

Accurate Tax Service Newsletter

2025 Tax Year

Happy New Year to you and your family. It's a new year and time to file your 2025 tax return. I advise you to read the newsletter and look for what information applies to you. Wait for all your tax documents before setting up an *appointment in person* or uploading tax documents on the secure portal.

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- **Tax Forms:** W2s can arrive before or after January 31, 2026. Stock trades, Crypto, 1099's, Gig income (Uber), Form K-1 could arrive in February or March of 2026. Taxable income should be filed in the year you receive or accrue it. You must file all your income received in your 2025 tax year.
- **No Tax on Overtime:** Effective for 2025 through 2028, individuals who receive qualified overtime compensation may deduct the pay that exceeds their regular rate of pay (such as the "half" portion of "time-and-a-half" compensation). Maximum annual deduction is \$12,500 (\$25,000 Married).
- **No Tax on Tips:** Effective for 2025 through 2028, employees and self-employed individuals may deduct qualified tips received in occupations listed by the IRS as customarily and regularly receiving tips on or before December 31, 2024. Maximum annual deduction is \$25,000.
- **Child Tax Credit:** The Child Tax Credit is worth up to \$2,200 per qualifying child in 2025 tax year. A portion of this credit, up to \$1,700 per child, may be refundable as the Additional Child Tax Credit (ACTC).
- **Deducting personal car-loan interest:** If you finance a personally titled car, truck or van that was assembled in the United States, you may now deduct up to \$10,000 of loan interest per year through 2028. (Vin number required)

- **Deduction For Seniors:** Effective for 2025 through 2028, individuals who are age 65 and older may claim an additional deduction of \$6,000(\$12,000 Married Joint). The taxpayer must attain age 65 on or before the last day of the taxable year. This new deduction is in addition to the current additional standard deduction for seniors under existing law. Deduction phases out for taxpayers with modified adjusted gross income over \$75,000 (\$150,000 for joint filers). Single Filer: \$23,750(\$17,750 + \$6,000 new tax deduction)
- **Expiring Tax Credits:** New or Used Clean (Electric) Vehicle Credits will not be allowed to be used after September 30, 2025. Energy Efficient Home Improvement Credits and Residential Clean Energy Credits will not be allowed to be used after December 31, 2025.
- **HSA (Health Saving Account):** Form 1099-SA will have the distribution amounts of your HSA. HSA distributions must be filed on your tax return to become tax-free distributions for medical expenses. (Tax form 1099-SA)
- **IRS eliminating paper checks:** The IRS is phasing out paper tax refund checks for individual taxpayers. Most refunds will be delivered by direct deposit or other secure electronic methods. Some options are Bank account information (routing & account number), prepaid debit card information (routing & account number) or digital wallets information.
- **Secured Portal:** The secure client file exchange portal is encrypted and safer than using your email. Clients can snap a picture with their phone then upload it onto the portal. You can also upload pdf documents, scan documents or more on the portal. I only need your email to set it up.
- **Certificate of Rent (CRP):** Landlords are required to file CRP form to Minnesota E-service online account by January 31, 2026. You should wait until you receive the CRP form before filing your tax return.