RubinBrown 2026 Individual Tax Planning Guide

be your best for others®

Each year gives a chance to review your projected tax due and adjust. While everyone's situation is unique, below are a few planning considerations to review that could lower your overall tax liability.

2026 KEY NUMBERS AT A GLANCE

Federal limits for individuals

$32,200 **Standard deduction** Married filing jointly	**$40,400** **SALT deduction cap** Phases down above $505K MAGI	**$24,500** **401(k) / 403(b) / 457** +$8,000 catch-up at age 50+	**$7,500** **IRA contribution** +$1,100 catch-up at age 50+
$8,750 **HSA (family coverage)** $4,400 self-only	**$19,000** **Annual gift exclusion** Per recipient	**$15M** **Estate & gift exemption** Per person	**$111,000** **IRA charitable gift (QCD)** Per taxpayer, age 70½+

Be Aware of Tax Law Changes

Understanding current and future tax rules is a key component to tax planning. The One Big Beautiful Bill Act (OBBBA) signed into law July 4, 2025, made permanent many of the Tax Cuts and Jobs Act's (TCJA) temporary provisions that were set to expire after 2025, including lower tax rates, increased standard deductions, increased child tax credit, the qualified business income (QBI) deduction, and increased estate tax exemption. Additionally, 2026 is the first year several other OBBBA changes take effect, including new itemized and charitable deduction limits, a charitable deduction for non-itemizers, Trump Accounts for children, and expanded 529 plan and dependent care benefits. The temporary deductions for tips, overtime, seniors, and car loan interest continue through 2028, while most individual clean energy credits have now expired.

Take Advantage of Low Tax Brackets

Tax planning generally begins by estimating your current and future year tax brackets and maximizing the benefit of low tax bracket years. If you're expecting to be in a lower tax bracket in the current year, you might consider accelerating income or deferring deductions. Income acceleration options include converting funds from your traditional IRA to a Roth IRA, taking taxable retirement plan distributions not required, or expediting self-employment income. Deduction deferral could mean waiting to make charitable contributions or moving other itemized deductions into next year.

On the other hand, if you're in the same or a lower tax bracket in the future, consider deferring income where possible or accelerating deductions. To do this you might make tax-deferred retirement and health savings account contributions, make a charitable donation, or harvest capital losses.

Also be aware of your projected adjusted gross income ("AGI"). Many tax benefits (such as certain IRA contributions, child tax credits, student loan interest deduction, the increased SALT deduction, and the new senior, tips, overtime, and car loan interest deductions) phase out once AGI or a modified version of

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AGI passes specified thresholds. Timing income, such as a Roth conversion or capital gain, around these thresholds can meaningfully change your overall tax cost.

Compare Itemized Deduction and Standard Deduction

Each year you deduct the larger of total itemized deductions (state taxes, mortgage interest, charitable contributions, medical, etc.) or a set standard deduction. For 2026, the standard deduction is $32,200 for married couples filing jointly, $24,150 for heads of household, and $16,100 for single filers, plus $1,650 ($2,050 if unmarried) for each taxpayer age 65 or older or blind. If total itemized deductions are close to the standard deduction, consider bunching itemized deductions into one year and taking the standard deduction the next.

The OBBBA introduced new restrictions on itemized deductions that begin in 2026, summarized below.

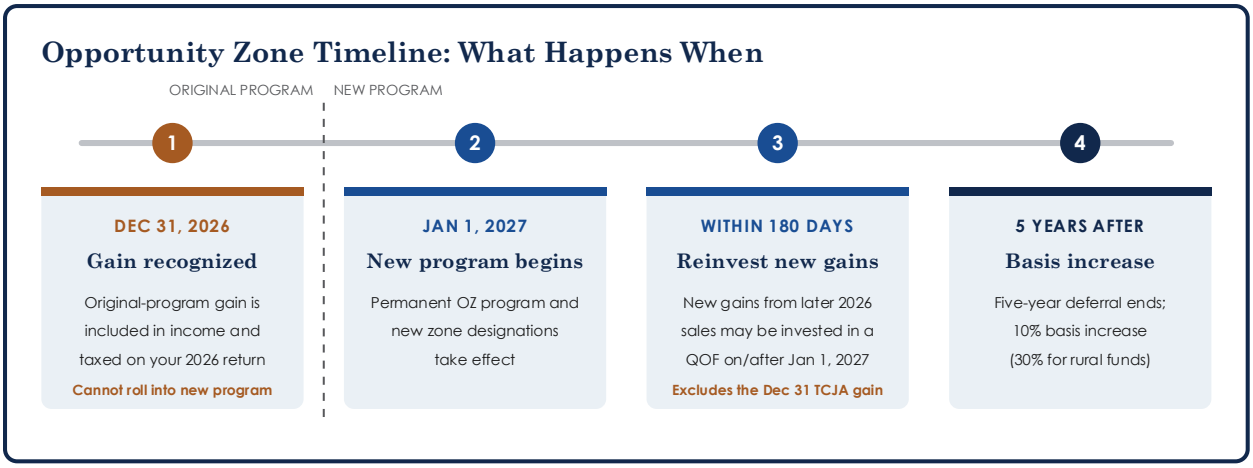
WHAT CHANGES FOR ITEMIZERS IN 2026	
37% bracket limit	For those in the highest tax bracket (37%, which begins at taxable income of $768,700 for joint filers and $640,600 for single filers in 2026), itemized deductions are reduced by 2/37 of the lesser of total itemized deductions or taxable income (before itemized deductions) above the start of the 37% bracket. **Effect: caps the tax benefit of each deduction dollar at 35 cents rather than 37 cents.**
Charitable floor	Charitable contributions are subject to a new 0.5%-of-AGI floor (see Give to Charity below).
Miscellaneous deductions	Remain permanently suspended, except that unreimbursed educator expenses are now allowed as an itemized deduction.
Mortgage insurance	Premiums are again deductible as mortgage interest (subject to income limits).
Gambling losses	Limited to 90% of losses (and still cannot exceed gambling winnings). Legislation to restore the full deduction retroactive to 2026 (H.R. 10357) was approved by the House Ways and Means Committee in September 2026 but has not been enacted.

Review Potential Tax Loss Harvesting

Selling securities at a loss provides an opportunity to offset current or future capital gains and up to $3,000 of ordinary income annually. This may be especially valuable in 2026 for investors recognizing deferred Opportunity Zone gains (see below). Note that tax loss harvesting does not mean removing funds from the stock market entirely; proceeds from loss-generating sales can be reinvested into a similar (but not substantially identical) investment immediately, or the exact investment can be repurchased more than 30 days after the loss is realized. Under the wash sale rule, the loss is also disallowed if substantially identical securities were purchased within 30 days before the sale, including purchases in your IRA.

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Opportunity Zones: Deferred Gain Recognized & New Opportunities



If you deferred capital gains by investing in a Qualified Opportunity Fund (QOF) under the original TCJA program, the remaining deferred gain must be included in income on December 31, 2026 (unless an earlier inclusion event, such as a sale, already triggered it) and reported on your 2026 return, even if you continue to hold the investment. The amount recognized is generally the excess of the lesser of your remaining deferred gain or the fair market value (FMV) of your QOF investment on December 31, 2026, over your QOF basis (including any 5-year 10% or 7-year 15% basis step-up). The 10% step-up applies to investments made on or before December 31, 2021, and the 15% step-up to investments made on or before December 31, 2019.

Because the statute measures the FMV of your equity interest in the QOF rather than a pro-rata share of the fund's underlying assets, a qualified third-party valuation as of December 31, 2026, may support a lower inclusion where discounts for lack of control or marketability apply or projects remain in construction or lease-up, permanently eliminating tax on the reduced amount if you hold the QOF for at least 10 years. However, for QOF partnerships (and, for loss allocations, S corporations), special rules can reduce or eliminate the benefit of a lower FMV if you have received prior cash distributions (including debt-financed distributions) or loss allocations, and captive family QOFs face heightened IRS anti-abuse scrutiny on valuation discounts. Investors should have their tax advisor model their Schedule K-1 basis history before commissioning a valuation. The gain keeps its original character (short- or long-term), is taxed at 2026 rates, and may also be subject to state income tax and the 3.8% net investment income tax. Missouri residents, however, may subtract 100% of income reported as capital gain for federal purposes in computing Missouri adjusted gross income beginning in 2025, so gain reported as capital gain on the 2026 federal return generally will not be subject to Missouri income tax.

Importantly, this 2026 gain cannot be rolled into the OBBBA's new Opportunity Zone program. In Notice 2026-40, the IRS confirmed that because the original deferral election remains in effect, gain recognized on December 31, 2026 is not eligible for a new deferral election under either the original or the new program. Investors should plan now for the cash needed to pay the resulting tax and consider offsetting strategies such as loss harvesting. Continuing to hold the QOF investment for at least 10 years still preserves the ability to exclude post-investment appreciation when the investment is later sold.

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Looking ahead, the OBBBA's permanent program applies to QOF investments made after December 31, 2026, with new zone designations effective January 1, 2027, a five-year deferral measured from the date of each investment, and a 10% basis increase after five years (30% for qualified rural opportunity funds). Other eligible gains realized in 2026, such as capital gains from sales later in the year, may qualify for the new program if invested in a QOF on or after January 1, 2027 within the applicable 180-day investment period. Investing those gains before year-end would instead tie them to the December 31, 2026 recognition date. Because the new program requires investment within 180 days of the gain, this bridge generally works only for gains realized in roughly early July 2026 or later (special timing rules may apply to gains allocated from passthrough entities). Separately, gain triggered by an inclusion event before December 31, 2026 (for example, a sale of the QOF interest) may be deferred under the new program if reinvested in a QOF on or after January 1, 2027 and within 180 days of the inclusion event. However, the portion of the original investment affected by the inclusion event loses eligibility for the 10-year exclusion.

Plan for the Net Investment Income Tax

Net Investment Income Tax at a Glance

3.8%
TAX ON THE LESSER OF

NET INVESTMENT INCOME
What counts
- Interest & dividends
- Capital gains
- Rents & royalties
- Passive business income

Not NII: wages, self-employment income, retirement distributions

OR

MAGI ABOVE THRESHOLD
Thresholds
$250,000
Joint & surviving spouse
$200,000
Single & head of household
$125,000
Married filing separately

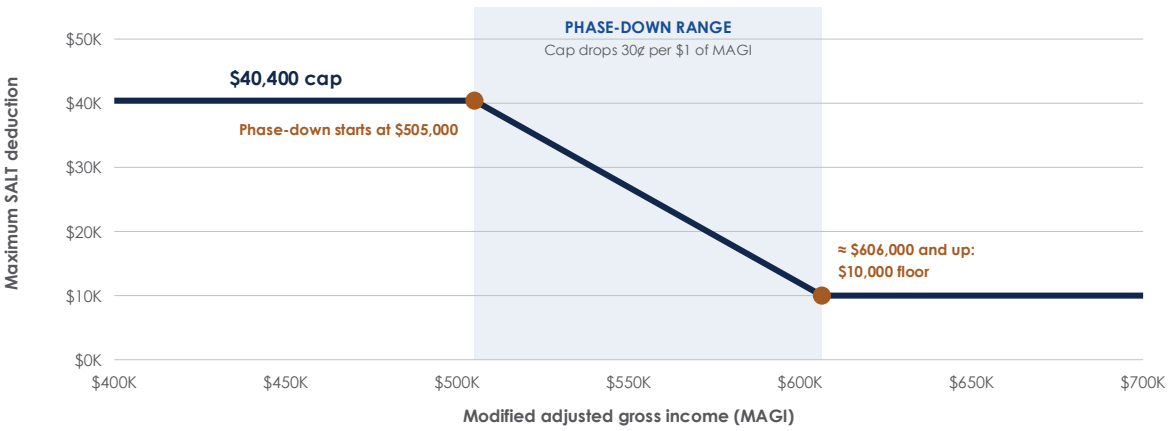
Not indexed for inflation

WAYS TO MANAGE
Planning levers
1. Harvest capital losses
2. Time gains & Roth conversions
3. Pre-tax retirement savings
4. Confirm nonpassive status

2026 alert: Recognizing deferred Opportunity Zone gain on Dec. 31, 2026 can push MAGI over the threshold.

The 3.8% net investment income tax (NIIT) applies to the lesser of your net investment income (such as interest, dividends, capital gains, rents, royalties, and passive business income) or the amount by which your modified adjusted gross income (MAGI) exceeds $250,000 for joint filers and surviving spouses, $125,000 for married filing separately, or $200,000 for single and head of household filers. These thresholds are set by statute and are not indexed for inflation, so more taxpayers become subject to the tax over time. The December 31, 2026 recognition of deferred Opportunity Zone gain (see above) can push MAGI over the threshold even for taxpayers not usually subject to the NIIT. Wages, self-employment income, and distributions from retirement plans and IRAs are not net investment income, but they do increase MAGI. Strategies to manage the tax include harvesting capital losses, timing gains and Roth conversions, making pre-tax retirement contributions to reduce MAGI, and, for business owners, confirming whether their activities qualify as nonpassive.

Know State and Local Tax Deduction Limitations



The cap on the itemized deduction for state and local taxes (SALT) is temporarily increased to $40,000 ($20,000 for married filing separately) for 2025 and increases 1% annually through 2029, to $40,400 ($20,200) for 2026. For 2026, the cap is reduced by 30% of modified adjusted gross income (MAGI) above $505,000 ($252,500 if married filing separately), but not below $10,000 ($5,000), so taxpayers with MAGI of roughly $606,000 or more are limited to a $10,000 deduction. The cap reverts to $10,000 for all taxpayers after 2029. Because each additional dollar of income in the phase-down range also reduces the SALT deduction, the income-timing strategies discussed under Take Advantage of Low Tax Brackets can be particularly valuable. This may also affect whether it is beneficial for you to itemize deductions and your overall tax planning.

Watch Out for AMT

The alternative minimum tax (AMT) is a parallel tax system that disallows or accelerates certain deductions and income. For example, some itemized deductions are not allowed for AMT, such as state and local income and property taxes. Exercising incentive stock options without selling the stock in the same year can also create an addition to AMT income. While the OBBBA made the higher TCJA AMT exemptions permanent ($140,200 for joint filers and $90,100 for single filers in 2026), beginning in 2026 the exemption phases out starting at $1,000,000 of AMT income for joint filers ($500,000 for others), down from more than $1.2 million for joint filers in 2025, and phases out twice as fast (50 cents per dollar). As a result, more taxpayers, particularly those with large SALT deductions or incentive stock option exercises, may be subject to the AMT in 2026.

Make Retirement & Health Savings Contributions

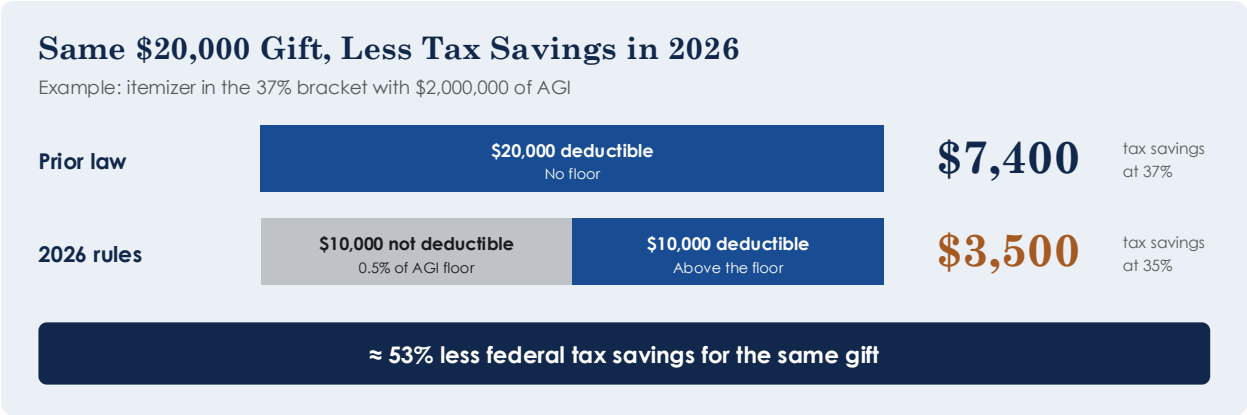
Maximizing retirement contributions annually can be an effective tax and financial planning tool. For 2026, you may defer up to $24,500 into a 401(k), 403(b), or governmental 457 plan, plus an $8,000 catch-

up contribution if age 50 or older ($11,250 if age 60 through 63). IRA contributions are limited to $7,500, plus a $1,100 catch-up if age 50 or older. Beginning in 2026, if your prior-year FICA wages from the employer sponsoring your plan exceeded $150,000, catch-up contributions to that plan must be made as Roth (after-tax) contributions. If self-employed, consider whether an IRA, SEP IRA, or individual 401(k) is the best option for your retirement funding. You may also be eligible to make contributions to a Roth IRA that, while taxed now, grows tax-free with tax-free qualified withdrawals.

Health Savings Accounts (HSAs) are a great tax planning tool as well for those covered by a high-deductible health plan. For 2026, you may contribute up to $4,400 for self-only coverage or $8,750 for family coverage, plus $1,000 if age 55 or older. Contributions are tax deductible above-the-line (reduces AGI), funds grow tax-deferred, and withdrawals for qualified medical expenses are tax-free. Beginning in 2026, the OBBBA also expanded HSA eligibility to individuals enrolled in bronze and catastrophic plans offered through an exchange and to those in certain direct primary care arrangements. Unlike other health accounts, HSA funds do not have a "use-it-or-lose-it" restriction. Unused funds stay in your account and move with you if you change jobs. Additionally, an HSA can be used as an additional tax-deferred retirement account – once you reach age 65, funds can be withdrawn for any reason, though tax will apply if not used for medical purposes.

Give to Charity

The OBBBA's changes to charitable giving took effect in 2026. For those who itemize, charitable contributions are now deductible only to the extent they exceed 0.5% of AGI (for example, the first $2,500 of gifts for a taxpayer with $500,000 of AGI), and amounts below the floor are generally lost unless total gifts also exceed the AGI percentage limits. For taxpayers in the 37% bracket, the itemized deduction limitation (see Compare Itemized Deduction and Standard Deduction above) further reduces the tax value of each charitable dollar to 35 cents.



Also new for 2026: The law adds a charitable deduction of up to $1,000 ($2,000 for joint filers) for non-itemizers giving cash to public charities. Gifts to donor advised funds, most private (non-operating) foundations, and supporting organizations do not qualify for the non-itemizer deduction. The law also makes permanent the 60%-of-AGI ceiling for cash gifts to public charities.

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Three strategies can help you get more from each charitable dollar:

FOR ITEMIZERS
Bunch Gifts with a Donor Advised Fund

Why: Because the 0.5% floor applies every year, bunching several years of gifts into a single year can reduce the portion of gifts lost to the floor.

How: Claim the full deduction (subject to the 0.5% floor and AGI limits) in the year you fund the donor advised fund, then recommend grants to your chosen charities over time.

Funding: Cash, appreciated securities, or (depending on the sponsor) complex assets such as real estate or closely held business interests.

FOR ITEMIZERS
Donate Appreciated Stock

Why: Donating stock held longer than one year, instead of selling it and donating cash, gives you a deduction based on the shares' FMV and avoids capital gains tax. This is especially valuable for low basis stock.

Limits: Generally 30% of AGI for gifts to public charities (including donor advised funds), with a five-year carryforward. Stock held one year or less is generally deductible only up to your basis.

Tip: Still like the investment? Use the cash you would have donated to buy it back, which resets your cost basis to current market value.

AGE 70½ OR OLDER
Give Directly from Your IRA (QCD)

Why: Up to $111,000 per taxpayer in 2026 (so each spouse with an IRA can give up to the limit) goes directly to charity and is excluded from income, so it is not reduced by the 0.5% floor or the itemized deduction limitation, and it helps even if you take the standard deduction.

Bonus: Counts toward your RMD once you reach RMD age (73, or 75 for certain younger taxpayers) and lowers the MAGI used for Medicare premiums and other deduction phaseouts.

Limits: QCDs cannot go to donor advised funds, most private (non-operating) foundations, or supporting organizations. A one-time gift of up to $55,000 (2026) may go to a split-interest entity like a charitable remainder trust or charitable gift annuity.

Beyond the basics: Donors may also consider charitable remainder or lead trusts, or naming a charity as beneficiary of a traditional IRA, which can be more tax-efficient than leaving those funds to heirs.

Maximize Gifts

FOUR WAYS TO GIVE TAX-EFFICIENTLY IN 2026 — Wealth transfer toolkit

$19,000
Annual exclusion gifts
Per recipient, per donor ($38,000 per couple), without using lifetime exemption

Direct
Medical & tuition payments
Health care and education costs paid directly to the provider

5 years
529 plan front-loading
Front-load five years of annual exclusions; K–12 withdrawals up to $20,000 per year

$15M
Estate, gift & GST exemption
Per person for 2026, with inflation adjustments beginning in 2027

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Consider transferring wealth via gifts. You and your spouse are each allowed to gift up to $19,000 per recipient in 2026 (unchanged from 2025), without using any of your lifetime gift and estate exemption. In addition, you may pay medical expenses directly to the provider and tuition directly to the school without using your annual exclusion or lifetime exemption. Contributions to a college savings 529 plan may also be beneficial, including an election to front-load five years of annual exclusion gifts into a single year. Beginning in 2026, up to $20,000 per year (up from $10,000) may be withdrawn tax-free for elementary and secondary school tuition and related expenses, and after 2023, accounts open for more than 15 years can roll tax and penalty free into Roth IRAs (limitations apply). Under OBBBA, the federal estate and gift tax exemption and the generation-skipping transfer tax exemption increased to $15 million per person for 2026, with inflation adjustments beginning in 2027.

Consider Trump Accounts and Other Family Benefits

Beginning July 4, 2026, contributions may be made to Trump Accounts, a new type of IRA for children under age 18. Parents, relatives and others may contribute up to $5,000 per child per year on an after-tax basis, and employers may contribute up to $2,500 per employee per year tax-free to the accounts of the employee or the employee's dependents, which counts toward the $5,000 limit. Children who are U.S. citizens born in 2025 through 2028 may also receive a one-time $1,000 Treasury contribution if a parent elects it on Form 4547, filed with a tax return or online at trumpaccounts.gov.

Treasury also began automatically establishing accounts on or about October 1, 2026 for eligible children with a Social Security number who did not already have one. However, parents must still elect the $1,000 Treasury deposit (Form 4547), and must claim and activate the account before family or employer contributions can be made.

Funds must be invested in low-cost U.S. stock index funds and generally cannot be withdrawn until the year the child turns 18. The child tax credit remains $2,200 per qualifying child for 2026, and beginning in 2026, the dependent care flexible spending account limit increased to $7,500 (if your employer's plan has adopted the higher limit), and the child and dependent care credit percentage increased for many families.

Take a Disaster Loss Early

QUALIFIED DISASTER LOSSES — Major disasters beginning before Jan. 1, 2027

LOSS FLOOR	AGI HAIRCUT	ITEMIZING	EARLY REFUND
$500	**None**	**Optional**	**2025**
Per casualty, after insurance reimbursements (vs. $100 for regular casualty losses)	The 10%-of-AGI reduction does not apply	Loss is added to the standard deduction if you don't itemize	Elect to deduct a 2026 federally declared loss on your 2025 return

Also: Qualified wildfire relief payments are excluded from income (wildfires declared federal disasters after 2014 and before 2027).

Many locations across the nation endured natural disasters during the year. The OBBBA permanently limited the personal casualty loss deduction to losses attributable to federally declared disasters and,

beginning in 2026, certain state declared disasters. Instead of waiting to claim a 2026 federally declared disaster loss on your 2026 tax return, you can elect to take it in the prior year on your 2025 return (original or amended).

In addition, the Doug LaMalfa Federal Disaster Tax Relief Certainty Act, signed September 11, 2026, extended qualified disaster treatment to federally declared major disasters with incident periods beginning before January 1, 2027, so losses above $500 per casualty may be deducted without itemizing and without the 10%-of-AGI floor. The law also excludes qualified wildfire relief payments from income regardless of when they are received, for wildfires declared federal disasters after 2014 and before 2027.

Know That Energy Credits Have Largely Expired

Under the OBBBA, the federal credits for new, used and commercial clean vehicles ended for vehicles acquired after September 30, 2025, and the credits for solar panels and other residential clean energy property and for energy efficient home improvements ended for property installed or placed in service after December 31, 2025. As a result, these credits are generally not available for 2026 purchases. The credit for home electric vehicle charging equipment ended for property placed in service after June 30, 2026, so eligible equipment placed in service in the first half of 2026 in a qualifying location may still qualify. However, unused residential clean energy credits from prior years may still be carried forward, and we can help you determine if your prior purchases qualify.

Look at Deductions for Tips, Overtime, Car Loan Interest and Seniors

NEW DEDUCTIONS FOR 2025–2028 — Itemizers and standard-deduction filers

TIPS	OVERTIME	CAR LOAN INTEREST	SENIORS
$25,000	**$12,500**	**$10,000**	**$6,000**
Qualified tips	$25,000 joint; premium portion of overtime pay required under the FLSA	Loans originated after 2024 for new, U.S.-assembled personal vehicles	Additional deduction for each taxpayer age 65 or older

For 2025–2028, four new deductions are available whether you itemize or claim the standard deduction. Each is subject to income phase-outs and specific eligibility rules, and married taxpayers must file jointly to claim the tips, overtime and senior deductions.

Check your year-end forms: Beginning with 2026 Forms W-2, employers must separately report total cash tips (Box 12, code TP, with a tipped occupation code in Box 14b) and qualified overtime (Box 12, code TT). Because not all reported tips may qualify for the deduction, review your year-end pay records and withholding to confirm these amounts. Similarly, for 2026 interest, lenders must report qualifying car loan interest of $600 or more on new Form 1098-VLI. Under final regulations issued in September 2026 (T.D. 10054), only interest on the qualifying portion of the loan is reported (for example, negative equity rolled in from a trade-in does not qualify), so the amount on your form may be less than the total interest you paid. If qualifying interest on a loan is under $600, you may not receive a form but may still be able to claim the deduction.

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Review Withholding and Estimated Payments

Before year-end, confirm that your withholding and estimated payments are on track to avoid underpayment penalties. You generally avoid a federal penalty if your 2026 payments equal at least 90% of your 2026 tax or 100% of your 2025 tax (110% if your 2025 AGI exceeded $150,000, or $75,000 if married filing separately). Because withholding is treated as paid evenly throughout the year, increasing wage withholding or withholding on a retirement distribution in December can help cover a shortfall. Taxpayers recognizing large one-time items in 2026, such as deferred Opportunity Zone gain, should factor that income into their fourth-quarter estimate.

Be Aware of New Electronic Payment Mandates

The IRS is moving away from paper checks for both refunds and payments; the key changes and recommended steps are summarized below.

ELECTRONIC PAYMENTS TO AND FROM THE IRS	
Refunds	Under a March 2025 executive order, the IRS began phasing out paper refund checks for individual taxpayers on September 30, 2025, and most refunds are now issued electronically, such as by direct deposit. Taxpayers who do not provide bank account information may receive an IRS notice requesting it, which can delay their refund.
Payments	According to the IRS, payments to Treasury can still be made using the current acceptable methods until further guidance is released, but a transition to electronic payments is expected.
What to do	We recommend confirming your refund bank account information and considering electronic options, such as IRS Direct Pay or your IRS Online Account, for estimated and balance-due payments. Please let us know if you would like to discuss how these changes might affect you.

Plan for Passthrough Business Changes

Passthrough business owners should also be aware of OBBBA changes.

- **QBI Deduction:** The QBI deduction was made permanent by the OBBBA. Beginning in 2026, the phase-in range for the wage, property and specified service business limitations is expanded to $150,000 for joint filers ($75,000 for others) above the 2026 thresholds of $403,500 and $201,750 ($201,775 for married filing separately), respectively. A new $400 minimum QBI deduction is also available for taxpayers with at least $1,000 of QBI from active businesses in which they materially participate.
- **PTET:** Because the higher SALT cap phases down for higher-income taxpayers (see Know State and Local Tax Deduction Limitations above), the passthrough entity tax (PTET) regime, which the OBBBA did not restrict, could still provide relief for those with significant passthrough business

state income tax. For example, Illinois has made its PTE tax election permanent (Public Act 104-0453).

- **Excess Losses:** OBBBA made the TCJA's excess business loss limitation permanent and changed its inflation adjustment, which lowers the 2026 threshold to $512,000 for joint filers ($256,000 for others), down from $626,000 ($313,000) in 2025. Losses above these amounts are carried forward as a net operating loss, so careful planning is beneficial to not create a loss that would be disallowed in the current year.
- **Bonus Depreciation and Section 179:** If you're planning to reduce business taxable income through fixed asset purchases, OBBBA reinstated and made permanent 100% bonus depreciation for property acquired after January 19, 2025. For 2026, up to $2,560,000 of qualifying purchases may also be expensed under Section 179, phasing out once purchases exceed $4,090,000. Note that some states do not follow federal bonus depreciation; for example, Illinois requires an add-back on its return.
- **Research Costs:** OBBBA permanently restores immediate expense of domestic research and experimental (R&E) expenditures beginning in 2025. Taxpayers that elected to deduct remaining R&E costs capitalized under the TCJA over two years (2025 and 2026) will claim the second half in 2026. The special election for small taxpayers to amend 2022 through 2024 returns expired July 6, 2026.
- **Qualified Small Business Stock:** For C corporation stock issued after July 4, 2025, the OBBBA allows a 50% gain exclusion after three years and a 75% exclusion after four years, with a full exclusion after five years, and increases the per-issuer exclusion cap to $15 million and the corporate gross asset limit to $75 million. Founders and investors evaluating entity choice or new equity issuances should consider these rules.
- **Information Reporting:** For payments made after December 31, 2025, the reporting threshold for most payments on Forms 1099-NEC and 1099-MISC increased from $600 to $2,000. The OBBBA also restored the Form 1099-K reporting threshold for payment apps and online marketplaces to more than $20,000 and more than 200 transactions.

Take Advantage of State Tax Planning Opportunities

Each state has its own tax rules and may not follow all federal changes. State credits and other benefits can provide additional savings, but eligibility, funding limits, documentation and deadlines vary. A few examples for individuals follow; Nevada and Tennessee have no individual income tax, so their examples are utility rebates rather than income tax credits.

COLORADO	Child Care Contribution Tax Credit
50% credit, up to $100,000 per year	Qualifying monetary gifts to certified child care facilities or programs generate a credit equal to 50% of the contribution, up to $100,000 annually. The credit is nonrefundable, with a five-year carryforward. Obtain Form DR 1317 from the recipient; payments for your own child's care do not qualify.

NEVADA	Local Utility & Energy Rebates
Rebates no state income tax	Utility programs can help offset the cost of qualifying energy-efficient home improvements. Examples include NV Energy's PowerShift rebates for insulation and duct sealing and Southwest Gas rebates for qualifying natural gas furnaces, tankless water heaters and windows.

KANSAS	Community Service Contribution Credit
50–70% refundable credit	Donations of at least $250 to approved projects can generate a 50% credit, or 70% for qualifying rural organizations; Johnson County projects qualify at 50%. Credits earned directly by donors are refundable if they exceed tax liability. Confirm the project's approved rate and remaining credit allocation before giving.

MISSOURI	Charitable Contribution Tax Credits
50–70% credit, by program	Missouri offers several credits, often 50% or 70%, for donations to approved organizations or projects. Confirm availability before giving and attach the organization's credit certificate and Form MO-TC to your return. Examples: **Youth Opportunities Program (YOP):** 70% credit for monetary gifts to youth projects approved for 2026 or later (50% for earlier projects). **Neighborhood Assistance Program (NAP):** 50% or 70% credit for gifts to approved community projects; generally for donors with business, farm, rental, royalty or passthrough income. **Food Pantry:** 50% credit, up to $2,500 per year, for cash or food given to local food pantries, shelters or soup kitchens.

ILLINOIS	Illinois Gives Tax Credit
25% credit, up to $100,000 per year	Authorized gifts to permanent endowment funds held by qualified community foundations generate a 25% credit, up to $100,000 per taxpayer annually, with a five-year carryforward of unused credit. Credits are nonrefundable and awarded first-come, first-served within program caps.

TENNESSEE	TVA EnergyRight Rebates
Up to $1,500 per qualifying upgrade	TVA EnergyRight and local power companies offer rebates for qualifying home-energy improvements, including $500–$800 for heat pumps, $1,500 for geothermal heat pumps, and $300 each for qualifying air sealing, wall or attic insulation, and duct sealing and insulation. Rebate-eligible upgrades must be completed by a TVA Quality Contractor Network member and meet standards effective on the installation date.

Coordinate state and federal benefits: For the charitable credits above, the federal charitable deduction generally must be reduced by the state credit received or expected. State deduction adjustments may also apply, so evaluate the combined benefit before making a gift.

We Can Help

RubinBrown's tax advisors can model these strategies against your specific facts, identify the opportunities that matter most to you, and help you act before year-end. Please contact your RubinBrown representative to develop a tax plan that's best for your unique situation.

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