



ARE YOU READY FOR TAX SEASON?

Tax season has officially arrived, and now is the perfect time to make sure you're organized and prepared. Whether you're gathering essential documents, reviewing your financial activity from last year, or evaluating potential deductions, a little thoughtful planning today can make a meaningful difference when you are filing your 2025 taxes.

As you prepare, it also might be beneficial to consult with a tax professional who can provide insights on maximizing your returns and ensuring compliance with the latest tax laws.

TAX PREPARATION VS. TAX PLANNING

When most people think about taxes, they picture the annual rush to gather documents and file returns. While that's an important part of the process, it's only half the picture. To make the most of your financial opportunities, it's essential to understand the difference between tax preparation and tax planning, and how each one supports your financial wellbeing in different ways.

Tax Preparation: Reporting the Past

Tax preparation is the process of completing and filing your tax return each year. It involves collecting your income documents, reporting deductions and credits, and ensuring your return is accurate and submitted on time. Preparation focuses on what happened last year. The goal is to file correctly, avoid errors, and fulfill your legal obligations.

Tax Planning: Strategizing for the Future

Tax planning, on the other hand, is a proactive, year-round strategy designed to minimize your tax liability. It may include adjusting your withholdings, optimizing deductions and credits, structuring investments for tax efficiency, timing income and expenses, and planning around life events such as buying a home, starting a business, or retiring.

Tax planning looks forward. It's about making smart decisions today that lead to better tax outcomes tomorrow.

Although we don't prepare or file tax returns, we do provide strategic, year-round tax planning to help you make thoughtful, well-timed financial decisions. If you're interested in a tax strategy review or would like to explore whether our tax planning services are a good fit for your situation, please connect with your Client Stewardship Associate or Financial Advisor to schedule an appointment.

LOOKING AHEAD: 12 TAX PLANNING OPPORTUNITIES TO IMPLEMENT THIS YEAR FOR NEXT FILING SEASON!

1. Higher Standard Deductions: For 2026, the standard deduction increases again due to inflation adjustments.

2. New \$6,000 Senior Deduction (Age 65+): Individuals 65+ may qualify for an additional \$6,000 deduction per person, available from 2025-2028, subject to income limits.

3. Reinstated “Above-The-Line” Charitable Deduction for Non-Itemizers: Starting in 2026, people who don’t itemize can still deduct a small amount of charitable giving (like \$2,000 for couples). If you do itemize, you must give more than 0.5% of your income before donations start counting.

4. Expanded SALT Deduction Cap: The cap on deducting state and local taxes (SALT) moves up to \$40,400 for couples, though income-based phaseouts begin for taxpayers with MAGI >\$505k.

5. New Deductions for Tips & Overtime Pay: Some workers can deduct certain tip income and overtime pay (up to set limits).

6. Car Loan Interest May Be Deductible: Interest on loans for new U.S.-made cars bought from 2025–2028 may be deductible (up to \$10,000).

7. Higher Retirement Contributions & Catch-Ups: People ages 60-63 may be eligible for enhanced “super catch-up” retirement contributions for certain retirement accounts, up to \$11,250 in addition to their \$24,500 standard contribution limit. While those age 50+ their catch up is \$8,000 in 2026. And for those with a Roth or Traditional IRA the standard contribution limit is \$7,500 and \$1,100 for those age 50+ for 2026.

8. More Opportunities for Roth Conversions: With new deductions and adjusted tax brackets, some households may be able to convert more traditional retirement savings to Roth accounts at lower effective tax rates.

9. The QBI Deduction Becomes Permanent: The Qualified Business Income (QBI) deduction for many pass-through businesses is now permanent.

10. 100% Bonus Depreciation for Business Owners: Businesses can immediately deduct the full cost of qualifying equipment and property placed in service after January 19, 2025.

11. More Plans Qualify for HSAs & Higher Limits: More health plans become eligible for Health Savings Accounts (HSAs), and limits have also increased in 2026 (e.g., \$8,750 families) with a \$1000 catch-up for those aged 55+.

12. Higher Limits for Small Business Retirement Plans: Small business retirement plans remain among the most effective ways for business owners to reduce taxes while building long-term security, especially as contribution limits increase in 2026.

3 TIPS FOR A STRESS-FREE TAX SEASON

Tip 1: Get Organized Early

Gather all your tax documents, such as W-2s, 1099s, receipts, investment statements, charitable donation records, and business expenses, before you start filing.

Having everything in one place not only saves time but reduces the risk of missing deductions or making mistakes.

Tip 2: Don't Overlook Deductions & Credits

Many taxpayers leave money on the table because they don't claim eligible deductions or credits.

Common examples include:

- Education credits
- Child tax credit
- Home office deduction
- Charitable contributions
- Energy-efficient home improvement credits

Even small credits can add up.

Tip 3: Review Withholdings & Estimated Tax Payments

If you owed a lot last year, or received a very large refund, it may be time to adjust your withholdings or quarterly estimated payments.

This adjustment can help smooth out cash flow and prevents surprises next tax season.

*"Give to Caesar what belongs to Caesar,
and give to God what belongs to God." - Mark 12:17*



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