



Important 2026 tax figures for businesses

A new year brings many new tax-related figures for businesses. Here's an overview of key figures for 2026. Be aware that exceptions or additional rules or limits may apply.

Depreciation-related tax breaks

- Bonus depreciation: 100%
- Section 179 expensing limit: \$2.56 million
- Section 179 phaseout threshold: \$4.09 million

Qualified retirement plan limits

- 401(k), 403(b) and 457 plan deferrals: \$24,500
- 401(k), 403(b) and 457 plan catch-up contributions for those age 50 or older: \$8,000
- 401(k), 403(b) and 457 plan additional catch-up contributions for those age 60, 61, 62 or 63: \$3,250
- SIMPLE deferrals: \$17,000
- SIMPLE catch-up contributions for those age 50 or older: \$4,000
- SIMPLE additional catch-up contributions for those age 60, 61, 62 or 63: \$1,250
- Contributions to defined contribution plans: \$72,000

- Annual benefit limit for defined benefit plans: \$290,000
- Compensation defining highly compensated employee: \$160,000
- Compensation defining key employee (officer) in a top-heavy plan: \$235,000
- Compensation triggering Simplified Employee Pension contribution requirement: \$800

Other benefits limits

- Health Savings Account (HSA) contributions: \$4,400 for individuals, \$8,750 for family coverage
- Health Flexible Spending Account (FSA) contributions: \$3,400
- Health FSA rollover: \$680
- Child and dependent care FSA contributions: \$7,500
- Employer contributions to Trump account: \$2,500
- Monthly commuter highway vehicle and transit pass: \$340
- Monthly qualified parking: \$340

Miscellaneous business-related limits

- Income range over which the Section 199A qualified business income deduction limitations phase in: \$201,750 – \$276,750 (double those amounts for married couples filing jointly)
- Threshold for the excess business loss limitation: \$256,000 (double that amount for joint filers) — note that this is a *reduction* from 2025
- Limitation on the use of the cash method of accounting: \$32 million (also affects other tax items, such as the exemption from the 30% interest expense deduction limit)

Planning for 2026

We can help you factor these changes and others into your 2026 tax planning. Contact us to get started.