

NOTABLE DEDUCTIONS

Temporary Senior Deduction: A deduction of up to \$6,000 may be available for seniors for tax years 2025–2028, subject to income limits.

2025 Standard Deductions

- Single or Married Filing Separate: \$15,750.
- Head of Household: \$23,625.
- Married Filing Jointly: \$31,500.
- The IRA deduction for 2025 is \$7,000 (under the age of 50) and \$8,000 (aged 50 and over). The RMD (required minimum distribution) age is 73.
- The single greatest tax “loophole” available to most employed taxpayers is contributing the maximum allowable amount of earned income to an employer-sponsored retirement plan, such as a 401(k) or 403(b). For individuals under the age of 50, the maximum annual contribution is \$23,500. Taxpayers aged 50 and older can take advantage of additional “catch-up” contributions, allowing them to contribute up to \$7,500 more annually.
- There is a new automobile loan interest deduction available for qualifying American-assembled vehicles purchased in 2025, subject to income limits.
- **State and Local Tax (SALT) Deduction:** The maximum federal deduction for state and local income, sales, and property taxes has increased from \$10,000 to up to \$40,000, which may allow eligible taxpayers to deduct more of the taxes they pay.

REQUIRED FILING DOCUMENTS

- W-2 form(s) & unemployment compensation
- 1099 form (s) | retirement, interest, dividend and brokers
- Mortgage statements
- 1098 form(s)
- 1095 health insurance form(s)
- Any other official IRS documents

TAX WITHHOLDING CALCULATIONS

If you would like a calculation made to ensure that your tax withholdings are correct, please provide us with a paystub for each taxpayer at the time of your appointment or drop off.

CONTACT INFORMATION

 bpts@braceystax.com
 9604 Spinnaker Street | Suite 101 | Cheltenham, MD 20623

January 1, 2026

Dear Valued Client:

We trust this letter finds you with good health, high spirits and lasting peace. It is our sincere pleasure to service you and we look forward to continuing our valued partnership in the year ahead.

With the passage of the One, Big, Beautiful Bill last year, there are several new deductions that may benefit you. These include potential deductions for seniors, sales and use tax, tips, overtime, and qualifying American automobile loans. We will apply any of these deductions that you qualify for; however, please note that some of the new provisions do have income limits.

If you are a W-2 employee who receives overtime pay, please provide any additional documentation or attachments from your employer that relate to your overtime earnings.

While the home improvement credits ended in 2025, if you installed a new furnace, air conditioning unit, boiler, heat pump, or similar system in 2025, please provide that information so we can determine whether you qualify for a credit.

2026 OFFICE OPERATIONS

BPTS is happy to offer the following options for your tax preparation needs:

Client Appointment Options

- **In person** client appointments scheduled by phone or email.
- **Virtual appointments via Zoom or Conference Call.** Please note that for virtual appointments, all required tax documents must be submitted through our secure data room at least 48 hours before your scheduled Zoom meeting. Clients may request access to the secure data room by phone or email.

Tax Document Delivery

- Drop your tax documents off during business hours or request a secure link via email to upload your documents.

The tax filing deadline for 2025 taxes is April 15, 2026 and the extension due date is October 15, 2026.

Bracey's Professional Tax Service, Inc. accepts all major credit and debit cards; in addition, we again are offering Fee-Collect which allows our fees to be directly debited from your federal refund for a nominal fee.

We sincerely thank each of you for your continued patronage, and we welcome and appreciate your client referrals. We are happy to meet with you throughout the year for tax planning, retirement and similar income tax related issues. We look forward to serving you soon.

Appreciatively,



Barbara B. Bracey
NTPA FELLOW, EA, ATA

2025 TAX CHECKLIST

Use the checklist to assist you in preparing your documents for your tax filing.

OFFICE HOURS | JANUARY - APRIL

- Monday, Tuesday, Thursday & Friday | 2:00 PM - 7:30 PM
- Wednesday | 12:00 PM - 7:30 PM
- Saturday | 11:00 AM - 6:30 PM