

Goldman Sachs Ayco

2026 TAX LANDSCAPE & CONSIDERATIONS

Year-End Planning

Year-End Planning Considerations to Discuss With Your Advisor

Goldman Sachs Ayco's Wealth Advisory Services team prepared this guide to provide insights into planning for tax year 2026 and beyond. The tax landscape was relatively calm compared to the upheaval caused by the One Big Beautiful Bill Act (OBBBA) in 2025. However, taxpayers should note key changes that went into effect this year and those that will impact 2027 when planning for the upcoming tax season.

This guide can help inform planning conversations with your tax, estate, and wealth advisors. It includes information on key strategies—such as accelerating or deferring income or deductions; common credits, deductions, exclusions, and limits; and estate and gift planning considerations. Consult with your advisors prior to taking any action.

Contents

THE CURRENT TAX LANDSCAPE

5 Key Takeaways

Impact of the One Big Beautiful Bill Act

Continued Influence of the SECURE 2.0 Act

RELEVANT TAX PROVISIONS

8 Common Credits, Deductions, Exclusions, and Limits

9 Tax Rates & Healthcare Surtaxes

STRATEGIES TO CONSIDER FOR YEAR-END PLANNING

11 Timing Strategies

Deferring or Accelerating Income and Gains

Accelerating or Deferring Deductions and Losses

Tax Loss Harvesting

14 Income-Based Planning Strategies

Alternative Minimum Tax (AMT)

Net Investment Income Tax (NIIT)

15 Estate & Gift Planning

Estate, Gift, and Generation-Skipping Transfer (GST) Tax Exemptions

Annual Exclusion for Gifts

Charitable Contributions



CHANGES IN 2026

The Current Tax Landscape

The opportunity to make many tax-related decisions may expire at the end of the year, but the financial planning impact of those decisions can play out across current and future years. For many taxpayers, changes to the treatment of itemized deductions could be a major focus for this year. Your wealth advisor, legal team, and tax professionals can help you review your options and the potential broader financial implications.

Key Takeaways

For tax year 2026, these are our Wealth Advisory Services team's top considerations for clients and their wealth and tax advisors.

REVERBERATIONS OF ONE BIG BEAUTIFUL BILL ACT (OBBBA)

Itemizing may be a less attractive option in 2026.

Beginning in 2026, the maximum value of each dollar of itemized deductions is capped at 35% (down from 37% in 2025) and a new 0.5% adjusted gross income (AGI) floor applies to charitable donations—reducing the tax benefits of charitable giving in 2026.

For taxpayers taking the standard deduction, there is a new charitable deduction for non-itemizers of $1,000 (single filers) or $2,000 (joint filers) in 2026. Only cash gifts qualify for this above-the-line deduction.

Strategically timing different types of deductions is more critical than ever.

While it may no longer make sense for some taxpayers to defer itemized deductions given the new 35% cap, they could still benefit from deferring other non-itemized deductions (e.g., business expenses).

For individuals in the top tax brackets, bunching charitable donations via a donor advised fund (DAF) could help optimize tax efficiencies.

Taxpayers and their advisors will need to take the new restrictions on charitable giving (35% cap and 0.5% AGI floor) into consideration as they navigate these decisions.

Married taxpayers can jointly transfer up to $38,000 per recipient in 2026.

This can be done without triggering federal gift taxes or impacting either spouse's lifetime gift and estate tax exemption.[1]

Changes to the alternative minimum tax (AMT) will likely cause a gradual increase in the number of taxpayers subject to the AMT going forward.

For individuals who may be subject to the AMT, careful planning is needed around charitable and mortgage interest deductions, incentive stock options, and any income acceleration strategies.

The state and local tax (SALT) deduction was significantly increased.

The SALT cap is $40,400 for tax year 2026. Pre-OBBBA, the SALT deduction was capped at $10,000. The ability to benefit from the increased cap begins to phase out for taxpayers at a modified adjusted gross income (MAGI) above $505,000 and is fully phased out at a MAGI of $606,333 or more.

[1] In 2026, taxpayers may give up to $19,000 to an unlimited number of recipients without using their lifetime gift tax exemption or paying gift tax.

CONTINUED INFLUENCE OF THE SECURE 2.0 ACT

The SECURE 2.0 Act (enacted in December 2022) continues to influence US retirement and tax planning. Certain provisions which take effect in the 2026 tax year could have implications for your financial planning and tax liability. Connect with your financial advisor and tax professional to review how your personal situation could be impacted.

Year-End Planning Implications

You may be able to pay long-term care insurance premiums using qualified distributions from your retirement plan. If you are enrolled in a 401(a), 401(k), 403(a), 403(b), or governmental 457(b) plan, check with your benefits team to see if your employer offers this option. The annual limit is the lesser of 1) the premium you paid or were assessed, 2) 10% of your vested balance, or 3) $2,600 for 2026.[1]

Mandatory Roth catch-up contribution rules take effect in 2026. For taxpayers whose FICA wages exceed $150,000 in the prior year, catch-up contributions to 401(k), 403(b), and governmental 457(b) plans must be made on a Roth basis.[2] Roth contributions are made after tax, which can allow them to grow and be distributed tax free as long as certain qualifications are met. Read more >

Review required minimum distributions (RMDs) rules. There are strict guidelines around when an individual must begin taking RMDs.[3] Adhere to IRS guidance on calculating and timing RMDs. Late or partial withdrawals could result in penalties.[4]

Consider tax treatment of employer matching or non-elective contributions. Depending on your company's plan structure—including vesting of contributions—you may be able to designate all or a portion of employer or non-elective contributions as Roth contributions.

Roth IRA conversion strategies can help mitigate some future tax liabilities. While the conversion is permanent and will trigger income tax in the conversion year, a Roth IRA provides tax-free growth post-conversion and there are no RMDs during the account owner's lifetime.

529 plan funds can be transferred to a Roth IRA for the beneficiary's benefit. The account must be maintained for 15 years prior to conversion. The transfers count as contributions under the Roth IRA contribution limit,[5] however, income limits on Roth IRA contributions do not apply to the rollover. The lifetime limit on rollovers is $35,000. Other requirements apply. See IRS guidance for more details.

Retirement Plan Catch-up Contribution Limits

Age	401(k), 403(b), 457 plans	SIMPLE plans
50+	$8,000	$4,000
60 – 63[1]	$11,250	$5,250

[1] Adjusted for inflation.

[2] This applies to employees whose FICA wages (from the plan sponsor) in the prior year exceed $150,000 (indexed), on catch-up contributions made to 401(k), 403(b), and governmental 457(b) plans. 26 U.S.C. § 414(v)(7); Notice 2023-62

[3] See our Required Minimum Distributions Insights

[4] Per the IRS: SECURE 2.0 Act drops the 50% excise tax rate to 25%; possibly 10% if the RMD is timely corrected. For more information on potential penalties, see our Insights

[5] The rollover is subject to the requirement that the Roth IRA owner have includible compensation at least equal to the amount of the rollover.



KEY CONSIDERATIONS

Relevant Tax Provisions

Depending on your personal situation, there are a number of credits, deductions, limits, and other considerations you may want to take advantage of. Your wealth and tax advisors can help you review how to incorporate these provisions into your financial plan, including any actions you may want to take prior to year end.

Common Credits, Deductions, Exclusions, and Limits

Credits	Child Tax Credit (CTC) Limit[1]	**$2,200** per child
	Child & Dependent Care Credit (CDCC) Limit[2]	≤ **$3,000** per qualifying individual
		≤ **$6,000** for 2+ qualifying individuals
Deductions	2026 Standard Deduction[3]	**$16,100** for single / **$32,200** for married filing jointly
	Enhanced Deduction for Seniors Age 65 or Older[4]	**$6,000** Single: MAGI must be < $75,000 Married filing jointly: MAGI must be < $150,000
	Cap on tax benefit of Itemized Deductions[5]	**35%** (beginning in tax year 2026)
	State and Local Tax (SALT)[6]	**$40,400**
	SALT Phase-Out (based on MAGI)[6]	**$505,000 – $606,333**
	Charitable Deduction Limits: Cash Gifts[7]	**60%:** Public Charities / DAF / Supporting Organizations **30%:** Private Foundations
	Charitable Deduction Limits: Long-Term Appreciated Publicly Traded Securities	**30%:** Public Charities / DAF / Supporting Organizations **20%:** Private Foundations
Gifts[8,9]	2026 Exclusion for Gifts	**$19,000** per individual / **$38,000** for spouses combined
	Gifts to a Non-Citizen Spouse	**$194,000**
	Estate, Gift, and Generation-Skipping Transfer Tax Exemption	**$15,000,000** lifetime taxpayer limit **$30,000,000** for spouses combined
Retirement Contribution Limits	401(k)[10]	**$24,500**
	IRA[10,11]	**$7,500**
	IRA (if age 50+)[10,11]	**$8,600**
Capital Gains/Losses	Limit on Capital Losses That Can Offset Other Income[12]	**$3,000** per year

[1] Source: IRC 24(h)

[2] Source: IRS Publication 503

[3] Source: IRC 63(c)(7)

[4] Source: IRC § 151(d)(5)(C)(i)

[5] Source: IRC § 68

[6] Source: IRC § 164(b)(7)

[7] It appears that taxpayers donating a combination of cash and appreciated assets can take advantage of the 60% cash gift AGI limitation, but because of some ambiguity in the law, taxpayers should discuss other potential interpretations with their tax preparers.

[8] Source: IRC § 170(b)(1)

[9] Rev. Proc. 2024-40

[10] Source: IRS Notice 2024-80

[11] Source: IRC §2010(c)(3). The contribution limit is aggregate of all traditional and Roth IRAs.

[12] Source: IRC §1211(b). Any losses above this are carried forward to future tax years.

Tax Rates & Healthcare Surtaxes

Your effective tax rate for 2026 may have an impact on investment decisions prior to year end. Work with your tax professional to review your options.

Tax Rates	Individuals		
	Single	**Married Filing Jointly**	**Trusts & Estates**
Regular Income Tax Rates	10%, 12%, 22%, 24%, 32%, 35%, 37% (for individuals, estates, and trusts)		
Start of Bracket at Highest Tax Rate (37%)[1]	$640,600	$768,700	$16,000
Start of Bracket at Long-Term Capital Gains and Qualified Dividends Tax Rate (20%)	$545,500	$613,700	$16,250

Alternative Minimum Tax (AMT)[2]	**Single**	**Married Filing Jointly**
AMT Tax Rate	26% of AMT base up to $244,500 28% of AMT base over $244,500	
AMT Exemption Amount	$90,100	$140,200
Exemption Phase-Out	$680,200	$1,280,400

Additional Rates

3.8% Healthcare Surtax on Net Investment Income (NII)[3]

0.9% Medicare Surtax[4]

40.8% Combined Highest Federal Tax Rate

23.8% Combined Highest Federal Tax Rate (LTCG & QDI)

529 Accounts

Expanded definition of "qualified higher education expenses" now includes:

- Costs of certificates, licenses, and other specialized, non-degree training to improve job skills
- Certain expenses related to homeschooling, elementary school or secondary public, private, or religious school

$35,000

Cap on IRA rollovers from 529 accounts
Lifetime limit

$20,000

Cap on K-12 annual tuition

[1] The "Start of Bracket" threshold amounts refer to the Taxable Income (TI) where the rate starts to apply.

[2] Source for AMT 2026: IRS

[3] The Health Care Surtax illustrated above is assessed on Net Investment Income ("NII"), and when MAGI is in excess of $250,000 (MFJ), $200,000 (S), $16,000 Trusts.

[4] The Medicare Surtax illustrated above includes the 1.45% employer, 1.45% employee, and 0.9% individual surtax, assessed on earned income, with the surtax component applying on Medicare wages in excess of $250,000 (MFJ), $200,000 (S).



PERSONAL TAXES

Strategies for Year-End Tax Planning

As the end of the year approaches, the window of opportunity for making tax-efficiency adjustments to your wealth plan is closing. In this section, we highlight strategies our advisors commonly see implemented at this time.

Keep in mind, actions you take now could impact your tax liability in the future. Your tax and wealth advisors can help you review the specifics of applying these strategies to your situation.

Timing Strategies

The optimal strategy for realizing income, gains, deductions, or losses depends on a taxpayer's individual circumstances. Consult with your tax advisor before implementing any tax planning strategies.

Deferring or Accelerating Income and Gains

Generally, taxpayers tend to defer income and gains to reduce their taxable income in the current year. Careful consideration is needed before taking action to defer or accelerate income and/or gains, as the implications are complex and could have significant financial impact.

Common Strategies to Defer Income and Gains

- Defer compensation[1]
- Make investments that will not generate income until next year (e.g., Treasury Bills)
- Defer the exercise of non-qualified stock options
- Defer the recognition of capital gains
- Delay the timing of the cancellation of debt[2]
- Delay the billing of taxpayers or customers[2]

When Might It Make Sense to Accelerate Income and Gains?

There are some cases where realizing income and gains in the current tax year could be beneficial. Taxpayers may consider accelerating if they:

- Will become eligible to take an AGI-related tax credit (e.g., adoption or education) in 2027 by accelerating income into 2026
- Have a charitable contribution carryover that will expire in 2026
- Will be moving from a low (or no) tax state to a higher tax state in 2027

Common Strategies to Accelerate Income and Gains

- Exercise non-qualified stock options
- Make an 83(b) election upon receipt of restricted property from an employer
- Bill customers and taxpayers early enough to receive payment prior to year end[2]
- Accelerate the timing of discharge of indebtedness income[2]
- Take first RMD in 2026 rather than delaying it (if applicable)
- Convert part or all of a traditional IRA to a Roth IRA
- Sell appreciated investments in 2026[3]
- Elect out of installment sale treatment
- Avoid like-kind exchange treatment on an otherwise-qualifying exchange

[1] Subject to the deferral election limitations of §409A. It will generally not be possible to elect to defer 2026 income at this point, however very short-term deferrals may still be available.

[2] To the extent possible

[3] Note that no wash sale rule applies for investments sold at a gain, so taxpayers may repurchase investments immediately after the sale if they choose.

Accelerating or Deferring Deductions and Losses

Generally, most taxpayers benefit from taking deductions and losses in the earliest possible tax year. While historically there has been a benefit to deferring deductions if you expect to be in a higher marginal tax bracket in the next tax year, the OBBBA's provisions make it critical to take a close look at itemized versus non-itemized deductions.

Your tax professional can help you review your options in light of the new legislation.

Itemized Deductions

Given the relatively high standard deduction, itemizing may not be beneficial to most taxpayers. If potential itemized deductions exceed the standard deduction, accelerating itemized deductions may make sense. Some strategies include:

- Bunch charitable deductions by funding a donor advised fund (DAF).
- In some cases, casualty losses can be timed for tax planning purposes, but there are a number of restrictions.

Keep in mind, the 35% cap/5.4% phase out on itemized deductions will have a significant impact on strategies involving the timing of itemized deductions. Consult your tax and wealth advisors about timing strategies around itemized deductions.

Above-the-Line Deductions

Most taxpayers benefit from accelerating above-the-line deductions, which can push forward the realization of the tax benefit. Depending on the type of deduction, some taxpayers who project they will be in a higher tax bracket next year may benefit from deferring certain deductions.

For business-related deductions, there are additional considerations that could impact your timing strategies.

Accelerating Business-Related Deductions

- In 2026, pay and deduct business or rental-related property taxes assessed in 2026 but not due until 2027.
- If partnership or S corporation losses will be suspended due to lack of basis, consider creating more basis in 2026 so the losses can be taken this year.
- Sell off an investment or business that has accumulated suspended passive losses and use those losses to offset passive, active, and investment income.
- Place business property in service in 2026 to accelerate bonus depreciation or §179 expensing deductions.[1]
- Accelerate the payment of business-related expenses.[2]

Deferring Business-Related Deductions

- Delay the final sale of an activity that has accumulated passive losses.[3]
- Delay the acquisition of new business assets until 2027 so any bonus depreciation or §179 expensing can offset 2027 income.
- If partnership or S corporation losses will be suspended due to lack of basis, delay creating more basis until 2027.

[1] The OBBBA reinstated 100% bonus depreciation for 2025 and made it permanent going forward.

[2] Prior to accelerating any business deductions, taxpayers should determine whether those deductions would create or increase an "excess business loss" that will simply be suspended and carried forward to 2026.

[3] These freed-up passive losses directly offset income—they are not taken as an itemized deduction.

CASE STUDY

Timing Charitable Donations to Align with Lower-AGI Years

A taxpayer plans to donate $100,000 to their alma mater either this year or next. They have not yet made any donations in 2026.

They expect to have an AGI of $3 million in 2026 and $1 million in 2027.

Considerations:

- Because the taxpayer would likely be in one of the top tax brackets both years, the 35% cap on itemized deductions would apply whether they take the deduction in 2026 or defer to 2027.
- The 0.5% AGI floor would also be applied to this donation. In 2026, with an AGI of $3 million, the $100,000 donation would be reduced to an $85,000 deduction. In 2027, with an AGI of $1 million, the $100,000 donation would be reduced to a $95,000 deduction.

The 0.5% floor applied to the lower AGI allows the taxpayer to realize a greater deduction on the same donation.

Keep in mind: In lower-AGI years, a lower AGI ceiling would also apply. If the taxpayer was planning to make their gift via a donor advised fund:

- Cash contributions would be capped at 60%[1] of AGI ($1.8 million in 2026 or $600,000 in 2027)
- Long-term appreciated stock contributions would be capped at 30% of AGI ($900,000 in 2026 or $300,000 in 2027)

Tax Loss Harvesting

This strategy involves selling off investments that are currently at a loss and using that loss to offset capital gains from other sources in the current tax year. Consult with your tax and wealth advisors to evaluate your capital gains and any unrealized losses in 2026, as well as to determine if the recognition of any losses may be deferred due to wash sales.

$3,000

limit on capital losses that can offset other income (per year[2])

[1] The 60% cash gift AGI limitation applies to taxpayers who only make cash gifts during the tax year. If the taxpayer makes both cash and non-cash gifts during the tax year, the cash gift limitation is 50% of AGI.

[2] Any excess losses are carried forward to future tax years.

Income-Based Planning Strategies

Alternative Minimum Tax (AMT) Planning

Changes to the AMT under OBBBA will likely cause a gradual increase in taxpayers subject to the AMT going forward. Careful planning is needed for those impacted.

Deductions

While charitable and mortgage interest deductions are deductible for taxpayers in AMT, consider whether accelerating these deductions to the current year makes the most impact on long-term tax planning. The marginal benefit of using these deductions would be at the lower AMT rates (26% and 28%). Alternatively, if you expect to avoid the AMT next year, deferring these deductions—so they can be used to offset income taxed at higher regular income tax rates—may be beneficial.

Incentive Stock Options (ISO)

If a taxpayer exercised an ISO earlier in the year, and the price of the stock has since fallen, it may be beneficial to sell the shares before year end to intentionally disqualify them. This will limit the AMT income to the difference between the exercise price and the proceeds received from the sale. If no disqualifying disposition occurs in the year of exercise, the taxpayer will owe AMT based on the spread at the time of exercise, even if the stock becomes substantially worthless.

Income Acceleration

It may make sense to accelerate income in years when you are subject to the AMT if you will be in a higher regular tax rate next year.

However, accelerating income could impact eligibility for certain AMT credits and/or have Net Investment Income Tax (NIIT) implications.

Your tax and wealth advisors can review your options and the impact these strategies could have in the long term.

Net Investment Income Tax (NIIT) Planning

A 3.8% surtax is assessed on the Net Investment Income (NII) of high-income individuals. Since 2013 when this tax was enacted, it has applied to federally taxable interest, dividends, annuities, royalties, rents, passive business income, and net realized capital gains.

Considerations:

- **Retirement accounts.** Qualified plan and IRA distributions are not treated as investment income (so not directly subject to the NII surtax), but taxable retirement plan distributions will be included in modified adjusted gross income (MAGI) and may therefore increase the portion of investment income subject to tax. Consider this as you develop your strategy for retirement contributions (e.g., pre-tax vs. Roth; 401(k) vs. IRA)
- **Home sale.** Gain from the sale of a residence is included in NII.[1]
- **Trusts and estate planning.** Some taxpayers elect to shift income from trusts and estate planning vehicles (e.g., a family limited partnership) to individuals who are not subject to NIIT.
- **Rental income.** Rental income is generally per se passive, meaning virtually all rental income will be subject to NIIT. Your tax and wealth advisors can help you review potential strategies to mitigate your tax liability.

[1] Unless the residence is excluded under Section 121.

Estate & Gift Planning

Estate, Gift, and Generation-Skipping Transfer (GST) Tax Exemptions

The OBBBA increased estate, gift, and GST lifetime tax exemptions to $15 million per taxpayer in 2026 (up from $13.99 million per taxpayer in 2025). This relieves the urgency to use the lifetime gift or GST exemption prior to year end.

Annual Exclusion for Gifts

Considerations:

- The annual exclusion is frequently used for gifts to family members or to certain trusts for their benefit.
- Gifts must be completed by December 31.

Consider making annual exclusion gifts early in the year so that the recipient benefits from a full year of income and appreciation.

READ MORE ABOUT ANNUAL EXCLUSION PLANNING AND COMMON GIFTING VEHICLES

2026 Exclusion for Gifts

$19,000
for individuals

$38,000
for spouses combined

Gift Splitting

Gift splitting is a technique that allows a married couple to split the value of a gift made by one spouse equally between the two for gift tax reporting purposes. This may allow a larger total tax-free gift by combining the exclusion amounts of both spouses.

In some cases, gift splitting may not be appropriate, due to other planning techniques you may be using. In addition to these gift tax considerations, care must be taken for estate tax purposes to ensure that the actual funds used to make a gift to a trust come from the proper person. Consult your tax professional for more information about this technique, which will require the filing of a gift tax return.

Charitable Contributions

Impact of the OBBBA

OBBBA provisions that limit the benefit of charitable giving are now in effect.

- **Lower cap (35%) on the benefit of charitable deductions.** This makes the maximum value of each dollar of an itemized deduction $0.35 for taxpayers in the highest tax bracket (previously $0.37).
- **New 0.5% of AGI floor on charitable contributions made by individual taxpayers who itemize deductions.** Only charitable contributions that exceed 0.5% of the taxpayer's AGI are deductible.

AGI-Based Charitable Deduction Limits

The amount of charitable contributions you can take as an income tax deduction may be limited to a percentage of your AGI. The limitations vary depending on the assets you gift and the charity to which you donate.

This chart summarizes some of the AGI limitations associated with different scenarios.

	Public Charities	DAFs / Supporting Organizations	Private Foundations
Cash Gifts[1]	60%	60%	30%
Long-Term Appreciated Publicly Traded Securities	30%	30%	20%

[1] The 60% cash gift AGI limitation may apply solely to taxpayers who only make cash gifts during the tax year. The law in this area is unclear. Until guidance is issued, it would be more conservative to assume that if the taxpayer makes both cash and non-cash gifts during the tax year, the cash gift limitation is 50% of AGI.

Timing the Gift

In order to be eligible for a tax deduction in 2026, charitable donations must be made by December 31, 2026.

If you plan to make a gift by check close to year end and would like to take the tax deduction in 2026, mail the check on or before December 31, 2026, and retain records showing the date on which the check was mailed.[1]

The timing rules for donating securities differ from the check rules and may also require coordination with your brokerage and the charity's brokerage. Taxpayers should give themselves sufficient time to ensure any desired 2026 charitable donations of securities meet the timing rules.

Additional Resources

For more information specifically on bunching strategies, DAFs, and other charitable giving considerations, our Wealth Advisory Services team created Techniques to Maximize the Tax Benefit of Charitable Donations.



Bunching

If you have the ability to control the timing of charitable donations, bunching can help maximize your tax benefit by concentrating contributions from two or more years into a single year. By accelerating a year's worth of charitable giving from a future year to this one, and giving double this year, the total gifted stays the same, but the tax benefit over multiple years could be increased.

Bunching can be beneficial when you are in a higher tax bracket and are looking to offset income, but keep in mind that the higher your AGI, the larger the reduction in your deduction due to the 0.5% of AGI floor for itemized charitable deductions. Historically, the strategy was also used to avoid making charitable gifts in years taxpayers did not itemize. However, starting this year, taxpayers who take the standard deduction may also deduct up to $1,000 (single filers) or $2,000 in charitable gifts. The 0.5% of AGI floor does not apply to the charitable deduction for non-itemizers.

Donor advised funds (DAFs) and private foundations can be used as part of a bunching strategy.



Charitable Vehicles

You are entitled to a charitable deduction in the year you make a gift to a private foundation or DAF, even if you do not make a grant from the private foundation or recommend distributions to public charities from the vehicle until later years.

You should consult with your advisors to determine which charitable vehicles are most appropriate for your situation.

[1] The rules for checks can work differently for non-charitable beneficiaries.

Donating Appreciated Property

Long-Term Securities

When long-term appreciated securities are donated to a charity:

- The embedded capital gain on the securities will generally not be taxed
- You generally receive an income tax deduction based on the fair market value (FMV) of the contributed securities (subject to a 30% of AGI limit for public charities/DAFs and a 20% of AGI limit for private foundations)
- When the charity sells the property, it will not pay long-term capital gains tax

Short-Term Securities

When you donate appreciated property that you have owned for less than a year:

- You avoid the gain on the appreciated short-term stock if you contribute it rather than sell it
- Your allowable charitable deduction will generally be limited to what you paid for the property, even if the value of the property has appreciated

Substantiation

The IRS places significant emphasis on having the necessary documentation to substantiate charitable deductions.

- Any donation of cash or property valued $250 or more requires a letter of acknowledgement from the receiving charity.
- Donations to a DAF should include language that states the sponsoring charity has exclusive legal control over the donations.
- Larger deductions—especially for property—may require additional substantiation, such as an appraisal.
- There is also a deadline for such substantiation. Check with your tax advisor before December 31, 2026.

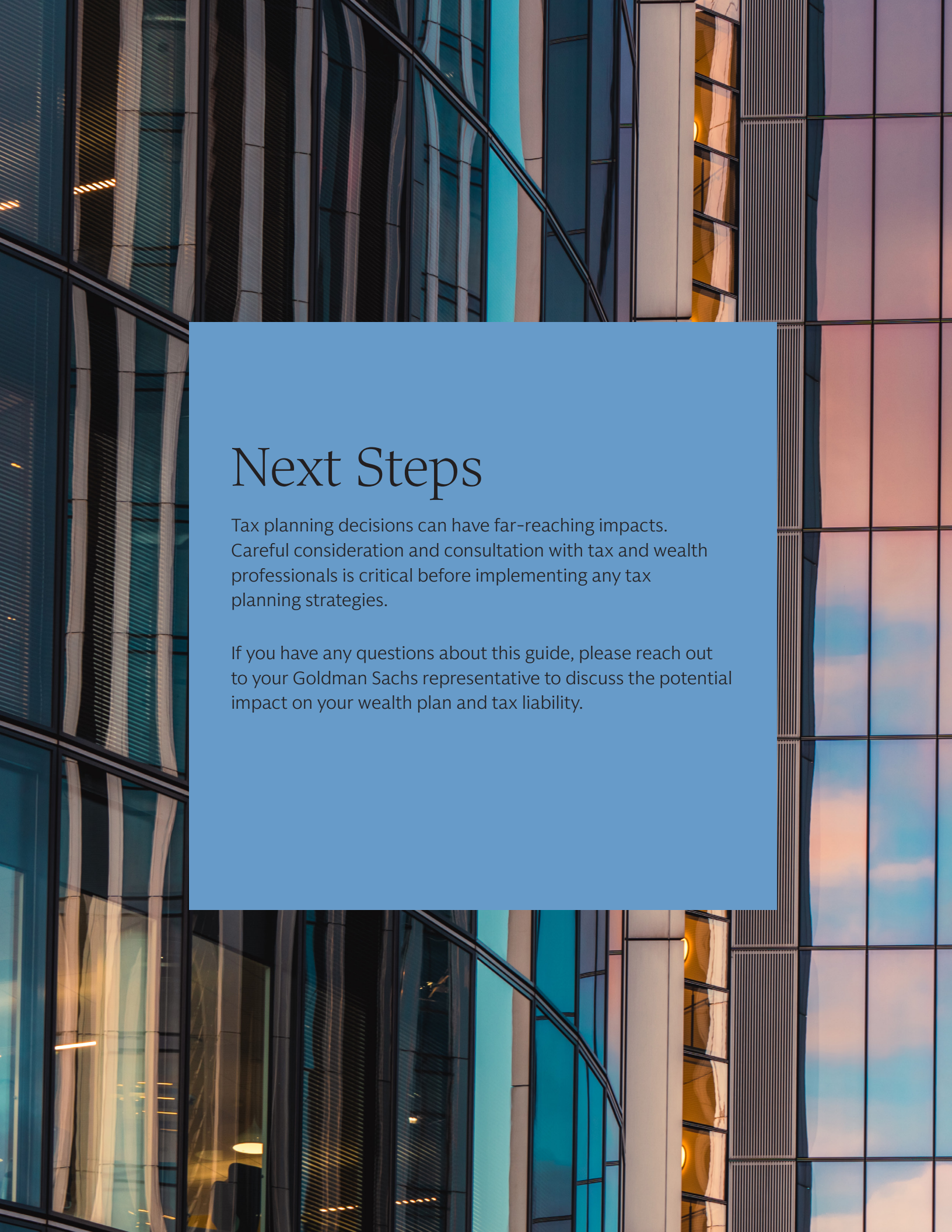
Common Pitfalls

Some charitable contributions may create unintended consequences for a donor. Depending on the circumstances and the asset donated, the charitable deduction may be disallowed or the donor may be forced to recognize income.

Unfortunately, many issues are not fully explored until it may be too late. Some common pitfalls encountered in charitable giving are:

- Failure to obtain a necessary appraisal of gifted assets
- Failure to obtain a contemporaneous written acknowledgement of the gift
- Failure to specifically identify low basis, long-term shares held with the broker as the ones donated
- Failure to properly report non-cash contributions on an income tax return
- Donations of property that may not receive a full FMV deduction, such as certain partnership interests, including interests in certain MLPs and Passive Foreign Investment Company (PFIC) stock
- Donations that run afoul of the assignment of income doctrine

To avoid these and other pitfalls, consult with your tax advisors about any charitable gift before you make the donation.



Next Steps

Tax planning decisions can have far-reaching impacts. Careful consideration and consultation with tax and wealth professionals is critical before implementing any tax planning strategies.

If you have any questions about this guide, please reach out to your Goldman Sachs representative to discuss the potential impact on your wealth plan and tax liability.

Disclosures

Advisory services offered by Goldman Sachs Wealth Services, L.P. ("Goldman Sachs Wealth Services"), a registered investment adviser, affiliate of Goldman Sachs & Co. LLC ("GS&Co."), and a subsidiary of The Goldman Sachs Group, Inc., a worldwide, full-service investment banking, broker-dealer, asset management, and financial services organization. Goldman Sachs Ayco is a brand of Goldman Sachs Wealth Services, L.P. Brokerage services are offered through GS&Co. and Mercer Allied Company, L.P. (a limited purpose broker-dealer), both affiliates of Goldman Sachs Wealth Services and members FINRA/SIPC. For more information about Goldman Sachs Wealth Services offerings, visit our Full Disclosures.

No part of this material may be i) copied, photocopied or duplicated in any form, by any means, or ii) redistributed without Goldman Sachs Wealth Services' prior consent. This does not constitute an offer or solicitation with respect to the purchase or sale of any security in any jurisdiction in which such an offer or solicitation is not authorized or to any person to whom it would be unlawful to make such offer or solicitation.

Neither GS&Co. nor Goldman Sachs Wealth Services provide legal advice to their clients. All clients should consult with their own legal advisor regarding any potential strategy, investment, financial plan, estate plan or with respect to their interest in any employee benefit or retirement plan.

Goldman Sachs Wealth Services may provide tax advice, bill pay and bookkeeping services to their clients in accordance with client agreements. Tax advice may be provided as part of Goldman Sachs Wealth Services comprehensive financial planning services, which are not related to the preparation or presentation of financial statements. Goldman Sachs Wealth Services does not provide accounting advice to their clients. Goldman Sachs & Co. LLC does not provide accounting or tax advice to clients, unless explicitly agreed between the client and Goldman Sachs & Co. LLC. All clients should be aware that tax treatment is subject to change by law, in the future or retroactively, and clients should consult with their tax advisors regarding any potential strategy, investment or transaction. Certain tax matters may require you to consult with your tax counsel. You should consult with your tax preparer regarding implementation of tax advice.

Under certain Goldman Sachs Wealth Services financial counseling programs, Goldman Sachs Wealth Services may recommend securities or investment products, including those offered by its affiliates. This could lead to conflicts of interest in which you should be aware. More information regarding Goldman Sachs Wealth Services business practices and conflicts is set forth in Goldman Sachs Wealth Services Form ADV brochure, which is available online and upon request. This material is for informational and educational purposes only and is provided solely on the basis that it will not constitute investment or other advice or a recommendation relating to any person's or plan's investment or other decisions, and Goldman Sachs Wealth Services is not a fiduciary or Wealth Advisor with respect to any person or plan by reason of providing the material or content herein, including under the Employee Retirement Income Security Act of 1974, the Internal Revenue Code, or Department of Labor Regulations. Unless the Adviser otherwise agrees in writing to act as a fiduciary to your retirement account, you understand that: i) all investment decisions concerning your retirement accounts are made by you, without any advice or recommendations from Goldman Sachs Wealth Services, and ii) any target allocation shown for your retirement account represents decisions you have communicated to Goldman Sachs Wealth Services regarding such asset allocation, without any advice or recommendation from Goldman Sachs Wealth Services, after considering your financial circumstances, objectives, risk tolerance, and goals.

This presentation was commissioned and approved by Goldman Sachs Wealth Services but may not reflect the institutional opinions of The Goldman Sachs Group, Inc., Goldman Sachs Bank USA or any of their affiliates, subsidiaries or divisions. Goldman Sachs Wealth Services has no obligation to provide any updates or changes to this data. Information is subject to change without notice.

Certain information contained herein is based upon materials provided by third parties. We do not represent that such information is accurate and complete and it should not be relied upon as such. Information related to amounts and rates set forth under U.S. tax laws are drawn from current public sources, including the Internal Revenue Code of 1986, as amended, as well as regulations and other public pronouncements of the U.S. Treasury Department and Internal Revenue Service. Tax results may differ depending on a client's individual positions, elections or other circumstances. Such information may be subject to change without notice. In some cases, rates may be estimated and may vary based on your particular circumstances.

Any discussions of pending legislation, or hypothetical projections based on same, are educational and should not be construed as or relied upon as investment, tax or legal advice. Where materials and/or analyses are provided to you, they are based on the assumptions stated therein. In the event any of the assumptions used do not prove to be true, results are likely to vary substantially from the examples shown herein. Illustrations or projections are based on certain assumptions that we believe are reasonable. If any of these assumptions do not prove to be true, results are likely to vary substantially from the examples shown herein. These examples are for illustrative purposes only, do not purport to show actual results, and no representation is being made that any client will or is likely to achieve the results shown.

Prepared by Wealth Advisory Solutions of Goldman Sachs Wealth Services.

©2026 Goldman Sachs Wealth Services, L.P. All Rights Reserved.

2026.10 | AYCO-20 | SEAL: 626555