A COMPLIMENTARY FINANCIAL GUIDE

Tax Planning *Guide*

Your roadmap to lower taxes this year and in the years ahead.



ABRI

2026 EDITION · UPDATED FOR THE ONE BIG BEAUTIFUL BILL ACT AND IRS REVENUE PROCEDURE 2025-32.

Introduction

2026 is the first full tax year under the One Big Beautiful Bill Act (OBBBA), signed in July 2025. Most of what was scheduled to expire at the end of 2025 didn't: the seven-rate structure, the higher standard deduction, and the larger estate exemption are now permanent. That removes a cliff, and it changes the math on multi-year planning.

The strategy underneath doesn't change: build **tax diversity**. Different accounts are taxed differently, and having money in each tax bucket, taxable, tax-deferred, tax-free, is what gives you room to control your bracket in retirement. How much belongs in each bucket is a planning question, not a rule of thumb.

FIVE TAX PLANNING TIPS

- Get organized and prepare to file
- Understand what changed year to year
- Know which deductions you can claim
- Reduce taxes and avoid penalties
- Use strategies that lower the bill

TIP 01

Get organized and prepare *to file*

Obvious, and still the biggest lever. The sooner your W-2s, 1099s, receipts, and statements are in one place, the cheaper and cleaner the return. Don't forget home improvements, charitable donations, and business expenses. A CPA (or our team, if we prepare your return) can tell you which of them actually move the needle for your situation.

Know your tax terms

TAX CREDIT

A dollar-for-dollar reduction of the tax you owe. Generate more credits than tax and you may see a refund.[1]

TAX DEDUCTION

A reduction of the income your tax is calculated on. It lowers the base, not the bill directly.[2]

TAX DEFERRAL

Tax pushed to a later year: the 401(k) and traditional IRA model. You pay when the money comes out.[3]

TAX-FREE

No tax owed on the referenced income or action. Roth growth and qualified Roth withdrawals are the clearest examples.[4]

Be safe and secure

Tax identity theft is a real threat, and filing online makes convenience and exposure move together. Treat any of the following as a scam until proven otherwise: a notice about a return, bill, or income that isn't yours; an unsolicited email or call asking for your bank account or Social Security number; a robocall insisting you call back to settle a bill.

The IRS does not demand immediate payment by phone, threaten arrest, or ask for card or bank account numbers over the phone.[5] When something feels off, forward it to us before you respond to it.

TIP 02

Understand what changed *for 2026*

There are still seven brackets, and the rates are unchanged: 10%, 12%, 22%, 24%, 32%, 35%, and 37%. OBBBA made that structure permanent and gave the bottom two brackets an extra inflation bump, a 4% adjustment on the 10% and 12% brackets, 2.3% on the rest.[6] The rates didn't move; the thresholds did.

FIGURE 1 · 2026 FEDERAL INCOME TAX BRACKETS

RATE	SINGLE	MARRIED FILING JOINTLY	HEAD OF HOUSEHOLD
10%	$0 – $12,400	$0 – $24,800	$0 – $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 – $201,775
32%	$201,776 – $256,225	$403,551 – $512,450	$201,776 – $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

Married filing separately generally uses half the joint thresholds, with the 37% rate starting at $384,350. Source: IRS Revenue Procedure 2025-32.

Long-term capital gains

Qualified dividends and long-term capital gains are taxed at 0%, 15%, or 20%, on their own thresholds. The rate that applies depends on your taxable income, your gain, and how long you held the asset, which is why *when* you sell is often worth more than *what* you sell.[7]

FIGURE 2 · 2026 LONG-TERM CAPITAL GAINS THRESHOLDS

RATE	SINGLE	MARRIED FILING JOINTLY	HEAD OF HOUSEHOLD
0%	Up to $49,450	Up to $98,900	Up to $66,200
15%	$49,451 – $545,500	$98,901 – $613,700	$66,201 – $579,600
20%	Over $545,500	Over $613,700	Over $579,600

Thresholds are taxable income, not gross income. Source: IRS Revenue Procedure 2025-32.

TIP 03



Know which deductions *you can claim*

The standard deduction is a slice of income that simply is not taxed. OBBBA locked in the near-doubled amount permanently and added a further boost on top, so for 2026 it stands at:[8]

FIGURE 3 · 2026 STANDARD DEDUCTION

SINGLE	MARRIED FILING SEPARATELY	MARRIED FILING JOINTLY	HEAD OF HOUSEHOLD
$16,100	$16,100	$32,200	$24,150

NEW IF YOU ARE 65 OR OLDER

Two things stack on top of the standard deduction. The long-standing age-65 addition is $2,050 for single filers and $1,650 per qualifying spouse for joint filers. Separately, OBBBA created a $6,000 senior deduction per qualifying taxpayer, available whether you itemize or not, which phases out above $75,000 of income ($150,000 joint) and is scheduled to end after 2028. If you are near the phase-out, the timing of a Roth conversion or a capital gain matters more than usual.

A note on itemizing

You choose the standard deduction or itemized deductions, never both. Itemizing wins only when your deductible expenses add up to more than the standard amount, which at $32,200 for a couple takes real numbers: medical expenses, mortgage interest, charitable gifts, state and local taxes,

personal property taxes, disaster losses.[9] It most often pencils out for higher earners with large deductible expenses. Bring us last year's return and we can tell you which side of the line you are on.

If you are self-employed

Review your eligible deductions every year so you pay what you owe and nothing more. A home office and a business-use vehicle can be calculated. Client meals and business travel are deductible; entertainment-linked meals generally are not. Premiums for business and health coverage count, as do start-up, advertising, and retirement plan expenses.[10]

> The 20% qualified business income deduction is now permanent. In 2026 the limitations begin phasing in above $201,750 of income ($403,500 joint), over a wider $75,000 and $150,000 range than before. If you are near those numbers, entity structure and owner compensation are worth a conversation.

TIP 04



Reduce taxes and *avoid penalties*

Required minimum distributions

Tax-deferred saving is one of the best tools you have, but the money cannot grow untouched forever. Required minimum distributions (RMDs) are the rule that you must begin withdrawing from traditional IRAs, 401(k)s, 403(b)s, SEP IRAs, and 457(b)s. Under SECURE Act 2.0 the starting age is **73**, rising to 75 for those born in 1960 or later.[11]

Your first RMD is due by April 1 of the year after you turn 73. Every RMD after that is due December 31. Delaying the first one means taking two in a single calendar year, often enough extra income to push you into a higher bracket. Miss an RMD and the penalty is 25% of the shortfall, reduced to 10% if corrected promptly.

Roth IRAs have no RMDs during the original owner's lifetime, and as of 2024 neither do Roth 401(k)s. Inherited accounts follow their own rules: most non-spouse beneficiaries must empty the account within 10 years, and if the original owner had already begun RMDs, annual distributions are required during that window.

Calculate an RMD by taking the prior year-end account balance and dividing it by the distribution period for your age.[12] A $500,000 IRA at age 73 divided by 26.5 is an RMD of about $18,900.

FIGURE 4 · IRS UNIFORM LIFETIME TABLE

AGE	PERIOD	AGE	PERIOD
73	26.5	97	7.8
74	25.5	98	7.3
75	24.6	99	6.8
76	23.7	100	6.4
77	22.9	101	6.0
78	22.0	102	5.6
79	21.1	103	5.2
80	20.2	104	4.9
81	19.4	105	4.6
82	18.5	106	4.3
83	17.7	107	4.1
84	16.8	108	3.9
85	16.0	109	3.7
86	15.2	110	3.5
87	14.4	111	3.4
88	13.7	112	3.3
89	12.9	113	3.1
90	12.2	114	3.0
91	11.5	115	2.9
92	10.8	116	2.8
93	10.1	117	2.7
94	9.5	118	2.5
95	8.9	119	2.3
96	8.4	120+	2.0

For use by unmarried owners, married owners whose spouses are not more than 10 years younger, and married owners whose spouses are not the sole beneficiary. Source: IRS Publication 590-B.



Contribute to retirement and health accounts

The simplest way to cut this year's taxable income is to fill the accounts that reduce it. Traditional 401(k) and IRA contributions come off the top. HSA contributions are triple tax-advantaged: deductible going in, tax-free growth, tax-free out for qualified medical costs.[13]

FIGURE 5 · 2026 CONTRIBUTION LIMITS

ACCOUNT	LIMIT	CATCH-UP
401(k), 403(b), most 457 plans	$24,500	$8,000 at 50+, $11,250 at ages 60 to 63
Traditional and Roth IRA	$7,500	$1,100 at 50+
HSA, self-only coverage	$4,400	$1,000 at 55+
HSA, family coverage	$8,750	$1,000 at 55+
Health FSA	$3,400	Carryover up to $680

Source: IRS Notice 2025-67 and Revenue Procedure 2025-32. High earners aged 50+ must now make catch-up contributions as Roth.

TIP 05

Strategies that *lower the bill*

None of these are exotic. They work because they are done deliberately, in the right year, in the right order.

ROTH CONVERSIONS

Move money from a traditional IRA to a Roth and pay the tax now, at a rate you can see, instead of later at one you cannot. Best in a low-income year, after a job change, or in the gap between retiring and starting RMDs. The tax is due in the conversion year, so pay it from outside the account if you can.[14]

TAX-LOSS HARVESTING

Sell a position at a loss to offset realized gains, then reinvest in something similar but not substantially identical. Up to $3,000 of net loss can offset ordinary income each year, and the rest carries forward. Watch the 30-day wash sale window.[15]

QUALIFIED CHARITABLE DISTRIBUTIONS

From age 70½ you can send up to $111,000 in 2026 directly from an IRA to charity. It counts toward your RMD and never appears in your income, which is better than a deduction if you take the standard deduction.

BUNCHING AND DONOR-ADVISED FUNDS

With a $32,200 standard deduction, two years of giving in one year can push you over the itemizing line. A donor-advised fund lets you take the deduction now and grant it out over time. New for 2026: itemized charitable deductions apply only above 0.5% of adjusted gross income, which makes bunching more valuable.

THE SALT WINDOW

The state and local tax cap is $40,400 for 2026, up from $40,000 in 2025, and phases down for income above $505,000. It reverts to $10,000 after 2029. If you itemize, these are the years to time property tax and estimated state payments.

NEW DEDUCTIONS WITH AN EXPIRY

Through 2028, OBBBA allows deductions for qualified tip income, overtime premium pay, and interest on loans for new US-assembled vehicles, each with its own cap and income phase-out. Temporary by design, so use them while they exist.

THE POINT OF ALL OF IT

Tax diversity. Money in taxable, tax-deferred, and tax-free accounts gives you a choice about which bucket to draw from each year, and that choice is what lets you control your bracket in retirement. Every strategy above is a way of moving dollars between those buckets at a moment you picked.

Let's *talk*

A tax return records what already happened. Tax planning changes what happens next, and it works best when it runs alongside the rest of the plan: retirement income, investments, insurance, estate. That is the work we do.

If you have a question about anything in this guide, or you want to know which of these strategies applies to your situation, reach out. There is no cost to the conversation.

GET IN TOUCH

Share your story and see if we're a fit.

hello@abri.io · abri.io/contact

Sources

1 IRS, Credits and Deductions for Individuals.

2 IRS, Publication 17, Your Federal Income Tax.

3 IRS, Retirement Topics: Tax on Early Distributions.

4 IRS, Publication 590-A, Contributions to IRAs.

5 IRS, Tax Scams and Consumer Alerts.

6 IRS Revenue Procedure 2025-32, 2026 inflation adjustments.

7 IRS, Topic No. 409, Capital Gains and Losses.

8 One Big Beautiful Bill Act, Public Law 119-21 (July 2025).

9 IRS, Schedule A (Form 1040) Instructions.

10 IRS, Publication 535, Business Expenses.

11 SECURE 2.0 Act of 2022, Division T of Public Law 117-328.

12 IRS, Publication 590-B, Distributions from IRAs.

13 IRS, Publication 969, HSAs and Other Tax-Favored Health Plans.

14 IRS, Topic No. 413, Rollovers from Retirement Plans.

15 IRS, Publication 550, Investment Income and Expenses.

This material is for informational purposes only and is not tax, legal, or investment advice. Figures reflect 2026 federal amounts published by the IRS and are subject to change. Tax law is complex and depends on individual circumstances; consult a qualified tax professional before acting. Abri, LLC is a registered investment adviser. Advisory services are offered to clients or prospective

clients where Abri and its representatives are properly licensed or exempt from licensure.