



TaxNewsFlash

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Rev. Proc. 2026-25: Transfer tax safe harbor for certain contributions to Trump accounts

The IRS today released [Rev. Proc. 2026-25](#), which establishes a transfer tax safe harbor treating qualified individual contributions to Trump accounts as completed gifts of present interests eligible for the annual gift tax exclusion.

Trump accounts, established under section 530A by the One, Big, Beautiful Bill Act, serve as a type of traditional individual retirement account (IRA) for eligible individuals under age 18. Because distributions are generally restricted during the growth period before the beneficiary turns 18, concerns arose regarding whether contributions would be characterized as gifts of future interests. Under general tax principles, gifts of future interests are not eligible for the annual per-donee gift tax exclusion and require the filing of a gift tax return, which would significantly increase compliance burdens for taxpayers and administrative burdens for the IRS.

To address these concerns, the safe harbor treats qualified contributions as completed gifts that are not future interests in property, thereby applying the annual per-donee gift tax exclusion—which is \$19,000 for 2026—and eliminating the requirement to file a gift tax return. To qualify for this treatment in any given tax year, the taxpayer must be an individual whose only taxable gifts are cash contributions made to one or more Trump accounts before the beneficiary reaches age 18. Additionally, the taxpayer's total gifts to any single beneficiary during the tax year must not exceed the annual exclusion amount, the contributions must not generate gift or generation-skipping transfer (GST) tax liability, and the taxpayer must not otherwise be required to file a gift tax return for that tax year.

Read a related IRS release—[IR-2026-80](#).

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