

Abstract: Many tax law changes went into effect in 2025 under the One Big Beautiful Bill Act (OBBBA). But additional OBBBA provisions, as well as some changes under previous legislation, are going into effect in 2026. This article provides a sampling of some significant tax law changes for individuals this year.

2026 tax law changes for individuals

Here's a sampling of some significant tax law changes going into effect this year:

- New charitable contribution deduction for nonitemizers for cash contributions up to \$1,000 (\$2,000 for married couples filing jointly)
- New 0.5% of adjusted gross income floor on charitable deduction for itemizers
- New 35% benefit limit on itemized deductions for taxpayers in the 37% tax bracket
- Reduced income thresholds at which the alternative minimum tax exemption begins to phase out (and a phaseout rate that's twice as fast as 2025's)
- New tax-advantaged Trump accounts to benefit children under age 18
- Increase in tax-free 529 plan withdrawal limit for qualified elementary and secondary school expenses to \$20,000 (from \$10,000 for 2025)
- New requirement that higher-income taxpayers' catch-up contributions to employer-sponsored retirement plans must be treated as post-tax Roth contributions
- Elimination of certain energy-efficiency credits for homeowners
- Wider income ranges over which the Section 199A qualified business income (QBI) deduction limitations phase in, potentially allowing larger deductions for some pass-through entity owners.
- New minimum QBI deduction of \$400 for taxpayers who materially participate in an active trade or business if they have at least \$1,000 of QBI from it

Contact us to discuss how these or other changes might affect you.