



TaxNewsFlash

United States

No. 2026-191
August 20, 2026

Proposed regulations: Eligible investments for Trump accounts

The U.S. Treasury Department and IRS released [proposed regulations](#) (CC-00349938-26) providing guidance on eligible investments for “Trump accounts,” which were established under new section 530A by Pub. L. No. 119-21 (known as the “One Big Beautiful Bill Act” (OBBBA)). These proposed regulations do not address philanthropic contributions of public stock. Comments are requested on the contribution of public stock and regulations on the topic are expected.

Description of Trump accounts

A Trump account is a type of traditional individual retirement account (IRA) for the exclusive benefit of an eligible individual or such eligible individual's beneficiaries. An eligible individual is any individual (1) who has not attained age 18 before the close of the calendar year in which an election to open an initial Trump account is made, (2) for whom a social security number has been issued before the date on which the election is made, and (3) for whom the election is made. After an initial Trump account has been established, a subsequent Trump account (“rollover Trump account”) may be established for the account beneficiary during the period that begins when such initial Trump account is established and that ends on December 31 of the calendar year in which the account beneficiary of the initial Trump account attains age 17 (the “growth period”). The rollover Trump account must be funded by a qualified rollover contribution, which is a trustee-to-trustee transfer of the entire account balance from the account beneficiary's existing Trump account.

Although generally subject to the same rules as traditional IRAs, a Trump account is subject to certain special rules. Specifically, during the growth period (1) funds in a Trump account can be invested only in “eligible investments,” (2) a separate contribution limit from other IRAs applies—the maximum contribution to a Trump account starting in 2026 will be \$5,000, indexed starting in 2028, (3) a Trump account generally may not make distributions during the growth period, (4) no deduction by an individual is allowed under section 219 for any contribution to a Trump account, and (5) Trump account trustees have similar but different reporting requirements from trustees of other IRAs. After the growth period, most of these special rules no longer apply and the rules under section 408 governing traditional IRAs will apply.

Section 530A(b)(3)(A) provides that the term eligible investment means any mutual fund or exchange traded fund that tracks the returns of a “qualified index,” does not use leverage, does not have annual fees and expenses of more than 0.1% of the balance of the investment in the fund, and meets such other criteria as the Treasury Secretary determines appropriate for purposes of section 530A. Section 530A(b)(3)(B) provides that

the term qualified index means the Standard and Poor's 500 stock market index, or any other index that is comprised of equity investments in primarily U.S. companies, and for which regulated futures contracts (as defined in section 1256(g)(1)) are traded on a qualified board or exchange (as defined in section 1256(g)(7)). Section 530A(b)(3)(B) provides that such term shall not include any industry or sector-specific index, but may include an index based on market capitalization.

Prior guidance

[Notice 2025-68](#), released in December 2025, described guidance expected to be included in forthcoming proposed regulations in the form of answers to specific questions, including questions about eligible investments.

The preamble to [proposed regulations](#) (REG-117002-25), issued in March 2026, regarding the Trump accounts contribution pilot program under which the Trump accounts of eligible children can receive \$1,000 pilot program contributions, stated that “investments in a Trump account must track the returns of a broad index of equities in primarily U.S. companies for which regulated futures contracts are traded, avoid the use of leverage, and avoid annual fees and expenses above 0.1%.”

Today's proposed regulations

Today's proposed regulations provide proposed (1) definitions related to eligible investments, (2) rules for determining whether an investment is an eligible investment, and (3) rules on how a trustee of a Trump account ensures that a Trump account meets requirements concerning eligible investments. The proposed regulations largely adopt the guidance set forth Notice 2025-68, with certain changes in response to comments received.

The proposed regulations are proposed to apply to tax years beginning on or after January 1, 2026, except for paragraph (g) of the proposed regulations relating to trustee procedures regarding eligible investments, which is proposed to apply to tax years beginning on or after the date the proposed regulations are finalized.

Comments on the proposed regulations, and requests for a public hearing, are due by the date that is 60 days after the proposed regulations are published in the Federal Register, which is scheduled to be August 21, 2026.

Read a related IRS release—[IR-2026-96](#).

kpmg.com/socialmedia



The information contained in TaxNewsFlash is not intended to be “written advice concerning one or more Federal tax matters” subject to the requirements of section 10.37(a)(2) of Treasury Department Circular 230, as the content of this document is issued for general informational purposes only, is intended to enhance the reader’s knowledge on the matters addressed therein, and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.

KPMG International Limited is a private English company limited by guarantee and does not provide services to clients. No member firm has any authority to obligate or bind KPMG International or any other member firm vis-à-vis third parties, nor does KPMG International have any such authority to obligate or bind any member firm.

Direct comments, including requests for subscriptions, to [Washington National Tax](#). For more information, contact KPMG’s Federal Tax Legislative and Regulatory Services Group at +1 202.533.3712, 1801 K Street NW, Washington, DC 20006-1301.

To unsubscribe from TaxNewsFlash, reply to [Washington National Tax](#).

[Privacy](#) | [Legal](#)