

## 2026 Tax Considerations

The tax year 2026 adjustments described below generally apply to tax returns filed in 2027. The tax items for tax year 2026 of greatest interest to most taxpayers include the following dollar amounts:

- **Standard Deduction.** For tax year 2026, the standard deduction increases to \$32,200 for married couples filing jointly. For single taxpayers and married individuals filing separately, the standard deduction rises to \$16,100 for tax year 2026, and for heads of households, the standard deduction will be \$24,150.
- **Marginal Rates:** For tax year 2026, the top tax rate remains 37% for individual single taxpayers with incomes greater than \$640,600 (\$768,700 for married couples filing jointly).

The other rates are:

35% for incomes over \$256,225 (\$512,450 for married couples filing jointly);  
32% for incomes over \$201,775 (\$403,550 for married couples filing jointly);  
24% for incomes over \$105,700 (\$211,400 for married couples filing jointly);  
22% for incomes over \$50,400 (\$100,800 for married couples filing jointly);  
12% for incomes over \$12,400 (\$24,800 for married couples filing jointly).

The lowest rate is 10% for incomes of single individuals with incomes of \$12,400 or less (\$24,800 for married couples filing jointly).

- **Alternative Minimum Tax Exemption Amounts.** For tax year 2026, the exemption amount for unmarried individuals is \$90,100 and begins to phase out at \$500,000 (\$140,200 for married couples filing jointly for whom the exemption begins to phase out at \$1,000,000).
- **Estate Tax Credits.** Estates of decedents who die during 2026 have a basic exclusion amount of \$15,000,000, up from a total of \$13,990,000 for estates of decedents who died in 2025.
- **Annual Exclusion for Gifts.** For tax year 2026, the annual exclusion for gifts remains at \$19,000. (However, the annual exclusion for gifts to a spouse who is not a citizen of the United States increases to \$194,000 for calendar year 2026, up \$4,000 from calendar year 2025.)
- **Itemized Deductions.** The limitation on itemized deductions was previously eliminated for tax years 2018 - 2025. The elimination of the limitation was made permanent although it imposes a limitation on the tax benefit from itemized deductions for those taxpayers in the highest tax bracket (37%).