

JANUARY 2026

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IRS: 2025 Tax Year: No Tax On Tips

Overview of the deduction

- Effective 2025 through 2028, employees and self-employed individuals may deduct qualified tips they received in occupations the IRS identified as “customarily and regularly receiving tips” on or before December 31, 2025, and are reported on a Form W-2, Form 1099, another statement furnished to the individual, or on **Form 4137** if the individual directly reports the tips.
- “Qualified tips” include voluntary cash or charged tips received from customers, including shared tips.
- Maximum annual deduction is \$25,000.
- For self-employed individuals, deduction cannot exceed net income (before this deduction) from the trade or business where tips were earned.
- Phases out for taxpayers with modified adjusted gross income over \$150,000 (\$300,000 for joint filers).

Who qualifies

Individuals who:

- Have a Social Security number (SSN)
- Claim itemized or non-itemized deductions

Who doesn't qualify

Individuals who are:

- Self-employed in a Specified Service Trade or Business (SSTB) under Section 199A
- Employees of an employer in an SSTB

How to claim the deduction

- Include your Social Security number on the return
- File jointly if you're married

Reporting requirements

- Employers and other payors must report certain cash tips and the occupation of the tip recipient on IRS (or SSA) information returns.
- Treasury and IRS will provide penalty relief for tax year 2025.



SEDILLO and ASSOCIATES, LLC

Tax season is right around the corner. Now is a good time to start organizing your documents and make end-of-year adjustments. Both IRS and state governments have moved to electronic filing with few exceptions for paper filing. Refunds arrive faster and if you owe, there are multiple options you can choose from to pay your tax debt. You can choose the date to have the money withdrawn from your bank account, pay by check, or set up a payment plan. **Even though the IRS will not begin accepting tax returns until February, please don't delay in your tax preparation, especially if you have a business or corporation. At this point, no date extensions have been announced for the tax season.**

If you are a current Sedillo client - and you don't need to speak with me or have questions for me - and would like to save yourself a trip to our office, you can submit your tax information to me by email at corinnejthompson@sedillollc.com. Please make sure all your information is scanned, clear, and legible. Please always follow up with a phone call to make sure we received your email, 602-241-0712.

Texting pictures to my cell phone will not be accepted.

If you have questions that can be answered online, please email them to corinnejthompson@sedillollc.com. If you need to meet with me, please call the office to set up an appointment, 602-241-0712.

As always, I will call you with your final numbers.

If you would like your final tax copy mailed to you, there will be an additional \$5-10 mailing fee. We take Venmo, Zelle, Visa, Mastercard, American Express, Discover Card, Cash, and personal checks.

Our goal is to make this process as smooth and easy for everyone.

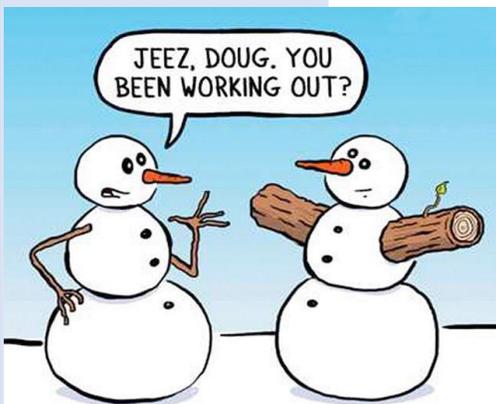
We truly appreciate your business.

Our office will be closed Wed, Thurs, and Fri, December 31, 2025 thru January 2, 2026 and Mon, January 19, 2026 for MLK Civil Right's Day.

Social Security Administration

SSA.org is the place to start to find out most information regarding eligibility, benefits, retirement income, Medicare and office locations. You can create an account online which requires a few steps with multiple documents close at hand.

To make an appointment at your local office, please call 1-800-772-1213. Always be sure to take multiple documents with you to verify who you are, i.e. passport, drivers license, birth certificate, ss card, pay stubs, etc.





Sheet Pan Blueberry Pancakes

Sheet pan blueberry pancakes are the ultimate breakfast hack for busy mornings or breakfast meal prep. This recipe can easily be customized with your favorite fruit, butter, syrup, or other pancake toppings.

Prep Time: 10 mins **Cook Time:** 15 mins **Servings:** 6

Ingredients

- Cooking spray
- 3 cups baking mix (such as Bisquick)
- 2 cups milk
- 3 eggs
- ¼ teaspoon vanilla extract
- ¼ teaspoon ground cinnamon
- 1 cup blueberries

Directions

1. Preheat the oven to 350 degrees F (175 degrees C). Line a large baking sheet or jelly roll pan with parchment paper; coat with cooking spray.
2. Combine baking mix, milk, eggs, vanilla extract, and cinnamon in a large bowl; pour onto the prepared baking sheet. Sprinkle blueberries evenly on top of batter.
3. Bake in the preheated oven until golden brown, 15 to 18 minutes.
4. Lift parchment paper with pancake from baking sheet; set on a cutting board. Slice into squares using a pizza cutter or into desired shapes with a cookie cutter.

Calories 292, Total Fat 5g, Saturated Fat 2g, Cholesterol 100mg, Sodium 1223mg, Total Carbohydrate 51g, Total Sugars 9g, Protein 11g

<https://www.allrecipes.com/recipe/281371/sheet-pan-blueberry-pancakes/>

JANUARY 2026

JAN 1

National Bloody Mary Day

JAN 4

National Trivia Day

JAN 6

Nat'l Cuddle Day

JAN 9

National Apricot Day

JAN 13

National Rubber Duck Day



JAN 17

Customer Svc Appreciation Day

JAN 20

Nat'l Cheese Lover's Day

JAN 22

National Hot Sauce Day



JAN 25

National Irish Coffee Day

JAN 26

National Bible Day

JAN 28

Nat'l Blueberry Pancake Day

JAN 31

National Hot Chocolate Day

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FORMS OF
PAYMENT NOW
ACCEPTED:

- VISA
- MASTERCARD
- AMERICAN EXPRESS
- DISCOVER CARD
- ZELLE
- CASH
- PERSONAL CHECK

WINTER WORD SCRAMBLE



Rearrange the letters on the left to form some wintry words on the right.

- | | |
|----------------|-----------|
| 1. ZEEGNIRF | 1. _____ |
| 2. STOBO | 2. _____ |
| 3. KNOFSWALE | 3. _____ |
| 4. BLONSLAW | 4. _____ |
| 5. ZYCO | 5. _____ |
| 6. BREMCEED | 6. _____ |
| 7. FARMFUSE | 7. _____ |
| 8. STACO | 8. _____ |
| 9. LOVESH | 9. _____ |
| 10. BLOWMONSIE | 10. _____ |
| 11. SNAKELBT | 11. _____ |
| 12. STROF | 12. _____ |
| 13. NAMOWNS | 13. _____ |
| 14. SLEVOG | 14. _____ |
| 15. TELM | 15. _____ |
| 16. RETHEA | 16. _____ |
| 17. DELSGIND | 17. _____ |
| 18. ZILBZRAD | 18. _____ |
| 19. CISELIC | 19. _____ |
| 20. STEM TIN | 20. _____ |

Tax Times January 2026

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We Love Referrals!