

# Items to Gather at Tax time and 2026 updates



From your friends at



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Fridayandassociates

2026 has arrived, Happy New Year! We are excited for the 2025 tax-return season and the chance to help you with your taxes. We have studied a lot this year and have a ton of new strategies and resources to help keep your taxes manageable and more predictable. To help you prepare, we have a list of items to gather and info about the new tax year. **Several key items have changed**, so we recommend you take a moment and read this list to prepare for tax time. **This year the IRS has included many of these docs right in your IRS online account! We recommend everyone create one at irs.gov for your current and past tax records. You don't have to wait for the mail!**

**Remember, at Friday & Associates, we answer tax questions for anyone, anytime, so give us a call! 801-651-4022**

1. The best item you can bring your tax preparer is a complete copy of your **tax return from the year before**. If you happen to have the actual tax file from the software you used also, they may be able to transfer it to their software, so that helps too.
2. **Your basic identity info**: Social security number(s) and birthdate(s) for you and everyone on your tax return (kids, adult dependents, spouse), address, phone number, and email address.
3. Any **w2s** that you received.
4. Any **1099s** that you received. These are income amounts. These can be from a variety of sources.
  - a. A 1099-MISC if you have rents or royalties from the year, a 1099-NEC if you are a contractor, are **self-employed**, or performed a paid service for a business you are not officially employed by.
  - b. A 1099-DIV if you received **dividends** from an investment. A 1099-INT for **interest** over \$10 received.
  - c. A 1099-G if you received **money or benefits from the state or local government**, such as unemployment or state tax payments from the year before.
  - d. A 1099-K if you made income through financial services like PayPal, Square, or Venmo. The reporting threshold increased this year so they don't have to send you a tax form if you made under \$20,000.
  - e. A 1099-R for any distributions/income received from a **retirement plan** (IRA, pension, annuity, etc..)
  - f. A SSA-1099 if you received **social security income** during the year.
  - g. For more info see <https://www.nolo.com/legal-encyclopedia/how-many-1099-forms-are-there.html>
5. Any **1098s** that you received. These are deductions and credits. These may or may not come in the mail, often they are electronic now, but you will need them if you have them. They include:
  - a. A basic 1098 form is used to report **mortgage interest, property taxes, PMI and insurance**. If you bought a house or refinanced, points and loan origination fees are deductible too!
  - b. A 1098-T reports tuition paid. If you are a **college student**, also bring any records of **books and supplies** purchased and **class fees** not reported on this form.
  - c. A 1098-E reports **student loan interest** paid.
6. If you are a business owner or participate in anything that brings in regular income totaling \$400 or more during the year, you will need to file a return with a Schedule C. Bring your **income records**, and records for any **business expenses** (office supplies, cell phone costs, travel costs, equipment, assets you own, etc.). If you drive a car for this business, bring **mileage records** if you have them, or **records of any gas and repairs** you had to make if you don't have a lot of mileage during the year or have a newer car. If you have a **home office that is only used for work and is a larger area**, bring **records of your home utilities for the year and any expenses related to the office** (internet, remodeling costs, furniture). Bring any **records of amounts you paid to other people** who helped you operate your business also. Also, If you have inventory, find the amount spent **this year, and your closing amount from the year**. If you just started your business, bring any start-up costs, even from earlier years! If you pay for **health insurance**, add up premiums.
7. If you have any **rental property**, bring your rental income amount, any 1098s for the properties, any expenses for the property, and if you have not filed with this property before, bring your **purchase closing documents**. If you refinanced during the year, bring your **refinance closing documents**.





8. If you have dependents who are in **daycare in order for you to work or look for work**, including after-school programs, summer camps or preschools, bring the amount you paid for their care and the EIN of the business or social security number of the person who provided the care.

9. If you have **health insurance** through the **federal marketplace**, **you must have your 1095-A document** (1095-B and 1095-C documents are NOT needed, They are for your info only.)



10. If you are a teacher who teaches in a classroom, bring the total amount for any **classroom supplies** you purchased out of pocket and were not reimbursed for.

11. If you sold any **stocks, Crypto, or other investments** you must have the **tax documents from your broker**. **Sometimes they are delayed, check your online account.**

12. Any **contributions to any retirement account outside of what your employer deducts before tax.**

13. If you have an **HSA**, you will need your **1099-SA document** (check in your HSA institution's online account)



14. If you **sold a large item**, such as a house, car, boat, etc. **bring records** of the amount the item was sold for, what it was originally bought for, and any upkeep costs you spent while you had the item. For your primary residence, you can exclude the first \$250,000 of profit per owner, You will need your closing docs.

### **Itemized deductions – Only bring if you have a large amount bigger than the standard deduction.**

15. If you have a **substantial amount** of **medical bills paid out of pocket**, not what was covered by insurance, and it possibly adds up to more than about 7.5% of your income for the year then bring your medical expense records. This includes any **doctor, dentist, hospital bills, the amount paid for eyeglasses, home care equipment, prescriptions (not over-the-counter meds), some long-term care costs, and any mental health costs**. Also make a list of the **miles** that you drove in order to get to any appointments you have had.

16. Any **charitable contributions** from the year, both cash and items donated.

17. Any **real estate taxes or other state and local taxes you paid during the year**.

18. Any **sales tax paid** on large purchases that had a large amount of sales tax such as cars, boats, RVs, etc..

## **New tax items for the 2026 tax season (2025 tax year returns)**

Curious about what has changed for your tax return this year? Quite a bit! And some items that will apply to next year's return STILL affect you now! Read here and share this info, contact us for any questions, we answer questions for anyone, anytime!

1. **Tips** - Most of your tips (voluntary tips only) received at specific jobs – restaurants included – are NOT taxed now on 2025 returns.
2. **Overtime pay** - Most overtime pay is now NOT taxed on 2025 returns!
3. **Car loan interest** - Part of the interest you pay for your car loan is a deduction now!
4. **Senior deduction** – if you are over 65, congrats! you get a new deduction this year! Up to \$6000 a person!
5. **Bigger State a local tax deduction** - If you itemize, you can deduct MORE of the state and local taxes you paid during the year! These include property tax and state/local tax deducted from your paycheck. The limit was 10000 before, now it is 40000! This could help you itemize and save more! Ask us about strategies!
6. The **Adoption credit** is partly refundable now! If you adopted a child in 2025 or going forward, you likely get a nice \$5000 thank you added to your refund, plus the remaining nonrefundable credit you qualify for!
7. **New Early retirement account distributions penalty exceptions** - If you took an early distribution from your 401K or IRA due to a personal financial crisis or a domestic violence crisis, there are new provisions to help you avoid the 10% early distribution penalty.
8. **Duplicate Claiming dependents in a divorce** - If you have trouble e-filing because of a prior spouse that keeps trying to claim your dependents when they shouldn't, there is a new way to help you file electronically.
9. **The Child tax credit is 2200 per child this year, 200 more than last year!**
10. **Childcare/dependent care credit increase** - On your 2026 return next year, you can count more of what you pay for daycare in most cases. This means that DURING 2026 if you need to utilize childcare, preschool

programs, summer camps, or anything that helps take care of your children while you work or look for a job, you can get a better tax break in most cases!

11. **FMLA** - If you are planning on using or paying into a family leave or medical leave plan at work, let us help you learn the rather complicated taxation, so you go in knowing what to expect.
12. **1099-NEC reporting threshold increased** – if you pay contractors or non W2 employee wages in your business, you’ve always had to issue a 1099-NEC if you pay them more than \$600 in a year. In 2026 that will be raised to \$2000 so for this year you can breathe a little easier about your paperwork load coming next year as you pay your contractors. (the \$600 amount was made in the 70s, time for an update!)

## **ACA / Healthcare Marketplace (Obamacare) Update — Please Share with Anyone Using the Marketplace**

There is **one great change this year** and **one very serious change** that could lead to **huge tax bills** if your marketplace information isn’t kept accurate.

### **1. The good news:**

**ALL Bronze and Catastrophic marketplace plans are now HSA-eligible!** 🌿

Health Savings Accounts (HSAs) offer excellent tax benefits and were previously limited to very specific high-deductible plans. Now, many more plans qualify.

Log into your **Healthcare.gov** account and check your plan details to see if it is **HSA-approved**. If it is, **open an HSA** — they are fantastic, and we’re happy to help.

### **2. The critical warning:**

Your income estimates must be accurate and updated throughout the year — or you could owe massive taxes!

When you enroll or renew marketplace coverage, you estimate your income for the coming year. In the past, if you underestimated and didn’t update your income, there was a **repayment cap** that limited how much subsidy you had to pay back at tax time.

That repayment cap has ended, and **Congress did not extend it**. As a result, if you underestimate your income and receive subsidies you ultimately don’t qualify for, you must now **repay the FULL amount** at tax time. This can mean **tens of thousands of dollars owed** in severe cases.

This won’t affect your **2025 tax return**, but the subsidies you are receiving **right now** will impact your **2026 return**, so accuracy matters immediately.

If you receive a raise, change jobs, have household changes, or anything else that affects income or eligibility, **report it promptly** using the **“Report a Life Change”** section in your Healthcare.gov account.

If someone helped you complete your marketplace application or renewal, **review every entry carefully** and know exactly what was submitted. Unfortunately, income has often been misreported, sometimes intentionally, and the consequences are now much more severe. We are happy to review your information with you — **it’s not hard**.

It is **not too late** to update your income estimate. While your premiums may increase, it can prevent a **huge tax bill next year**. If you choose to keep premiums lower, understand that you may owe a significant amount at tax time.

**Please contact us with any questions or concerns — we are very familiar with the marketplace and happy to help.**

**-Happy tax filing! Call us to make Tax Day feel like a FRIDAY! -**