Time for a financial review

Taking a moment once a year to look over your financial life can help you see if everything still fits the way you intended. Here's a checklist of areas to consider including in your annual review.

✔ **Confirm beneficiary designations.** A short review of retirement accounts, insurance policies, and other payable-on-death assets can uncover outdated names, overlooked accounts, or opportunities to reflect new priorities and relationships.

✔ **Update estate planning documents.** Wills, trusts, and directives work best when they evolve with you. Areas to concentrate on include: ensuring your structure is clear, eliminating potential uncertainty for others, and making room for any new intentions you want represented.

✔ **Review insurance coverage.** Look across all your policies, including home, auto, liability, disability, long-term care, and life insurance, to confirm that the coverage still fits your needs, protects your assets, and reflects your risk tolerance. Pay attention to gaps or outdated limits that could leave you exposed during an unexpected event.

✔ **Review investment portfolio.** Portfolios tell a story about past decisions. Revisiting yours can help spot imbalances, confirm that your risk level still feels right, and provides an opportunity to adjust your mix to support the direction you're heading next.

✔ **Conduct a tax review.** Review potential strategies such as loss harvesting, contribution adjustments, income timing, or new legislative opportunities so that your tax picture stays efficient. Explore whether upcoming life events may offer additional ways to improve your overall tax position.

✔ **Evaluate charitable giving plans.** Revisit your giving philosophy and logistics to ensure your contributions reflect your values, make the intended impact, and take advantage of the most effective giving structures. Explore whether certain causes or community needs have become more meaningful to you over the past year. And if you have not already done so, consider whether a donor-advised-fund is right for you.

✔ **Revisit business succession plans.** Examine leadership continuity, ownership transitions, and contingency plans so the business remains stable and purposeful regardless of future changes. Make space to adjust roles or expectations as your company grows and your vision becomes more defined.

✔ **Personal risk changes.** Events such as co-signing a loan, taking on side projects, informal partnerships, or assuming responsibilities for family members can shift your risk profile in ways that standard planning doesn't automatically capture. A yearly scan helps you notice where new exposures may be and whether its something that needs addressing.

✔ **Lifestyle inflation patterns.** Looking at how your lifestyle has changed over the past year, not in a restrictive way but rather with curiosity, gives you a chance to identify shifts that could impact your financial situation.

✔ **Hidden concentration in your financial life.** Concentration of assets in one class or entity is a risk that needs to be defined, observed, and changed if warranted. But concentration shows up in other places: your career being tied to a single industry, real estate located in one region, or income streams dependent on the same economic forces. Reviewing these patterns each year helps you identify where your financial life might be leaning too heavily in one direction without you realizing it. ❑

Tax Planning Insights, New Year 2026: This newsletter is issued annually to provide you with information about minimizing your taxes. Do not apply this general information to your specific situation without additional details. Be aware that the tax laws contain varying effective dates and numerous limitations and exceptions that cannot be summarized easily. For details and guidance in applying the tax rules to your individual circumstances, please contact us.

TAX PLANNING INSIGHTS

New Year 2026

tangiblevalues™ TAX AND ACCOUNTING PRODUCTS

Home of **Tax-Aid** and **HG Forms**

Dear Clients and Friends,

A new year has a way of quietly reshaping the rules around us. This edition of *Tax Planning Insights* is designed to help you step into 2026 with clear financial footing and fewer tax surprises. There's a summary of new tax laws you'll encounter in 2026 and how they may influence your planning decisions.

Next is a review of the evolving world of financial scams where AI and impersonation are demanding sharper safeguards. Plus, included is a great planning checklist that can help with thoughtful planning, resulting in a framework you can use for financial review to keep your plans aligned.

These insights and an early look at key 2026 tax figures are sent as a reminder of our commitment to help you minimize your taxes. Please call if you have any questions.

What's new in 2026

Here's a summary of new tax laws that could affect you in 2026:

New Trump Accounts for children

Beginning after July 4, 2026, you can contribute as much as $5,000 each year on behalf of qualifying children who are under age 18. Once the child reaches age 18, the balance must be rolled over or paid out, with distributions handled in a manner similar to those of a traditional IRA.

In addition, children born after 2024 can have $1,000 contributed into their account using a federal pilot program.

Increased state and local tax deduction

With the continuation of the higher state and local tax deduction of $40,000 (formerly $10,000), 2026 marks the first year you can fully plan to take advantage of this new tax break. This includes reviewing both your small business entity form and whether paying state business taxes separately still makes sense.

Look for new Form 1099-DA

A new law that took effect in 2025 means you may receive this new form in early 2026 if you own cryptocurrency or other digital assets. Exchanges and brokers must report certain cryptocurrency and digital asset transactions, so you should track cost basis, sale dates, and wallets used to avoid mismatches or questions from the IRS.

Above-the-line charitable contributions

You can deduct $1,000 of charitable contributions if single or $2,000 if filing jointly. This is available to you whether you use the standard deduction or itemize your deductions. There's also an introduction of a 0.5% floor for itemizing charitable contributions.

So if you're single and earn $100,000: take a $1,000 above-the-line deduction, then omit $500 ($100,000* 0.5%) of contributions from your additional itemized contributions.

Itemized deduction phaseout is back

Itemized deductions are limited if your taxable income exceeds $640,600 if single, or $768,700 for married couples.

Vehicle interest deduction

A deduction of up to $10,000 of interest on new vehicle loans assembled in the United States is now available. Vehicles under 14,000 pounds, including trucks and motorcycles, and driven for personal use (not for business use) will generally qualify. Look carefully at the vehicle you intend to purchase, as some U.S. brands are assembled abroad, while some foreign vehicles are assembled domestically.

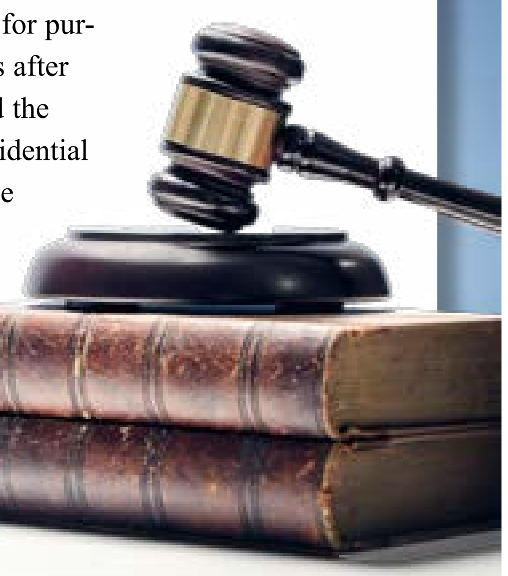
Gamblers take a loss

Losses from wagering transactions are now limited to 90% of such losses. Under the previous law you could claim deductions up to the amount of your winnings. Under the new law you can only deduct up to 90% of your losses.

Mortgage insurance premiums can be reported as an itemized deduction. You may recall, this deduction was eliminated but is now reinstated with recent tax legislation.

Elimination of many energy credits

This includes the credit for purchasing electric vehicles after September 30, 2025 and the elimination of many residential energy efficient purchase credits at the end of 2025. So plan accordingly. ❑



New year, new scams: What to watch for in 2026

A new year brings not just new opportunities, but also new threats. Here's a summary of the newest scams making the rounds as we head into 2026 along with ideas to protect yourself.

New scams in 2026

- **Synthetic identity fraud 2.0.** Fraudsters are using AI to create plausible, verified-looking identities that blend real and fake data, often by using parts of your credentials.
- **AI-enhanced impersonation (Deepfake Voice & Video).** AI-enhanced impersonation is now in the financial domain, targeting individuals who trust face-to-face confirmation. Criminals use leaked video, audio, and social media data to create eerily convincing impersonations.
- **Tax season phishing-as-a-service.** Today's phishing emails and texts are written by AI, tailored to your accountant or tax advisor's tone, and spoofed to look legitimate.
- **Luxury asset title theft.** Cybercriminals are now targeting high-end assets such as real estate, yachts, and even private aircraft, by forging title transfers using stolen credentials.

How to protect your identity and assets this tax season

- **Lock down your data flow.** Don't send tax documents over email. Use encrypted, secure client portals (with multi-factor authentication enabled).
- **Secure your digital identity.** Freeze your credit with all three bureaus (Equifax, Experian, TransUnion). It's free and prevents unauthorized lines of credit. Use identity protection services that offer real-time monitoring of your Social Security number, financial accounts, and dark web chatter.
- **Authenticate everything.** Enable multi-factor authentication (MFA) on all investment platforms, banking apps, and email accounts. For wire transfers, require voice confirmation and code word authentication, even from known contacts.
- **Watch for these other red flags:**
  - Unexpected requests for tax-related information from financial institutions.
  - Notices of new accounts or credit reviews you didn't initiate.
  - A sudden increase of communication from a known advisor – it could be a spoofed account or intercept. ❑

CHANGES coming in 2026

Provision	2026	2025	Change
STANDARD DEDUCTION			
Single	16,100	15,750	+350
Joint returns and surviving spouses	32,200	31,500	+700
Married filing separately	16,100	15,750	+350
Head of household	24,150	23,625	+525
Additional for elderly or blind (married)	1,650	1,600	+50
Additional for elderly or blind (single)	2,050	2,000	+50
Enhanced senior deduction	6,000	6,000	–
ALTERNATIVE MINIMUM TAX EXEMPTION			
Single, Head of household	90,100	88,100	+2,000
Joint returns and surviving spouses	140,200	137,000	+3,200
Married filing separately	70,100	68,500	+1,600
SOCIAL SECURITY EARNINGS LIMIT			
Maximum wages subject to SS tax	184,500	176,100	+8,400
Under full retirement age	24,480	23,400	+1,080
Full retirement age	No limit	No limit	–
UNIFIED TAX CREDIT			
Estate tax top rate	40%	40%	–
Estate tax exclusion	15,000,000	13,990,000	+1,010,000
Annual gift tax exclusion (per donee)	19,000	19,000	–
CONTRIBUTION LIMITS			
Health Savings Accounts			
Single	4,400	4,300	+100
Families	8,750	8,550	+200
Additional for 55 or older	1,000	1,000	–
Individual Retirement Accounts			
Under age 50	7,500	7,000	+500
Age 50+	8,600	8,000	+600
Savings Incentive Match Plan for Employees (SIMPLE)			
Under age 50	17,000	16,500	+500
Age 50+	21,000	20,000	+1,000
Age 60 to 63	22,250	21,750	+500
401(k) Plan			
Under age 50	24,500	23,500	+1,000
Age 50+	32,500	31,000	+1,500
Age 60 to 63	35,750	34,750	+1,000
***Kiddie tax* threshold**	2,700	2,700	–
***Nanny tax* threshold**	3,000	2,800	+200