



## Planning for 2025 Tax Year



### Professional services include:

- Tax Compliance
- Audit & Assurance
- Litigation Support
- Estate & Gift
- Succession Planning
- Valuation
- IRS Representation
- Family Foundations
- Bookkeeping & Accounting

Our mission is to provide our clients with exceptional services by taking initiative to be proactive advisors. We pride ourselves in developing tailored strategies to meet the specific needs of our clients.

We have a diverse commercial and individual accounting, auditing, tax, and business consulting practice.

Our partners and staff are available to meet the needs of our clients and offer to meet with owners and management periodically throughout the year to discuss plans and to consult on a broad range of financial and business topics.



### Changes to Tax Law for Year 2025

In anticipation of the next tax preparation season, we hope this newsletter will alert you to changes in the tax laws that may affect your taxes. Hopefully, this information on the latest developments and legislative outlook will help you identify areas for further discussion about ways to save taxes and accomplish your planning goals. The One Big Beautiful Bill Act (OBBBA), signed into law on July 4, 2025, includes extensive provisions affecting both individual and business taxpayers. A summary of this legislation is available on our website.

#### Standard Deduction Increased

For 2025, the standard deduction is \$31,500 for married individuals filing a joint return and surviving spouses, \$23,625 for head of household, and \$15,750 for all other taxpayers.

#### Individual Tax Updates

The OBBBA introduces an extra senior deduction of \$6,000 (\$12,000 for joint filers over 65), subject to limitations if AGI exceeds \$75,000 (\$150,000 if joint filers).

Several key updates affect itemized deductions. For 2025, the SALT deduction cap has been increased to \$40,000, phasing out for taxpayers with MAGI above \$500,000. Beginning in 2026, charitable contributions will be subject to a 0.5% AGI floor, and a new overall limitation on itemized deductions takes effect.

#### Estate Tax and Gift Tax Exemptions Increased

The annual gift exclusion increased to \$19,000 for 2025. A gift greater than this amount to any one individual requires a gift tax filing; however, there is no tax due on gifts until all cumulative amounts during your lifetime exceed the estate tax exemption, which is now \$13,990,000.

#### Retirement Plan Updates

Individuals turning 73 in 2025 are required to start taking RMDs by April 1, 2026. Individuals can contribute up to \$7,000 to IRAs (plus a \$1,000 “catch-up” if over age 50) and have until April 2026 to make the contributions. Allowable qualified charitable deductions (QCDs) for 2025 are \$108,000.

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### Executive and Family Office Accounting Services

For some businesses and family groups, a full-time financial accounting specialist may not be practical. We provide a solution: services at your residence or corporate location tailored to meet your needs.

- **Bookkeeping** - from after-the-fact reconciliation of bank statements and recording of transactions to drafting and executing checks, tracking accounts receivable/payable, receiving payments, and making deposits for our clients.
- **Tax & Payroll Services** - state sales tax reporting, household and corporate payroll services including employee check, monthly reporting, and annual W-2, 1099s, 940 & 941, as well as worker compensation deposits.
- **Other Services** - Property management assistance



### Business Provisions

The OBBBA brings good news for businesses with changes to bonus depreciation and research and development (R&D) costs. For qualifying property acquired after January 19, 2025, 100% bonus depreciation has been reinstated. Additionally, beginning in 2025, domestic R&D expenditures can be immediately expensed, while foreign R&D costs must continue to be capitalized and amortized over 15 years.

### Other Changes

- On September 30, 2025, the IRS ceased issuing paper tax refund checks (refunds must be direct deposited).
- The Previously Owned Clean Vehicles Credit, New Clean Vehicle Credit, and Qualified Commercial Clean Vehicles Credit are terminated for vehicles acquired after September 30<sup>th</sup>, 2025.
- HSA contributions are capped at \$4,300 for self-only plans and \$8,550 for family plans, with a \$1,000 catch-up contribution available for individuals 55 years old and older.
- Kiddie tax income limit increases to \$ 2,700.
- The standard mileage rate for 2025 is 70 cents per mile.
- NOLs generated after 2017 can now be carried forward indefinitely until fully absorbed (previously limited to 20 years). NOLs generated in 2025 cannot be carried back.
- A new “School Choice Credit” is available for taxpayers who charitably contribute to qualified scholarship-granting organizations (limited to \$1,700).
- For 2025-2028, interest paid on loans for new U.S.-assembled vehicles is deductible up to \$10,000 per year.

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*This annual Tax Planning letter is being sent to you to encourage you to utilize all the opportunities the tax law provides to minimize your 2025 taxes as well as offer suggestions for longer-range planning. If you are interested in a tax planning appointment, please call our office to discuss these matters further. These updates are as of November 1, 2025.*