

Avoid Tax Surprises with These 2026 Mid-Year Tax Planning Tips for Individuals

Tax time is here again. Yes, April 15 is long past, and October's extended filing date is still months away. However, we're now midway through the year, and performing a mid-year review is an important part of a holistic tax strategy. Giving you visibility into your potential tax liability for the year and letting you pinpoint areas for potential improvement. This handy checklist can help you identify opportunities to reduce your tax obligations and prevent unwelcome surprises when it's time to file your taxes.



ANNUAL GIFTING OPPORTUNITIES

Are you seizing every opportunity to get a jump on wealth transfer?

- Taking full advantage of the annual gift tax exclusion each year (\$19,000 in 2026) is a great way to begin transferring wealth outside of your estate.
 - You and your spouse can each give any amount up to the limit, and to as many different people as you like. These generous rules make it possible for each child, each grandchild, and any other recipient you choose to receive \$38,000 in gifts from you and your spouse this year, and neither you nor the recipients have to report or pay taxes on the gifted assets.
 - The gift tax exclusion applies to all types of assets, not just cash. You can transfer real estate interests, bonds, stocks, CDs, and other assets and financial instruments as you see fit.
 - If you make gifts to your intended beneficiaries year after year, over time you can transfer a significant amount of wealth tax free. It's also a great way to confer partial ownership stakes in a family-owned business.



CHARITABLE GIVING

Does your giving strategy deliver optimal tax benefit?

- In 2026, the standard deduction is \$16,100 for single and married filing separately, \$32,200 for married filing jointly and \$24,150 for head of household. Regardless of the standard deduction amount, a common giving strategy is to compress your charitable donations into alternating years. Itemizing your deductions allows you to claim a big deduction for donations in one year, and then you can take the standard deduction the next year.
- Consider donating highly appreciated stock you acquired as equity compensation (or any other way). Those donated shares won't be subject to capital gains tax.
- If you don't need [required minimum distributions \(RMDs\)](#) to cover your living expenses, you might want to take your distribution in the form of a charitable donation. The limit on tax deductions for charitable distributions you make from retirement accounts (called qualified charitable distributions, or QCDs) in 2026 is \$111,000.
- [Donor-advised funds](#) can benefit donors and the organizations they support. New rules are here for these funds, though, so work closely with your advisor to make sure your plans are still tax-efficient and fully compliant.



ESTATE PLAN UPDATES

Do your estate plans reflect your current desires?

- With the new permanent exemption limit established by the One, Big, Beautiful Bill Act, you can continue to make large gifts.
 - Consider making gifts under the generation-skipping transfer tax (GSTT) exemption.
 - For gifts that don't qualify for GSTT exemption, you or your spouse can give an amount up to the current estate tax exclusion limit. (it's \$15 million in 2026). You'll still be able to claim the other spouse's exemption later when it's time to execute your estate plans.
 - Verify that beneficiaries on all accounts, trusts, insurance policies, and estate planning documents reflect your current intentions.
 - Review all documents and update to align with recent changes to your business, personal finances, and family situation — or changes you anticipate this year.



RESEARCH AND EXPERIMENTAL COSTS

New changes to R&D credit rules

- The One Big Beautiful Bill Act has restored the immediate expensing of domestic R&D costs beginning for tax year 2025
- Unamortized domestic R&D costs from 2022-2024 (when they were required to be amortized) can be fully deducted. Some eligible small businesses can retroactively amend prior year return to immediately deduct these R&D costs.



RETIREMENT PLANNING UNDER SECURE 2.0

Do you know what the [SECURE Act 2.0](#) means for your retirement plan?

- The SECURE Act 2.0 makes numerous changes to retirement plans. Two of the most impactful updates mean that:
 - You can wait longer before drawing down retirement funds on pre-tax accounts like IRAs and 401(k)s. RMDs now begin at age 73 for those born in 1959 or earlier and at age 75 for those born later.
 - If you've been affected by a federally declared disaster, you can take a loan or distribution from your retirement plan without paying a penalty.
- The IRS has set 2026 limits on individual retirement contributions (not including employer matching contributions) at:
 - \$24,500 for traditional and Roth 401(k) accounts, with up to \$7,500 in catch-up contributions allowed for employees aged 50-59 & over 64. There is also a Super Catch-up of \$11,250 for those aged 60-63.
 - \$7,500 for traditional and Roth IRAs (\$1,100 catch-up contributions for age 50+).
 - \$17,000 for SIMPLE retirement accounts (\$4,000 catch-up contributions for age 50+).
- Individuals with a solo 401(k) plan can make additional 2026 contributions as employer match and profit-sharing dollars of up to 25% of compensation, subject to certain compensation caps.



KEY DATES TO REMEMBER

Have you noted these important deadlines and due dates?

- September 15, 2026:
 - Due date for third-quarter 2026 estimated tax payments
- October 15, 2026:
 - Deadline to file 2025 tax returns for individuals if you requested an extension
- December 31, 2026:
 - Taking RMDs from tax-deferred retirement accounts
 - Making voluntary employee contributions to solo 401(k) accounts
 - Making 529 college savings plan contributions

THE EARLY BIRD CATCHES THE TAX SAVINGS!



Taxes aren't as much fun as fireworks and vacations, it's true. But the insights you gain from a mid-year review allow you to adopt the most tax-efficient stance now, helping lower your tax bill for 2026 and advancing your long-term financial position.

Schedule a mid-year tax review with your CRI advisor.

†This is not a CPA firm.

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