

Section 530A or “Trump accounts”; What Are They?

The One Big Beautiful Bill Act created Section 530A accounts (also known as “Trump accounts”). These can be used as a manner to help create a savings account for children to be used when they are older

What are they?

Per the Journal of Accountancy, “Trump accounts, which are also referred to as Sec. 530A accounts, are designed as tax-advantaged investment accounts for children under age 18. From a structural standpoint, the best comparison is a special-purpose IRA. They follow an IRA-like framework but with very specific eligibility, contribution, and investment rules that apply during what the law calls the ‘growth period.’”

One of the most notable features is a federal pilot contribution. For children born between 2025 and 2028, the federal government will contribute \$1,000 to the account if the appropriate election is made. Based on what we know now, that election is expected to be made on a 2025 tax form, Form 4547, which can be used to open an initial Trump account and also to request the one-time \$1,000 pilot program contribution.”

How are they different from a 529 Plan?

According to the JOA article, “they are designed for long-term growth, with the account generally transitioning to treatment as a traditional IRA once the child reaches age 18. That makes them less about a specific short-term use and more about long-range wealth accumulation and planning.”

What are the limits of the Section 530A accounts?

Nonexempt contributions of up to \$5,000 can be made annually.

What else do you need to know?

For the full details check out the article here: <https://www.journalofaccountancy.com/news/2026/feb/what-cpas-should-know-about-trump-accounts/>

What are the Latest Accounting Standard Updates Coming Out?

There is always a constant flow of updates being made to the accounting standards. Are you unsure of what is coming up for changes for fiscal year ending in 2025 or 2026, and whether or not they might have an affect on your financial statements or related reporting?

The Journal of Accountancy has put together a short summary of some of the standards that are soon to take effect.

Some of these include updates to the following areas:

- Tax basis accounting
- Cryptocurrency
- Business Combinations
- Credit Losses

Check out the article here - <https://www.journalofaccountancy.com/newsletters/a-a-focus/reviewing-accounting-standards-updates-for-2025/>

Tax Brackets for 2026

Tax Year 2026 brackets and updates have been announced. The tax rates will be as follows:

- 37% single income over \$640,600 (\$768,700 for married filing jointly “MFJ”).
- 35% for single income over \$256,225 (\$512,450 for MFJ).
- 32% for single income over \$201,775 (\$403,550 for MFJ).
- 24% for single income over \$105,700 (\$211,400 for MFJ).
- 22% for single income over \$50,400 (\$100,800 for MFJ)
- 12% for single income over \$12,400 (\$24,800 for MFJ).
- 10% for single income \$12,400 or less (\$24,800 or less for MFJ).

Tip and Overtime Deductions

If you are an employee that receives tips, don’t forget about the tip and OT deductions that are starting with your 2025 tax return. Under the provisions of this update, “for tipped workers, the maximum annual deduction is \$25,000, which phases out for taxpayers with modified adjusted gross income (AGI) over \$150,000 (\$300,000 for joint filers). For those who receive qualified overtime, the maximum annual deduction is \$12,500 (\$25,000 for joint filers).

For greater details, check out this article on the Journal of Accountancy - <https://www.journalofaccountancy.com/news/2025/nov/irs-clarifies-how-employees-can-claim-2025-tip-and-overtime-deductions/>

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