

2024 Standard Deduction

\$29,200 for married,
filing jointly

\$14,600 for single filers

Secure Portals

We now have an option to upload your information securely through a portal. Let us know if you are interested.

DEPRECIABLE PROPERTY

For 2024, the maximum 179 depreciation deduction is \$1,220,000. For 2024 60% bonus depreciation is available on qualified assets. This drops to 40% bonus depreciation in 2025

Business Mileage Rates

2024 – 67¢/mile

2025 – 70¢/mile

Beneficial Ownership Information Report

The beneficial ownership information report which was set to be required by law by the end of December 2024 for most LLCs, limited partnerships, and corporations has been suspended subject to appeal. For those that have already filed if an appeal is won then you should already be covered. If a BOI has not been filed, it is not currently required however beneficial owners should be prepared to potentially have to file the report quickly if an appeals court overturns the lower courts decision.

FROM WEST, TALBERT & TALBERT, CPAs

Dear Friends,

A new year has dawned. In life and in the tax world, we always see some changes. Thankfully in 2025 as far as the tax world goes most of the tax code stays the same. Now 2026 could see substantial changes to the tax code because the changes are set to expire at the end of 2025 for the 2026 tax year. This will definitely be something that we monitor closely at West, Talbert & Talbert CPAs. We will have to keep an eye on what parts are extended and if any or all the change's sunset. With this in mind, many times it takes politicians on both sides of the aisle a lengthy time to act, so it could make tax planning for 2026 a little more challenging. We are excited to help walk our clients through these potential changes and help develop tax plans for 2026 and beyond.

On a personal note, we were able to get away for a few days in June and cheer on our Aggie baseball team in Omaha, Nebraska and had some continuing education in Orlando, Florida where Jearlene and Addalynn were able to join us as we went back to Disney and Universal.

Penny & William Talbert

New federal legislation

- The threshold for reporting for Form 1099-K through third party vendors such as Paypal and Venmo has been reduced to \$5,000 for 2024 and is set to be decreased to \$600 in 2025
- Child tax credit refundable portion has been increased to \$1,700 from \$1,400
- RMDs age has been pushed back for certain taxpayers. People born between 1951-1959 do not have RMDs from IRAs until 73 and people born after 1960 have no RMDs until 75
- Significant changes to 529 college savings plan has been made including the ability to roll over up to \$35,000 in their lifetime to a ROTH IRA provided that certain criteria are met

Lastly, we did want to mention some of the items that could potentially change or be eliminated in 2026. The qualified business income deduction could go away, tax rates for all tax brackets are set to increase, the standard deduction is set to be reduced; however, personal exemptions would be back, and the state and local taxes and property taxes would no longer be capped at \$10,000, and finally the Estate exemption amount would be cut in half. Many of these items will probably be extended by Congress but we will have to see what happens.

Fee increase in 2025

In light of continued increase in costs we are anticipating approximately a 10% increase this year assuming no additional changes in information.

Hurricane Beryl Relief

Those clients who elected tax relief/payment relief due to Hurricane Beryl for affected counties have until February 3, 2025 to file and make any quarterly estimated tax payments due between 7-5-24 and 2-3-25

Retirement Contributions Limits

For 2024 contributions to **Roth** and **Traditional IRAs** cannot be more than \$7000 (\$8000 if you are 50 or older) and stay the same in 2025 **Simple IRA** contributions are limited to \$16,000 (for 2024 and \$19,500 if you are 50 or older and increases to \$16,500 or \$20,000 for 50+ in 2025. Contributions to **SEP** are limited to \$69,000 for 2024 and \$70,000 for 2025.

CUT OFF DATE

The cutoff date for April 15 filing is **Friday, March 21**. If you would like for us to estimate your extension payment, please have the information to us by April 5.

1099s

You can now file your 1099s from the IRS website free of charge. There is a registration process which does require a processing period; so, you may want to keep in mind for 2025.