

# 3 Key Tax Changes for U.S. Investors



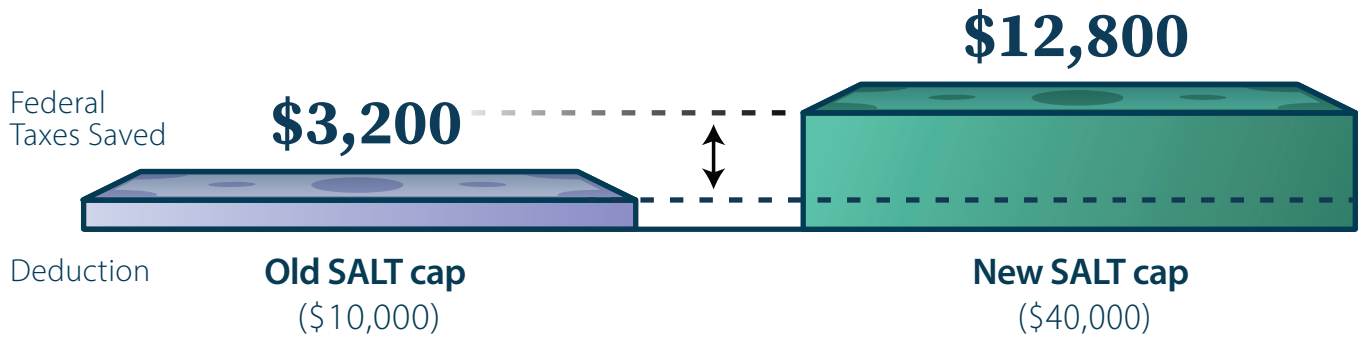
Investment  
Management

In 2026, three key tax law changes will reshape how households deduct state and local taxes, transfer wealth, and save for retirement.

# 1

## A New SALT (State & Local Tax) Cap

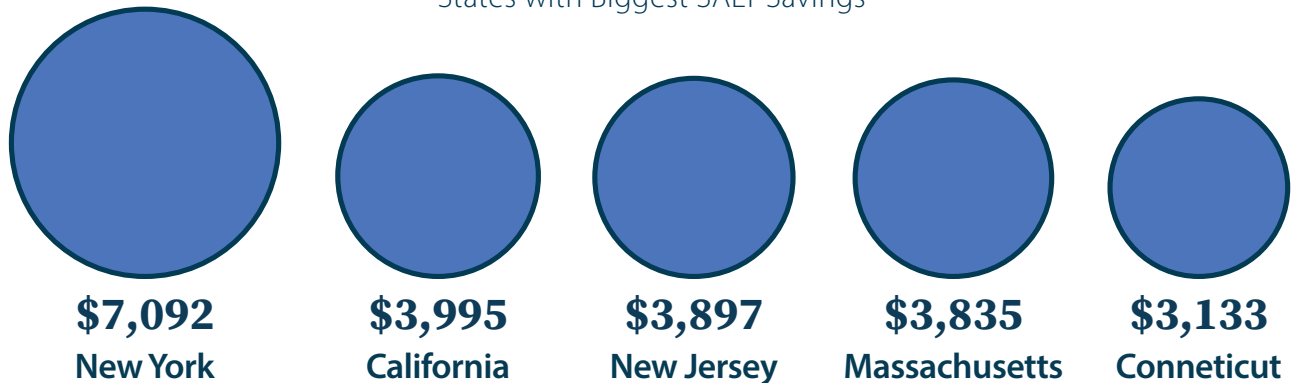
A higher SALT cap can reduce federal taxes owed for eligible taxpayers, freeing up capital that may be redirected toward savings or investment.



Source: IRS. Based on a married couple filing jointly, in the 32% tax bracket, with income below the SALT phase-out and \$40,000 in state and local taxes.

This change is especially meaningful in higher tax states where property and income taxes were already well above the old cap.

States with Biggest SALT Savings



States with Smallest SALT Savings



Redfin estimate based on a hypothetical "typical" impacted homeowner, assuming property values, property taxes, and state income taxes, and applying a 24% marginal tax rate to amounts above the prior \$10,000 SALT cap. Estimates are illustrative and do not account for local income taxes, which vary by jurisdiction.

Source: CNN. 9/25/2025.

# 2

## A Rise in the Federal Estate and Gift Tax Exemption

The estate and gift tax exemption's ~\$1M increase could grow to about \$2.6M over a decade if invested at a hypothetical 10%\* annual return.

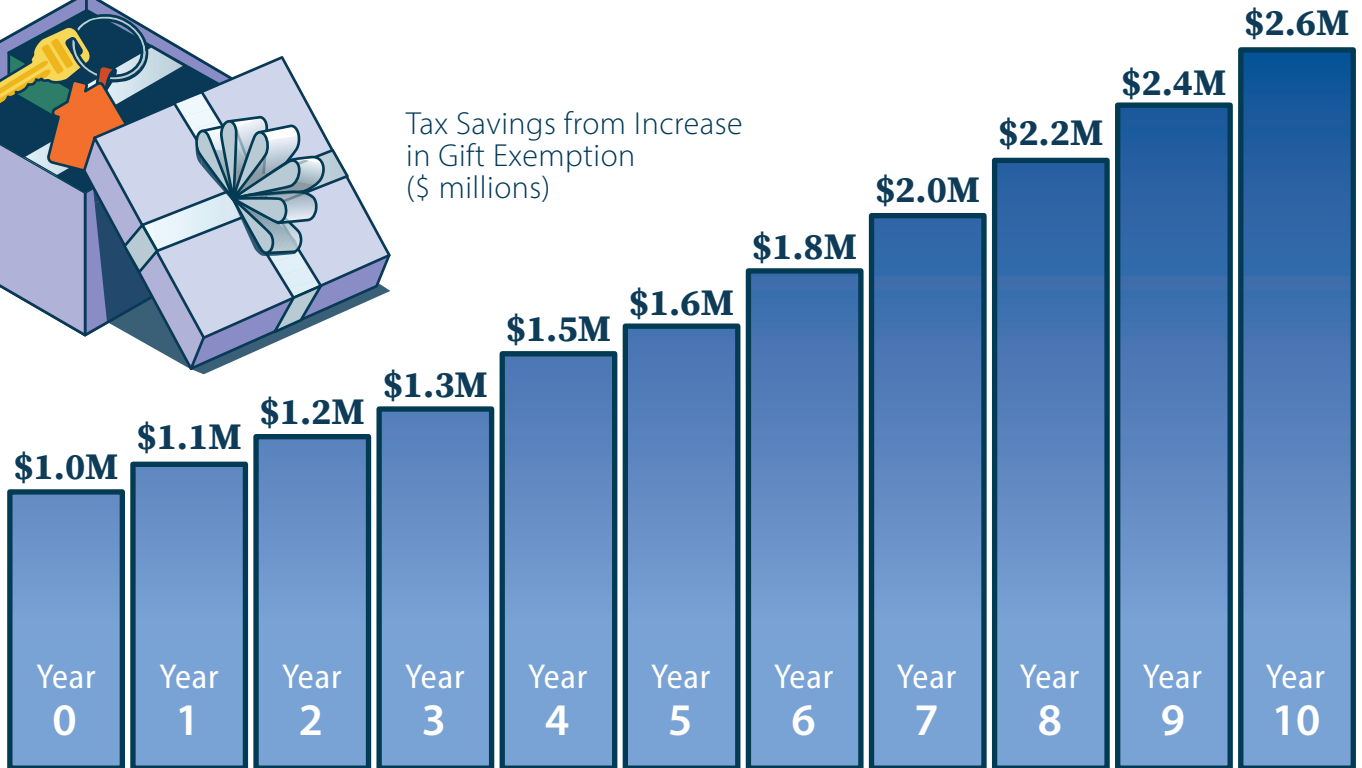
Tax Year Federal Individual Exemption



Transferring assets under the exemption avoids federal estate tax and reduces the need for forced asset sales.



Tax Savings from Increase in Gift Exemption (\$ millions)

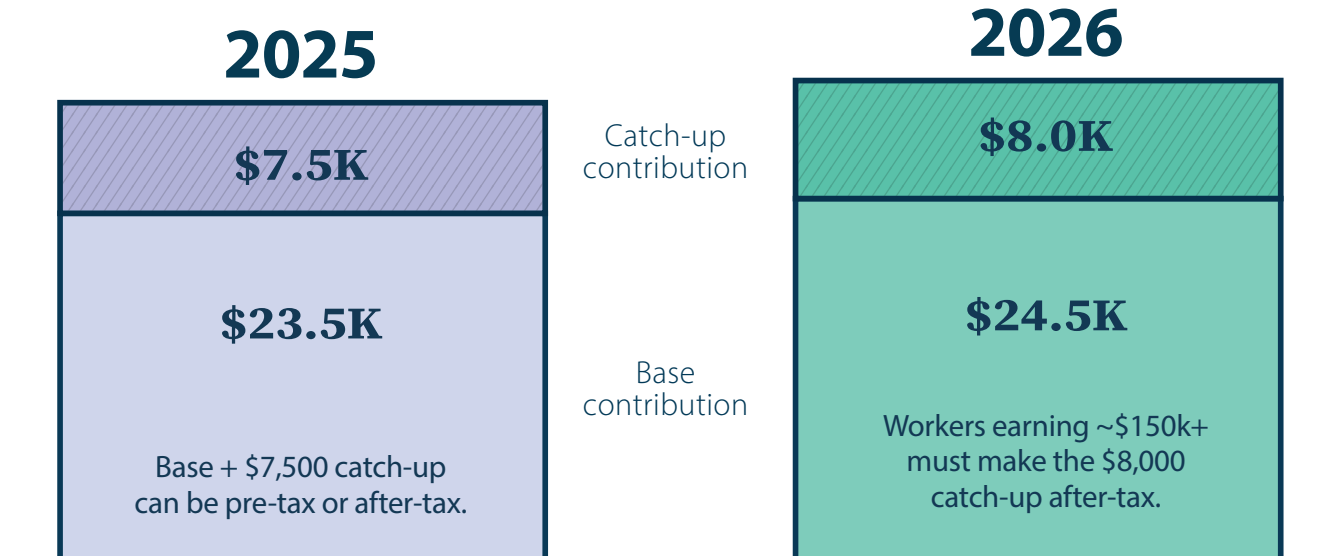


\*Note: average annual return on the S&P 500 since 1957. For illustrative purposes only. Past performance is not a guarantee of future results.

Source: IRS. 10/09/2025.

# 3

## New Rules for Extra Retirement Contributions After Age 50



Note: Amounts shown are the IRS maximum employee deferral limits for 401(k), 403(b), and governmental 457 plans for individuals age 50 and older. Beginning in 2026, the \$8,000 catch-up portion must be made with money that has already been taxed for workers whose prior year wages from that employer exceed the income threshold in the law, approximately \$150,000 for 2026 contributions. Under a change made in SECURE 2.0, a higher catch-up contribution limit applies for employees aged 60-63 if their plan allows. The catch-up would be \$11,250 (totaling \$35,750).

Source: IRS. 11/13/2025.

## Planning Ahead

With the right strategy, these changes can free up after-tax cash flow, broaden long-term financial options, and reshape tax efficiency for investors.



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