2026 YEAR-END TAX PLANNING GUIDE

INSIDE

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Most people treat year-end tax planning the way they treat a smoke detector battery. They know it matters. They mean to get to it. And then December arrives and the window has already closed on the decisions that would have made the most difference.

The financial services industry also tends to treat tax planning as a separate lane. Investment decisions happen here. Tax returns get filed there. Charitable giving and estate planning somewhere else. Each professional does their part well. What often gets missed is how those decisions interact with each other, and who is responsible for seeing the whole picture. That coordination is what this practice was built around.

2026 is not a typical year-end. The One Big Beautiful Bill Act changed the tax landscape in ways that are still settling. Some provisions are permanent. Some expire after 2028. A Roth conversion that makes sense at your current income level may reduce a deduction you did not know you qualified for. A charitable gift timed one way works in your favor. Timed another way, it works against you. These interactions are not obvious until someone looks at your specific picture, and this guide is worth reviewing with that in mind.

What I know after working with hundreds of families over the last thirty-plus years is that the decisions that move the needle are almost never the dramatic ones. They are the ones made at the right time, in the right amount, by someone looking at the whole picture.

If something in these pages raises a question about your situation, reach out.

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Your Retirement Income Picture

Most Relevant If You Are

- Drawing from retirement accounts now
- Within 5 years of retirement
- Planning a significant financial event before year-end

Your tax bracket is the starting point for almost every year-end decision. But if you are like many of the families we work with, your retirement income does not come from one place. It comes from several.

Each one seems manageable on its own. But together that stack determines not just your tax rate, but whether surtaxes apply, deductions phase out, and how much room you have to act before December 31.

This is what we call your income stack, and seeing it clearly is one of the most important things we do together.

That work starts with your tax return. When your wealth manager has your return in hand, they can see what actually came in, what was taxed and how, and where the interactions are that might not be obvious from account statements alone. If you have not brought yours in yet, your next review appointment is the right time. It is one of the most useful things you can bring to that conversation.

It is also why the Planning Check-In has been added to every issue of the Insights Newsletter. The things you are not sure are worth mentioning are often exactly what we need to know. If something has changed before year-end, reach out. That context is part of your picture too.

What Changed and Why It Matters

The 2025 tax law rewrote several provisions that retirees and pre-retirees had been planning around for years. The key thing to understand is how these changes interact. A Roth conversion, a property sale, or a large charitable gift can move your income past thresholds you may not realize are in play. Cross one, and the Senior Deduction may phase out, a deduction you expected may shrink, or Medicare-related taxes, surtaxes, or premium surcharges may apply. The result can be a tax bill you didn't plan for.



2026 Tax Law Changes at a Glance

What Changed	What It Means for You	Worth Discussing If...
Reduced individual tax rates (10%–37%) now permanent	A reliable foundation for multi-year planning, including Roth conversion strategies	You've been delaying Roth conversions waiting for rate certainty
Enhanced standard deduction permanent ($32,200 MFJ / $16,100 Single)	Reliable baseline for comparing itemized vs. standard deduction each year	Your deductions are close to the threshold — the math may have shifted
New Senior Deduction: up to $6,000 per person age 65+	Meaningful reduction in taxable income for qualifying retirees — phases out above $75K single / $150K MFJ	You're 65 or older and planning a Roth conversion or large distribution this year
2026 SALT deduction cap = $40,400. It rises roughly 1% a year through 2029, reverts to $10,000 in 2030, and phases down above roughly $500K MAGI.	More taxpayers may benefit from itemizing, particularly those with significant property taxes	You've been taking the standard deduction and pay substantial state and local taxes
20% QBI deduction made permanent	Business owners may continue to qualify for a valuable deduction. The amount depends on your income, business type and other limits, and a Roth conversion can affect the calculation in some situations.	You're self-employed or own a business and are considering a Roth conversion or other move that could increase taxable income.
Estate and gift tax exclusion increased to $15M per person / $30M per couple, with no scheduled expiration	Expanded planning opportunities for larger estates — beneficiary designations still drive real outcomes	You haven't reviewed your estate documents since before 2026
100% Bonus Depreciation made permanent (property acquired and placed in service after Jan. 19, 2025)	Major benefit for business owners and farmers acquiring equipment or property	You're planning a significant purchase before year-end
New charitable deduction for non-itemizers ($1,000 single / $2,000 MFJ)	A small but capturable benefit if you're giving anyway	You take the standard deduction and make regular charitable gifts

$6,000 Senior Deduction: What the Table Doesn't Show

The Tax Law Changes table shows the new Senior Deduction at up to $6,000 per person age 65 or older. What the table does not show is how it stacks.

For a married couple, both age 65 or older, qualifying for the full deduction, the numbers look like this:

Standard Deduction	**$32,200**
Extra Deduction (age 65+, $1,650 × 2)	$3,300
New Senior Deduction ($6,000 × 2)	$12,000
Total Deduction	**$47,500**

Two things worth knowing before you plan around this number.

First, this deduction phases out once your modified adjusted gross income (MAGI) passes $75,000 for single filers or $150,000 for married couples filing jointly. For every $10,000 above that line, each person's deduction shrinks by $600. It disappears entirely at $175,000 single or $250,000 joint. A Roth conversion, a large distribution, or a property sale can reduce a deduction you were counting on at the start of the year.

Second, unlike the standard deduction, the Senior Deduction does not reduce your AGI. It reduces taxable income, but the portion of your Social Security that is taxable is calculated on AGI, not taxable income. This deduction will not lower your Social Security tax exposure. That distinction matters when you are building your income stack for the year.

A Note Worth Checking Before You File

If you received wages from two or more employers in 2026 and your combined wages exceeded $184,500, you may have had more Social Security tax withheld than the law requires. If so, the excess can be claimed as a credit on your federal return. This does not happen automatically. If it applies to you, make sure your tax preparer is aware before your return is filed.

The Roth Conversion Window

Most Relevant If You Are

- Retired or semi-retired with income below your peak earning years
- 5-15 years from taking required minimum distributions (RMDs)
- Looking to reduce the tax burden your heirs will inherit

A Roth conversion moves money from a traditional IRA or 401(k) into a Roth account. You pay ordinary income tax on the amount converted today. In exchange, that money grows tax-free, withdrawals in retirement are tax-free, and there are no required minimum distributions for the original owner. For beneficiaries, the Roth portion is significantly more tax-efficient to inherit.

One distinction worth knowing: direct Roth IRA contributions require earned income. Conversions do not. A retiree with no earned income can convert freely, which is exactly what makes the retirement window so valuable.

> ***Here's what that looks like in practice:***
>
> Margaret and Tom retired in 2025. Tom is 63, Margaret is 61. Neither has started Social Security yet, and their RMDs will not begin until age 75. Tom's former employer provides health coverage for both of them until each is eligible for Medicare.
>
> Their income this year is about $45,000 from a small pension and portfolio income. After the $32,200 standard deduction, they have roughly $12,800 of taxable income. That leaves them with about $88,000 of room before reaching the 22% federal income tax bracket.
>
> If they convert $50,000 from a traditional IRA to a Roth IRA this year, the conversion still keeps them within the lower tax brackets. Those same dollars, left in the traditional IRA, could eventually come out through RMDs as ordinary income and could also affect the income calculations used for Medicare premiums and the taxation of Social Security benefits.
>
> Years like this can create a valuable planning window: income has dropped after retirement, Social Security has not started, and RMDs are still years away. Once that window closes, the unused bracket space is gone.
>
> The right conversion amount is rarely clear until later in the year, when income, deductions and other tax decisions are easier to estimate. A decision made later in the year can often be more precise than one made in January.
>
> *(Fictional example)*

Once completed, a Roth conversion can't be undone, so the amount is worth getting right. Timing is not the only variable. The new Senior Deduction phases out above $150,000 for married couples filing jointly. A Roth conversion adds to your income. A conversion that looks efficient in isolation can reduce or eliminate a deduction worth up to $12,000 for a qualifying couple. This is exactly the kind of interaction that requires someone to model your full picture before you move.

If you're 62 or younger and in a lower-income year, a conversion in 2026 won't affect your Medicare premiums or the Senior Deduction. Other thresholds still apply, including marketplace health insurance subsidies if you buy your own coverage before Medicare.

CFS GUIDANCE:

Roth conversions touch more of your picture than most people realize. We look at your Senior Deduction exposure, Medicare thresholds, and RMD timeline before suggesting an amount.

This is a hypothetical story and not indicative of any specific situations or client. It is presented only as an example and not intended as investment advice. Investing involved risk and there is no assurance that any investment strategy will be successful.

Medicare-Related Taxes, Surtaxes, and Premium Surcharges

Most Relevant If You Are

- On Medicare or enrolling within 2 years
- Planning a conversion, property sale, or large distribution this year
- Near the $200,000 or $250,000 income thresholds

There are two Medicare-related taxes that can surprise retirees, and one that surprises them two years after the fact. All three are driven by income decisions that didn't feel like tax decisions at the time.

The 3.8% That Catches People Mid-Conversion
Net Investment Income Tax (NIIT)

This tax applies to investment income, including capital gains, dividends, and rental income, when your modified adjusted gross income (MAGI) exceeds $200,000 for single filers or $250,000 for married couples filing jointly. It does not apply to Social Security benefits, retirement account distributions, W-2 wages, or active business income. These thresholds have been fixed since 2013 and are not adjusted for inflation, which means more people cross them every year.

What can push you over the line is a Roth conversion, a property sale, or a significant rebalance added on top of your other income. The 3.8% applies to the lesser of your net investment income or the amount by which your MAGI exceeds the threshold.

The 0.9% Additional Medicare Tax

If wages or self-employment income exceed $200,000 single or $250,000 married filing jointly, you may owe an additional 0.9% Medicare tax on earned income above those thresholds.

IRMAA: The One That Hits Two Years Later

This is the one that generates the most frustration, because of the delay. Your Medicare Part B and Part D premiums in 2028 are determined by your 2026 income. A single high-income year, driven by a property sale, a large conversion, or any other one-time event, can increase your Medicare premiums for an entire year, two years from now.

By the time most people learn about IRMAA, the income decision that triggered it is already two years in the past.

> ***The same $120,000. Two different Medicare bills.***
>
> A married couple, both retired and on Medicare, decided in 2024 to convert $120,000 from a traditional IRA to a Roth. It was a sound decision: lower future RMDs, tax-free growth, more flexibility. Their financial plan supported it. The part that needed more planning was how it would interact with IRMAA.
>
> Their other income that year was about $160,000. The conversion pushed their combined modified adjusted gross income (MAGI) to $280,000, just over the $274,000 IRMAA threshold. Two years later, in 2026, each received a Medicare bill with a Part B premium of $405.80 per month instead of the standard $202.90. For the two of them, that added $4,869.60 to their annual healthcare costs, plus a separate surcharge on Part D.
>
> The Roth conversion was still the right long-term move. Timing the same conversion differently changes the result. Spreading the same $120,000 conversion across three years, about $40,000 a year, would have kept their MAGI near $200,000 each year, below the first IRMAA threshold of $218,000. Same conversion, same long-term benefit, standard Medicare premiums.
>
> *The names are fictional, but the situation is one we hear about regularly from people we meet with for the first time.*

CFS GUIDANCE:

If your income is near any of these thresholds, the question isn't just what you owe this year. It's what this year's decisions will cost you in 2027 and 2028. If you've had an unusual income year or are planning a significant transaction before December 31, this is worth a conversation before year-end.

Retirement Contributions: What's Available and When It Closes

Contributing to retirement accounts is one of the most straightforward ways to reduce taxable income. The limits increased again in 2026, and if you are between 60 and 63, a higher catch-up limit may apply to your workplace plan. It's worth confirming before year-end.

2026 Retirement Contribution Limits

Account	2026 Limit	Age 50+ Catch-Up	Ages 60-63 Super Catch-Up	Deadline
401(k) / 403(b) / 457 / SAR-SEP	$24,500	+$8,000	+$11,250	Dec. 31, 2026
Thrift Savings Plan (Fed. Govt.)	$24,500	+$8,000	+$11,250	Dec. 31, 2026
Traditional or Roth IRA	$7,500	+$1,100	N/A	Apr. 15, 2027
SIMPLE IRA	$17,000 or $18,100*	+$4,000**	+$5,250	See note***

**Applies only to certain applicable SIMPLE retirement accounts depending on plan size and employer contributions. **$3,850 for certain applicable SIMPLE plans. ***For employee deferrals: no later than 30 days after the end of the month in which they would have received them in cash.*

Super Catch-Up: (Ages 60-63) If you turn 60, 61, 62, or 63 in 2026, your workplace plan catch-up limit increases to $11,250 instead of $8,000. This is optional for employers to adopt, so confirm with your plan administrator.

IRA note: The April 15 deadline gives you more time, but contributing before December 31 starts the clock on tax-deferred growth earlier.

Roth catch-up rule: Starting in 2026, if your 2025 wages from your current employer exceeded $150,000, catch-up contributions to your workplace plan must be made as Roth. They won't reduce your taxable income this year. If your plan doesn't offer a Roth option, confirm with your plan administrator whether catch-ups are still available to you.

Investments and Tax Strategy

Most Relevant If You Are
• Holding appreciated assets in a taxable account • Planning a property or land sale this year • Considering a Roth conversion alongside other income events

When you take money out of an investment account to cover living expenses, fund a trip you've been planning for years, or make a significant purchase, the tax outcome isn't determined only by what you sell. It's determined by which account you sell from, when you sell, and what else is happening in your income picture that year. The same withdrawal can cost you significantly more or less depending on those three factors alone.

Capital Gains: Timing = Strategy

When you sell an investment you've held for more than a year, whether that's stock, a mutual fund, a piece of land, or a rental property, the profit is taxed at long-term capital gains rates, which are lower than the rates on ordinary income. Most people selling a primary residence are shielded from this tax on the first $250,000 of gain ($500,000 for married couples), but other appreciated assets don't carry that exemption.

For married couples filing jointly in 2026, the 0% rate applies up to $98,900. The 15% rate applies up to $613,700. Above that, the rate is 20%.

Whether you can benefit from the 0% rate depends on your full income picture for the year, not just this one transaction.

What can shift it: You finally sold the land you've been holding for twenty years. You received a larger distribution than you planned. Rental income came in stronger than expected. You did a Roth conversion in the spring before you knew what the rest of the year would look like. Each felt like a separate decision, but together they stack. And when they push your income across a threshold, a gain you expected to owe nothing on, or very little on, suddenly costs you real money. Crossing that threshold moves the gain into a higher tax rate, and the difference can be significant enough that *when* you sell matters as much as *what* you sell.

> ***She sold at the right price. The timing cost her.***
>
> Carol, age 64, is single and retired. She had held an appreciated stock position in her brokerage account for years and decided 2026 was the right time to sell. The sale would create a $48,000 long-term capital gain.
>
> Without any other income events, Carol's taxable income for the year would have been $9,450. At that level, $40,000 of her gain would have fallen within the 0% long-term capital gains bracket, with the remaining $8,000 taxed at 15%.
>
> But earlier in the year, Carol had completed a $40,000 Roth conversion before her full income picture was clear. That conversion used up the remaining room in the 0% capital gains bracket. When she later sold the stock, the entire $48,000 gain was taxed at 15%, resulting in $7,200 of federal capital gains tax instead of $1,200.
>
> *The name is fictional, but the situation is one we hear about regularly from people we meet with for the first time.*

The Roth conversion and the stock sale could both make sense as part of a long-term plan. The issue was how they interacted in the same tax year. Looking at the decisions together before acting could have changed how much she converted, when she sold the stock, or both.

Tax-Loss Harvest: Turn a Decline Into a Tax Advantage

Most Relevant If You Are
• Hold investments in a taxable (non-retirement) account • Expect capital gains this year, including from selling a business or land • Rebalancing or drawing from a taxable account

A position that has lost value in a taxable account is not just a disappointment. In the right circumstances, it is a planning opportunity.

Selling at a loss can offset capital gains elsewhere in your portfolio, reducing what you owe on those gains. If your losses exceed your gains, up to $3,000 of the remaining loss can offset ordinary income this year. The rest carries forward to future years.

Two situations can undo the benefit entirely, leaving you with the loss but no tax advantage.

Dividend reinvestment. If a dividend automatically purchases new shares within 30 days of a sale, a wash sale may be triggered. Temporarily pausing dividend reinvestment in taxable accounts during harvest periods is worth considering.

Substantially identical replacements. Buying back the same investment, or one the IRS considers substantially identical, within the 30-day window before or after the sale removes the benefit. Some fund and ETF substitutions create gray areas that are not obvious until it is too late to correct them.

CFS GUIDANCE:

Tax-loss harvesting can improve after-tax results in a taxable portfolio, but only when it's connected to your broader income picture. We review this as part of your overall strategy, not as a standalone move.

Depreciation and Business Expensing: A Decision That Ripples

Most Relevant If You Are

- Own a business
- Own a farm
- Own rental property

For years, bonus depreciation was phasing down. Business owners who purchased equipment in 2023 or 2024 saw their immediate deduction shrink year by year. The 2025 tax law reversed that entirely. 100% bonus depreciation is now permanent for qualifying property. Section 179 expensing limits have increased to a maximum deduction of $2,560,000 for 2026.

What makes this worth paying attention to before December 31 is how far a single business decision can ripple when it's coordinated with the rest of your plan.

> ***He was going to wait until January.***
>
> Dave farms outside of Huron. He'd been planning to replace a major piece of equipment for months and had tentatively decided to pull the trigger in early 2027. No particular reason for the timing. It just felt like a natural start to the new year. When we reviewed his full income picture for 2026, a stronger revenue year than usual, the math shifted. Placing the equipment in service before December 31 would create a full deduction against income he would otherwise pay significant tax on. That deduction also opened room for a modest Roth conversion at a lower rate than he'd have access to in 2027, when his income picture was less predictable. He moved the purchase up by six weeks. The equipment was the same. The price was the same. The outcome was meaningfully different because someone was watching the full picture, not just the equipment decision.
>
> *(Fictional example)*

Note: Acquired is not the same as placed in service. An asset ordered in November that doesn't install until January counts for 2027, not 2026. If you're planning a significant purchase before year-end, confirm both the contract date and the installation timeline before you commit.

BLOG

For a full breakdown of how bonus depreciation and Section 179 work together, see our blog at **www.mycfsgroup.com/section-179-strategies**

Or visit www.irs.gov/newsroom/treasury-irs-issue-guidance-on-the-additional-first-year-depreciation-deduction-amended-as-part-of-the-one-big-beautiful-bill

CFS GUIDANCE:

We work with business owners and farmers to connect equipment and facility decisions to retirement timelines, income strategy, and succession planning. If you're weighing a significant purchase before year-end, let's look at your full picture before you decide.



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KNOW SOMEONE WHO COULD BENEFIT FROM A SECOND OPINION?

Our Wealth Managers review the tax returns clients share each year to help confirm that investments, financial planning, and tax strategy are working together. If someone in your life is making significant financial decisions without that kind of coordinated review, they're welcome to reach out for a complimentary conversation. You can email us at cfsteam@mycfsgroup.com or call either office. We'll take it from there.

A Smarter Way to Give From Your IRA

Giving, Legacy, and What You Leave Behind

Most Relevant If You Are

- Age 70½ or older with a traditional IRA
- Already giving regularly to church, charity, or community
- Planning a significant gift before year-end

For many of the families we work with, saving and investing was never about accumulation for its own sake. It was about what those dollars could make possible: more choices as you age, opportunities for your children and grandchildren, and the ability to support the people, causes, and communities that matter to you.

How you give, how you structure your accounts, and how you transfer what you have built will determine how much of that intention actually reaches the people and causes you care about. Tax law does not change what you want, but it has a significant say in how much arrives.

If You're Already Giving

Many people who give regularly to their church, a local charity, or a cause they have supported for years assume they are covered. They write a check or make an online donation. The gift goes where they intended.

What you may not realize is that where the gift comes from can matter as much as the gift itself.

If you are 70½ or older and have a traditional IRA, a Qualified Charitable Distribution, or QCD, allows you to transfer up to $111,000 directly from your IRA to a qualifying charity in 2026. The amount transferred counts toward your Required Minimum Distribution for the year and is excluded from your taxable income entirely. It never appears on your return as income.

That means it also does not affect how much of your Social Security is taxed. It does not push you toward an IRMAA threshold that would raise your Medicare premiums. It does not reduce the new Senior Deduction you may qualify for.

And unlike a regular charitable deduction, you do not need to itemize to benefit. The QCD works even if you take the standard deduction, which is why it can be valuable for people who have assumed it does not apply to them. If you do itemize, a new rule starting in 2026 allows a deduction only for gifts above 0.5% of your AGI. A QCD is not subject to that limit.

A few things that cause people to miss it:

- They take the RMD first, then write a check to the charity. *The transfer must go directly from your IRA to the organization*. Once the distribution has been made to you, the opportunity to have it qualify as a QCD is gone.
- They assume QCDs are only for large gifts or wealthy donors. There is no minimum, and the tax benefit is the same regardless of the amount.
- They assume their giving and their IRA planning are separate decisions. They are not. The source of the gift changes the tax outcome, sometimes significantly.

> ***Same church. Same $22,000. A smaller tax bill.***
>
> Ruth is a 74-year-old widow who has given consistently to her church for as long as she can remember, writing a check for her gift each year. Because she takes the standard deduction, her giving has generated little or no tax benefit.
>
> Her RMD from her traditional IRA in 2026 is $22,000, and she doesn't need the money for living expenses. That $22,000 shows up as ordinary income on her return and increases the portion of her Social Security that's taxable.
>
> **A QCD changes the picture entirely**. Ruth directs $22,000 from her IRA directly to her church. The RMD is satisfied. The full $22,000 stays off her return, compared with the $1,000 a check would let her deduct under the new 2026 rule. Less of her Social Security is taxed. Her church receives exactly the same amount. For Ruth, the tax difference could amount to hundreds of dollars in a year, depending on her overall tax situation.
>
> *The name is fictional, but the situation is one we hear about regularly from people we meet with for the first time.*

Note: QCDs must be transferred directly from your IRA to the qualifying organization. A distribution made to you first, even if you write a check to charity the same day, does not qualify. The distribution must also come from an IRA, not a 401(k) or other employer plan.

Don’t Leave a Tax Problem for Your Heirs

Most Relevant If You Are

- Reviewing or updating your estate plan
- Have not updated your beneficiary designations in the last 2 years
- Planning to leave your retirement accounts to adult children or non-spouse heirs

What you leave behind and what your family actually receives are not always the same thing.

A few realities in 2026 make intentional planning more important than ever.

An inherited IRA is not a tax-free gift. Most non-spouse beneficiaries, including adult children, have ten years to withdraw the full balance, and every dollar comes out as taxable income. Depending on your beneficiary’s income and tax bracket, that timeline can create a significant tax burden.

Equal inheritances are not always equal after taxes. A traditional IRA and a Roth IRA of identical value are not the same gift. One creates a tax bill for the person who receives it. The other does not. Which accounts your heirs draw from, and in what order, is part of a coordinated plan.

Your will does not control everything. Many assets transfer by beneficiary designation, and those designations override your will entirely. An outdated form on an IRA or life insurance policy can redirect assets in ways that do not match your current intentions.

THREE THINGS WORTH REVIEWING BEFORE YEAR-END:

- Check beneficiary designations across every account: IRA, Roth, brokerage, bank accounts, and life insurance. Outdated designations can create outcomes that do not reflect what you actually want.
- Identify which assets are tax-heavy and which are tax-light. A traditional IRA creates taxable income for heirs. A Roth creates flexibility. Brokerage assets may receive a step-up in basis at death, which changes the calculations entirely.
- Consider your heirs’ tax situation. If your adult children are in their peak earning years, inheriting a traditional IRA that forces large distributions on top of their existing income may cost them more in tax than it cost you.

CFS GUIDANCE:

When tax laws change, the goal isn’t chasing every new provision. It’s identifying where a rule change intersects with your plan and choosing the right strategy and timing. The estate exemption increased significantly in 2026. If you haven’t reviewed your estate documents, beneficiary designations, or legacy strategy since before this year, it’s worth prioritizing before year-end.

Tax Form Mailing Dates

Raymond James will mail composite Form 1099 tax statements in groups. The date your form arrives depends on the holdings in your account.

Account Type	Mailed By
Accounts with less-complex holdings where issuers have finalized income reallocation, such as equities	Feb. 15
Accounts including Mutual Funds and Unit Investment Trusts where issuers have finalized income reallocations since Group 1 was mailed	Feb. 28
First amended composite Form 1099s	Feb. 28
Remaining original 1099s including REMICs reporting on Form 1099-OID	Mar. 15
Second amended forms	Mailed as needed

**All Forms 1099 must be mailed by March 15 regardless of any pending adjustments or income reallocation per IRS regulations.*

2026 Federal Income Tax Brackets

2026 Ordinary Income Tax Rates

Tax Rate	Single	Married Filing Jointly	Head of Household
10%	Up to $12,400	Up to $24,800	Up to $17,700
12%	$12,401 – $50,400	$24,801 – $100,800	$17,701 – $67,450
22%	$50,401 – $105,700	$100,801 – $211,400	$67,451 – $105,700
24%	$105,701 – $201,775	$211,401 – $403,550	$105,701 – $201,750
32%	$201,776 – $256,225	$403,551 – $512,450	$201,751 – $256,200
35%	$256,226 – $640,600	$512,451 – $768,700	$256,201 – $640,600
37%	Over $640,600	Over $768,700	Over $640,600

2026 Standard Deductions

Married Filing Jointly	$32,200
Head of Household	$24,150
Single / Married Filing Separately	$16,100
Extra deduction: blind or age 65+ (single/HoH)	$2,050
Extra deduction: blind or age 65+ (all others)	$1,650
New Senior Deduction (age 65+, income limits apply)	Up to $6,000 per person

2026 Estate & Gift Tax

Gift & estate tax exclusion per person	$15,000,000 ($30,000,000 per couple with portability)
Annual gift tax exclusion per recipient	$19,000
Non-citizen spouse annual exclusion	$194,000
GST tax exemption	$15,000,000

2026 Social Security

Maximum monthly benefit at full retirement age	$4,152
Social Security taxation — up to 50% taxed (Single)	Combined income $25,000 – $34,000
Social Security taxation — up to 85% taxed (Single)	Over $34,000
Social Security taxation — up to 50% taxed (MFJ)	Combined income $32,000 – $44,000
Social Security taxation — up to 85% taxed (MFJ)	Over $44,000

Combined income = AGI + nontaxable interest + ½ Social Security benefits. These thresholds are not indexed for inflation.

A Short Action List for Q4

1. **Review your 2026 income stack.**
   Before making any year-end move, confirm your full income picture for the year: distributions, Social Security, capital gains, rental income, any one-time events. This is the foundation every other decision builds on.
2. **Confirm your RMD has been satisfied.**
   If you're subject to Required Minimum Distributions, the full amount must be withdrawn by December 31. A Roth conversion does not count toward your RMD. The RMD must be taken first.
3. **Evaluate your Roth conversion opportunity.**
   Start the conversation so the amount can be finalized in November or early December, when your full income picture is clearer. Allow time for processing so the conversion is completed by December 31. If this is a lower-income year, converting now may cost less in tax than those same dollars would later, when RMDs begin or when your heirs inherit the account.
4. **Confirm charitable gifts are structured correctly.**
   If you're 70½ or older and planning to give before year-end, confirm whether a QCD from your IRA makes more sense than a check. The transfer must be completed by December 31.
5. **Coordinate with your tax preparer.**
   If you're planning any significant move before December 31, your tax preparer should know about it before it happens, not after. We're happy to coordinate that conversation directly.

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