

TaxPros Income Tax Service


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Welcome to the 2026 Tax Season!

As we welcome 2026, we look back at what 2025 has in store for you when you file your 2025 tax returns. The Child Tax Credit increases to \$2,200 credit per qualifying child. The tax reporting requirement for online marketplace sales is now \$20,000 and more than 200 transactions. Many of you saw lower federal deductions from your paychecks in 2024 and should have adjusted them in 2025 - you should check your withholding going into 2026.

We have attached a link to "**The Big Beautiful Bill Act**", which was passed in 2025. Numerous changes take place in 2025 and 2026. We have attached a link to a summarized consolidated version on our website.

CRITICAL DEADLINE INFORMATION

FILE NOW — DON'T WAIT — IRS OPENS JANUARY 26TH

MAKE SURE NO ONE CLAIMS YOU OR YOUR DEPENDENTS!!!!!!

Some IRS refunds are delayed until February 25th or later.

FILE EARLY TO BE THE FIRST TO GET YOUR MONEY!

IRS Identity Protection PIN (IP PIN)

The IRS strongly encourages all taxpayers to obtain an IP PIN number. An identity protection PIN (IP PIN) is a six-digit number that prevents someone else from filing a tax return using your Social Security number (SSN) or individual taxpayer identification number (ITIN). The IP PIN is known only to you and the IRS.

Even though you may not have a filing requirement, an IP PIN still protects your account. Follow the link to get started: **taxprosinc.com**

Important 2025 Tax Updates

Healthcare

If you purchased healthcare through the government marketplace (Obamacare) you must provide us **Form 1095-A** to file your return. Without this form your return cannot be filed. Click on the link to our website **taxprosinc.com**.

Unemployment Benefits

If you received unemployment benefits, you must obtain a **1099-G** online or directly from your unemployment office. NJ Department of Labor will not mail them. Click on the link **nj.gov/labor/myunemployment/**

Tip Income Deduction

Under the new rules, workers who receive tips in occupations that the IRS recognizes as "customarily and regularly tipped" may deduct up to **\$25,000 per return** of qualified tips from their taxable income each year and is subject to income limitations.

Overtime Pay Deduction

Overtime pay remains fully reportable as income. Under the new law, the additional earnings that an employee receives for overtime hours may be deducted from taxable income. The limit is **\$12,500 per taxpayer** and is subject to income limitations.

⚠ IMPORTANT: Employers were not required in 2025 to include this information on your W-2. To facilitate this, please provide us with the last paystub dated as close to December 31st. Without the paystub we cannot calculate the correct figure. In 2026 it will be mandated to be included on your W-2.

Standard Mileage Rates

| | |
|---------------------|-----------------|
| Business use of car | \$0.70 per mile |
| Medical reasons | \$0.21 per mile |
| Charitable purposes | \$0.14 per mile |

Education Credits

⚠ YOU MUST HAVE FORM 1098-T TO FILE FOR THE TAX DEDUCTION

• **American Opportunity Credit:** **\$2,500** per eligible student (first 4 years of college) • **Lifetime Learning Credit:** **\$2,000** per eligible student

Charitable Contributions

All cash contributions made to any qualified charity must be supported by **A DATED BANK RECORD OR A DATED RECEIPT**. Clothing and household items require a statement from the organization showing the donated property is in good used condition or better.

🌟 **NEW IN 2026:** *You can take a limited amount of charitable deductions even if you don't itemize.*

Homeowners — New Purchase or Refinance

If you purchased, sold, or refinanced your home this year, you will need to bring a copy of your **closing summary statement**. You may have more than one mortgage statement if your mortgage was sold, refinanced, or transferred.

With the raising of the SALT tax credit to \$40,000, many of you may now itemize again. Provide us with all mortgage interest and property tax bills for all properties you own, also provide your charitable contributions.

SALT Deduction — Itemized Deduction

- **Cap:** Up to **\$40,000** if you itemize (\$20,000 if MFS)
- **What counts:** State income/sales taxes + property taxes
- **Income phase-out:** Begins at \$500,000 MAGI
- **Standard deduction:** No SALT benefit if you don't itemize
- **Sunset:** *Reverts to \$10,000 in 2030 unless changed*

Car Loan Interest — New Form 1099-E

Lenders will send you a form for the loans that qualify for the interest deduction. Without this form, we cannot take the credit. Numerous limitations and restrictions apply.

Self-Employed Schedule C Income

IRS due diligence guidelines require you to provide a detailed written breakdown of all your income and expenses. Make sure you have all your **1099-MISC and 1099-K** under the new reporting limits.

⚠ You must have written records of your business expenses, including invoices and receipts.

Day Care Credit

To take the credit, you must provide the day care provider's **name, address, and SOCIAL SECURITY # or TAX ID #**. Without the number, you cannot take the credit. We suggest that you get a written statement. Let us know if you participated in a pretax FSA through your employer.

Miscellaneous Important Information

Identity Theft PIN: If the IRS has issued you an identity theft PIN number, please provide us with the letter. This number changes each year.

FMLA Family Leave: You will need a 1099-G from NJ (only available online at nj.gov/labor/myleavebenefits/help/taxforms)

Documents: *Please have all your documents **PRINTED and ready** — NOT ON YOUR PHONE OR LAPTOP.*

Brokerage Accounts: Bring the entire 1099 statement, not just a few pages. Check with your financial advisor that it's the final version and not a preliminary statement.

Senior Citizens: 65 and older will now receive a maximum \$6,000 deduction per taxpayer.

Trump Contribution Program: If your child was born in 2025, you are eligible for a \$1,000 tax savings account. Complete Form 4547 to participate in the pilot program. The amount of the credit is subject to income limitations.

Educator Expense Deduction: \$300 (for teachers)

Moved Out of State

If you have moved out of state, we can still handle your tax return. We can process any state return. You can mail, fax (732-752-8783), or e-mail (info@taxprosincnj.com) your tax return information to us, and we can E-file all your returns.

Direct Deposit — Get Your Refund FASTER

Get your refund faster with direct deposit. Please bring a **VOIDED check** with you. This is the safest method. Track your refund status at www.irs.gov — click on "Where's my refund?"

NEW IRS CHANGE

The IRS will no longer issue paper check refunds or accept paper check payments or paper check estimated tax payments. All must be direct deposit or electronic withdrawal from your account.

Payments

SAVE WITH CASH OR CHECK

Choose cash or check payment and automatically save 3.99% on your service.

Prefer the convenience of cards or digital payments? No problem—our standard rates apply.

Payment Methods:

- ✓ Cash or Check → Discounted rate (3.99% savings)
- ✓ Credit/Debit/Zelle/Venmo → Standard rate

 **PLEASE SIGN AND BRING BACK THE ENCLOSED FORM 8879 SO THAT WE MAY PROCESS THE ELECTRONIC FILING OF YOUR RETURN (Form 8879 is on the back of your Income Tax Checklist)**

The Dunellen office is **NOW OPEN**. Our hours of operation are as follows:

| Dates | Hours |
|--------------------------|--|
| January 12 to January 18 | Monday–Friday: 10am–3:30pm Saturday/Sunday: Closed |
| January 19 to April 15 | Monday–Friday: 8am–7pm Saturday: 8am–3pm |
| Select Sundays | Open Sundays 10am–3pm: Jan 25 • Feb 1, 8, 15, 22 |

Scheduling Tips

Saturday is our busiest day. If you have a complex return or multiple returns (i.e., children), please make the receptionist aware so we can properly schedule an adequate day and time to accommodate your tax needs.

If you cannot get the time you want, please email me so I can see what I can do to rework our schedule. Please call and make your appointment early. If you need a special appointment, let my staff know and we will accommodate you. Use the enclosed checklist as a guide in your preparation process.

As always, please feel free to contact me at any time. E-mail is a good option since I can check this after hours. Our commitment to service is to strive to attain your complete satisfaction.

We thank you for your referrals, business, loyalty, and support this past year and are looking forward to serving you this year.

Wishing you good times, good cheer, and a memorable New Year.

Sincerely,

Angelo DiRosa

TaxPros Income Tax Service

CLIENT INFORMATION

| | | | |
|------------------------------|--|----------------------|--|
| Taxpayer Name | | SSN & DOB | |
| Spouse | | SSN & DOB | |
| Address | | | |
| Cell # | | Email | |
| Your Appointment Date | | | |

DEPENDENTS

| Name | SSN | DOB | REALATION |
|------|-----|-----|-----------|
| | | | |
| | | | |

MEDICAL BILLS

Medical/Rx/Dental

PAID OUT OF POCKET

Medical Miles

PLEASE PROVIDE TOTALS ONLY, KEEP ALL RECEIPTS FOR YOUR FILES – ASK YOUR PHARMACIST FOR A PRINTOUT.

REAL ESTATE

Primary Home Property Tax

2nd Home Tax

Primary Property Tax Rebates

INCLUDE PTR FREZE AND ANCHOR

Rent Paid

MORTGAGE

Primary Home Mortgage Interest

2nd Home Mortgage Interest

Points Paid

PROVIDE CLOSING SETTLEMENT STATEMENT FROM CLOSING PACKET

CONTRIBUTIONS TOTALS ONLY

Cash/Check (TOTALS)

Non-Cash

PLEASE KEEP RECEIPTS

EDUCATION PAYMENTS

COLLEGE TUTION PAYMENTS

Tuition (1098-T)

OTHER INCOME FORMS

Unemployment

1099-G – PLEASE DOWNLOAD FROM NJ.

Self-Employment Income

1099-MISC/K

Health Insurance Form

1095-A

DAY CARE / PRE-K EXPENSES

Provider:

Amount:

SSN/Fed ID:

DIRECT DEPOSIT

☐ Same as last year

New Account #:

New Routing #: