

Trump Accounts

David Tucker CPA P.C.
12309 Limerick Ave
Austin, TX 78758
512-571-2849
979-488-9272 fax
E-mail: *David@Tucker.CPA*
Website: *Tucker.CPA*

Trump Accounts

A Trump account is a type of traditional individual retirement account (IRA) established by an authorized individual for the exclusive benefit of an eligible designated child.

Although a Trump account is a type of traditional IRA, during the growth period it is subject to special rules that do not apply to other IRAs. During the growth period, Trump accounts can receive contributions from several different sources, including employer contributions.

Authorized Individual

Initial account election only. If an election only to open the initial account is being made, an authorized individual is a legal guardian, parent, adult sibling, or grandparent of the child, in that order of priority.

Initial account and pilot program election. If both an election to open the initial Trump account and an election for a $1,000 pilot program contribution are being made, an authorized individual is an individual who anticipates that the child will be his or her qualifying child for the tax year in which the election is made.

Form 4547, *Trump Account Election(s).* An authorized individual uses Form 4547 to make the election to establish the initial Trump account. Form 4547 is also used to make the election for a $1,000 pilot program contribution for an eligible child.

Account Beneficiary

The child listed on Part II, Form 4547, is the owner of the account, also referred to as the account beneficiary. Generally, a child is eligible if the child:

- Is under age 18 at the end of the year in which the election was made,
- Has a valid Social Security Number issued before the election is made, and
- Has not had a previous Trump account election filed on their behalf.

Growth Period

The growth period for a Trump account starts on the date the account is established and ends on December 31 of the year before the calendar year in which the child turns age 18.

Example: *Hank is born on October 1, 2025. He will turn age 18 on October 1, 2043. The last day of the growth period for him would be December 31, 2042.*

Rollover contributions. A subsequent Trump account (rollover account) can be established if it is funded by a trustee-to-trustee transfer of the entire account balance from the child's existing Trump account.

Special rules during growth period. During the growth period:

- The account can only be invested in eligible investments, see *Eligible Investments,* later,
- The account has a separate contribution limit from other IRAs,
- No retirement savings deduction is allowed for any contribution to the account, and
- Distributions from the account are restricted.

After the growth period, most of the special rules no longer apply and the rules governing traditional IRAs generally apply.



Trump Accounts

Contributions

During the growth period, there are generally five types of contributions that can be made to a Trump account.

- **Pilot program contributions,** see *Pilot program contribution election,* later,
- **Qualified general contributions** funded by states or political subdivisions of states, the United States, the District of Columbia, Indian tribal governments, or section 501(c)(3) tax-exempt organizations for members of a qualified class of account beneficiaries,
- **Employer contributions** that are not includible in the gross income of the employee under section 128 (employer contributions),
- **Qualified rollover contributions,** see *Rollover contributions,* above, or
- **Contributions from other sources,** such as the child, the child's parents, or any other person.

Note: Contributions cannot be made to a Trump account before July 4, 2026.

Taxation of contributions. Contributions made during the growth period are not includible in income by the account beneficiary when made. Pilot program contributions, qualified general contributions, and employer contributions do not create basis in a Trump account. Qualified rollover contributions from a prior Trump account carry over any basis attributable to the transferred funds. Contributions from other sources during the growth period create basis in the Trump account.

Annual limitation. During the growth period, contributions may be made to a Trump account even if the child does not have taxable compensation. Contributions from the pilot program, qualified general contributions, or qualified rollover contributions are not subject to an annual contribution limit. However, the total of all other contributions, including employer contributions, during the growth period are limited to $5,000, subject to cost-of-living adjustments after 2027.

Section 128 employer contributions. A section 128 employer contribution to a Trump account can be made to the employee's Trump account or to a Trump account of a dependent of the employee. During the growth period, employer contributions are limited to $2,500.

Pilot program contribution election. An authorized individual can make an election for a $1,000 pilot program contribution to be made from the U.S. Treasury to a Trump account for a child who:

- Is anticipated to be the qualifying child of an authorized individual for the year the election is made,
- Is born after December 31, 2024, and before January 1, 2029,
- Has not had a prior pilot program contribution election processed on their behalf,
- Is a U.S. citizen, and
- Has a valid Social Security Number.

The election is made on Form 4547.

Eligible Investments

During the growth period, a Trump account can only be invested in a mutual fund, or an exchange traded fund (EFT) that tracks an index of primarily U.S. companies and meets certain other requirements.

Distributions

During the growth period, the only distributions that can be made from a Trump account are qualified rollover contributions, qualified ABLE rollover contributions, distributions of excess contributions, and distributions upon the death of a beneficiary.

After the growth period, most of the rules that apply to traditional IRAs will generally apply to the Trump account. For example, distributions could be subject to the 10% additional tax on early distributions, unless an exception applies.

When to File

Form 4547 can be filed at any time, including at the same time as the income tax return is filed. However, to file Form 4547 electronically, it must be filed with the current year e-filed return. Form 4547 cannot be included in an amended income tax return. At trumpaccounts.gov, a portal is expected to be available mid-2026 to submit the form.

For more information, go to trumpaccounts.gov.

Contact Us

There are many events that occur during the year that can affect your tax situation. Preparation of your tax return involves summarizing transactions and events that occurred during the prior year. In most situations, treatment is firmly established at the time the transaction occurs. However, negative tax effects can be avoided by proper planning. Please contact us in advance if you have questions about the tax effects of a transaction or event, including the following:

- Pension or IRA distributions.
- Significant change in income or deductions.
- Job change.
- Marriage.
- Attainment of age 59½ or 73.
- Sale or purchase of a business.
- Sale or purchase of a residence or other real estate.
- Retirement.
- Notice from IRS or other revenue department.
- Divorce or separation.
- Self-employment.
- Charitable contributions of property in excess of $5,000.

This brochure contains general information for taxpayers and should not be relied upon as the only source of authority. Taxpayers should seek professional tax advice for more information.

Copyright © 2026 Tax Materials, Inc.
All Rights Reserved