

AUGUST 2025

New Tax Laws for 2025 **P.1**

New Tax Laws continued.. **P.2**

Calendar/Recipe **P.3**

Big Beautiful Bill Act: Tax Deductions

Below are descriptions of new provisions from the One Big Beautiful Bill Act, signed into law on July 4, 2025, as Public Law 119-21, that go into effect for 2025.

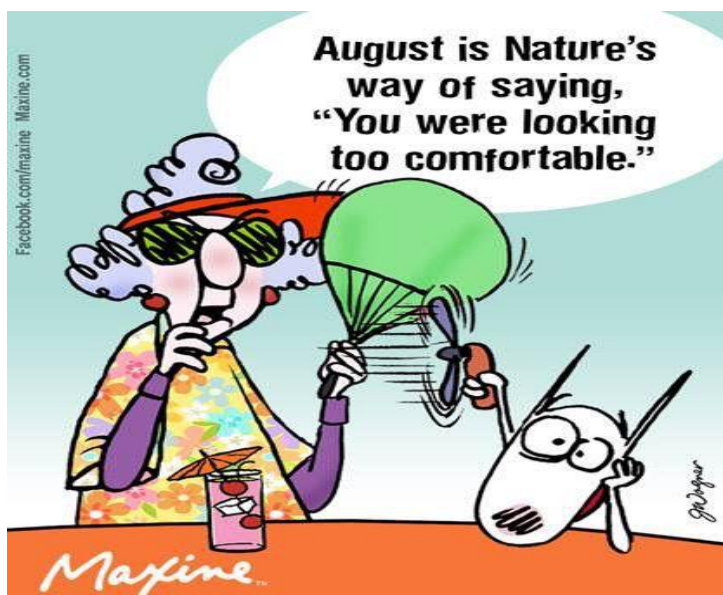
"No Tax on Tips"

- **New deduction:** Effective for 2025 through 2028, employees and self-employed individuals may deduct qualified tips received in occupations that are listed by the IRS as customarily and regularly receiving tips on or before December 31, 2024, and that are reported on a Form W-2, Form 1099, or other specified statement furnished to the individual or reported directly by the individual on Form 4137.
 - "Qualified tips" are voluntary cash or charged tips received from customers or through tip sharing.
 - Maximum annual deduction is \$25,000; for self-employed, deduction may not exceed individual's net income (without regard to this deduction) from the trade or business in which the tips were earned.
 - Deduction phases out for taxpayers with modified adjusted gross income over \$150,000 (\$300,000 for joint filers).
- **Taxpayer eligibility:** Deduction is available for both itemizing and non-itemizing taxpayers.
 - Self-employed individuals in a Specified Service Trade or Business (SSTB) under section 199A are not eligible. Employees whose employer is in an SSTB also are not eligible.
 - Taxpayers must:
 - include their Social Security Number on the return and
 - file jointly if married, to claim the deduction.
 - **Reporting:** Employers and other payors must file information returns with the IRS (or SSA) and furnish statements to taxpayers showing certain cash tips received and the occupation of the tip recipient.
 - **Guidance:** By October 2, 2025, the IRS must publish a list of occupations that "customarily and regularly" received tips on or before December 31, 2024.
 - The IRS will provide transition relief for tax year 2025 for taxpayers claiming the deduction and for employers and payors subject to the new reporting requirements.

"No Tax on Overtime"

- **New deduction:** Effective for 2025 through 2028, individuals who receive qualified overtime compensation may deduct the pay that exceeds their regular rate of pay – such as the "half" portion of "time-and-a-half" compensation -- that is required by the Fair Labor Standards Act (FLSA) and that is reported on a Form W-2, Form 1099, or other specified statement furnished to the individual.
- Maximum annual deduction is \$12,500 (\$25,000 for joint filers).
- Deduction phases out for taxpayers with modified adjusted gross income over \$150,000 (\$300,000 for joint filers).
- **Taxpayer eligibility:** Deduction is available for both itemizing and non-itemizing taxpayers.
 - o Taxpayers must:
 - include their Social Security Number on the return and
 - file jointly if married, to claim the deduction.
 - o **Reporting:** Employers and other payors are required to file information returns with the IRS (or SSA) and furnish statements to taxpayers showing the total amount of qualified overtime compensation paid during the year.
 - o **Guidance:** The IRS will provide transition relief for tax year 2025 for taxpayers claiming the deduction and for employers and other payors subject to the new reporting requirements.

This article will be continued next month with *No Tax on Car Loan Interest and Deductions for Seniors*. <https://www.irs.gov/newsroom/one-big-beautiful-bill-act-tax-deductions-for-working-americans-and-seniors>





Summer Buzz Fruit Salad

Ingredients

- 2 cups watermelon balls
- 2 cups fresh sweet cherries, pitted and halved
- 1 cup fresh blueberries
- 1/2 cup cubed English cucumber
- 1/2 cup microgreens or torn mixed salad greens
- 1/2 cup crumbled feta cheese
- 3 fresh mint leaves, thinly sliced
- 1/4 cup honey
- 1 tablespoon lemon juice
- 1 teaspoon grated lemon zest

Directions

Combine the first 7 ingredients. In a small bowl, whisk together remaining ingredients. Drizzle over salad; toss.

Nutrition Facts

3/4 cup: 131 calories, 2g fat (1g saturated fat), 5mg cholesterol, 94mg sodium, 28g carbohydrate (24g sugars, 2g fiber), 3g protein.

Total Time: 15 min

Yield: 6 servings

<https://www.tasteofhome.com/recipes/summer-buzz-fruit-salad/>

AUGUST 2025

AUG 1

Nat'l Water Balloon Day

AUG 5

National Oyster Day

AUG 9

National Bowling Day



AUG 13

National Prosecco Day

AUG 15

National Men's Grooming Day

AUG 17

Black Cat Appreciation Day

AUG 20

Nat'l Bacon Lover's Day

AUG 22

International Folklore Day

AUG 23

National Sponge Cake Day

AUG 25

National Banana Split Day



AUG 28

National Cherry Turnover Day

AUG 31

National Zoo Awareness Day

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