THE BSV

NEWSLETTER

Fall 2026

BSV
CPAs and Wealth Advisors

FALL 2026 FEATURE

Year-End Planning: What's Different This December

The first year-end under the new tax law changes how charitable giving works

2026 is the first tax year where several changes from the One Big Beautiful Bill Act fully apply. Most are favorable, but three of them change the math on charitable giving. If you give regularly, it is worth reviewing your approach before December 31.

WHAT CHANGED FOR 2026

If you take the standard deduction

You can now deduct up to $1,000 ($2,000 married filing jointly) of cash gifts made directly to charity. Gifts to donor-advised funds do not qualify.

If you itemize

Only gifts above 0.5% of your AGI are deductible. With $400,000 of AGI, the first $2,000 you give each year produces no deduction.

If you are in the 37% bracket

Itemized deductions, including charitable gifts, now save a maximum of 35 cents per dollar instead of 37 cents.

WHICH STRATEGY FITS?

Bunching

Combine two or more years of giving into one year so you clear the standard deduction and the 0.5% floor once, then take the standard deduction in the off years.

Donor-Advised Fund

Make one large contribution, take the deduction in the year you fund it, and recommend grants to your charities over the following years.

Qualified Charitable Distribution (age 70½+)

Give up to $111,000 directly from your IRA to charity. The gift is excluded from income, so the 0.5% floor does not apply, and it can count toward your requir distribution.

Appreciated Investments

Give long-held stock or funds instead of cash. You avoid the capital gains tax and can still deduct the full market value if you itemize.

Gifts must be completed by December 31. Th before you write the check.

FINRA records show address with a suite number of 2B.

Please update address to match what is on file with FINRA.

Or if FINRA records are incorrect, please reach out to Licensing & Registration to update FINRA registered branch Form BR.
thank you

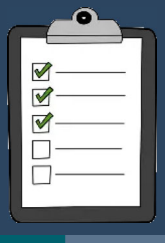
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FALL 2026

YEAR-END CHECKLIST



DEADLINE	ACTION
DEC 7	Medicare open enrollment ends (opens Oct 15). Compare Part D and Advantage plans.
DEC 31	Take required minimum distributions (RMDs) from IRAs and inherited accounts.
DEC 31	Complete charitable gifts and QCDs. Allow time for checks and transfers to clear.
DEC 31	Make annual exclusion gifts of up to $19,000 per recipient.
DEC 31	Finish Roth conversions and any capital gain or loss harvesting.
DEC 31	Use remaining FSA dollars. Check your plan's grace period or carryover.
DEC 31	Fund 529 plans. Pennsylvania residents may deduct contributions on their PA return.
JAN 15 2027	Fourth-quarter 2026 estimated tax payment due.



TAX UPDATE

New for 2026: Roth Catch-Up Contributions

If you are 50 or older and earned more than $150,000 in wages from your employer in 2025, your 2026 catch-up contributions to a 401(k), 403(b) or 457 plan must go in as Roth (after-tax). Regular deferrals up to $24,500 are not affected.

- Catch-up limit is $8,000, or $11,250 if you are age 60 to 63.
- If your plan has no Roth option, you may not be able to make catch-up contributions at all.
- Roth catch-ups do not reduce taxable wages, so check your pay stub and withholding.

The IRS will announce 2027 contribution limits in the coming weeks. We will share them once final.

SMALL BUSINESS CORNER

Buying Equipment Before Year-End?



100% bonus depreciation is now permanent, and the 2026 Section 179 expensing limit is $2,560,000. **Before you buy:**

- It must be placed in service by Dec 31. Ordered is not enough. Example: a truck delivered Dec 28 but not in use until January misses this year's deduction.
- Buy because the business needs it. A deduction reduces tax, but does not offset the full purchase price. Example: a $100,000 machine in the 24% bracket saves about $24,000 in federal tax, not $100,000.
- Pennsylvania does not follow federal bonus depreciation but does have section 179 options the first year an asset is placed in service
- Get your books current so decisions rest on real numbers.

Please see above

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To schedule a year-end planning call: **Megan@BSV.CPA**

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