



2026 Tax Planning

Taxable Income Brackets for 2026 Ordinary Income Tax Rates

Marginal Tax Rate	Married Filing Joint	Single
10%	\$0 - \$24,800	\$0 - \$12,400
12%	\$24,801 - \$100,800	\$12,401 - \$50,400
22%	\$100,801 - \$211,400	\$50,401 - \$105,700
24%	\$211,401 - \$403,550	\$105,701 - \$201,775
32%	\$403,551 - \$512,450	\$201,776 - \$256,225
35%	\$512,451 - \$768,700	\$256,226 - \$640,600
37%*	Over \$768,700	Over \$640,600

* The top rate is effectively 40.8% for those subject to the 3.8% Medicare surtax on net investment income (those with MAGI over the thresholds of \$250,000 joint filers/\$200,000 single filers).

2026 Trust Tax Rates

Ordinary Income Tax	Capital Gain Rates
10% \$0 - \$3,300	0% \$0 - \$3,300
24% \$3,301 - \$11,700	15% \$3,301 - \$16,250
35% \$11,701 - \$16,000	20% Over \$16,250
37% Over \$16,000	

Trust Tax Rates – Distributions from inherited IRAs that exceed **\$16,000** and are made to and retained in discretionary trusts will be subject to the top 37% rate. After the SECURE Act, inherited IRA funds will have to be paid out to most of these trusts under the 10-year rule, accelerating trust taxes. Roth conversions during the IRA owner's life become more valuable if the IRA beneficiary is a trust.

Taxable Income Brackets for 2026 Long Term Capital Gains and Qualified Dividends Tax

Long Term Capital Gains Rate	Married Filing Joint	Single
0%	\$0 - \$98,900	\$0 - \$49,450
15%*	\$98,901 - \$613,700	\$49,451 - \$545,500
20%**	Over \$613,700	Over \$545,500

*The 15% rate is effectively 18.8% for those subject to the 3.8% Medicare surtax on net investment income.

**The top rate is effectively 23.8% for those subject to the 3.8% Medicare surtax on net investment income.

2026 Transfer Taxes

Transfer Tax	Exemption*	Maximum Rate
Estate, Gift, GST Tax	\$15,000,000	40%

*The estate and gift exemptions are portable. The unused amount can be transferred to a surviving spouse. The GST exemption is NOT portable.

Annual Gift Tax Exclusion \$19,000

Qualified Business Income (QBI) Deduction

20% Deduction Phase-Out Ranges

\$403,500 - \$553,500 - Married Joint
\$201,750 - \$276,750 - Single

Standard Deductions

Married-Joint	Single	Head of Household
\$32,200	\$16,100	\$24,150
Extra Standard Deduction for Age 65 or Blind		
\$1,650 (married-joint)	\$2,050 (single)	

\$6,000 Deduction for Seniors

\$6,000 addition to the standard deduction for seniors aged 65 and older for years 2025-2028. This is per person, so a married couple could deduct up to \$12,000 if each spouse is aged 65 or over. This is in addition to the regular standard deduction AND the extra deduction for those aged 65 or blind. Available to seniors who itemize.

The deduction phases out beginning with modified adjusted gross incomes of \$75,000 for individuals and \$150,000 for married filing jointly. It phases out completely at \$175,000 / \$250,000.

SALT (State and Local Tax) Deductions for Itemizers

The SALT deduction is increased to \$40,000, effective for 2025-2029, with a 1% increase each year. So, it is \$40,400 for 2026. In addition, some pass-through business owners can work around the limitation and get unlimited SALT deductions.

For 2025, the deduction began phasing out at \$500,000 (for both single and married), and phased out completely at \$600,000, reverting to a maximum \$10,000 deduction. The \$500,000 threshold phase-out increases 1% each year, so it is \$505,000 for 2026. In 2026, a taxpayer with an income at or over \$606,333 would lose \$30,400 of the SALT deduction.

Qualified Charitable Distributions

Available only to IRA owners and IRA beneficiaries who are 70½ or older. The annual QCD limit for 2026 is \$111,000 per IRA owner, **not** per IRA account. For 2026, the limit for a QCD to a split interest entity is \$55,000. QCDs are more valuable due to the larger number of taxpayers that are using the increased standard deduction.



CALIFORNIA
RETIREMENT
ADVISORS

1419 Highland Avenue, Manhattan Beach, CA 90266 ☎ 310.643.7472 🌐 www.CRAadvisors.com

Investment advisory services offered through Mutual Advisors, LLC DBA California Retirement Advisors, a SEC registered investment adviser. Securities offered through Mutual Securities, Inc., member FINRA/SIPC. Mutual Securities, Inc. and Mutual Advisors, LLC are affiliated companies. CA Insurance license #0B09076. Mutual Advisors, LLC and California Retirement Advisors takes no responsibility for the current accuracy of this information. Ed Slott and Company LLC is not affiliated with Mutual Advisors. © 2026 Ed Slott and Company LLC. Reprinted with permission. Ed Slott and Company LLC takes no responsibility for the current accuracy of this information.

This is being provided for informational purposes only and should not be construed as a recommendation to buy or sell any specific securities. Past performance is no guarantee of future results, and all investing involves risk. The views expressed are those of California Retirement Advisors (CRA) and do not necessarily reflect the views of Mutual Advisors, LLC or any of its affiliates. CRA, nor any of its members, are tax accountants or legal attorneys, and do not provide tax or legal advice. For tax or legal advice, you should consult your tax or legal professional.