



Beck's Tax & Business Services
KNOWLEDGE. EXPERIENCE. DEDICATION

TaxBrief

Keeping you informed **January 2026**

Happy New Year! May 2026 bring peace, health and prosperity to both you and your family. I look forward to seeing you soon! In this issue, we have highlighted a few key issues to watch for as you get ready to have your **2025** tax return prepared.

We will be available for appointments starting **Wednesday, January 21st**. Last day for individual timely filing will be **April 15th**.

Tax Appointments

Appointments only – No Walk-Ins. In-person tax appointments, drop-offs, mail-ins and upload of documents through our secure portal will be available. Do **NOT** email tax documents, use our secure portal. Per IRS policy, tax documents must be submitted through our secure portal. Please request more information if you would like to upload documents. Please be on time, if you're late, we might need to reschedule your appointment. We understand that life happens and at times appointments are missed, due to our schedule, after a no-show no-call, we will ask for a deposit to schedule your appointment. This will be a credit towards your tax return preparation fee.



Where's My Refund?

For updates on your refund, visit:
IRS: www.irs.gov/refunds

FTB/California: www.ftb.ca.gov/refund

Office News

- Due to recent IRS changes that increase the time and requirements needed to prepare accurate returns, our tax preparation fees will be adjusted this season. **Increase in tax preparation fees of \$25.**
- If you received **overtime pay**, you **MUST** bring your last paystub of the year or the last paystub from when you left your job(s) within the year. We will **NOT** be able to complete your return if you do not have your paystub.
- Please make sure we have all of your correct information/forms (i.e., W2, 1099s, etc.) before we file your return. There will be an additional fee if we need to amend your return after filing due to information not given to our office at the time of filing.
- For **stocks and crypto** reporting, please email or print your forms **before** your appointment, be prepared to show whether you had a gain, loss, cashed out or not, **ALL** transactions are reportable. I will need **ALL** forms. Due to IRS reporting policy changes, we will charge an additional fee for stocks and crypto currency reporting.

Reminders

- Getting your documents ready now makes tax season smoother and less stressful. As your trusted tax professional, my goal is to make sure you file accurately, maximize deductions and avoid unnecessary complications.
- Significant events during the year often affect your taxes. Let us know if you got married, divorced or widowed, had a child, adopted or took on guardianship. Buying or selling a home, moving across state lines, or starting or closing a business can also impact your return. Provide closing documents, settlement statements or contracts for any major financial events. These records help ensure you receive every deduction and credit available to you.
- Unemployment/Family Leave is taxable income, bring your tax form or download it from your EDD account.

Visit our website throughout the tax season for our latest news and updates

www.BecksTaxService.com

One Big Beautiful Bill: What It Means for You

The legislation known as the One Big Beautiful Bill Act, enacted on July 4, 2025, introduces several significant updates to the federal tax system, affecting individuals and families in a range of situations. This landmark legislation brings significant changes to the tax laws. Below, we will break down these changes in simple terms and how they might affect you as a taxpayer.

No tax for qualified tips

For millions of Americans working in hospitality and other service industries, tips are a vital part of their income. Until now, tips were considered taxable income for federal tax purposes, and workers had to report them to the IRS and pay income tax. **What's changed?** The new law allows up to \$25,000 per year in tip income to be deducted from your taxable income for tax years 2025 through 2028. The deduction is not an exclusion from gross income, but a deduction when you file your tax return. **This means you won't see any withholding changes to your paycheck.** The deduction is only allowed for tips that are included on a tax information reporting form such as Form W-2, Form 1099 or similar

No tax on overtime

MUST BRING YOUR LAST PAYSTUB FOR ALL JOBS! Effective for 2025 through 2028, individuals who receive qualified overtime compensation may deduct the pay that exceeds their regular rate of pay, the "half" portion of "time-and-a-half" compensation, that is required by the *Fair Labor Standards Act* (FLSA). The maximum annual deduction is \$12,500 (or \$25,000 if filing jointly) of qualified overtime pay. As with tips, this is **NOT** a total tax exemption; it's a deduction for federal income tax only. The deduction begins to phase out at \$150,000 (MAGI) for individuals, and \$300,000 for married taxpayers who file jointly.

New senior deduction

A new deduction is created only for seniors (65+), starting in tax year 2025 through 2028. Taxpayers age 65 or older (and their spouses if they are 65+ and filing jointly) can claim a \$6,000 deduction per qualified individual.

Increased child tax credit

Families with children will see an increase in the child tax credit. **Increased credit amount:** The child tax credit (CTC) is increased from \$2,000 to \$2,200 per qualifying child, effective for tax year 2025. For the CTC, the dependent must be under age 17 at the end of 2025. After the age of 17, they may qualify for the \$500 dependent care credit.

No tax on car loan interest

To claim the deduction, the taxpayer must report the **vehicle identification number (VIN)** on their tax return. For tax years 2025 through 2028, interest on new car loans for personal vehicles can be deducted from your taxable income, even if you don't itemize your deductions. **Loan qualifications:** The loan must be a new loan (incurred after Dec. 31, 2024) and secured by a first lien on the qualifying vehicle, meaning it is a **brand-new vehicle that no one else has used or owned.** Refinanced loans can qualify, but only up to the amount of the original qualifying loan. Loans from related parties **DO NOT** qualify. **Dollar limit:** The maximum amount of interest that can be deducted per taxpayer per year is \$10,000. **Income limitation:** The deduction is reduced by \$200 for each \$1,000 (or part thereof) by which the taxpayer's modified adjusted gross income MAGI exceed: \$100,000 for single filers, \$200,000 for joint filers. **Income reporting requirement: Vehicle qualifications:** Brand new cars, minivans, trucks and motorcycles. The original use begins with the taxpayer (i.e., the buyer is the first user). Vehicle must be assembled in the United States. Fleet vehicles, commercial vehicles, leased vehicles or salvage title vehicles do not qualify

Trump Account

This is a government-funded pilot program for children born between Jan. 1, 2025, and Jan. 1, 2029, parents can elect to receive a \$1,000 government contribution into their child's Trump Account. A Trump Account is a type of savings account for kids under 18. It works similarly to a traditional individual retirement account (IRA), but with specific rules aimed at helping children build savings for the future. The account can be created by filing tax form 4647 (our office can file the form for you for an extra fee).

As always, we're here to help you navigate these new rules and make the most of your tax situation. If you have questions or want to discuss your personal circumstances, please contact our office. We're committed to helping you thrive under the new tax landscape.



Beck's Tax & Business Services

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Office Hours

January-April

Monday -Friday: 9:00 am-6:00 pm.

Saturday: 9:00 am-3:00 pm

Some later evening appointments
available by request and appointment
Only, No Walk-ins.

Non-Peak Season Hours

May through December: Office Hours
Vary/By appointment Only



Important Dates/Deadlines

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|-------------------|--|
| January 31 | Businesses: Must File & mail W2 and 1099 forms |
| March 15 | DUE: S Corporations and Partnerships returns |
| April 15 | DUE: Individual Tax Returns
C Corporations, Sole Proprietors, Single Owner
LLCs, freelancers, household employers |