Tax News & TIPS

Editor's Notes

Welcome to the Fall 2026 edition of Tax News & Tips!

Page 1 covers two IRS developments from this summer. The first is the move to automatic first-time penalty relief: rather than assessing a late-filing or late-payment penalty and removing it on request, the IRS now simplifies the process by skipping it altogether for taxpayers with a clean three-year record. These taxpayers will receive a letter informing them of the relief. The page closes with tips for tracking refunds, common reasons for delays, and what to do to avoid waiting longer than necessary.

Page 2 approaches gifts from both sides: the receiver and the giver. This includes the basic rules for the annual gift exclusion, what constitutes a gift, and how to prevent a transfer from being treated as a gift. This issue's "Truth vs. Myth" addresses three of the most common gift misconceptions.

Page 3 focuses on Trump accounts now that they have made their public debut. We cover eligibility and the timing rule, the $1,000 government contribution for children born 2025 through 2028, the three ways to open an account, and employer contributions. We also address whether funding the account triggers a gift tax return and note the relief rules provided by the IRS. Our editorial position is that opening the account is worth it even for clients who never contribute a dollar of their own, since an open account allows contributions from employers, relatives, states, and charitable organizations.

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Page 4 closes with two reporting changes and the calendar. Form 1099-DA is now in clients' hands for 2025 digital asset sales, with broker basis reporting beginning for 2026 sales, and we caution that the reported basis may not tell the whole story. We also flag that the IRS raised the standard mileage rates mid-year, so 2026 carries two sets of business and medical rates split at June 30. Clients will need a mileage log with dates on it, not just a total. The page finishes with estimated payment and filing deadlines through April 2027.

As always, thank you for subscribing to Tax News & Tips. We appreciate your support and welcome your suggestions for future topics. With only four pages to work with, we may not be able to include every requested subject, but we always enjoy hearing what's top of mind for you and your clients.

Warm regards,
Ryan Reichert, EA, CFP®
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