

K & M Precision Tax

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M-Th 9-6, Fri 10-4 _(new) & Sat 10-4 ,Sun Closed

I hope this letter finds you well. While I didn't take any big vacations this year, we did enjoy a week on Marco Island in Florida- it's truly a spectacular beach!

Please stop in and grab some calendars. I have plenty here for everyone.

OB(3), One Big Beautiful Bill, many changes for 2025 and even more for 2026. They are all good changes!!

First, we have the extra senior deduction of \$6000 per person if you are over 65. Single income must be below \$75,000 and Married must be below \$150,000. Many of you will benefit from this.

VERY IMPORTANT: IRS WILL NO LONGER BE ISSUING PAPER REFUND CHECKS. DIRECT DEPOSIT OR PREPAID DEBIT CARD. MAKE SURE I HAVE THE CORRECT BANK INFO FOR YOUR DIRECT DEPOSIT

No tax on tips. There are some stipulations on this but I won't go into those details. Please bring your last paystubs of the year.

Bought a new car after 12/31/2024? Deduct the interest (up to \$10K) Must be assembled in U.S.

Overtime deduction: Deductible amounts are \$12,500 for singles and \$25K for married couples. Income limits apply. Bring your year end pay stub for documentation, as this won't appear on W2's until 2026.

The energy credits were eliminated as of 12/31/25 but we can still use them for the 2025 tax returns and then they are gone. Electric car credit available for vehicles purchased before 9/30/2025

Tax preparation is convenient: schedule an appointment, drop off your documents, or Send to my email or request a secure upload link. Our secure drop boxes are monitored For your protection.

Please note: if you are claiming any dependents, you must provide a legal document each year showing your child's name and address (e.g., doctor's statement, school record, Driver's License, bank statement)

Thanks for letting us handle your tax adventures. See you soon!

Federal changes impacting 2025

- Mileage rate for self-employed for all of 2025 was 70¢.
- 1099K, if you get one of these forms. I must have it. This is from 3rd parties such as Zelle, cash app, Venmo etc. The reporting amount for this form is \$20,000 and more than 200 transactions. Please don't throw it away. Even if it was all personal items, it needs to be reported on your tax return. IRS is watching!!!
- Energy credits for your principal residence AND for your second home but eliminated for 2026
- PMI deduction is back. This should be on your mortgage statement.
- Gambling losses can only be 90% of gambling winnings. This means you will pay some tax on those gambling winnings.
- Property tax section has been limited to \$10K, now up to \$40K. Please include tax bills for all your properties and the mortgage statements. Many more of you will be able to go long form again.
- I have uploaded a new business worksheet on my website. Please use the new one or contact us for a new one to be sent to you.

Michigan changes for 2025

- Exemption amount jumped to \$5800
- **Michigan will no longer allow a homestead credit if your home is titled in a trust. This could mean a potentially \$1900 loss of refund. If your home is titled in a trust you need to immediately contact your attorney that set this up and have it changed it back to your name.**
- Property tax credit has increased to a maximum of \$1900, up from \$1800. The income amount to qualify has increased to \$71,500. Please, please, please bring me **2025** tax bills, It does NOT matter *when* or *if* paid.
- The phase out of the “retirement tax” continues. By 2026 most pensions and income from 104K and IRA withdrawals will be fully exempt.
- A new credit for Michigan is the Organ Donor Credit. This is a one-time \$10,000 tax credit for eligible live organ donors to cover associated costs. (child care, transportation, lost wages)