

2026 Tax Facts

March 2026

The One Big Beautiful Bill Act (OBBBA) was signed into law in July 2025 and contained many changes to Federal tax law. Many of the changes went into effect upon its passage, with others going into effect this year.

Below is a summary of what to expect for tax year 2026.

Provision			Commentary	
Federal Income Tax Rates & Brackets	Tax Rate	Single	Married	Federal income tax rates remain unchanged for 2026 Federal income tax brackets have been indexed for inflation from 2025 to 2026
	37%	\$640,601 +	\$768,701 +	
	35%	\$640,600– \$256,226	\$768,700– \$512,451	
	32%	\$256,225– \$201,776	\$512,450– \$403,551	
	24%	\$201,775– \$105,701	\$403,550– \$211,401	
	22%	\$105,700– \$50,401	\$211,400– \$100,801	
	12%	\$50,400– \$12,401	\$100,800– \$24,801	
	10%	\$12,400– \$0	\$24,800– \$0	
Federal Capital Gain Tax Rates & Brackets	Tax Rate	Single	Married	Federal capital gain tax rates remain unchanged for 2026 Federal capital gain tax brackets have been indexed for inflation from 2025 to 2026
	20%	\$545,501 +	\$613,701 +	
	15%	\$545,500– \$49,451	\$613,700– \$98,901	
	0%	\$49,450– \$0	\$98,900– \$0	
Standard Deduction		Single	Married	Standard Deduction has been indexed for inflation from 2025 to 2026
		\$16,100	\$32,200	
Senior Deduction	Qualifying taxpayers (aged 65 and older) may claim an additional \$6,000 deduction			This deduction is effective through tax year 2028 and may be claimed if taking the Standard Deduction or Itemized Deductions Phases out with modified adjusted gross income over \$75,000 for single filers and \$150,000 for married filers

Provision				Commentary
State & Local Tax (SALT) Deduction	Deduction for state and local taxes is capped at \$40,400 ("cap" for 2026 tax year) <ul style="list-style-type: none"> The cap may be reduced (not below \$10,000) if a taxpayer's Modified Adjusted Gross Income (MAGI) exceeds <ul style="list-style-type: none"> \$252,500 – Single \$505,000 – Married 			Cap is temporarily increased through tax year 2029 Cap and MAGI limits indexed by 1.00% per year
Charitable Deduction – Adjusted Gross Income (AGI) Limits	Type of Asset	Public Charity	Private Charity	The 60%-of-AGI limit for gifts of cash to Public Charities was made permanent by the OBBBA
	Cash	60%	30%	
	Appreciated Property	30%	20%	
Charitable Deduction – 0.5% of AGI Floor	Taxpayers may only deduct charitable gifts in excess of 0.5% of their Adjusted Gross Income (AGI) <ul style="list-style-type: none"> The first 0.5% of AGI is "lost" (i.e., non-deductible) 			This is a new, permanent law beginning in tax year 2026 <ul style="list-style-type: none"> If a taxpayer has AGI of \$1,000,000 and they donate \$100,000 to charity The allowable deduction is \$95,000 <ul style="list-style-type: none"> \$1,000,000 AGI x 0.5% = \$5,000 "Floor" \$100,000 charitable gift - \$5,000 "floor" = \$95,000 deduction
Limit on Itemized Deductions	For taxpayers in the 37% bracket only, total value of all itemized deductions is reduced by 2/37 ^{ths} times the lesser of: <ul style="list-style-type: none"> Amount taxable income exceeds 37% rate bracket amount Total itemized deductions 			This is a new, permanent law beginning in tax year 2026 <ul style="list-style-type: none"> For taxpayers in the 37% bracket, this limits the tax "benefit" of all itemized deductions to 35%
Qualified Business Income Deduction (IRC 199A)	Taxpayers may deduct up to 20% of income from a qualified business			OBBBA permanently extended this deduction under IRC Section 199A Limits on this deduction begin phasing in at \$201,775 for single taxpayers and \$403,500 for married taxpayers
Alternative Minimum Tax (AMT)	Starting in 2026, AMT income phaseout thresholds reduced			OBBBA permanently extends the AMT exemption and phaseout threshold amounts Amounts indexed annually for inflation
	Filing Status	AMT Exemption	AMT Phaseout	
	Single	\$88,100	\$500,000	
	Married	\$137,000	\$1,000,000	
Qualified Opportunity Zones (QOZ)	The new QOZ program will feature rolling 10-year designations, a 5-year capital gains tax deferral with up to a 30% basis step-up, and a 10-year gain exclusion.			QOZ program renewed and made permanent effective for QOZ investments of qualified capital gains made after December 31, 2026
Gift, Generation Skipping Transfer (GST) & Estate Tax Lifetime Exemptions	\$15,000,000 per individual \$30,000,000 per married couple			OBBBA permanently increased from 2025 amounts of \$13,990,000 per individual & \$27,980,000 per married couple Amounts will be indexed for inflation annually

How Does New Tax Legislation Affect You?

The OBBBA contains sweeping changes to tax law that may impact all types of taxpayers. While clients should continue to work with their financial, tax and legal advisors to analyze how the OBBBA may affect their unique situations, RBC Rochdale's Private Wealth Solutions team may be able to assist clients with understanding the changing tax landscape around charitable giving, capital asset sales, estate transfers and more.

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To learn more, contact your Financial Advisor. You can also visit us at www.rbcrochdale.com or email us at citynationalrochdale@cnr.com.

Source:

[H.R.1 - One Big Beautiful Bill Act, pulled July 4, 2025](#)

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