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## IRS RATES | MARCH 2026

- **Applicable Federal Rate<sup>i</sup>**

Note Term	Annual Rate	Prior Quarter $\Delta$
Short-Term (< 3 Years)	3.59%	$\Delta$ -0.07%
Mid-Term (3 - 9 Years)	3.93%	$\Delta$ 0.14%
Long-Term (> 9 Years)	4.72%	$\Delta$ 0.17%

Applicable Federal Rate ("AFR") is the lowest interest rate allowed by the IRS without having a loan be deemed a gift. The purpose of this restriction is to prevent gifts being disguised as loans (i.e., parents "loan" kids \$1MM at 0.00% rate). When AFR rates are low, there are a lot of creative ways to manage liquidity, capitalize trusts, and handle interfamily finances using Promissory Notes. When rates are high, estate vehicles like Charitable Remainder Annuity Trusts ("CRATs") become more attractive as the up-front charitable deduction is larger.

- **§7520 Rate**

4.80%	$\Delta$ 0.20%
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The §7520 Rate is related to the valuation of long-term or future interests. It's most used with GRATs, annuities, and estates. The rate is based off the Mid-Term AFR rate (120%, rounded to the nearest two-tenths).

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## LEGISLATIONS, GUIDANCE, & JUDICIAL CASES

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### **SUPREME COURT STRIKES DOWN PRESIDENT TRUMP'S TARIFFS<sup>ii</sup>**

On Friday, February 20, 2026, the Supreme Court ruled against President Trump's use of the International Emergency Economic Powers Act (IEEPA) to impose sweeping new tariffs on US imports. The decision strikes down all the tariffs imposed under the statute, including the "Liberation Day" tariffs and returns the case to United States Court of International Trade to address the issue of refunds. We estimate more than \$160 billion of tariffs have been illegally collected under IEEPA. Removal of the IEEPA tariffs will shield the economy and taxpayers from damage, but uncertainty remains over what the Trump administration will do next.

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### **IRS PROPOSES REGULATIONS FOR TRUMP ACCOUNTS, PILOT PROGRAM<sup>iii</sup>**

The IRS issued two sets of proposed regulations for Trump accounts, the new type of individual retirement accounts for eligible children under Sec. 530A of H.R. 1, P.L. 119-21, known as the One Big Beautiful Bill Act.

Proposed regulations under Sec. 530A (REG-117270-25), provide guidance on how to open initial Trump accounts. Proposed regulations under Sec. 6434 (REG-117002-25) provide details on the pilot program under which the government deposits \$1,000 into the accounts of eligible children.

The proposed regulations under Sec. 530A provide general requirements for Trump accounts, certain definitions relating to Trump accounts, rules regarding the election to open an initial Trump account, and rules regarding the responsible party for the initial Trump account.

The proposed regulations under Sec. 6434 would establish the framework for the Trump accounts pilot program.

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### **IRS DIRTY DOZEN ADDS NEW CAPITAL GAINS SCHEME FOR 2026<sup>iv</sup>**

The IRS's 2026 Dirty Dozen list is largely a mix of familiar schemes, from bad tax advice on social media to impersonation attempts, but it does add one new entry: abusive undistributed long-term capital gains claims.

The list, which the IRS has published for more than two decades, highlights the tactics scammers lean on during filing season and reflects where fraudsters are putting their energy. It reminds "everyone to remain vigilant and watch out for scams because thieves continuously adjust the pitches they use to take advantage of honest taxpayers," IRS CEO Frank Bisignano said in a news release on Thursday.

...

The other 11 scams in the annual list:

- IRS impersonation through email and text (phishing and smishing)
- AI-powered IRS phone scams.
- Fake charities.
- Misleading tax advice on social media.
- Identity theft targeting IRS online accounts.
- Bogus “self-employment tax credit” promotions.
- Ghost preparers.
- Noncash charitable contribution schemes.
- Overstated withholding schemes (fabricated wage/withholding data).
- Spear-phishing and malware targeting tax pros.
- Aggressive offer in compromise marketing.

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## **LEGISLATIVE UPDATE: SENATE FINANCE LEADERS INTRODUCE BIPARTISAN IRS ADMINISTRATION REFORM PACKAGE<sup>v</sup>**

U.S. Senate Finance Committee Chairman Mike Crapo (R-ID) and Ranking Member Ron Wyden (D-OR) yesterday introduced the “Taxpayer Assistance and Service Act” aimed at improving IRS procedure and administration.

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As described in the release from the Finance Committee, the legislation “combines legislative proposals recommended by the National Taxpayer Advocate with standalone tax administration bills introduced by congressional members designed to improve communication between the IRS and taxpayers, streamline processes for tax compliance and ensure taxpayers have access to timely expert assistance, among other much-needed reforms.”

Among other things, the legislation would:

- Digitize more tax returns to support faster refunds
- Upgrade the “where’s my refund” tools so taxpayers know when to expect their refunds and what to do if they are delayed
- Upgrade IRS online accounts so taxpayers and their representatives can review their returns and correspondence and respond to the IRS online
- Protect taxpayers by strengthening standards for paid tax preparers
- Expand IRS call-back options so taxpayers can request a return call more often and from more IRS phone numbers
- Allow the U.S. Tax Court to hear cases relating to refunds

- Increase the independence of the National Taxpayer Advocate and the IRS Independent Office of Appeals
- Protect victims of fraud from indefinite IRS scrutiny

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## **SENATE BILL TARGETS PREPARERS WHO BREAK THE LAW, EXPANDS IRS REFORMS<sup>vi</sup>**

Tougher penalties for tax preparers who break the law are included in a sweeping bipartisan Senate bill designed to overhaul IRS operations and strengthen taxpayer service.

Senate Finance Committee Chair Mike Crapo, R-Idaho, and ranking committee member Ron Wyden, D-Ore., introduced the Taxpayer Assistance and Service Act (TAS Act) on Thursday. The bill follows a discussion draft filed last year.

In addition, the U.S. House of Representatives has approved several IRS-related bills, including H.R. 1152, the Electronic Filing and Payment Fairness Act, that extend the “mailbox rule” to electronically submitted tax returns and payments to allow the IRS to record payments and documents submitted electronically on the date they are sent instead of when they are received or reviewed at a later date.

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## **U.S. TRADE COURT ORDERS REFUND AND REMOVAL OF IEEPA DUTIES FOR IMPORTERS FOLLOWING U.S. SUPREME COURT DECISION<sup>vii</sup>**

The U.S. Court of International Trade on March 4, 2026, issued an order—in a case that was filed with the court on February 27, 2026, seeking the refund of duties imposed under the International Emergency Economic Powers Act (IEEPA) following the U.S. Supreme Court’s decision in Learning Resources, Inc. v. Trump finding the IEEPA duties unlawful—directing U.S. Customs and Border Protection (CBP) to liquidate or reliquidate entries that are not final without regard to duties imposed under IEEPA.

The order states that “all importers of record whose entries were subject to IEEPA duties are entitled to the benefit” of the Supreme Court decision.

In addition, the order states that the Supreme Court decision gave the Court of International Trade “exclusive subject matter jurisdiction to hear claims like those presented in this case.”

**SECTION END**

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## OTHER HEADLINES

### DOMESTIC HEADLINES

- **Tax Refunds Trend Higher in Early Filing Season Data.**<sup>viii</sup> IRS statistics from the first two weeks of the filing season indicate that taxpayers are seeing bigger refunds on average versus a year ago, but observers caution the trend could shift as more returns are processed.

The average refund amount through the week ending February 13 was \$2,476, which is 14.2 percent higher than refunds at the same time last year, according to a batch of filing season statistics released by the IRS February 20.

The increase, while reflective of only two weeks of filings, is “broadly consistent with expectations that refunds in the aggregate — and on average — will be larger this year than in recent years” because of the various tax changes under the One Big Beautiful Bill Act (P.L. 119-21), including new deductions for tips and overtime, according to Andrew Lautz of the Bipartisan Policy Center.

- **Judge Throws Out Justice Department Subpoenas to Federal Reserve.**<sup>ix</sup>

A federal judge threw out a pair of subpoenas the Justice Department issued to the Federal Reserve, handing a victory to the central bank and dealing a heavy blow to U.S. Attorney Jeanine Pirro’s criminal investigation into Chair Jerome Powell.

U.S. District Judge James Boasberg ruled the subpoenas were improper, in a 27-page opinion unsealed Friday that highlighted President Trump’s repeated public attacks on Powell.

“There is abundant evidence that the subpoenas’ dominant (if not sole) purpose is to harass and pressure Powell either to yield to the President or to resign and make way for a Fed Chair who will,” wrote Boasberg, an appointee of former President Barack Obama.

The judge said the government had produced “essentially zero evidence” that Powell had committed a crime.

- **Paperless Transition Brings Refund Delay Concerns.**<sup>x</sup> With the IRS’ shift to electronic tax refunds this filing season, two House Democrats cautioned that over 830,000 taxpayers are already being notified their refund will be delayed.

Representatives Danny Davis (D-IL) and Terri Sewell (D-AL) – who are both members of the House’s tax writing committee – say that taxpayers who seek a paper check refund may need to wait for more than 10 weeks for that refund this year. The reason they explain in a March 9 letter to Acting IRS Commissioner Scott Bessent, is a 2025 executive order mandating a transition to electronic payments for all federal disbursements.

- **Massachusetts DOR Alerts Taxpayers: New Timelines for Mail Postmarking.**<sup>xi</sup> The Massachusetts Department of Revenue (DOR) is warning taxpayers, preparers, and child support customers about recent changes to United States Postal Service procedures that could delay postmark dates for mail. As of December 2025, mail received at post offices

may not be postmarked on the day of receipt, unless specifically requested at the retail counter.

To avoid any mailed tax return delays, taxpayers are encouraged to file and make payments electronically. MassTaxConnect, DOR's online system for filing returns and paying taxes, is available 24/7. The House Appropriations Committee passed its FSGG funding plan in September.

- **Powell's Second-to-Last Meeting Previews an Increasingly Divided Fed.**<sup>xii</sup> Uncertainty fueled by the war in Iran is expected to reinforce a broad agreement among most Federal Reserve officials to sit tight at their meeting this week. That will make any dissenting votes all the more notable as Jerome Powell nears the close of his tenure as Fed chair.

Divisions at the Fed have been building. What until recently had been a culture of near-unanimous votes has given way to more dissent, particularly from the governors President Trump has placed on the board. Over the past year, his three appointees have broken from the majority, including two at the Fed's last meeting. This week, all three are candidates to dissent in favor of a cut.

Even if they don't, that such a split has become plausible, meeting after meeting, marks a shift that threatens to outlast any single vote. The significance isn't the vote margin—it's that all three are appointees of a president who is publicly demanding lower rates. Three governors haven't dissented at a policy meeting since 1988.

- **SEC Prepares Proposal to Eliminate Quarterly Reporting Requirement.**<sup>xiii</sup> The Securities and Exchange Commission is preparing a proposal to eliminate the requirement to report earnings quarterly and instead give companies the option to share results twice a year, according to people familiar with the matter.

The regulator could publish the proposal as soon as next month, the people said. In preparation for the proposal, regulators have been talking to officials at the major exchanges to discuss how they may need to adjust their rules.

Once the proposal is published, it will be subject to a public comment period. After that period, which typically lasts at least 30 days, the SEC will vote on it. There are no guarantees it will ultimately happen.

The rule is expected to make quarterly reporting optional, not eliminate quarterly reports altogether.

- **An Exodus of Money Endangers Wall Street's Private-Credit Craze.**<sup>xiv</sup> The private-credit engine that powered massive growth on Wall Street is sputtering, with investors trying to pull money out of big funds, forcing firms into uncomfortable decisions and endangering their future profits.

The latest example came Wednesday when Cliffwater told clients that investors in its largest fund asked to cash out 14% of their money this quarter. The \$33 billion fund will pay out about 50% of the redemption requests, meaning that the other half will need to wait at least another quarter to exit.

Cliffwater sold its funds primarily to individual investors, a playbook that larger competitors like Apollo Global Management, BlackRock, Blackstone and Blue Owl adopted, making

them all increasingly dependent on “retail” money for growth. They harbored hopes of getting an even bigger slice of individuals’ money, pushing to get access to 401(k)s.

The strategy started backfiring unexpectedly in recent months. Some bad loans from both private lenders and banks raised questions about other potential losses. As a herd mentality spread, investors raced to get out the door.

### **SECTION END**

## **Disclosures**

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<sup>i</sup> <https://www.irs.gov/pub/irs-drop/rr-26-06.pdf>

<sup>ii</sup> <https://taxfoundation.org/blog/supreme-court-trump-tariffs-ruling/>

<sup>iii</sup> <https://www.journalofaccountancy.com/news/2026/mar/irs-proposes-regulations-for-trump-accounts-pilot-program/>

<sup>iv</sup> <https://www.journalofaccountancy.com/news/2026/mar/irs-dirty-dozen-adds-new-capital-gains-scheme-for-2026/>

<sup>v</sup> <https://kpmg.com/us/en/taxnewsflash/news/2026/02/legislative-update-bipartisan-irs-administration-reform-package.html>

<sup>vi</sup> <https://www.journalofaccountancy.com/news/2026/mar/senate-bill-targets-preparers-who-break-the-law-expands-irs-reforms/>

<sup>vii</sup> <https://kpmg.com/us/en/taxnewsflash/news/2026/03/us-trade-court-orders-refund-removal-ieepa-duties.html>

<sup>viii</sup> <https://www.taxnotes.com/featured-news/tax-refunds-trend-higher-early-filing-season-data/2026/02/21/7tzzq>

<sup>ix</sup> <https://www.wsj.com/economy/central-banking/judge-throws-out-justice-department-subpoenas-to-federal-reserve-7d90addf?mod=Searchresults&pos=2&page=1>

<sup>x</sup> <https://tax.thomsonreuters.com/news/paperless-transition-brings-refund-delay-concerns/>

<sup>xi</sup> <https://www.mass.gov/news/massachusetts-dor-alerts-taxpayers-new-timelines-for-mail-postmarking>

<sup>xii</sup> [https://www.wsj.com/economy/central-banking/powells-second-to-last-meeting-previews-an-increasingly-divided-fed-35f2c529?mod=hp\\_lead\\_pos1](https://www.wsj.com/economy/central-banking/powells-second-to-last-meeting-previews-an-increasingly-divided-fed-35f2c529?mod=hp_lead_pos1)

<sup>xiii</sup> [https://www.wsj.com/finance/regulation/sec-prepares-proposal-to-eliminate-quarterly-reporting-requirement-1d700bbb?mod=finance\\_feat7\\_regulation\\_pos1](https://www.wsj.com/finance/regulation/sec-prepares-proposal-to-eliminate-quarterly-reporting-requirement-1d700bbb?mod=finance_feat7_regulation_pos1)

<sup>xiv</sup> [https://www.wsj.com/finance/investing/an-exodus-of-money-endangers-wall-streets-private-credit-craze-d0fbb8af?mod=article\\_inline](https://www.wsj.com/finance/investing/an-exodus-of-money-endangers-wall-streets-private-credit-craze-d0fbb8af?mod=article_inline)