

TAXES

APRIL 2026



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With April 15 passed and another tax filing year behind us (for the majority) the data on the impact of the 2025 Trump One Big Beautiful Bill is coming in. In addition to freezing tax rates permanently for everyone, the Act introduced new tax deductions for working families. For more detail on the provisions in the Act please see our [July, 2025 newsletter](#).

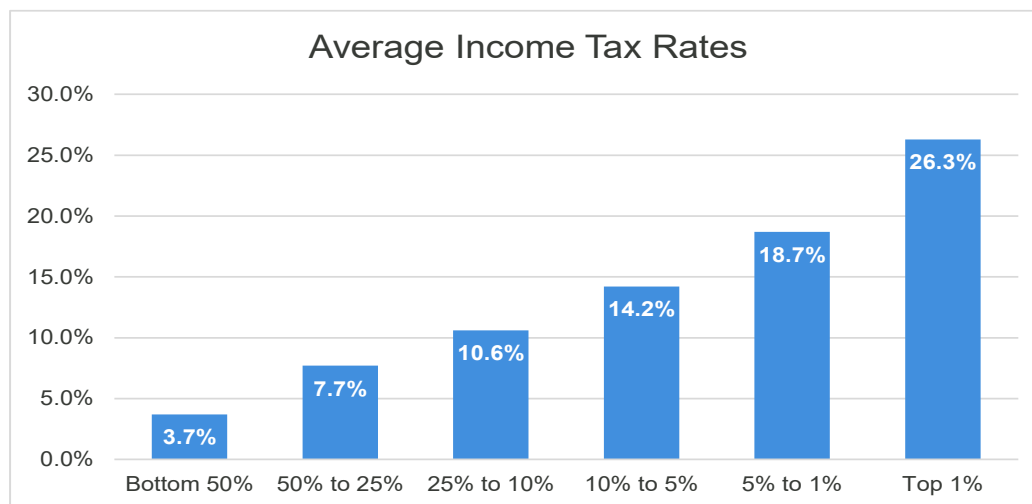
On average, tax refunds for 2025 returns are up 10%-20% over 2024, \$3,500 - \$3,800 vs \$3,000 - \$3,100. The majority of these tax filers were able to take advantage of at least one of the new deductions.

On April 23, 2026, Secretary of the Treasury, Scott Bessent, spoke in front of a Senate Appropriations Committee and stated the following:

- Over 7 million tax filers were able to take advantage of the no tax on tips provision with an average deduction of over \$7,000.
- Over 28 million tax filers were able to take advantage of the no tax on overtime provision with an average deduction of over \$3,100.
- Over 34 million tax filers were able to take advantage of the enhanced deduction for seniors with an average deduction of over \$7,500.

In addition, he stated that 5.5 million Trump savings accounts were opened for children with 1.3 million eligible for the \$1,000 pilot program contribution.

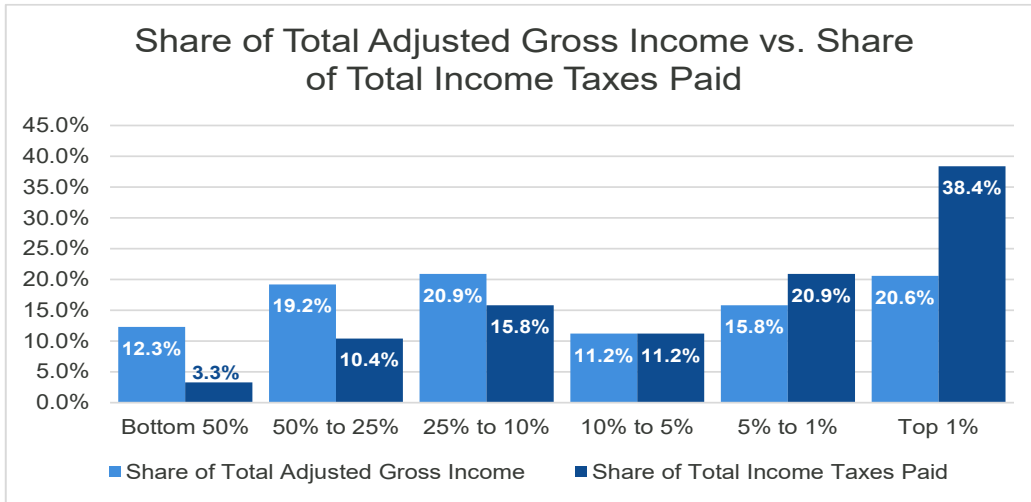
In addition, the IRS recently published its annual report on Who Pays the Taxes. The data on the 2023 tax season (latest year data is available) confirms that the wealthiest taxpayers pay the largest share of the taxes. The top 1% of taxpayers paid almost as much taxes as the bottom 95%, (\$823 billion vs \$872 billion). The charts below summarize the data.



Not only do the top earners pay the most taxes in dollars, they also pay the highest tax rates

Source: Tax Foundation (taxfoundation.org), based on Internal Revenue Service Data

The chart below shows that only the top 5% of earners pay a higher share of the taxes than their respective share of the income earned. 90% of tax filers earn a higher share of the income than their respective share of the taxes paid.



Source: Tax Foundation (taxfoundation.org), based on Internal Revenue Service Data

Summary:

To put taxes into perspective, the total individual income taxes collected annually by the U.S. is \$2.3 trillion dollars out of total revenue of \$5.2 trillion. Our spending is \$7.0 trillion leaving us with a \$1.8 trillion annual deficit. Maybe taxes aren't the problem?

At JVL Wealth Strategies we help our clients be as tax efficient as the law allows, making sure they pay only their "fair share" and nothing more.

REFERENCES & DISCLOSURES

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