Transfer Tax Safe Harbor for Certain Contributions to Trump Accounts

Cross References

- Rev. Proc. 2026-25

The IRS recently issued guidance for a transfer tax safe harbor for certain individual donors who make contributions to Trump Accounts established under IRC section 530A. Under the safe harbor, contributions to Trump Accounts will be treated as completed gifts that are not gifts of future interests in property and to which the annual per-donee gift tax exclusion applies. As a result, taxpayers will not be required to file gift tax returns reporting such contributions.

Taxpayers that qualify for this safe harbor must meet the following requirements.

1) Taxpayer is an individual,
2) The only taxable gifts made by the taxpayer during the 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,
3) The taxpayer's total gifts during the calendar year to each individual who is an account beneficiary, including contributions to that account beneficiary's Trump Account, do not exceed the annual exclusion amount under IRC section 2503(b) ($19,000 for 2026),
4) Such contributions to Trump Accounts made during the calendar year do not generate either a gift or GST tax liability, after application of the taxpayer's remaining applicable credit amount against the gift tax, or remaining GST exemption, and
5) Disregarding the Trump Account contributions described in Rev. Proc. 2026-25, no gift tax return is required to be filed, and no gift tax return is otherwise filed, for that calendar year by or on behalf of the taxpayer, whether for GST tax, portability, or other purposes.

If the above requirements are met for a calendar year in which a taxpayer makes contributions to one or more Trump Accounts, each Trump Account contribution will be treated as a completed gift to the account beneficiary that is not a future interest in property and to which the annual exclusion applies for purposes of gift tax, GST tax, and gift tax reporting. As a result, such taxpayers will not be required to file a gift tax return reporting such contributions.

The revenue procedure also provides an example of how this safe harbor applies. See Rev. Proc. 2026-25 for more details.

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