2026 · WILL I HAVE TO PAY TAX ON THE SALE OF MY INVESTMENT?

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Is the investment held in a tax-deferred retirement plan or an annuity?

Yes

No

Is the investment worth more than your cost basis (typically the amount you paid at acquisition)?

No

Yes

You have an unrealized loss, which could reduce your tax liability.

You will not be taxed upon the sale. You may be taxed if there was a distribution.

You have an unrealized gain and only have to pay tax on the difference between the sale price and the cost basis.

Did you hold the investment for more than one year, or does an exception apply that would treat it as a long-term capital gain (e.g., you inherited it, etc.)?

Yes

No

This investment qualifies for long term capital gain treatment. What do you expect your taxable income to be (earned income plus investment income)?

This investment qualifies for short term capital gain treatment.

You will be subject to tax based on your income bracket.

Up to $49,450 (Single), $98,900 (MFJ), or $3,300 (Estates/Trusts)

You will not have to pay federal income tax on the gain. However, you may have a state tax liability (depending on your state).

$49,451 - $545,500 (Single), $98,901 - $613,700 (MFJ), or $3,301 - $16,250 (Estates/Trusts)

The gain will be taxed at 15%.

More than $545,500 (Single), $613,700 (MFJ), $16,250 (Estates/Trusts)

The gain will be taxed at 20%.

Did your MAGI exceed $200,000 (Single), $250,000 (MFJ) or $16,000 (Estates/Trusts)?

Yes

No

You may be subject to the 3.8% Net Investment Income Tax (NIIT) on the lesser of net investment income or the excess of MAGI over the previously mentioned amounts.

You may also be subject to AMT, depending upon your circumstances.

The sale of your investment may also increase other taxes (such as Social Security taxation and IRMAA surcharges).

The sale of your investment may result in a state tax liability.

You will not be subject to the additional 3.8% Net Investment Income Tax (NIIT).

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