

TaxNewsFlash

United States

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Notice 2025-68: Intent to issue proposed regulations regarding “Trump accounts”

The IRS today released [Notice 2025-68](#), announcing that the Treasury Department and IRS intend to issue proposed regulations under section 70204 of Pub. L. No. 119-21 (known as the “One Big Beautiful Bill Act” (OBBBA)), which added section 530A and related sections to the Code regarding “Trump accounts,” effective for tax years beginning after December 31, 2025.

Description of Trump accounts

A Trump account is a type of traditional individual retirement account (IRA) established for the exclusive benefit of an eligible individual who is under age 18 at the end of the calendar year. The account must be designated as a Trump account, and there must be a written instrument meeting certain requirements, including that no contributions will be accepted before July 4, 2026 (12 months after enactment).

The special rules that apply only during the growth period (i.e., the period between establishment of the account and the calendar year in which the account beneficiary turns 18) include: (1) funds in a Trump account can be invested only in eligible investments, (2) a Trump account has a separate contribution limit from other individual retirement arrangements—the maximum contribution starting in 2026 will be \$5,000, with the limit being indexed starting in 2028, (3) a Trump account is generally not allowed to make distributions, (4) no deduction by an individual is allowed under section 219 for any contribution to a Trump account, and (5) trustees of Trump accounts have similar but different reporting requirements from trustees of other IRAs. After the growth period, most of these special rules cease to apply, and the rules under section 408 governing traditional IRAs generally apply.

A new section 128 allows employer contributions to a Trump Account of an employee or the employee’s dependents. The contribution is not included in the employee’s gross income if made pursuant to a program meeting certain requirements. The contribution with respect to any employee is limited to \$2,500, with the limit being indexed starting in 2028. Employers are required to have a separate written plan, and the program must be for the exclusive benefit of the employees and meet requirements similar to those in section 129 for dependent care assistance programs, including nondiscrimination, eligibility, notification, statement of expenses, and benefits testing. A new section 6434 also provides for a pilot program under which U.S. citizens born in 2025 through 2028 are eligible for a \$1,000 contribution to a Trump account.

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Section III of Notice 2025-68 provides a series of questions and answers addressing issues relating to (1) establishment of Trump accounts, (2) section 6434 pilot program, (3) contributions to Trump accounts, (4) eligible investments for Trump accounts, (5) distributions by Trump accounts, (6) reporting requirements, (7) coordination with IRA rules, (8) qualified general contributions within the meaning of section 530A(f)(1), and (9) section 128 employer contributions. The notice states that Treasury and the IRS expect that the forthcoming proposed regulations will be consistent with the guidance set forth in section III of the notice.

The notice also requests comments by February 20, 2026, on the intended regulations regarding Trump accounts and related sections of the Code, including the issues addressed in section III of the notice. The notice states that proposed regulations regarding the election to open an initial Trump account and the election for the pilot program contribution under section 6434 may be issued prior to the end of the comment period for this notice. Thus, to the extent comments in response to this notice regarding these two subjects are not received in time to consider in drafting those proposed regulations, they will be considered in drafting the final regulations.

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