

2026 Year-End Tax Planning Checklist for US CPA Firms

For US CPA firms · 14 October 2026 · By Keshav Bansal, CA

A practical checklist for US CPA firms planning year-end client conversations for tax year 2026. It is the first full year under most of the One, Big, Beautiful Bill changes (P.L. 119-21, signed 4 July 2025, which the IRS now also calls the Working Families Tax Cuts legislation), so many client assumptions from prior years no longer hold. Figures are from IRS guidance; always confirm against the primary source and your client's facts.

1. 2026 figures to have at hand

Item (tax year 2026)	Amount	Source
Standard deduction: single / MFS	\$16,100	Rev. Proc. 2025-32
Standard deduction: married filing jointly	\$32,200	Rev. Proc. 2025-32
Standard deduction: head of household	\$24,150	Rev. Proc. 2025-32
401(k)/403(b)/457/TSP elective deferral	\$24,500	Notice 2025-67
Age-50+ catch-up (401(k) etc.)	\$8,000	Notice 2025-67
Age 60–63 catch-up (where plan allows)	\$11,250	Notice 2025-67
IRA contribution / age-50+ IRA catch-up	\$7,500 / \$1,100	Notice 2025-67
Annual gift tax exclusion (per donee)	\$19,000	Rev. Proc. 2025-32
Estate tax basic exclusion amount	\$15,000,000	Rev. Proc. 2025-32
AMT exemption: unmarried / MFJ	\$90,100 / \$140,200	Rev. Proc. 2025-32
SALT deduction cap (MAGI up to \$505,000)	\$40,400 (\$20,200 MFS)	IRC §164(b)(7) as amended

2. Individual clients: before 31 December

- ☐ **Itemize or standard?** Re-run the comparison with the 2026 standard deduction and the higher SALT cap. Clients who took the standard deduction for years may now itemize, especially in high-tax states. Remember the cap phases down toward \$10,000 as MAGI rises above \$505,000.

- **Charitable timing.** From 2026, itemizers only deduct contributions above 0.5% of their contribution base, and non-itemizers can deduct up to \$1,000 (\$2,000 joint) of qualifying cash gifts (not to donor-advised funds). Discuss bunching gifts and the substantiation rules (contemporaneous written acknowledgment for gifts of \$250 or more; Form 8283 above \$500 non-cash).
- **Qualified charitable distributions.** IRA owners aged 70½+ can give up to \$111,000 directly from an IRA in 2026. Make sure the 1099-R and the return are coded and reported correctly.
- **Top-bracket clients.** Beginning in 2026 the benefit of itemized deductions is limited for taxpayers in the 37% bracket. Model it before recommending accelerated deductions.
- **New OBBB deductions (2025–2028).** Confirm eligibility and documentation for the qualified tips deduction, the qualified overtime compensation deduction, the additional \$6,000 deduction for taxpayers aged 65+, and the car-loan interest deduction. Each has income phase-outs and specific reporting.
- **Retirement contributions.** Check deferral elections against the 2026 limits above, including the age 60–63 catch-up.
- **Gifting.** Use the \$19,000 annual exclusion before year-end. Larger transfers can now be planned around the \$15,000,000 exclusion, which P.L. 119-21 made permanent and indexes for inflation.
- **Energy credits.** The residential clean energy and energy efficient home improvement credits (§25D, §25C) do not apply to expenditures after 31 December 2025, and the clean vehicle credits ended for vehicles acquired after 30 September 2025. Correct client expectations for 2026 returns.
- **Estimated tax.** Review withholding and estimates against the safe harbors (100% of prior-year tax, or 110% if prior-year AGI was over \$150,000). The fourth-quarter 2026 payment is due 15 January 2027.

3. Business clients

- **Bonus depreciation.** P.L. 119-21 restored 100% bonus depreciation for qualified property acquired after 19 January 2025. Confirm placed-in-service dates and whether elections out are better for the client.
- **Domestic research costs.** New §174A allows domestic research and experimental expenditures to be deducted again for tax years beginning after 2024. Check transition rules for previously capitalised costs.
- **Information returns.** For payments made after 31 December 2025, the Form 1099-NEC and 1099-MISC reporting threshold rises from \$600 to \$2,000. Update vendor tracking and collect Forms W-9 now. The Form 1099-K threshold for third-party networks is back to more than \$20,000 and more than 200 transactions.
- **Payroll year-end.** Reconcile Forms 941 to payroll registers, fix errors with Forms W-2c/941-X before filing W-2s (due 1 February 2027, as 31 January falls on a Sunday), and confirm reasonable compensation for S corporation owner-employees.
- **Books ready for the return.** Bank and card reconciliations through 31 December, fixed asset roll-forward, accrual cut-off and owner draws classified. Clean books make every item above faster.

4. Firm workflow checklist

- ☐ Segment clients by impact: SALT re-itemizers, charitable givers, top-bracket, OBBB new-deduction eligible, 1099 filers.
- ☐ Send year-end organisers early with a short list of documents tied to each segment.
- ☐ Book planning meetings before mid-December so clients have time to act.
- ☐ Plan January capacity for 1099s, W-2s and bookkeeping cleanup before the 2027 filing season.

Sources

- IRS: [Tax inflation adjustments for tax year 2026 \(Rev. Proc. 2025-32\)](#)
- IRS: [401\(k\) and IRA limits for 2026 \(Notice 2025-67\)](#)
- IRS: [One, Big, Beautiful Bill provisions](#)
- IRS: [Topic no. 506, Charitable contributions](#)
- IRS: [What's new: Estate and gift tax](#)
- IRS: [Publication 505, Tax Withholding and Estimated Tax](#)
- IRS: [About Form 1099-NEC](#)

General information for tax professionals, current as of 14 October 2026. Not tax or legal advice. Confirm all figures against primary IRS guidance before relying on them.

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