

End of Year Newsletter



Major changes have occurred this year:

No Tax on Certain Tips

- These tips still need to be reported so if you received tips in 2025 please make us aware. You can deduct the lesser of the tip income on your W-2's or \$25,000. There is a phase out.

Overtime Pay Deduction (Effective 2025-2028)

- If you received any overtime pay in 2025 please make us aware. You can deduct the lesser of the overtime income from your individual W-2's or \$12,500 each.

Auto Loan Interest Deduction

- Starting in 2025 you can deduct up to \$10,000 of personal auto loan interest. The vehicle must be a new vehicle assembled in the US and purchased as of 01/01/2025.

Trump Accounts (new IRA for children)

- \$5,000 annually can be contributed. Children born after 12/31/2024 will receive an initial investment of \$1,000 to the account.

\$6,000 Senior Deduction

- A new deduction for taxpayers over 65 years. It has nothing to do with the taxability of Social Security, which is still taxable. This is an additional \$6,000 deduction for single taxpayers and \$12,000 for married taxpayers. This is limited by income levels, so not everyone will be eligible.

Check your email for more detailed info on the One Big Beautiful Bill.

As the year draws to a close, we wanted to reach out to make you aware of a few updates and remind you of needed items for the upcoming tax season to ensure a smooth and easy tax filing experience for you!

LYDIA LESSER, CPA

...owner of LML, celebrating 8 years this year. Lydia has worked in the accounting field since 2003 when she earned a Bachelor of Science in Accounting from DeSales University.

LISA OVERHOLTS, CPA

...has worked in public accounting for the past 20 years. She earned a Bachelors in Business Admin from Ohio University in 1991 and she obtained her CPA license in 2010. She joined the team in 2024.

TRAVIS FAUST

...earned a Bachelor of Science in Accounting from Messiah University. He is currently studying for the CPA exam. He joined the team in 2023.

KEY DOCUMENTS

- W-2 for wages
- W-2G for gambling
- 1099-Int for interest
- 1099-DIV for dividends
- 1099-B Brokerage accounts
- 1099-K for income:
 - \$5,000 or more requires reporting.
- SSA-1099 Social Security
- 1098-T for tuition
- 1099-SA for HSA's
- 1099-NEC for income
- 1099-Misc for income
- 1098-Int for mortgages
- 1099-R for retirement
- 1099-G for refunds & unemployment

Office Hours:

Monday – Friday: 9 AM – 4 PM

Closed all major holidays

Canopy Secure Portal:

Our portal is always open to upload your documents securely!

Document Drop Off:

Our locked drop box is always open! It is attached to the side of the garage - on the way to our office door.

The IRS is discontinuing the issuance of paper checks for refunds. For all refunds, we need direct deposit info!

Updated Tax Brackets for 2025

Tax Rate	For Single Filers	For Married Individuals Filing Joint Returns	For Heads of Households
10%	\$0 to \$11,925	\$0 to \$23,850	\$0 to \$17,000
12%	\$11,925 to \$48,475	\$23,850 to \$96,950	\$17,000 to \$64,850
22%	\$48,475 to \$103,350	\$96,950 to \$206,700	\$64,850 to \$103,350
24%	\$103,350 to \$197,300	\$206,700 to \$394,600	\$103,350 to \$197,300
32%	\$197,300 to \$250,525	\$394,600 to \$501,050	\$197,300 to \$250,500
35%	\$250,525 to \$626,350	\$501,050 to \$751,600	\$250,500 to \$626,350
37%	\$626,350 or more	\$751,600 or more	\$626,350 or more

New Admin Team Member Introduction

We've added more administrative support! A warm welcome to Naomi Sasaki! Naomi earned her Bachelors in Business Admin from UO People University and has 10+ years of experience with bookkeeping. She will be doing tax bookkeeping, communications, and administrative work. Be sure to make her feel welcome if you stop by!

Watch Out!



Tax season is also tax scam season for savvy criminals.

Remember the IRS DOES NOT initiate contact by email, or request personal or financial information by email. Typically they initiate contact by mail.



LML
TAX & ACCOUNTING
SERVICES, LLC

Account	2024 Limit	2025 Limit	Percent Increase
IRA	\$7,000	\$7,000	No Change
HSA (Individual)	\$4,150	\$4,300	+3.6%
HSA (Family)	\$8,300	\$8,550	+3.0%
401(k) Deferral	\$23,000	\$23,500	+2.2%
401(k) Catch-Up	\$7,500	\$7,500	No Change
401(k) Annual Additions	\$69,000	\$70,000	+1.4%

Foreign accounts — please let us know if you have any foreign accounts so that we can properly report them.

Virtual Currency Transactions, digital payments, crypto currency — gains or losses in this area are taxable as capital income/loss. We must ask everyone if you have any of these activities!

Helpful Links

- [Canopy](#)
- [Our Website](#)
- [Send us a File](#)
- [Tax Prep Rates](#)

Standard Deductions

Filing Status	2024	2025
Single	\$14,600	\$15,000
Married Filing Jointly	\$29,200	\$30,000
Head of Household	\$21,900	\$22,500

Please remember our tax prep fee is based on your current tax situation (volume of forms, complexity, and organization of data) not last year's fee. If you have additional forms or need tax consulting this will be added to your invoice.



We are honored that you have trusted us to perform this service and we look forward to a great tax season!