

## **Spring Recap and Planning President Trump's First 100 Days in Office**

Since Franklin Roosevelt, who moved with unprecedented speed to address the nation's Depression-era problems, the first 100 days of a president's administration have been viewed as a benchmark of their top legislative aspirations and early success.

President Trump, as promised, hit the ground running in his second term. In a show of executive force arguably not seen since Roosevelt, Trump signed a flurry of executive orders and introduced measures in the first 100 days of his second term, such as increasing tariffs and slashing the federal workforce, that have drawn mixed reactions, prompted legal challenges, and injected uncertainty into markets.

His honeymoon period may be over, but the dust is still far from settling on the early returns of the second Trump administration. Amid these uncertain times, when much remains up in the air politically and economically, advisors can focus on hedging against potential outcomes and shoring up fundamentals as we keep a watchful eye on Trump 2.0 developments.

### **Estate, Tax, and Wealth Planning Implications of Trump's Actions**

The second Trump administration has prioritized several tax policy initiatives that could impact clients' finances and related planning.

Trump and Republicans want to extend many provisions from the expiring Tax Cuts and Jobs Act (TCJA) that the president signed into law in his first term.<sup>1</sup> There could also be new tax cuts, such as Trump's proposal to eliminate taxes on tips, overtime pay, and Social Security benefits.<sup>2</sup>

Here are some of Trump's and the GOP's reported tax priorities for their economic package:

- **Estate and gift tax.** The TCJA doubled the estate and gift tax exemption to historically high levels that are set to expire in 2026. Senate majority leader John Thune introduced a bill in February to repeal the estate tax, sometimes referred to as the death tax.<sup>3</sup> Further, a full repeal of the estate tax is reportedly part of the tax bill negotiations.<sup>4</sup>
- **Individual and business tax cuts.** The TCJA also included several provisions that benefit businesses and individual taxpayers, including pass-through income deduction, business expense deductions, changes to income tax brackets, mortgage interest and charitable donation deductions, an increased standard deduction, and additional tax relief via the Child Tax Credit. Extending the TCJA would likely keep these tax benefits in place.

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<sup>1</sup> *Preparing for the Expiration of the TCJA in 2025*, Bloomberg Tax (Mar. 28, 2025), <https://pro.bloombergtax.com/insights/federal-tax/what-is-the-future-of-the-tcja/#will-the-tcja-be-extended>.

<sup>2</sup> Alex Isenstadt, *Scoop: Trump Lays Out Tax Priorities to House GOP*, Axios (Feb. 6, 2025), <https://www.axios.com/2025/02/06/trump-no-tax-on-tips-social-security-overtime>.

<sup>3</sup> Press Release, John Thune, Thune Leads Effort to Permanently Repeal the Death Tax (Feb. 13, 2025), <https://www.thune.senate.gov/public/index.cfm/2025/2/thune-leads-effort-to-permanently-repeal-the-death-tax>.

<sup>4</sup> Kevin Frekin et al., *Senate GOP Approves Framework for Trump's Tax Breaks and Spending Cuts After Late-Night Session*, AP (Apr. 5, 2025), <https://apnews.com/article/senate-budget-tax-cuts-trump-485845a9c0b7dfc5d2194d4c1e4723ae>.

- **State and local tax (SALT) deductions.** The administration is considering removing or increasing the current \$10,000 cap on SALT deductions imposed by the TCJA.<sup>5</sup> This change would help taxpayers in states with high property and income taxes, allowing for greater federal tax deductions.
- **Closing the carried interest loophole.** Trump has stated his intention to close the carried interest loophole that allows investment managers of private equity and hedge funds to benefit from reduced capital gains tax rates on carried interest, provided a three-year holding period is met.<sup>6</sup>
- **Capital gains taxes.** The TCJA separated tax-rate income brackets for capital gains and dividend income from the tax brackets for ordinary income. If the TCJA expires and this provision is not addressed legislatively, some taxpayers could face higher capital gains taxes in 2026.<sup>7</sup>

Estate and financial plans should be flexible enough to respond to changing market conditions and new legislation. Advisors can encourage clients to incorporate plan provisions that allow adjustments to asset distributions, with an emphasis on adaptability, diversification, and long-term planning. We can also focus on planning fundamentals, such as updating wills and trusts, creating an incapacity plan, updating beneficiary designations, and locking in current exemption levels.

Working together, we can turn uncertainty into opportunity and deepen client relationships at a time when many may be looking for a steady hand to guide them through the transformations of a new presidency. We welcome your call to discuss how we can help you and your clients prepare for whatever comes next.

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<sup>5</sup> *Trump Tax Priorities Total \$5 to \$11 Trillion*, Comm. for a Responsible Fed. Budget (Feb. 6, 2025), <https://www.crfb.org/blogs/trump-tax-priorities-total-5-11-trillion>.

<sup>6</sup> Aimee Picchi, *Trump Wants to Close the Carried Interest Tax Loophole, a Longtime Target of Democrats*, CBS News (Feb. 7, 2025), <https://www.cbsnews.com/news/trump-tax-taxes-carried-interest-loophole-hedge-funds>.

<sup>7</sup> *How Did the Tax Cuts and Jobs Act Change Personal Taxes?*, Tax Pol’y Ctr. (Jan. 2024), <https://taxpolicycenter.org/briefing-book/how-did-tax-cuts-and-jobs-act-change-personal-taxes>.