

 ADVISOR EDUCATION | 2026

# 2026 Tax Reference Guide

This popular guide has been updated to include recent provisions of the One Big Beautiful Bill Act and highlights important and timely tax information for the 2026 tax year.

**INDIVIDUAL INVESTORS SHOULD  
CONSULT THEIR TAX PROFESSIONAL**

# Planning for 2026 Taxes

This Tax Reference Guide provides highlights of the current tax law for financial professionals and investors to be aware of throughout the year. Together with a tax professional, financial advisors and investors should closely monitor the overall tax burden and look for planning opportunities to reduce or minimize the impact of taxes annually. Federal tax schedules and tables are included for the various income and asset categories.

The guide is not meant to replace the assistance or advice of a tax professional.

## Important Dates

|                                    |  |
|------------------------------------|--|
| <b>Thursday, January 15, 2026</b>  | 4th quarter 2025 estimated tax payment due   |
| <b>Wednesday, April 1, 2026</b>    | Required minimum distribution deadline for those who turned 73 in 2025   |
| <b>Wednesday, April 15, 2026</b>   | 1st quarter 2026 estimated tax payment due<br>2025 tax return due without extension<br>Deadline to contribute to traditional or Roth IRA for 2025<br>Deadline to contribute to SEP IRA for 2025 (unless business return is extended) |
| <b>Monday, June 15, 2026</b>       | 2nd quarter 2026 estimated tax payment due   |
| <b>Tuesday, September 15, 2026</b> | 3rd quarter 2026 estimated tax payment due   |
| <b>Thursday, October 15, 2026</b>  | 2025 tax return due (with extension)<br>Deadline to contribute to SEP IRA for 2025 (if business return is extended)  |
| <b>Friday, November 27, 2026</b>   | Last day to double-up on a position and then sell a substantially identical position for a loss before the end of 2026   |
| <b>Thursday, December 31, 2026</b> | Required minimum distribution deadline (other than for those who turn 73 in 2026)<br>Deadline to complete tax-deductible charitable contributions for 2026<br>Deadline for employees to contribute to employer retirement plan       |
| <b>Friday, January 15, 2027</b>    | 4th quarter 2026 estimated tax payment due   |

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**As of January 1, 2026**

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**INCOME****Ordinary Income Tax Rates and Brackets****Single**

| Tax rate | If taxable income is | ...the tax rate is                                 |
|----------|----------------------|--|
| 10%      | \$0-\$12,400         | 10% of the taxable income                          |
| 12%      | \$12,400-\$50,400    | \$1,240 plus 12% of the excess over \$12,400       |
| 22%      | \$50,400-\$105,700   | \$5,800 plus 22% of the excess over \$50,400       |
| 24%      | \$105,700-\$201,775  | \$17,966 plus 24% of the excess over \$105,700     |
| 32%      | \$201,775-\$256,225  | \$41,024 plus 32% of the excess over \$201,775     |
| 35%      | \$256,225-\$640,600  | \$58,448 plus 35% of the excess over \$256,225     |
| 37%      | \$640,600+           | \$192,979.25 plus 37% of the excess over \$640,600 |

**Head of household**

| Tax rate | If taxable income is | ...the tax rate is                              |
|----------|----------------------|---|
| 10%      | \$0-\$17,700         | 10% of the taxable income                       |
| 12%      | \$17,700-\$67,450    | \$1,770 plus 12% of the excess over \$17,700    |
| 22%      | \$67,450-\$105,700   | \$7,740 plus 22% of the excess over \$67,450    |
| 24%      | \$105,700-\$201,750  | \$16,155 plus 24% of the excess over \$105,700  |
| 32%      | \$201,750-\$256,200  | \$39,270 plus 32% of the excess over \$201,750  |
| 35%      | \$256,200-\$640,600  | \$56,631 plus 35% of the excess over \$256,200  |
| 37%      | \$640,600+           | \$191,171 plus 37% of the excess over \$640,600 |

**Married, filing jointly**

| Tax rate | If taxable income is | ...the tax rate is                                 |
|----------|----------------------|--|
| 10%      | \$0-\$24,800         | 10% of the taxable income                          |
| 12%      | \$24,800-\$100,800   | \$2,480 plus 12% of the excess over \$24,800       |
| 22%      | \$100,800-\$211,400  | \$11,600 plus 22% of the excess over \$100,800     |
| 24%      | \$211,400-\$403,550  | \$35,932 plus 24% of the excess over \$211,400     |
| 32%      | \$403,550-\$512,450  | \$82,048 plus 32% of the excess over \$403,550     |
| 35%      | \$512,450-\$768,700  | \$116,896 plus 35% of the excess over \$512,450    |
| 37%      | \$768,700+           | \$206,583.50 plus 37% of the excess over \$768,700 |

**Married, filing separately**

| Tax rate | If taxable income is | ...the tax rate is                                 |
|----------|----------------------|--|
| 10%      | \$0-\$12,400         | 10% of the taxable income                          |
| 12%      | \$12,400-\$50,400    | \$1,240 plus 12% of the excess over \$12,400       |
| 22%      | \$50,400-\$105,700   | \$5,800 plus 22% of the excess over \$50,400       |
| 24%      | \$105,700-\$201,775  | \$17,966 plus 24% of the excess over \$105,700     |
| 32%      | \$201,775-\$256,225  | \$41,024 plus 32% of the excess over \$201,775     |
| 35%      | \$256,225-\$384,350  | \$58,448 plus 35% of the excess over \$256,225     |
| 37%      | \$384,350+           | \$103,291.75 plus 37% of the excess over \$384,350 |

Source: IRS

Amounts, thresholds and ranges are subject to annual IRS inflation adjustments. Data was obtained from sources believed to be reliable but PIMCO does not guarantee the accuracy or completeness of the content provided. PIMCO undertakes no obligation to update the information and disclaims any warranties or fitness for a particular purpose.

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**INCOME (continued)**

**Additional Medicare Tax**  
**An additional 0.9% Medicare care tax is assessed on family earned income above these thresholds.**

| Filing status              | Earned income threshold |
|----------------------------|-------------------------|
| Single                     | \$200,000               |
| Married, filing jointly    | \$250,000               |
| Head of household          | \$200,000               |
| Married, filing separately | \$125,000               |

**Child Tax Credit**

|                                    |         |
|------------------------------------|---------|
| Tax credit for child under age 17  | \$2,200 |
| Refundable portion of child credit | \$1,700 |
| Tax credit for other dependents    | \$500   |

|  | Single    | Married, filing jointly |
|--|-----------|-------------------------|
| AGI level when credit begins to phaseout | \$200,000 | \$400,000               |

**Additional Deduction for Seniors**

**\$6,000 for each taxpayer age 65 or older by 12/31/26\***

\*The deduction is reduced by 6% of MAGI over \$150,000 (MFJ) and phased out for MAGI of \$250,000 (MFJ)/ (\$75,000 and \$175,000 for single filers).

**Standard Deduction**

| Filing status              | Standard deduction |
|----------------------------|--------------------|
| Single                     | \$16,100           |
| Married, filing jointly    | \$32,200           |
| Head of household          | \$24,150           |
| Married, filing separately | \$16,100           |

- Additional deduction for age 65+ or blind = \$1,650 (married); \$2,050 (single)
- The standard deduction for dependents is the greater of (a) \$1,350 or (b) the sum of \$450 and the individual's earned income

**Alternative Minimum Tax (AMT)**

| AMT tax rate | Married, filing separately | All others    |
|--------------|----------------------------|---------------|
| 26%          | \$0-\$122,250              | \$0-\$244,500 |
| 28%          | \$122,250+                 | \$244,500+    |

**Alternative Minimum Tax (AMT) Exemption**

| Filing status               | 2026 exemption | 2026 AMT exemption phase-out range* |
|-----------------------------|----------------|-------------------------------------|
| Married, filing jointly     | \$140,200      | \$1,000,000-\$1,280,000             |
| Single or Head of household | \$90,100       | \$500,000-\$680,200                 |
| Married, filing separately  | \$70,100       | \$500,000-\$640,000                 |

\* Exemption subject to 25% phase-out once income reaches this range; exemption is fully phased-out at the top of the range

Source: IRS

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## INVESTMENT

### Capital Gains and Qualified Dividends

| Long-term capital gain rate | Single             | Married, filing jointly | Head of household  | Married, filing separately |
|-----------------------------|--------------------|-------------------------|--------------------|----------------------------|
| 0%                          | \$0-\$49,450       | \$0-\$98,900            | \$0-\$66,200       | \$0-\$49,450               |
| 15%                         | \$49,450-\$545,500 | \$98,900-\$613,700      | \$66,200-\$579,600 | \$49,450-\$306,850         |
| 20%                         | \$545,500+         | \$613,700+              | \$579,600+         | \$306,850+                 |

### Net Investment Income Tax

A 3.8% NIIT is assessed on the lesser of net investment income (e.g., interest, dividends, capital gains, etc.) or Modified AGI above these thresholds.

| Filing status              | Threshold (modified AGI) |
|----------------------------|--------------------------|
| Single                     | \$200,000                |
| Married, filing jointly    | \$250,000                |
| Head of household          | \$200,000                |
| Married, filing separately | \$125,000                |

| Gains subject to unique rules  | Maximum long-term capital |
|--|---------------------------|
| Collectible gain   | 28%                       |
| Gain on qualified small business stock equal to the section 1202 exclusion | 28%                       |
| Unrecaptured section 1250 gain   | 25%                       |

## ESTATE

### Income Tax Rates for Estates and Trusts

| Tax rate | Estates and Trusts      |  |
|----------|-------------------------|--|
|          | If taxable income is... | ...the tax rate is                           |
| 10%      | \$0-\$3,300             | 10% of the taxable income                    |
| 24%      | \$3,300-\$11,700        | \$330 plus 24% of the excess over \$3,300    |
| 35%      | \$11,700-\$16,000       | \$2,346 plus 35% of the excess over \$11,700 |
| 37%      | \$16,000+               | \$3,851 plus 37% of the excess over \$16,000 |

### Capital Gains

|     |                  |
|-----|------------------|
| 0%  | \$0-3,300        |
| 15% | \$3,300-\$16,250 |
| 20% | \$16,250+        |

### Estate and Gift Tax / Generation Skipping Transfer (GST) Tax

|                                    |              |
|------------------------------------|--------------|
| Estate tax exclusion/GST exemption | \$15,000,000 |
| Annual gift tax exclusion          | \$19,000     |

## CHARITABLE

### Deduction Limits for Charitable Gifts

| Property                 | Public charity deduction | Public charity AGI limit | Private foundation deduction | Private foundation AGI limit |
|--------------------------|--------------------------|--------------------------|------------------------------|------------------------------|
| Cash                     | FMV                      | 60%                      | FMV                          | 30%                          |
| Ordinary Income property | Cost basis               | 50%                      | Cost basis                   | 30%                          |
| Long-term gain property  | FMV*                     | 30%                      | Cost basis/FMV**             | 20%                          |

### Above the line deduction for non-itemizers

| Filing status           | Deduction |
|-------------------------|-----------|
| Married, filing jointly | \$2,000   |
| Single                  | \$1,000   |

Gifts must be made in cash directly to a charitable organization (private foundations and donor advised funds are not eligible)

Gifts to charity are tax-deductible for investors who itemize their deductions but are subject to a threshold floor of 0.5% of AGI in 2026 (applied prior to the AGI limits in table above)

FMV = fair market value

\*Can elect cost basis deduction with 50% AGI limit; \*\*Cost basis if non-operating; FMV if operating  
Charitable contributions that are not deductible due to AGI limitations can be carried forward for up to five years

Consult a tax advisor on the complexities involving charitable contributions between public and private foundations

Starting in 2026, itemized deductions may be subject to a 2/37th reduction for taxpayers in the 37% marginal tax bracket

Source: IRS

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## RETIREMENT SAVINGS

### Traditional & Roth Individual Retirement Accounts (IRAs)

|   |                     |
|---|---------------------|
| Traditional IRA and Roth IRA maximum contribution                   | \$7,500             |
| Traditional IRA and Roth IRA catch-up contribution*                 | \$1,100             |
| AGI phaseout range for IRA deduction (married, filing jointly)      | \$129,000-\$149,000 |
| AGI phaseout range for IRA deduction (single and head of household) | \$81,000-\$91,000   |
| Roth IRA contribution AGI range (married, filing jointly)           | \$242,000-\$252,000 |
| Roth IRA contribution AGI range (single and head of household)      | \$153,000-\$168,000 |

For those not covered by an employer retirement plan but whose spouse is covered by a qualified plan, the IRA deduction is phased out for MAGI between \$242,000-\$252,000 for 2026

\* Catch up contributions are available to taxpayers age 50 and older by 12/31/26

### Employer Plan Contribution Limits

|   |           |
|---|-----------|
| 401(k), 403(b) regular contribution   | \$24,500  |
| Individual 401(k) total contribution (salary deferral + profit sharing)     | \$72,000  |
| Catch up contribution for taxpayers age 50 and older for all above plans*   | \$8,000   |
| Catch up contribution for taxpayers age 60, 61, 62, 63 for all above plans* | \$11,250  |
| SEP IRA, Money Purchase or Profit Sharing plan contribution                 | \$72,000  |
| SIMPLE IRA regular contribution   | \$17,000  |
| SIMPLE IRA catch-up contribution for taxpayers age 50 and older*            | \$4,000   |
| SIMPLE IRA catch-up contribution for taxpayers age 60, 61, 62, 63           | \$5,250   |
| Maximum annual compensation taken into account for contribution             | \$360,000 |
| Annual benefit limit under defined benefit plans                            | \$290,000 |

\* Catch up contributions are available to taxpayers who reach the stated age by 12/31/26

## HEALTH SAVINGS ACCOUNTS

|                                      | Family coverage | Single coverage |
|--------------------------------------|-----------------|-----------------|
| Maximum regular contribution         | \$8,750         | \$4,400         |
| Maximum catch-up contribution*       | \$1,000         | \$1,000         |
| Minimum insurance policy deductible  | \$3,400         | \$1,700         |
| Maximum policy out-of-pocket expense | \$17,000        | \$8,500         |

\* Catch up contributions are available to taxpayers age 55 and older by 12/31/26

## BUSINESS INCOME

For some business owners, the QBI deduction may be phased out as the owner's taxable income reaches this range, and may be fully phased out at the top of this range.

| Filing status           | Taxable income      |
|-------------------------|---------------------|
| Married, filing jointly | \$403,500-\$553,500 |
| All others              | \$201,750-\$276,750 |

## SOCIAL SECURITY

### Social Security Tax

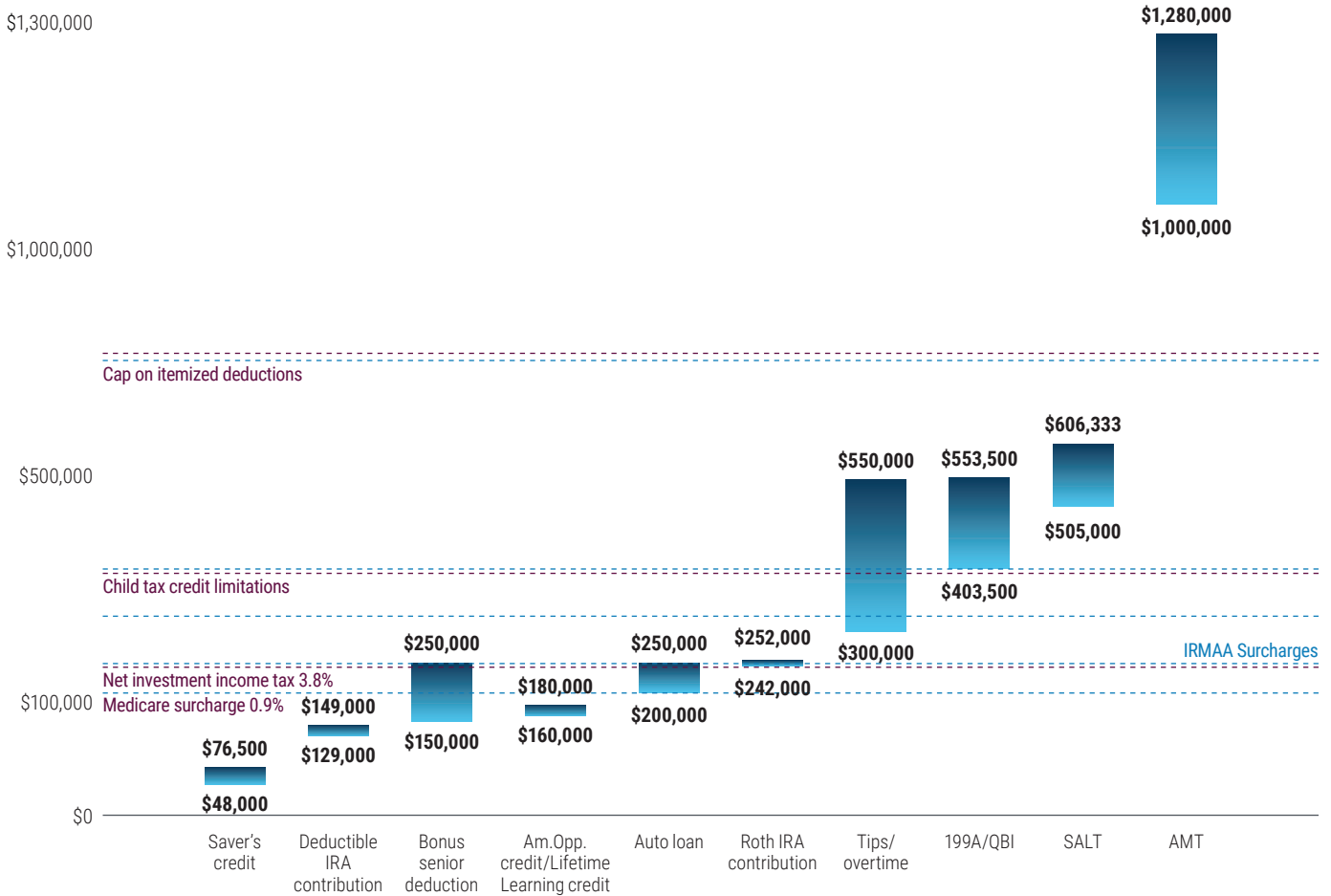
|   |           |
|---|-----------|
| Maximum Earnings subject to Social Security Tax (OASDI) | \$184,500 |
| Employee share of Social Security Tax                   | 6.2%      |

Source: IRS

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## 2026 Phaseouts and breakpoints (MFJ)



As of January 1, 2026  
 Source: IRS, OBBBA, PIMCO  
 Refer to Appendix for additional tax information.

### EXPLANATION OF PHASEOUTS

**Saver's credit:** Offers a tax credit of 50%, 20% or 10% on the first \$2,000 in contributions made to a taxpayer's retirement account. Percentage depends on taxpayer's AGI and tax filing status and credit is applied directly to a tax bill to reduce federal income tax owed. Credit is subject to phaseout at \$48,000.

**Deductible IRA contributions:** The maximum IRA contribution is \$7,500 for 2026, but the deductibility is determined by coverage under a retirement plan.

- For taxpayers who are not covered by a plan, and have a spouse who is also not covered, the full contribution is deductible from current earnings.

- For taxpayers who are covered by a plan, the deductible amount is reduced for MAGI between \$129,000 to \$149,000.

For taxpayers who are not covered but married to a covered spouse, the deductible amount is reduced for MAGI between \$242,000 to \$252,000.

**Senior deduction:** Offers a \$6,000 bonus deduction in tax years 2025-2028 for age 65+ to indirectly "offset" the taxation on social security benefits received. The deduction is available for taxpayers claiming either the standard deduction or those who itemize, and is subject to phase-out at MAGI above \$150,000 MFJ (\$75,000 single) at a 6% rate.

**American Opportunity Credit/Lifetime Learning Credit:**

Qualifying taxpayers may claim two education credits. American Opportunity Tax Credit provides up to \$2,500 for qualified undergraduate education expenses and can be claimed up to four years. The Lifetime Learning credit provides up to \$2,000 for both undergraduate and graduate qualified expenses. Taxpayers can only claim one credit per qualifying student. Credit begins to phase out if MAGI is between \$160,000 and \$180,000.

**Auto loan interest deduction:** Offers a maximum annual deduction of up to \$10,000 for automobile loan interest paid in years 2025-2028 for taxpayers claiming either the standard deduction or those who itemize. The auto must meet certain requirements to qualify: assembled in the US; purchased, not leased; new vehicle, not used; purchased after 12/31/24; weighs less than 14,000 lbs.; used for personal, not business. The deduction phaseout begins for MAGI above \$200,000 MFJ (\$100,000 single).

**Roth IRA contributions:** The maximum Roth IRA contribution amount is \$7,500 for 2026, but is reduced for payers with MAGI above \$242,000 MFJ (\$150,000 single).

**Affordable Care Act (ACA) taxes (Medicare and Net Investment Income):** These surplus taxes were instituted in 2013 and include 0.9% on earned income (wages, bonus) and 3.8% on investment income (dividends, capital gains). They apply to MAGI above \$250,000 MFJ (\$200,000 single).

**Tips / overtime deduction:** Income earned from these sources may be excluded from taxable income in years 2025-2028 for both taxpayers claiming either the standard deduction or those who itemize. Income of up to \$25,000 derived from tips and up to \$12,500/employee of overtime pay (above base rate only) is eligible, but subject to phaseout at \$300,000 MFJ (\$150,000 single).

**Qualified business income (QBI)/Sec 199A deduction:** Pass-through businesses (sole proprietors, LLCs, S-corporations) receive a 20% deduction on net earnings, subject to certain limitations, including specialized service business. The deduction is subject to phaseout at \$403,500 MFJ (\$201,750 single). The phaseout range is expanded in 2026.

**Child credit:** Qualifying children provide a tax credit – more valuable than a tax deduction – of \$2,250 in 2026. The credit is subject to phaseout at \$400,000 of MAGI.

**State and local tax deduction (SALT):** Taxpayers receive an itemized deduction of up to \$40,400 in 2026, up from a cap of \$10,000 previously, for local taxes paid including state income taxes and either property taxes or sales taxes. This deduction is subject to phaseout for MAGI between \$505,000 and \$606,333 MFJ (with a minimum level of \$10,000) effectively increasing a marginal tax rate to over 45% for payers in the phaseout range.

**Alternative minimum tax (AMT) exemption:** The phaseout accelerates to a 50% rate for MAGI in excess of \$1,000,000 MFJ in 2026, increasing the probability of AMT liability for higher income taxpayers in future years.

**Itemized deduction limitation\*:** Itemized deductions will be capped at an effective rate of 35% for taxpayers with taxable income above \$768,700 MFJ starting in 2026.

## KEY TERMS

**Gross income:** Compensation, business income, taxable interest, capital gains, retirement income, rent, etc.

**Adjusted gross income (AGI):** Gross income minus certain adjustments including: alimony, educator expense, HSA contributions, deductible IRA, moving expenses for military, self-employment taxes, student loan interest, etc. Often referred to as above the line. Found on line 11 of form 1040.

**Modified adjusted gross income (MAGI):** AGI with municipal income, student loan interest, deductible IRA contributions added back. Used to determine IRMAA costs, ACA tax effect, ROTH and deductible IRA eligibility. For the new OBBBA deductions (senior, auto interest, tips/overtime, SALT, etc.) municipal income is not included in MAGI.

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