclause (I), the term `social security number' has the meaning given such term in section 24(h)(7).

“(v) Married individuals. --If the taxpayer is a married individual (within the meaning of section 7703), This subparagraph shall apply only if the taxpayer and the taxpayer's spouses file a joint return for the taxable year.'.

(b) Omission of Correct Social Security Number Treated as Mathematical or Clerical Error. --Section 6213(g)(2) is amended by striking `and" at the end of subparagraph (U), by striking the period at the end of subparagraph (V) and inserting `, and', and by inserting after subparagraph (V) the following new subparagraph:

“(W) an omission of a correct social security number required under section 151(d)(5)(C) (relating to deduction for seniors).”.

(c) Effective Date. --The amendments made by this section shall apply to taxable years beginning after December 31, 2024.