



**MIDWEST
BOOKKEEPING**

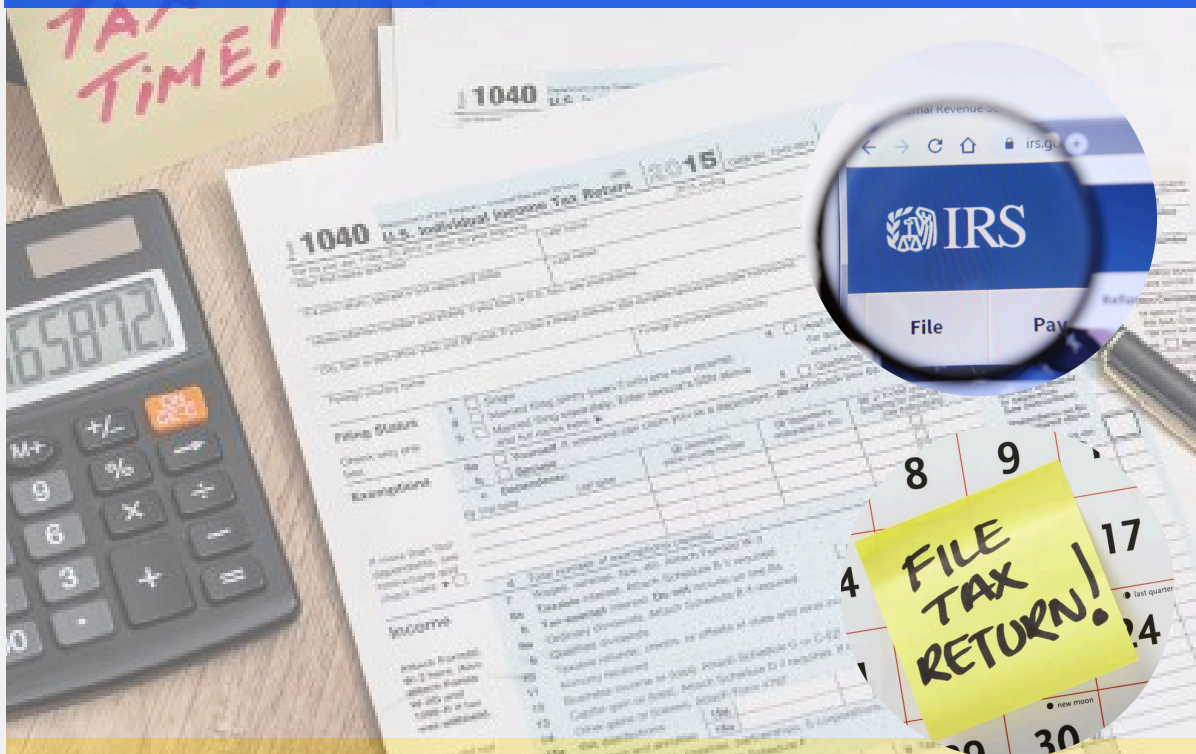
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NEWSLETTER

FEBRUARY 2025

At Midwest Bookkeeping & Tax Solutions, honesty is our top priority. This tax season, you can trust us to provide consistent, professional, and reliable service. We're committed to achieving the best results for you, tailored to your unique needs.



Stay Ahead of Important Tax Deadlines

Missing deadlines can lead to penalties! Here are the key dates to keep in mind:

- February 15: Deadline for employees to update their W-4 forms if claiming exempt status.
- March 17: Partnership and S-Corporation tax returns (Forms 1065 and 1120-S) are due.
- April 15: Individual income tax returns (Form 1040) and the first estimated quarterly tax payment deadline for 2025.



**QUICK
TIPS**

Mark your calendar now or set reminders to avoid late filings.

Tax Law Changes for 2025

Understanding tax updates can save you money. Here are some highlights:

Standard Deduction Increases:

- Single filers: \$14,600
- Married filing jointly: \$29,200

Expanded Credits:

- The Child Tax Credit returns to \$2,000 per qualifying child.
- The Education Credit now includes expenses for virtual learning equipment.



Credit for Other Dependents: What You Need to Know

Dependents can be of any age, including children over 17, elderly parents, or other relatives, as long as they meet IRS dependency requirements.

- 1** The dependent must be a U.S. citizen (Live in the U.S.) resident alien.
- 2** The dependent must be claimed on your tax return.
- 3** This credit is available even if the dependent doesn't qualify for the Child Tax Credit or Additional Child Tax Credit.

*Always consult with your tax professional to check your eligibility.



This credit can provide up to \$500 per qualifying dependent, helping reduce your tax liability.

NEWSLETTER

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What You Need to Know About Form 1099-K

Form 1099-K is issued to taxpayers who receive payments for goods or services through payment apps, credit card processors, or third-party settlement organizations. It reports income from platforms like PayPal, Venmo, Square, or Stripe.

You'll receive a Form 1099-K if:

Total payments exceed \$600, regardless of the number of transactions (this includes even a single transaction of \$600 or more).

Standard Mileage Rates for 2025

Taxpayers have the option to use these standard mileage rates to calculate the deductible costs of operating their vehicles for the specified purposes. Alternatively, they may choose to calculate the actual costs of using their vehicle rather than using the standard mileage rates.

- ¢ Business Use: 70 cents per mile
- ¢ Medical or Moving Purposes: 21 cents per mile
- ¢ Charitable Organizations: 14 cents per mile



Common Misunderstandings

- Personal Transactions: Payments for splitting rent, sending gifts, or reimbursements are not taxable and should not be reported as income.
- Business Transactions Only: The form applies to payments received for goods and services.



These rates apply to the use of a car, van, pickup, or panel truck. The business mileage rate has increased by 3 cents from the 2024 rate of 67 cents per mile.

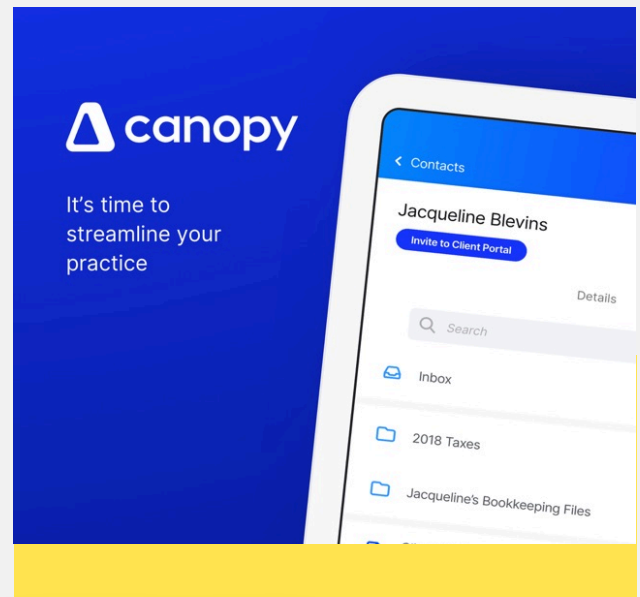
[IRS](#)



For more detailed information, please refer to the IRS's official announcement on standard mileage rates.

Streamline Your Tax Filing with Canopy!

Canopy: Your Connection to MBTS
We use the Canopy App as a secure communication platform between you and our team. By uploading your documents in advance, we can ensure that your tax appointment with our accountant is faster, more efficient, and tailored to your needs.



Why Use Canopy?

Save Time During Your Appointment

Uploading your documents to Canopy before your meeting allows us to have everything ready, so your session is focused and efficient.

Maximize Your Tax Benefits:

When we have more time to review your information, we can dig deeper into your tax situation. This means identifying special credits and deductions you may qualify for, which might otherwise be overlooked during a rushed appointment.

Stay Organized

All your tax documents will be stored securely in one place, making the process stress-free for both you and our team.

**SUBSCRIBE TO
OUR
NEWSLETTER!**

SPOTLIGHT SECTION



This month, we are excited to highlight KND Painting, LLC, a trusted painting service provider in Milwaukee, WI, and surrounding areas. With years of experience, their skilled team specializes in high-quality residential and commercial painting services. KND Painting is known for:

- ✓ Attention to detail
- ✓ Efficiency
- ✓ Exceptional results

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