

2026 Year-End Planning Guide

Authored by Maya Brill, Senior Wealth Strategist

There are numerous strategies to consider which may prove pivotal in strengthening your wealth plan. The 2026 Year-End Planning Guide provides ideas to consider for the end of this year and beyond. Prepared by the Regions Private Wealth Management team, take a glance at the main topics discussed below and dive deeper into each section using the Table of Contents on pages 2-3.

2026 Year-End Planning Guide At-A-Glance



Key Dates

Important actions to take by December 31 and into 2027



Income Tax

What's new for 2026 and coming in 2027, plus tips for getting started



Investment Portfolio Planning

Strategies for mitigating taxes, rebalancing portfolios, and being mindful of mutual fund capital gain distributions



Retirement Planning

Strategies for maximizing contributions and reminders on qualified charitable distributions



Wealth Transfer & Legacy Planning

A review of gifting opportunities, annual exclusion gifts, the lifetime exemption, appointed agents and designated beneficiaries



Financial Planning

A review of your personal net worth, leveraging debt and the importance of updating a budget annually

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Key Dates

2026	
October 15	2025 extended individual income tax returns due
November 27	Last day to purchase the same or substantially identical securities and avoid violating the wash-sale rules (Note that as the day after Thanksgiving, the Market closes at 1:00 p.m. ET)
December 31	Last day to: <ul style="list-style-type: none"> • Sell stock to realize a gain or loss • Make gifts of long-term capital gain securities to charity • Make charitable contributions • Make qualified charitable distributions • Take required minimum distributions from qualified retirement accounts • Complete Roth IRA/401(k) conversions • Complete a 529 plan contribution • Make annual exclusion gifts

2027	
January 15	4th quarter 2026 estimated income tax payment due
February 1	First day to buy the same or substantially identical securities as a security sold on December 31, 2026, without running afoul the wash-sale rules
March 6	Last day to make a distribution from a trust and have it treated as having been made on the last day of the preceding tax year (65 day rule)
March 16	<ul style="list-style-type: none"> • File 2026 passthrough entity (including limited partnerships, limited liability companies, and S Corporations) income tax returns (or file extension) • Last day to use remaining funds in Flexible Spending Account (FSA) from 2026 if employer adopted grace period • Last day to file conversion to (or between) corporate entities and have it applicable as of January 1, 2027
April 1	1st year required minimum distributions (RMDs) that were deferred are due
April 15	<ul style="list-style-type: none"> • File 2026 individual and trust income tax returns (or file extension) • 1st quarter 2027 estimated income tax payment due • Last day to contribute to a traditional IRA, Roth IRA, and Health Savings Account (HSA) and have it apply as a contribution made in 2026
June 15	2nd quarter estimated income tax payment due.
September 15	<ul style="list-style-type: none"> • 3rd quarter estimated income tax payment due. • 2026 extended passthrough entity income tax returns due.
September 30	2026 extended trust income tax returns due
October 15	2026 extended individual and trust income tax returns due.

Income Tax

New and Noteworthy for 2026

- i. Increase in Workplace Retirement Plan Catch-Up Limits - Employees attaining the age of 60, 61, 62, and 63 years old in 2026, are eligible to contribute \$11,250 annually, as a catch-up contribution to their workplace retirement plans (subject to plan availability).
- ii. Roth Catch-Up Contribution Requirement for Higher Earners - Beginning in 2026, individuals with prior-year wages exceeding the applicable threshold (\$150,000 in 2025) must make retirement plan catch-up contributions on a Roth (after-tax) basis rather than a pre-tax basis.¹
- iii. Inherited IRA RMDs Penalties to Apply - The SECURE Act, passed in 2019, eliminated the option for beneficiaries of inherited IRAs to “stretch” RMDs over the course of their lifetime and replaced it with a 10-year rule. For those who inherited from an original owner that had already begun taking RMDs, the beneficiary must take RMDs over the first 9 years and fully distribute the remaining assets in year 10. From 2020-2024, the IRS had waived penalties for failure to take RMDs. This grace ended in 2025, and penalties will be applied to beneficiaries who fail to take their RMDs. Note that the rules have not changed for spouses of the original owner as well as for IRA beneficiaries who inherited prior to 2020.²
- iv. Additional Deduction for Seniors - Effective for years 2025-2028, taxpayers 65 years and older may take an additional \$6,000 deduction (\$12,000 for couples) over and above the standard deduction. The deduction is phased out (not below 0) by 6% of AGI above \$75,000 single (\$150,000 MFJ).³
- v. State and Local Tax (SALT) Deduction Cap Increase - The cap on the SALT deduction increased to \$40,400 (for most joint and single filers) in 2026. This increase is effective for years 2025-2029 and reverts to \$10,000 in 2030. The cap is phased down for those with MAGI above \$505,000, but not below \$10,000.⁴ Both the cap and phase-out thresholds increase by 1% annually.
- vi. Overtime Pay Deduction - A new deduction of up to \$12,500 (\$25,000 for joint returns) is available to offset qualified overtime compensation for tax years 2025-2028. This deduction is available to itemizers and non-itemizers. The deduction begins to phase out for taxpayers with Modified Adjusted Gross Income (MAGI) above \$150,000 single (\$300,000 married filing jointly).⁵
- vii. Tips Income Deduction - Taxpayers in traditionally and customarily tipped industries may now receive a deduction of up to \$25,000 for qualified tips. The deduction is available to both itemizers and non-itemizers but phases out for joint filers with AGI over \$300,000 (\$150,000 for others).⁶
- viii. Increased Child Tax Credit - The One Big Beautiful Bill Act increased and made permanent the child tax credit. The credit is now \$2,200 per qualifying child indexed annually for inflation.⁷
- ix. Car Loan Interest Deduction - Buying a car soon? Taxpayers can deduct up to \$10,000 of interest incurred from debt used to purchase a personal use passenger vehicle with final assembly in the United States. This deduction is available for debt incurred between 2025-2028 and is phased out by \$200 for every \$1,000 of the taxpayer’s modified AGI in excess of \$100,000 for single filers or \$200,000 for joint filers.⁸
- x. 529 Plan Expansion - Annual distribution limits from 529 Plans for elementary, secondary or religious school expenses increase to \$20,000 (from \$10,000) beginning in 2026. The definition of qualifying expenses is expanded to include a broader range of educational costs, including tuition, materials, tutoring, standardized test fees and educational therapies for students with disabilities.⁹
- xi. Trump Child Savings Accounts - A Trump Account is a tax-advantaged custodial investment account created for children under age 18. Contributions are made with after-tax dollars (no income limits for participation) and generally are limited to \$5,000 per year from all sources combined, with the limit indexed for inflation beginning in 2027.

1 SECURE 2.0 §109

2 See IRS Notice 2024-35

3 Pub. L. No. 119-21 (The One Big Beautiful Bill Act) §70103

4 Pub. L. No. 119-21 (The One Big Beautiful Bill Act) §70120

5 Pub. L. No. 119-21 (The One Big Beautiful Bill Act) §70202

6 Pub. L. No. 119-21 (The One Big Beautiful Bill Act) §70201

7 Pub. L. No. 119-21 (The One Big Beautiful Bill Act) §70104

8 Pub. L. No. 119-21 (The One Big Beautiful Bill Act) §70203

9 Pub. L. No. 119-21 (The One Big Beautiful Bill Act) §70413

Children born between January 1, 2025, and December 31, 2028 are eligible for a one-time \$1,000 federal seed contribution, which does not count toward the annual contribution limit. The account is controlled by a parent or other custodian until the child reaches age 18, at which point it converts to an account similar to a traditional IRA and is subject to rules similar to IRA tax rules. No distribution shall be allowed before the age of 18.¹⁰ Further details regarding Trump Account eligibility, contribution limits and applicable regulations are provided below.

- xii. Limitation on Itemized Deductions – Taking effect in 2026 is the new “2/37ths limitation” on itemized deductions which caps the value of itemized deductions for taxpayers with taxable income exceeding the 37% tax bracket. Taxpayers in the highest tax bracket (37%) will have their itemized deductions reduced by 2/37ths on the lesser of their total itemized deductions or the amount of taxable income (including itemized deductions) above the threshold of the 37% tax bracket. In 2026, the threshold for single filers is \$640,600 and married filing jointly is \$768,700.¹¹
- xiii. Charitable Deduction for Non-Itemizers – Nonitemizers may receive a charitable contribution deduction up to \$1,000 (\$2,000 for joint returns).¹²
- xiv. Charitable Deduction Floor for Itemizers – Beginning in 2026, taxpayers who itemize their deductions will be required to have their charitable contributions exceed 0.5% of the taxpayer’s contribution base, generally a taxpayer’s adjusted gross income, before being able to benefit from the charitable deduction.¹³

Coming in 2027

- i. Federal Scholarship Tax Credit (FSTC) – Beginning in 2027, individuals may claim a \$1,700 per year nonrefundable tax credit for direct cash donations made to a state approved Scholarship Granting Organization (SGO). These direct cash donations are used to fund K-12 schooling and scholarships.¹⁴ The FSTC is only available in states that have elected to participate in the program. An official listing of participating states can be found on the IRS’s website.
- ii. Qualified Opportunity Zones –The One Big Beautiful Bill Act amended the tax benefits and investment requirements related to Qualified Opportunity Zones (QOZ). Based on current law, beginning 2027, the restructured QOZ program becomes a permanent 10-year rolling framework. It introduces a rolling 5-year capital gains tax deferral with a 10% basis step-up (30% for Qualified Rural Opportunity Funds), alongside a complete tax-free exclusion on new investment appreciation if held for 10 years.¹⁵
- iii. Federal Saver’s Match Replaces the Saver’s Credit – Beginning in 2027, the retirement Saver’s Credit is replaced by a federal Saver’s Match. Eligible individuals may receive a federal matching contribution equal to 50% of qualifying retirement contributions, up to a maximum federal match of \$1,000 per person. Rather than reducing tax liability, the match is deposited directly into the taxpayer’s IRA or eligible retirement account, subject to income limitations and other eligibility requirements.

Getting Started

- i. Estimate Current and Future Income – Effective year-end income tax planning begins with developing a reasonable estimate of both the current year’s income and anticipated income in future years. These projections help identify the taxpayer’s marginal tax bracket and overall tax rate environment, which are key factors in evaluating planning opportunities and determining whether income or deductions should be accelerated or deferred. To improve the accuracy of these estimates, it is often helpful to use the prior year’s income as a starting point and adjust for anticipated changes, such as one-time events, investment performance, business or employment developments, and expected increases or decreases in compensation, bonuses, or other sources of income.

10 Pub. L. No. 119-21 (The One Big Beautiful Bill Act) §70204

11 Pub. L. No. 119-21 (The One Big Beautiful Bill Act) §70111

12 Pub. L. No. 119-21 (The One Big Beautiful Bill Act) §70424

13 Pub. L. No. 119-21 (The One Big Beautiful Bill Act) §70425

14 Pub. L. No. 119-21 (The One Big Beautiful Bill Act) §70411

15 Pub. L. No. 119-21 (The One Big Beautiful Bill Act) §70421

- ii. Review Withholding and Estimated Payments to Avoid Underpayment Penalties – Taxpayers should review their year-to-date withholding and estimated tax payments to determine whether sufficient taxes have been paid throughout the year. Underpayment penalties may apply when taxes are underpaid or paid late. Generally, penalties can be avoided by satisfying the IRS safe-harbor requirements, including paying at least 90% of the current year’s tax liability or 100% of the prior year’s tax liability (whichever amount is less). Note, however, if an individual’s prior year adjusted gross income exceeded \$150,000 (\$75,000 if married filing separate), they must pay 110% of the prior year’s tax liability to avoid an underpayment penalty.¹⁶ Accordingly, year-end is an appropriate time to assess whether additional withholding or estimated tax payments are needed to avoid or minimize potential penalties.

Taxpayers Currently in Higher Tax Brackets than Expected in Future Years – Taxpayers who anticipate being subject to a higher marginal tax rate in the current year than in future years may benefit from deferring income and/or accelerating deductible expenses. The following planning opportunities illustrate ways taxpayers may be able to strategically time the recognition of income and deductions to better manage their overall tax liability.

- i. Delay Closing on Capital Gains Transactions or Structure to Defer Capital Gains – Taxpayers desiring to defer income should consider extending the closing (realization) of capital gains transactions such as the sale of a closely held business, real estate, or stock positions, into the following year. Moreover, additional tax deferral structures can be explored to defer the liability beyond the following year or spread the tax liability over multiple years. Installment sales, Charitable Remainder Trusts (CRT), and IRC §1031 Like-Kind Exchanges are just a few available strategies.
 - 1. Installment Sales – In general, the installment method of accounting allows a taxpayer to defer the recognition of gain on a sale to when the installments are received, rather than being taxed in the year of sale. In order to qualify for installment sale treatment, the seller must receive at least one payment in a taxable year after the year of sale.¹⁷
 - 2. Charitable Remainder Trusts (CRT) – A properly implemented CRT could provide both the deferral of income as well as a charitable deduction in the year of creation. A taxpayer creates a CRT by funding an irrevocable trust with property while retaining an annual payment for a term of years (up to 20) or life. Following the term of years or lifetime payments, the trust’s remainder is then distributed to charity.¹⁸ As the trust is a tax-exempt entity, appreciated assets can be sold without recognizing an immediate tax liability.¹⁹ Tax is recognized when annual payments are made to the taxpayer.²⁰ Further, as the trust’s remainder is to be distributed to charity, an immediate charitable deduction is provided for the value of the remainder interest.²¹ CRTs are complex irrevocable arrangements involving legal, tax, administrative, and investment considerations and are not appropriate for all investors.
 - 3. IRC §1031 Like-Kind Exchanges – Under §1031(a), no gain or loss is recognized if real estate held for productive use in a trade or business or for investment is exchanged solely for other real estate to be held for productive use in a trade or business or for investment. The gain is deferred until the “exchange property” is sold in a taxable transaction. If an individual holds exchanged property until their passing and the property receives a step-up in basis, they can potentially eliminate capital gains taxes entirely.²²
- ii. Defer Capital Gain Utilizing a Qualified Opportunity Zone (QOZ) Fund/Investment – For taxpayers with significant capital gains, the updated Qualified Opportunity Zone rules may provide a valuable way to defer and potentially reduce taxes on capital gains. The QOZ program, was made permanent by the 2025 tax legislation, allowing investors to continue rolling eligible capital gains into Qualified Opportunity Zone Funds (QOF) that invest in designated low-income communities.

16 See IRS Publication 505

17 See IRC §453(b)(1)

18 See IRC §664

19 See IRC §664(c)

20 See IRC §664(b)

21 See IRC §170(f)(2)(A)

22 See IRC §1014

- iii. Under the new rules, a taxpayer who realizes a capital gain can reinvest that gain into a QOF within 180 days and defer recognition of the gain.²³ For investments made beginning in 2027, the deferral period lasts for up to five years from the investment date rather than ending on a fixed statutory date.²⁴

In addition to deferral, investors may receive a 10% basis increase after a five-year holding period, effectively excluding a portion of the deferred gain from taxation.²⁵ Most importantly, if the QOF investment is held for at least 10 years, investors can exclude federal tax on the appreciation of the QOF investment itself, making the program particularly attractive for taxpayers expecting substantial long-term growth.²⁶

As a result, taxpayers with significant capital gains can use QOFs to postpone current capital gains taxes, potentially reduce the amount of taxed gain, and eliminate tax on future appreciation of qualifying investments, while also supporting economic development in designated opportunity zones.

Opportunity Zone investments involve strict eligibility, timing, and compliance requirements, so taxpayers should consult a qualified tax advisor before investing.

- iv. Defer Commissions and/or Bonuses – Taxpayers who have flexibility over the timing of their compensation may benefit from deferring commissions, bonuses, or other discretionary income into a future tax year. When lower tax rates are expected to apply in the future, postponing the receipt of income can help reduce the overall tax burden.
- v. Consider Non-Qualified Deferred Compensation Elections – IRC Section 409A generally requires deferred compensation elections to be made before the beginning of the year in which the compensation is earned, making it too late to defer compensation already earned during the current tax year. However, taxpayers who expect to be in a higher tax bracket next year than in subsequent years may wish to evaluate participation in their employer's non-qualified deferred compensation (NQDC) plan. By electing to defer compensation, taxpayers may be able to postpone income recognition until a future year when lower tax rates apply. Before participating, taxpayers should carefully weigh the potential tax benefits against the associated risks, including the fact that deferred compensation remains subject to the employer's creditors and participants are treated as unsecured creditors of the company.²⁷
- vi. Elect Pre-Tax Contributions to Qualified Retirement Plans – Contributions to employer-sponsored retirement plans, such as 401(k), 403(b), and 457(b) plans, are generally made on a pre-tax basis, reducing current taxable income while allowing earnings to grow tax-deferred until distribution. Similarly, contributions to a traditional IRA may be deductible, depending on the taxpayer's income level and participation in an employer-sponsored retirement plan. For taxpayers seeking to reduce current-year taxable income, maximizing available pre-tax retirement contributions can be an effective planning strategy.²⁸ Note, certain highly compensated employees may be required to make catch-up contributions on a Roth (after-tax) basis under applicable rules. Retirement account planning considerations are discussed in greater detail below.
- vii. Postpone Retirement Account Distributions (other than Required Minimum Distributions (RMDs)) – While RMDs, the minimum annual withdrawals generally required from certain retirement accounts after reaching the applicable beginning age, must be taken each year, additional distributions may be deferred to future years when tax rates may be lower. Taxpayers should consider alternate sources of funds, already subject to tax or taxed at a lower rate, such as taxable investment accounts, to meet cash flow needs.

23 See IRC §1400Z-2(a)(1)(A)

24 See IRC §1400Z-2(b)(1)

25 See IRC §1400Z-2(b)(2)(B)(iii)

26 See IRC §1400Z-2(c)

27 See IRC §409A; Rev. Rul. 60-31

28 See IRC 219(c)

- viii. Utilize Qualified Charitable Distributions to Satisfy RMD Requirement – Charitably inclined taxpayers subject to RMDs, should consider making qualified charitable distributions (QCDs). Distributions (up to \$111,000 for 2026) paid directly from an IRA to a qualified charitable organization, count toward an individual’s RMD and are excluded from income.²⁹ Charitable contributions, including QCDs, are explored in more detail below.
- ix. Tax Loss Harvesting – Taxpayers with realized capital gains can reduce their income by recognizing capital losses to offset them. Losses arising under certain circumstances (such as losses from the sale to a related party, the sale of gifted assets with built-in losses, or a wash-sale) are disallowed.³⁰ Therefore, it is important to work with a financial advisor familiar with the applicable code sections. Tax loss harvesting is explored in greater detail below.
- x. “Bunching” Deductions – The One Big Beautiful Bill Act made the Tax Cuts and Jobs Act of 2017’s increased standard deduction permanent, eliminated miscellaneous itemized deductions, and increased the state/local tax deduction cap to \$40,000.³¹ Consequently, for taxpayers whose itemized deductions are close to the standard deduction amount, little or no benefit will be gained from itemizing deductions each year. To enhance the benefits of itemizing deductions, consider adjusting the timing of deductible expenses, i.e. “bunching” them into the same year so that they will exceed the standard deduction. This strategy may be particularly valuable given the new limitations on charitable deductions and itemized deductions applicable beginning in 2026.
- xi. Manage Deductions to Limit Exposure to the New 2/37ths Itemized Deduction Limitation – As previously noted, beginning in 2026, taxpayers in the highest tax bracket (37%) will have their itemized deductions reduced by 2/37ths on the lesser of their total itemized deductions or the amount of taxable income (including itemized deductions) above the threshold of the 37% tax bracket. In 2026, the threshold for single filers is \$640,600 and married filing jointly is \$768,700.

Taxpayers Currently in Lower Tax Brackets than Expected in Future Years – Taxpayers who anticipate being subject to a lower marginal tax rate in the current year than in future years may benefit from accelerating income into the current year while deferring deductions to later years, when those deductions may produce greater tax savings. However, this strategy should be evaluated in light of the enhanced senior deduction enacted under the One Big Beautiful Bill Act. The deduction provides an additional \$6,000 deduction for eligible taxpayers (\$12,000 for couples) and begins to phase out when modified adjusted gross income exceeds \$75,000 (\$150,000 for married couples filing jointly). Because this enhanced deduction is available only for tax years 2025 through 2028, some taxpayers may find it advantageous to continue deferring income through 2028 to preserve eligibility for the deduction and increase overall tax benefits.

For others, it may still make sense to accelerate recognition of income into the current year to take advantage of an offsetting deduction or credit that may not be available in future tax years. This is particularly pertinent for various energy credits and incentives that have been or will be prematurely terminated by the One Big Beautiful Bill Act such as the Energy Efficient Home Improvement Credit, the Residential Clean Energy Credit, and the Clean Vehicle Credit.

The following planning opportunities may help taxpayers take advantage of their current lower tax bracket by accelerating income and proactively managing tax liabilities before anticipated increases in future tax rates.

- i. Opting Out of Installment Method or Accelerating Gain Recognition – While the installment method is the default tax treatment for qualifying installment sales of property, the seller may elect out of the installment method.³² Generally, a taxpayer must make an election out of the installment method on or before the due date (including extensions) for filing the taxpayer’s return for the year in which the installment sale occurred.³³ Taxpayers who sold property in prior years and are currently reporting gain under the installment method typically can accelerate recognition of the capital gain by either pledging the note as security for a bank loan or by selling, gifting, or exchanging

29 See IRC §408(d)(8)(B)

30 See IRC §267(a); IRC §1015(a); Treas. Reg §1.1015-1; IRC §1091

31 See IRC §63(c)(7); IRC §67(g); IRC §163(h); IRC §164(b)

32 See IRC §453(d)(1); PLR 9412008

33 See Temp. Reg. §15a.453-1(d)(3)(i)

ing the note.³⁴ For example, taxpayers may consider gifting or selling the notes to a non-grantor trust, which would cause the gain to be recognized.

- ii. Electing Out of Non-Qualified Deferred Compensation Plans – IRC Section 409A requires that non-qualified deferral elections be made by the end of the taxable year before the year in which deferrals are made. As such, electing out for the current tax year is not possible. However, taxpayers who anticipate being in a lower tax bracket/rate next year than they will be in subsequent years should consider electing out of their company's non-qualified deferred compensation plan.
- iii. Converting to a Roth Account – The conversion of traditional qualified retirement account assets to a Roth account results in the converted amount being includable as ordinary income in the year of conversion.³⁵ There are many considerations that should be reviewed prior to deciding on a conversion such as the availability of nonretirement assets to pay the tax liability. A conversion may be less advantageous if the converted assets are reduced to pay the taxes caused by the conversion.
- iv. Exercising Non-Qualified Stock Options – Taxpayers seeking to accelerate income recognition who own non-qualified stock options may want to explore whether it is beneficial to exercise a portion or all of them. Further, if an individual has vested options nearing their expiration date and the value of the share exceeds the exercise price, the individual should consider exercising those options to retain their economic value. Generally, taxpayers include the spread between the exercise price and the shares' fair market value as ordinary income on their income tax return.³⁶

Planning for the Alternative Minimum Tax – Historically, the Alternative Minimum Tax (AMT) was designed to prevent high net worth taxpayers from avoiding increased tax rates by utilizing excessive itemized deductions to lower their tax bracket. The AMT is an adjusted calculation of an individual's tax return that eliminates most deductions, adds in certain items of income, provides an exemption, and then applies a flat 28% tax rate. AMT calculations run parallel to the standard income tax calculation, and the taxpayer pays whichever is greater.

For tax year 2026, the AMT exemption amount for unmarried individuals is \$90,100 and begins to phase out at \$500,000 (\$140,200 for married couples filing jointly and begins to phase out at \$1,000,000). The phase-out threshold will be indexed for inflation beginning in 2027.

When making year-end planning decisions, it is important to apply an AMT analysis to any contemplated strategies. The following are examples of items that can lead to or increase an AMT liability:

- Significant long-term capital gains and/or qualified dividends
- Incentive stock options (ISOs)
- Schedules K-1 with depreciation adjustments
- Tax-exempt interest from private activity bonds

Taxpayers who are subject to, or are likely to be subject to, AMT in the current year but not in future years may benefit from accelerating the recognition of ordinary income. This strategy may allow that income to be taxed at the AMT rate of 28% rather than at ordinary income tax rates of up to 37%. Conversely, if year-end projections indicate that AMT is unlikely to apply in the current year but may apply in future years, taxpayers may wish to accelerate deductible expenses or exercise incentive stock options during the non-AMT year to increase available tax benefits and reduce the impact of future AMT exposure.

AMT status may also impact broader investment planning strategies. For example, taxpayers subject to AMT may choose to invest in more taxable investments if they yield higher after-tax returns. Similarly, taxpayers safely out of AMT exposure may choose to invest in private activity bonds that are tax free for regular income tax purposes (but included in AMT calculations) and offer higher rates than other tax-exempt bonds.

³⁴ See IRC §453A(d)(1); IRC §453B(a); Rev. Rul. 76-530; Rev. Rul. 79-371

³⁵ See IRC §408A(d)(3)

³⁶ See IRC §83(e)(3)

Charitable Giving

Charitable giving can be an effective way of both fulfilling an individual's philanthropic goals and generating an income tax deduction. For those looking to maximize charitable deductions in 2026, contributions should be made by December 31, 2026.³⁷ Generally, contributions made by check and mailed via the US Postal Service are considered made in the year they are postmarked regardless of when the check is cashed.³⁸ Those contemplating making charitable contributions prior to year-end should plan for sufficient time to establish any necessary accounts and/or process any paperwork.

- i. Charitable Deduction for Nonitemizers – Beginning in 2026, taxpayers who do not itemize deductions may claim an above-the-line deduction for qualifying cash charitable contributions of up to \$1,000 for single filers and \$2,000 for married couples filing jointly.³⁹ The deduction is not indexed for inflation, and contributions to donor-advised funds and certain private foundations do not qualify. This increase may provide simplicity for those taxpayers on the cusp of itemizing who were bunching their charitable deductions to receive a benefit.
- ii. Charitable Deduction Floor for Itemizers – Effective for tax years beginning in 2026 charitable contributions will be deductible for itemizers only to the extent they exceed 0.5% of adjusted gross income (AGI).⁴⁰ For example, a taxpayer with \$400,000 of AGI must contribute more than \$2,000 before any charitable deduction is available. Corporations will also be subject to a threshold, allowing deductions only for contributions that exceed 1% of taxable income. Given these changes, taxpayers may benefit from consolidating charitable giving into fewer years or making larger, less frequent gifts to increase deductible amounts.
- iii. Consider the potential impact of the 2/37ths Limitation – For taxpayers in the 37% bracket, the new 2/37ths limitation effectively reduces the tax value of itemized deductions at 35%, rather than the taxpayer's 37% marginal rate. For example, a \$1,000 charitable contribution that previously generated a \$370 federal income tax benefit may now generate a maximum benefit of approximately \$350. Taxpayers subject to the limitation should evaluate charitable giving strategies that increase overall tax efficiency, including bunching deductions, gifting appreciated securities instead of cash and/or leveraging qualified charitable distributions from IRA accounts.
- iv. Timing Flexibility and Donor Advised Funds – A donor advised fund (DAF) is a fund or account sponsored by a Sponsoring Organization, which is a public charity.⁴¹ The Sponsoring Organization commits to act as the conduit, connecting the donor with the charitable organizations that they wish to benefit. During the tenure of the DAF, the donor and/or their designee makes ongoing grant recommendations to the Sponsoring Organization with respect to how, when, and to which public charities grants from the account should be made.⁴² The donor receives a charitable income tax deduction at the time contributions are made to the DAF, even though actual charitable grants may not be made immediately.⁴³ As such, a taxpayer can make a significant, upfront contribution to a DAF while their AGI is large enough to absorb the deduction, and then distribute the proceeds to the charities of their choice in future years when their AGI would otherwise be insufficient to fully utilize the charitable deduction. As mentioned above, contributions to DAFs do not qualify for the above-the-line deduction for nonitemizers.

The amount of charitable deduction available for use in a particular year is limited to a certain percentage of the individual's adjusted gross income (AGI) based on the type of assets contributed (cash, long-term capital gain property) and the type of charitable organization (private, public).⁴⁴ To the extent a taxpayer's charitable deduction is not fully utilized in a year, it can be carried forward for up to 5 years before expiring.⁴⁵ This can present a problem for taxpayers interested in making charitable contributions in future years, but anticipate a reduction of their AGI and are concerned about

37 See IRC §170(a)(1)

38 See Treas. Reg §1.170A-1(b)

39 See IRC §170(p)

40 See IRC §170(b)(1)(I)

41 See IRC §4966(d)(2)

42 Id.

43 See IRC §170(f)(18)

44 See IRC §170(b)(1)

45 See IRC §170(d)(1)

their ability to utilize the charitable deductions.

- v. **Contributing Long-Term Capital Gain Assets** – Contributions of long-term capital gain property receive a charitable deduction based on the fair market value of the asset.⁴⁶ Therefore, taxpayers contributing long-term capital gain property are able to avoid paying capital gains tax on the asset, make a larger contribution to the charity (the full fair market value of the asset rather than the net proceeds), and in turn receive a larger charitable deduction. It is important to note that the value of the deduction from contributions of short-term capital gain property are limited to the individual's basis in the property.⁴⁷
- vi. **Qualified Charitable Distributions (QCDs)** – Generally, taxpayers 70 ½ years or older may make charitable contributions of up to \$111,000 (for 2026) directly from their IRA to a qualified charitable organization (DAFs do not qualify).⁴⁸ In addition, individuals can elect to make a qualified charitable distribution of up to \$50,000 from an IRA to a charitable remainder trust or a charitable gift annuity but only if such vehicle has been funded exclusively by qualified charitable distributions.⁴⁹ Such IRA distributions count towards the individual's RMD and are not included as income on their tax return.⁵⁰ With the implementation of both the 0.5% AGI floor on itemized charitable deductions and the 2/37ths limitation in 2026, QCDs may be more valuable than ever. Because QCDs reduce taxable income without creating an itemized deduction, they may offer a more favorable tax result than making charitable gifts from taxable assets for certain IRA owners age 70 ½ or older
- vii. **Substantiating Charitable Gifts** – For gifts in excess of \$250, donors must obtain a written receipt stating the amount donated and indicate the value of any goods or services provided by the charity as consideration for the gift.⁵¹ For non-cash gifts (other than publicly traded securities) in excess of \$5,000, the donor must obtain a qualified appraisal to support the value of the deduction claimed.⁵²

Investment Portfolio Planning

- i. **Harvest Capital Gains/Losses** – Strategic realization of capital gains and losses can be an effective tax-management tool. Taxpayers with unused realized capital losses may consider recognizing capital gains, as those losses can offset gains and potentially reduce or eliminate the associated tax liability. Conversely, taxpayers who have realized capital gains may benefit from harvesting capital losses to offset those gains and reduce their overall tax burden. However, not all losses are deductible. Losses may be disallowed in certain circumstances, including transactions with related parties, the sale of gifted property with built-in losses, and transactions that violate the IRS wash-sale rules. Careful consideration should be given to these limitations before implementing a gain or loss harvesting strategy.⁵³
- ii. **Navigating the Wash-Sale Rules** – A wash sale is the sale of stock or a security at a loss where the taxpayer acquires a “substantially identical” share or security within 30 days before or after the date of the sale, leaving the taxpayer's investment position substantially unaltered. In this situation, the taxpayer may not deduct the loss and instead takes a carryover basis in the newly acquired stock or security.⁵⁴ Generally, the term “substantially identical” has required a close economic similarity. Relatively minor differences have classified stocks or securities as not substantially identical.⁵⁵
 - 1. **Doubling Up on a Security** – For those interested in harvesting losses but reluctant to divest themselves of a current stock position, it is possible to double up on the stock or security 30 days prior to the anticipated sale of

46 See Treas. Reg §1.170A-1(c); Long-term capital gain property is property that the taxpayer has held for more than 1 year.

47 See IRC §170(e)(1)

48 See IRC §408(d)(8)

49 Id.; SECURE 2.0 §307

50 Id.

51 See IRC §170(f)(8)

52 See IRC §170(f)(11)(C)

53 See IRC §267(a); §1015(a); §1091

54 See IRC §1091

55 See Rev. Rul. 58-211; Hanlin v. Commissioner 108 F.2d 429 (3d Cir. 1939); PLR 6906200550A; Treas. Reg. §1.1233-1(d)(1)

the originally held stock or security. It is important to note that while doubling up allows the individual to continue to participate in any gains during the 30-day holding period after the sale, it also doubles the individual's exposure to loss for the 30-day holding period prior to the sale.

- iii. **Rebalance Portfolios** – Over time, market performance can cause an investment portfolio to drift from its target asset allocation, potentially altering the portfolio's intended risk and return characteristics. For portfolios that are not actively managed or automatically rebalanced, it may be prudent to periodically buy or sell assets to restore the desired allocation and maintain an appropriate level of investment risk. Alternatively, new cash contributions can be directed to underweighted asset classes to help realign the portfolio with its target allocation while minimizing the need for asset sales. When rebalancing, taxpayers should be mindful of the following:
1. **Utilize Tax-Advantaged Accounts** – To reduce the potential tax consequences associated with portfolio rebalancing, taxpayers should consider making allocation adjustments within tax-advantaged accounts, such as IRAs, 401(k) plans, and 403(b) plans. As transactions within these accounts generally are not subject to current taxation, investors can adjust their asset allocation and rebalance their portfolios without incurring immediate income or capital gains taxes.
 2. **Redirecting Cash Flow** – Taxpayers can use dividends, interest, and other portfolio cash flows to help maintain their target asset allocation by directing those amounts toward underweighted asset classes. Similarly, withdrawals and distributions may be sourced from overweighted asset classes, allowing the portfolio to move closer to its desired allocation without requiring additional trades. Additionally, taxpayers who are required to take Required Minimum Distributions (RMDs) can strategically redeploy those funds, within their taxable accounts, to support portfolio rebalancing and maintain long-term investment objectives.
 3. **Beware of Mutual Fund Capital Gain Distributions** – Investors in mutual funds may incur tax liability not only when they sell their fund shares, but also when the fund distributes net realized capital gains to shareholders.⁵⁶ These capital gain distributions are commonly made near year-end and are generally taxable to shareholders of record, regardless of whether they personally benefited from the gains during the period they owned the fund. As a result, investors who are considering purchasing additional mutual fund shares as part of a portfolio rebalancing strategy should be mindful of upcoming distribution dates. Purchasing a fund shortly before a capital gain distribution may result in an unexpected taxable distribution without a corresponding economic benefit.

Retirement Planning

- i. **Rephrase Retirement Plan Standard Contributions** – Traditional qualified retirement accounts can provide individuals the ability to contribute pre-tax dollars which grow tax deferred.⁵⁷ Generally, an individual does not pay income taxes on contributions or investment earnings until funds are distributed from the account.⁵⁸ Qualified Roth retirement plan accounts allow participants to make contributions with after-tax dollars, meaning contributions are not tax-deductible in the year they are made. However, any investment earnings within the account grow tax-free, and qualified withdrawals made during retirement are exempt from federal income taxes.⁵⁹
- ii. **Rephrase Retirement Plan Catch-Up Contributions** – Catch-up contributions allow individuals age 50 and older to save additional amounts in eligible retirement plans beyond the standard annual contribution limit. Individuals attaining age 60, 61, 62 or 63 in 2026 may contribute an increased catch-up amount, up to \$11,250. This higher catch-up contribution is known as the “Super Catch-up” amount and is subject to plan availability.
- iii. **Mandatory Roth Catch-Up Contributions** – Catch-up contributions to employer-sponsored retirement plans have traditionally been allowed on a pre-tax basis. However, beginning in 2026, individuals whose prior-year wages ex-

⁵⁶ See IRC §852(b)(3)(D)

⁵⁷ See IRC §408(d)

⁵⁸ Id. Typically, withdrawals/distributions from traditional qualified retirement accounts are taxed as ordinary income. A 10% additional tax may apply if withdrawals/distributions are made prior to the owner reaching 59 ½.

⁵⁹ See IRC §408A; Distributions are tax-free provided the account has been open for more than 5 years and the owner has reached age 59 ½, or disabled, or using the first-time homebuyer exception, or taken by their beneficiaries due to their death. Distributions that do not meet these criteria may be subject to a 10% additional tax.

ceed the applicable statutory threshold (\$150,000 in 2025) must make catch-up contributions on a Roth (after-tax) basis. As a result, while these contributions will no longer provide a current-year tax deduction for higher earners, qualified distributions may be received tax-free in retirement.

Individuals should understand the retirement account options available to them, including each plan’s contribution limits, distribution requirements, and tax implications. The table below outlines the standard and catch-up contribution limits for each plan type.

Retirement Plan Annual Contribution Limits (Employees/Individuals)⁶⁰

Retirement Plan Types	2026 Annual Elective Deferral Limits	2026 “Catch-Up” Limits
401(k) plans, 403(b) plans, 457(b) plans, and SAR-SEPs^ [Includes Roth 401(k) and Roth 403(b) contributions]	Lesser of \$24,500 or 100% of participant’s compensation	\$8,000 (Individuals age 50 or older) \$11,250 (Individuals age 60-63)
SIMPLE 401(k) plans and SIMPLE IRA plans^	Lesser of \$17,000 or 100% of participant’s compensation	\$4,000 (Individuals age 50 or older) \$5,250 (Individuals age 60-63)

^Note: Employees/individuals must aggregate employee contributions to all 401(k), 403(b), SAR-SEP, and SIMPLE plans of all employers. 457(b) plan contributions are not aggregated. For SAR-SEPs, the percentage limit is 25% of compensation reduced by elective deferrals (effectively, a 20% maximum contribution).

Individual Retirement Arrangements	2026 Contribution Limits	2026 “Catch-Up” Limits
Traditional IRAs	Lesser of \$7,500 or 100% of earned income	\$1,100 (Individuals age 50 or older) Super Catch-Up Contributions Not Allowed
Roth IRAs	Lesser of \$7,500 or 100% of earned income	\$1,100 (Individuals age 50 or older) Super Catch-Up Contributions Not Allowed

Modified Adjusted Gross Income (MAGI) Phase Out Limits⁶¹

Traditional IRA deductible contribution income limits — MAGI phase-out range for determining deductibility of traditional IRA contribution for taxpayers covered by an employer-sponsored plan and filing as:	2026
Single/Head of Household	\$81,001 - \$90,999
Married filing jointly	\$129,001 - \$148,999
Married filing separately	\$0 - \$10,000

Traditional IRA deductible contribution income limits — MAGI phase-out range for determining deductibility of traditional IRA contribution for taxpayers not covered by an employer-sponsored retirement plan but filing a:	2026
Joint return with a spouse who is covered by an employer-sponsored retirement plan	\$242,001 - \$251,999

60 See IRS Notice 2025-67

61 Id.

Roth IRA compensation limits — MAGI phase-out range for determining ability to fund a Roth IRA for taxpayers filing as:	2026
Single/Head of Household	\$153,001 - \$167,999
Married filing jointly	\$242,001 - \$251,999
Married filing separately	\$0 - \$10,000

- iv. **Fund a Backdoor Roth IRA** – Individuals who wish to contribute to a Roth IRA but are precluded from making direct Roth IRA contributions because their modified adjusted gross income exceeds IRS limits may consider a “Backdoor Roth IRA” strategy. Under this approach, the individual contributes to a traditional IRA and subsequently converts those assets to a Roth IRA, often within the same tax year.⁶² To the extent the converted amount consists of pre-tax contributions and earnings, the conversion is taxable as ordinary income. However, any after-tax (nondeductible) contributions are not taxed again upon conversion, subject to the IRS pro rata rules that require all traditional, SEP, and SIMPLE IRA balances to be considered when determining the taxable portion of the conversion.⁶³

Similarly, an individual who participates in a 401(k) plan may be able to convert after-tax contributions to a Roth 401(k) or roll them out to a Roth IRA.⁶⁴ This is possible if the employer plan permits after-tax contributions and either in-plan conversions or in-service distributions.

- v. **Qualified Charitable Distributions** – As discussed above, taxpayers 70 ½ years or older may make charitable contributions of up to \$111,000 (for 2026) directly from their IRA to a qualified charitable organization (DAFs do not qualify).⁶⁵ In addition, individuals can elect to make a qualified charitable distribution of up to \$50,000 from an IRA to a charitable remainder trust or a charitable gift annuity, but only if such vehicle has been funded exclusively by qualified charitable distributions.⁶⁶ Such IRA distributions count towards an individual’s RMD and are not included as taxable income on their tax return.⁶⁷

Trump Accounts⁶⁸

A “Trump Account” is a new type of account similar to a traditional IRA established for eligible children under age 18; designed to promote long-term investing during childhood. Subject to special statutory rules and evolving treasury and IRS guidance, these accounts generally prohibit withdrawals and limit investment options during the child’s growth period. Upon reaching age 18, the account typically transitions to treatment similar to a traditional IRA, becoming subject to the standard contribution, distribution, and investment rules.

1. **Federal Seed Funding** – Children born between 2025 and 2028 may receive a \$1,000 contribution from the federal government through a pilot program, providing an initial account balance.
2. **Annual Contribution Limit** – Contributions are made with after-tax dollars (no income limits for participation) and generally are limited to \$5,000 per year from all sources combined, with the limit indexed for inflation beginning in 2027.
3. **Contribution Sources** – Funding is approved by a variety of sources, including parents, grandparents, other individuals, employers, governmental entities, nonprofit organizations, and federal pilot program contributions. Unlike traditional or Roth IRAs, contributions may be made even if the child has no earned income.

⁶² See Treas. Reg §1.408A-4

⁶³ This may be the case even in situations where the IRA contribution was not deductible if the account owner has other IRA balances. See IRC §408A(d)

⁶⁴ IRS Notice 2014-54

⁶⁵ IRS Notice 2025-67

⁶⁶ Id.; SECURE 2.0 §307

⁶⁷ Id.

⁶⁸ Pub. L. No. 119-21 (The One Big Beautiful Bill Act) §70204 (adding Internal Revenue Code §§ 530A-530F).

4. **Tax-Advantaged Growth Potential** – Investment options include qualifying low-cost, diversified index funds, allowing contributions to benefit from long-term, tax-deferred growth. Individual contributions are made with after-tax dollars and are not tax-deductible.
5. **Long-Term Planning Transition** – At the age of 18, the account is treated similar to a traditional IRA and becomes subject to rules similar to those governing traditional IRA distributions. While following the traditional 10% penalty of withdrawals taken before the age of 59½, certain exceptions may apply including qualified higher education expenses, first-time homebuyer expenses, and qualified birth or adoption expenses.
6. **Tax Treatment** – Because most individual contributions are made with after-tax dollars, those contributed funds generally are not taxed when withdrawn. However, capital gains and growth within the account are generally subject to ordinary income tax upon distribution from the account.

Trump Accounts may provide certain families with an additional tax-advantaged savings option depending on their financial goals and circumstances. While these accounts may provide meaningful planning benefits, their effectiveness will depend on your family's goals, circumstances, and broader wealth strategy. Contact your Regions Private Wealth Advisor to learn more about Trump Accounts and their potential benefits.

Wealth Transfer and Legacy Planning

- i. **Federal Annual Gift-Tax Exclusion** – Congress allows an individual to give a defined amount of cash or assets to an unlimited number of recipients each year without having to file a federal gift tax return or pay a transfer tax. The annual gift tax exclusion for 2026 is \$19,000 per recipient. Married couples may split gifts to double the tax-free limit to \$38,000 per recipient.⁶⁹

For example, Mom and Dad can each give \$19,000 to their child, in-law, and 3 grandchildren for gifts totaling \$190,000 in 2026 (Mom's gifts: to child, in-law, 3 grandchildren - \$19,000 x 5 = \$95,000; Dad's gifts: to child, in-law, 3 grandchildren - \$19,000 x 5 = \$95,000) without filing a gift tax return or paying any transfer taxes.

Annual gift tax exclusion gifts can be made each year, but are non-cumulative (e.g. if only \$5,000 of the annual exclusion is used this year, the remaining \$14,000 cannot be added to next year's gift.)⁷⁰ In order for the annual exclusion rules to apply for the calendar year, the recipient must receive the gift by December 31.⁷¹ Checks delivered, but not cashed by December 31, do not qualify as completed gifts.⁷² For those who find themselves in a last minute bind, cash or cashier's checks are best.

Strategic gifting opportunities to leverage the annual gift tax exclusion:

1. **Contribute to a Traditional or Roth IRA** – Annual exclusion gifts can be made directly to traditional or Roth IRAs for the benefit of another. Combining the gift tax benefits of the annual exclusion with the income tax benefits of a traditional or Roth IRA may provide children and/or grandchildren with long-term growth benefits they might otherwise have been unable to obtain. The allowable contribution amount is limited by Traditional and Roth IRA rules including:
 - a. General contribution limits for traditional and Roth IRAs (i.e., ***the lesser*** of (a) \$7,500 (\$8,600 if the recipient is 50 years or older), or (b) the recipient's taxable compensation for the year.⁷³
 - b. Deductibility of contributions to traditional IRAs being limited if the gift recipient or their spouse is covered by an employer plan and their income exceeds certain levels.⁷⁴
 - c. The Roth IRA allowable contribution amount may be phased out if the recipient's income exceeds certain modified adjusted gross income (MAGI) levels.⁷⁵

69 See IRC §2503(b)(1)

70 Id.

71 See Treas. Reg. §25.2503-3(b); Special considerations are necessary for gifts made to trusts. Please speak with your tax advisor to see if the gift is of present interest and the annual exclusion rules still apply.

72 Estate of Mary R. Rosano v. United States, 245 F.3d 212 (2d Cir. 2001)

73 See IRC §219(b)(5); §408A(c)(2); and IRS Notice 2025-67

74 See IRC §219(c)

75 See IRC §408A(c)(3)

2. **Frontloading 529 plans** – 529 plans are qualified educational investment accounts that provide tax-free growth and distributions when made for qualified educational purposes.⁷⁶ Contributions to 529 plans are considered present interest gifts that qualify for the annual exclusion.⁷⁷ Moreover, extended rules apply to the annual exclusion, permitting an individual to contribute up to five years of annual exclusion gifts in a single year.⁷⁸ This accelerates the income tax benefits by “frontloading” the account. Additionally, 529 plans may also provide valuable state income tax deductions or credits, depending on your state of residence; consult your state’s rules and your tax advisor to determine the benefits available to you.
3. **Annual Gift Tax Exclusion Gifts to Non-Citizen Spouses** – US citizen spouses enjoy the benefits of an unlimited marital deduction for transfers to each other; however, gifts to a non-citizen spouse do not qualify for the unlimited marital deduction and may be subject to gift tax.⁷⁹ Generally, gifts up to \$194,000 (for 2026) to a non-citizen spouse qualifies as an annual exclusion gift.⁸⁰ Additional planning strategies may be utilized to enhance the benefits of such a gift. For more information, please speak with your tax advisor.
- ii. **Lifetime Exemption** – In addition to the annual gift tax exclusion, individuals are permitted to transfer up to an additional \$15,000,000 during life and/or at death without being subject to transfer taxes.⁸¹ This amount is known as the “lifetime exemption.” The lifetime exemption amount applies to gifts that would otherwise be taxable because they are not covered by the annual gift tax exclusion or other exceptions. The One Big Beautiful Bill Act increased the lifetime exemption amount to \$15,000,000 in 2026 and made it permanent (subject to annual inflation adjustments). There are many options available to utilize the lifetime exemption amount. Contact a Regions’ Wealth Advisor to explore all possibilities.
- iii. **Review Appointed Agents and Designated Beneficiaries** – Most estate planning documents require an agent be named to fulfill the document’s purpose. It is important to review the appointed agents regularly to ensure the people and/or entities named are still appropriate. In addition, many types of accounts allow for a designated beneficiary to be assigned. Changes in circumstances (such as a marriage, divorce, death, or addition of a child) make it necessary to review and possibly amend the designated beneficiary. In certain circumstances, some state laws may override a designated beneficiary and distribute assets to someone else.⁸² Consequently, it is important to speak with an advisor regarding naming a designated beneficiary. The following table lists various agent types and beneficiary designations that should be reviewed annually:

Document Type	Agent/Appointment
Trust	Trustee, Trust Committee, Advisor/Protector
Will	Executor, Guardian for Minors
Power of Attorney for Financial Matters	Agent
Healthcare	Healthcare Agent, Power of Attorney
Guardianship/Conservatorship	Guardian/ Conservator

Designated Beneficiaries
Qualified Retirement Accounts (401(k), IRA, Roth accounts)
Life Insurance/Annuities
Transfer/Payable on Death (TOD/POD) Accounts
529 Plans
Donor Advised Funds (DAFs)

⁷⁶ See IRC §529

⁷⁷ See IRC 529(c)(2)(A)

⁷⁸ See IRC §529(c)(2)(B)

⁷⁹ See IRC §2523

⁸⁰ See IRC §2523(i) and Rev. Proc. 2025-32

⁸¹ See IRC §2010; §2505; and §2631

⁸² If married and living in a community property state, the state law may recognize the spouse as the beneficiary of some or all of a qualified retirement account regardless of who is designated as the beneficiary. Accordingly, an individual would need to get their spouse’s written consent to name a non-spouse beneficiary. See The Employee Retirement Income Security Act (ERISA); the Retirement Equity Act (REA); Internal Revenue Manuals 25.18.1 “Basic Principles of Community Property Law”

Financial Planning

- i. **Review/Update Personal Net Worth Statement** – Updating a detailed net worth statement at least annually provides a reference point by which to measure progress towards a person’s wealth plan. In addition, it ensures that should an agent be required to act on that person’s behalf, they have an accurate list of all assets and their locations.
- ii. **Review Credit/Debt** – Leveraging debt may be a valuable tool within a financial plan. However, it is important to ensure the products originally implemented are still meeting desired goals. Year-end is a good time to review loan terms and interest rates. Planning for debt payoffs, prioritizing paying down higher interest rate debt, and potentially consolidating or refinancing debt should be considered. Credit card debt should also be reviewed, paying particular attention to maximizing rewards such as cash back, points, and travel rewards while balancing annual fees and interest rates.
- iii. **Review Budget** – Updating a budget annually to establish parameters and reflect realistic expenses is crucial to creating an accurate financial/retirement plan. By reconciling the budget with actual expenses, an individual can identify and trim out any overages and frivolous spending. This is particularly applicable for bills on autopay or subscription services where promotional pricing silently expired.

Conclusion

The implementation of key provisions from the One Big Beautiful Bill Act has made 2026 an important year for tax planning. As taxpayers evaluate new deductions, updated limitations, and expanded planning strategies, working closely with your advisors can help maximize available benefits.

Regions’ Private Wealth Management team looks forward to discussing the opportunities these new provisions bring to help you mitigate your tax liability and achieve your financial goals.



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