

Your Tax Bill Could Explode in 2026 – The Clock is Ticking, Do You Know Why?

Prepare now for major 2026 federal tax hikes & ongoing economic volatility. Expert guidance is key to navigating the changes ahead.



Jersey City, New Jersey Apr 27, 2025 ([Issuewire.com](https://www.issuewire.com)) - For millions of American individuals and businesses navigating today's uncertain economic climate, a potentially significant financial shock looms just beyond the horizon. Barring intervention by Congress, major federal tax provisions enacted in 2017 are set to expire on December 31, 2025. The result? Tax bills could "explode" upwards in 2026.

With the clock ticking down, understanding *why* this is happening and what steps can be taken *now* is critical.

[Gary Mehta, CPA, EA](#), a tax and accounting advisory firm headquartered in Jersey City, NJ, is urging taxpayers not to be caught unprepared. The firm emphasizes that the window for strategic planning to mitigate the impact of these looming changes is closing fast.

"Many people aren't aware that the tax landscape they've known since 2018 is set to drastically change after next year," warns Gary Mehta, CPA, EA, founder of the firm. "The 'clock is ticking' to understand these expirations and implement strategies in 2025 – like accelerating income, managing deductions, or adjusting estate plans – to mitigate potentially massive tax hikes in 2026. Waiting until the changes hit is too late."

Why Your Tax Bill Could Explode: The TCJA Sunset

The potential tax explosion stems from the scheduled expiration ("sunset") of key individual and business provisions from the Tax Cuts and Jobs Act (TCJA). Here's the breakdown of the primary reasons your taxes could rise significantly starting in 2026:

- **Higher Income Tax Rates:** The current individual tax brackets (including the top rate of 37%) revert to higher, pre-TCJA levels (including a top rate of 39.6%). More of your income could be taxed at a higher rate.
- **Standard Deduction Slashed:** Today's historically high standard deduction (\$15,000 single / \$30,000 joint for 2025) will be cut roughly in *half*, forcing millions more taxpayers back into the complexities of itemizing deductions to achieve the same tax benefit.
- **QBI Deduction Disappears:** The valuable 20% Qualified Business Income deduction (Section 199A) – a major tax break for freelancers, sole proprietors, partnerships, and S-corps – vanishes entirely. This significantly raises the effective tax rate on many small business profits.
- **Estate Tax Exemption Cut:** The generous lifetime gift and estate tax exemption (\$13.99 million per person in 2025) reverts to pre-TCJA levels, expected to be around \$7 million (adjusted for inflation). This dramatically impacts estate planning for many families.
- **Other Itemized Deduction Changes:** Limitations on deductions like State and Local Taxes (SALT cap) expire, but this may be offset for some by the return of other limits (like Pease limitations) and potentially broader exposure to the Alternative Minimum Tax (AMT).

Defusing the Time Bomb: Proactive Planning is Non-Negotiable

"Ignoring these impending changes is like ignoring a ticking clock," adds Mehta. "The good news is that strategic planning undertaken in 2025 can help navigate this 'tax cliff'."

Leveraging the combined expertise of a CPA and an EA, Gary Mehta's firm focuses on proactive strategies tailored to this specific challenge, including:

- **TCJA Sunset Impact Analysis:** Modeling how the expiring provisions will affect your specific tax situation.
- **Income Acceleration/Deferral Strategies:** Timing income recognition optimally before rates potentially rise.
- **Deduction Planning:** Strategizing whether to "bunch" itemized deductions now or prepare for itemizing in 2026.
- **Roth Conversion Analysis:** Evaluating conversions while tax rates are known and potentially

lower.

- **Business Structure Review:** Assessing optimal entity structure post-QBI deduction expiration.
- **Estate & Gift Planning:** Utilizing the current high exemption amounts before they potentially decrease.

Time is of the essence. To understand how these looming tax changes might impact you and explore proactive strategies before the December 31, 2025, deadline, speak with your tax professional immediately.

Don't let your 2026 tax bill explode unexpectedly. The clock is ticking – seek expert guidance now to understand why and prepare effectively.



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