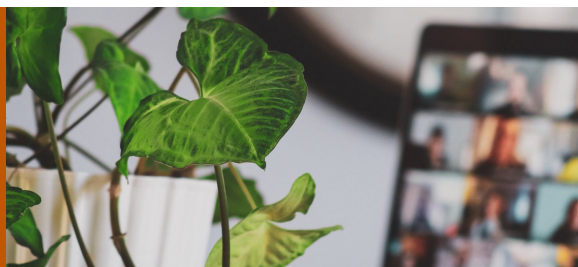


Alert: Trump Accounts – Contributions Not Treated as Gifts

JUNE 30, 2026 | BY: THE LEADERSHIP TEAM



The IRS recently issued Revenue Procedure 2026-25, providing welcome clarification on the gift tax treatment of contributions to Trump Accounts. This guidance may simplify planning for grandparents, parents, and others who wish to contribute to these accounts on behalf of children.

What Changed?

Before this new guidance was released on June 29, 2026, contributions to Trump Accounts were generally expected to be treated as taxable gifts that could require the filing of a federal gift tax return.

The IRS has now established a safe harbor rule that allows many contributions to qualify for the annual gift tax exclusion, meaning that no gift tax return may be required in certain situations.

When Does the Safe Harbor Apply?

In general, contributions to a Trump Account will qualify for the annual exclusion if:

- The contributor is an individual.
- The only taxable gifts made by the taxpayer during the calendar year are cash contributions (in the form of cash, check, money order, or electronic funds transfer) to one or more Trump accounts, each made before the calendar year in which the account beneficiary attains age 18;
- Total gifts to the beneficiary (including the Trump account contribution + any other gifts) do not exceed the annual exclusion amount (\$19,000 per donor for 2026).
- The contribution does not otherwise create a gift or generation-skipping transfer (GST) tax liability.
- No gift tax return is otherwise required.

For many families making modest annual contributions, this guidance provides a more straightforward path and will reduce administrative filing requirements.

An Important Trap to Avoid

The new rules contain an important limitation that could catch some taxpayers by surprise.

If a donor's total gifts to a beneficiary—including Trump Account contributions—exceed the annual exclusion amount during the year (\$19,000 for 2026) then a gift tax return will generally be required and any Trump Account contributions will lose the benefit of the safe harbor. While this is unlikely to result in any gift tax liability, it would have the effect of forcing the use of some of the taxpayer's lifetime exemption amount.

As a result, larger gifting programs should be carefully reviewed before contributions are made.

Special Consideration for Married Couples

The guidance does not specifically address gift-splitting between spouses.

Under current gift tax rules, spouses who elect to split gifts generally must file gift tax returns. Because the safe harbor appears

to require that no gift tax return be filed, there is some uncertainty regarding whether gift-split Trump Account contributions qualify for the new relief.

Until further guidance is issued, married couples may wish to exercise caution and consult with their tax advisor before relying on gift-splitting. In some situations, making contributions directly from a joint account may help avoid potential complications.

Our Recommendation

If you are considering contributions to a Trump Account for children or grandchildren, we recommend reviewing your overall gifting strategy before making contributions—particularly if:

- Annual gifts may exceed \$19,000 per beneficiary,
- You are making gifts to multiple beneficiaries,
- You plan to use gift-splitting with a spouse, or
- You have broader estate and wealth-transfer planning objectives.

In our recent alert, [Trump Accounts: Key Facts and Planning Considerations](#), we introduced the basics of these new accounts and how they may fit into long-term planning strategies.

Our team is closely monitoring additional IRS guidance and can help determine how these rules apply to your family's situation.

If you would like to discuss Trump Account contributions or your annual gifting strategy, please contact our office. We would be happy to help you evaluate the most tax-efficient approach.

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