

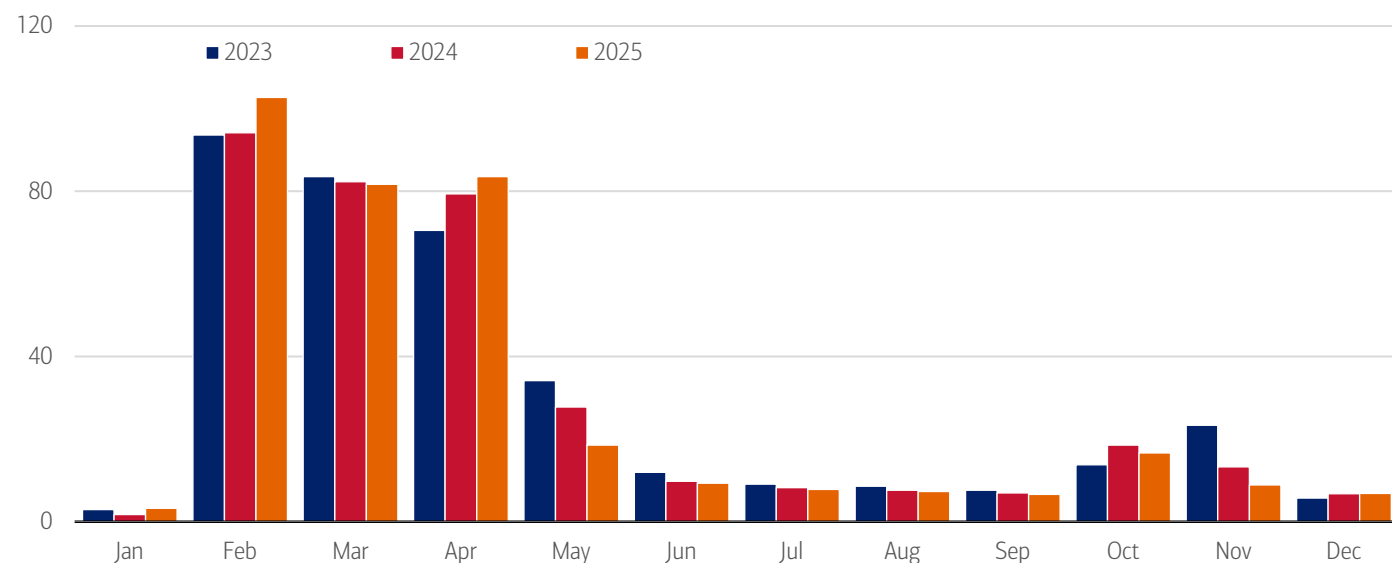
## Daily Insights

# 2026 tax refunds will be larger and arrive early

21 January 2026

### Last year, over 75% of tax refunds got paid out in February through April

Tax refund payments by month (\$billions)



Source: US Treasury Department, BofA Global Research

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Tax refunds often arrive early each year. Last year, more than 75% of refunds were issued between February and April, with February delivering the biggest wave. However, that timing matters even more this year, as refunds are expected to rise significantly.

New tax provisions – including a higher state and local tax (SALT) cap, “no tax on overtime,” “no tax on tips,” and a higher standard deduction for seniors – are estimated to boost refunds by 26% or almost \$100 billion. According to BofA Global Research estimates, this stimulus equates to approximately 0.4–0.5% of gross domestic product (GDP) or just over \$1,000 per household on average. However, while roughly two-thirds of households typically receive refunds, several of these changes primarily benefit those with more taxable income. Therefore, much of the increase is likely to be concentrated among middle- and higher-income filers.

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