

A Road Trip, A Reroute, and A Better Plan



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 Link to Bio

The holidays are heavy travel periods. I myself traveled to see my family over Thanksgiving and then Christmas. And road trips certainly can bring a heightened level of angst, especially when driving a long distance. You know the feeling – you map the route, check the weather, make sure no suitcase is left behind, load the snacks, and set the GPS. You’re on your way.

Then all of the sudden – bam! The GPS ETA adjusts. Construction! A wreck! A detour! A “faster route” suggested mid-drive! It’s almost inevitable, especially when driving through Nashville, Chattanooga, or Atlanta nowadays.

So what are you to do?

You don’t turn around and cancel the trip. But, you (probably) don’t just ignore and keep driving on the highway you’re on, either. You adjust!

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Tax planning works the same way. And after several years of uncertainty around the Tax Cuts and Jobs Act (TCJA), the recent passage of One Big Beautiful Bill Act (OBBA – some calling it OB3, some others saying “ABBA” like the band) feels a lot like hearing, “Good news: you can stay on the highway a little longer.”

Helpful? Absolutely. Permanent? Eh, not quite.

The TCJA extension gives families clarity, breathing room, and opportunity, but it does not eliminate the need for thoughtful, flexible planning. In fact, it makes good planning more important than ever.

What One Big Beautiful Bill Actually Did (and Didn't Do)

First, a quick recap of the Act (for a more detailed overview, please view [Peter Deming's piece from earlier this year](#)).

Among other provisions including higher deductions for seniors and new deductions on tips and overtime pay for eligible taxpayers, OBBA extended many of the most impactful provisions of the TCJA that were

scheduled to sunset at the end of 2025. Most notably, it preserved:

- Lower individual income tax brackets and rates (with 37% remaining the highest bracket)
- The elevated estate and gift tax exemption (moving to \$15 million per person for 2026)
- Several planning-friendly advanced gift and estate tax techniques that had been driving urgency over the last few years

In short, the “sunset” everyone was bracing for didn’t arrive.

What OBBB did not do, however, was make these provisions permanent. Some parts of the bill may be cited as being “permanent”, but it’s important to know this: tax laws are always written in *pencil*. OBBB extended the runway—but it did not remove the possibility of future changes driven by politics, fiscal pressures, or shifting policy priorities.

Think of it like a longer stretch of open, unencumbered highway.

What This Means for Wealthy Families

On one hand, the immediate pressure to “do something before the sunset” has eased. On the other, some may now breathe a sigh of relief and wonder whether they should simply pause and revisit planning later.

The TCJA extension doesn’t mean tax planning is less relevant. It means plans can now be thoughtfully designed! Instead of racing the clock, families should focus on aligning tax decisions with long-term goals, coordinating

income, estate, and investment strategies, and designing plans that can adapt as circumstances change. Urgency has given way to intentionality, and that’s a good thing!

Over the last several years, many planning conversations were dominated by one question: “*What do we need to do before the exemption goes away?*”

That question has now evolved into: “*What should our plan look like if the rules stay the same longer than expected, but might change later? How can we optimize this plan to cover multiple scenarios?*”

For example, maybe the gift and estate exemption planning that was completed over the last 18 months (including SLATs) now needs to be revisited to adjust for some income tax considerations. Features come to mind like swapping trust assets of equivalent value, adding conditional general power of appointment language to get a step-up in cost basis, and decanting abilities.

This shift allows families to move away from one-size-fits-all strategies and toward more nuanced decision-making. Rather than acting out of fear, planning can focus on flexibility, optionality, and coordination. In other words, precision instead of panic.

Estate and Gift Planning: Still Relevant, More Thoughtful

You and many others may be asking now if exemption planning is even relevant or necessary now that the estate and gift exemption is \$15 million per person.

For many families, using exemption during life aligns beautifully with their goals, particularly when paired with thoughtfully designed trusts such as Spousal Lifetime Access Trusts (SLATs), Intentionally Defective Grantor Trusts (IDGTs), or Generation Skipping Transfer (GST) trusts for children or grandchildren.

For others, preserving flexibility and access may be more important than *maximizing* exemption usage immediately. That might mean making a smaller gift (or sale) to a trust, rather than a full exemption amount. This allows for more optionality in the future. If exemptions do appear to be coming down after 2028, another larger gift can be made to use up the exemption while it is available.

The planning conversation should include not only *"How much can we give?"*, but also *"How should we structure what we give?"* and *"Which assets should be utilized?"*

This is where tools like SLATs or IDGTs, decanting provisions, and flexible trust language play an increasingly important role. These strategies allow families to benefit from current rules while retaining the ability to adapt if circumstances (i.e. tax laws) change down the road.

Income Tax Planning in a World of Extended Lower Rates

Status quo income tax rates sticking around a bit longer creates opportunities that should be considered.

For example:

- Income timing decisions should be

coordinated across personal, trust, and entity structures;

- Capital gains should be managed strategically;
- Philanthropic planning (timing, assets, vehicle used) should play a large role in the overall income tax plan; and
- Roth conversions, if applicable and appropriate, should be evaluated more thoughtfully.

Stability in tax rates allows families to plan across years instead of months. But stability should not be confused with permanence. The families who benefit most are those who use today's known rules to reduce future uncertainty.

Why "Wait and See" Is Not a Great Strategy

It's tempting, after years of uncertainty, to welcome the extension and simply press pause. But history suggests that tax policy rarely stays static for long, especially in an environment marked by rising deficits, demographic shifts, and political change. Families who assume current law will last indefinitely may find themselves reacting later, rather than planning ahead.

Thoughtful planning requires acknowledging that the future is unpredictable and building plans that can bend without breaking and can be tinkered here and there to provide maximum optimization.

That's where regular reviews, coordinated

advice, and experienced fiduciary oversight make a meaningful difference.

What Families Should Be Doing Now

So what does smart planning look like in this moment?

Take this perhaps-brief window of “certainty” we have and revisit the plan. This is an ideal time to:

- Revisit estate plans (especially if drafted under the assumption of a TCJA sunset);
- Review trust structures for flexibility and administrative readiness;
- Coordinate investment strategies with tax and estate objectives;
- Align charitable and philanthropic goals with proper execution strategies; and
- Stress-test plans against different future tax scenarios.

The goal isn’t to lock in answers forever. It’s to ensure that your plan still helps accomplish your goals, even if the route changes.

A Final Thought: Plan Like a Good Road Tripper

Back to the road trip.

The best travelers don’t panic when the GPS reroutes. They don’t assume the road ahead will stay perfect forever. They plan ahead, keep their options open, and know where they can stop if needed.

The extension of the TCJA via O BBB can’t

be considered permanent and it is not a guarantee of the future. It’s a gift of time! Families who use that time to refine, coordinate, and strengthen their plans will be far better positioned for whatever comes next. In wealth planning, as in travel, the destination matters, but flexible persistence is what gets you there.

At Truxton, we help families consider the road they are on now and the strategies that can help them get to their destination as reroutes and detours (inevitably) happen. Our objective is to do the right thing with an emphasis on well-coordinated planning across estate, tax, trust, retirement, philanthropic, and investment disciplines. Safe Travels and Happy New Year! Let us know if we can help. ▀