

Here is a summary of important information you may want to consider:

At the end of 2025, several of the Tax Cuts and Job Acts (TCJA) provisions expire! Some of these provisions are expected to be made permanent. However, as it is currently, you could see a 25% increase in tax.

Business Owners and Rental Property Owners who are real estate professionals -You must issue 1099-NEC by **January 31** if you paid an individual or business \$600 or more for services such as repairs, lawn care, cleaning, HVAC services etc. **BUSINESS MEALS** are 50% deductible with a few exceptions.

*E-filing will begin **January 27th**. The earliest refunds will be direct deposited around **February 9th**. Returns with **Earned Income Tax credits and Additional Child Tax Credit** refunds are delayed like years past and cannot be paid before **February 15th**. (PATH ACT enacted 12/18/15.)

Warning for users of Cash App, VENMO, PayPal or sites like eBay, Facebook Marketplace, Etsy (Zelle is exempt by the way.) The government requires these businesses to send a 1099-K to anyone who has \$5,000 or more in transactions for a tax year. This rule should not be applied if you are giving gifts or reimbursing someone for something so

1. Be sure to **memo** either **gift or reimbursement for**... when you send the money via CashApp, VENMO, PayPal etc.
2. If you receive a 1099-k for 2024, please be sure to send it to me. Some states have a lower threshold (IL, MA, MD, VT, VA.)

Retirement-Required Minimum Distribution (RMD) rules and General IRA/401k Info – Secure Act 2.0 modified the RMD age. RMD is the age you must start withdrawing funds from most retirement accounts. If you are already required to take an RMD, you must continue those RMDs.

- o **Donate directly from your IRA if you are 70-1/2 regardless of your RMD age**, you can donate up to \$105,000 (2024) and \$108,000 (2025) from your IRA (double it for a couple if the donation is made **DIRECTLY** from your IRA to the charity.) **QCD follows the 70-1/2 rule** where RMD follows the age 72 or 73 rule. The taxable amount of your IRA distribution will be reduced by the Qualified Charitable Donation (QCD,) **but be sure to let us know that you have a QCD!**
- o If you are 59.5 and you expect your RMDs to be large in retirement, **we should do some tax planning**...waiting may NOT be a good financial decision when it comes to the tax implications of a RMD, pension and social security income! Also, your Medicare premiums can increase because they are based on your total income-- Google IRMAA Brackets.
- o The “lifetime stretch” IRA went away for future beneficiaries with the Secure Act. An inherited IRA will have to be depleted within ten (10) years. Ten years can still be a blessing if you **list the beneficiaries by individual names on the IRA account.** Another option is a QLAC up to \$210,000 to defer.

Energy Credits-Solar Tax Credit and other energy credits have been extended and revamped. This law now has some annual limits, but there is no longer a lifetime limit. Basically, if some energy saving remodel plans are in your future, let's look at the law and determine whether it is better to do the upgrades over multiple tax years. Please do not rely on a sticker as it is my understanding we have to enter codes from the purchase paperwork. Here is a great resource: <https://www.energystar.gov/about/federal-tax-credits>

Electric Vehicle (EV) tax credit. Please do not rely on a salesperson's advice as to whether your purchase qualifies for a tax credit...remember, they get a commission if you buy. Call me for tax advice and let's look it up-rules change! I need the dealer report. The income limits and titling are SO important! <https://fueleconomy.gov/feg/tax2023.shtml>

For Tax Year 2024

1. **Standard Deduction** Amounts (this is the amount you must exceed to itemize.)
 - a. Single \$14,600
 - b. Head of Household \$21,900
 - c. Married Filing Joint \$29,200
 - d. Single 65 or blind \$ 1,950
 - e. Married 65 or blind \$ 1,550
2. **Unemployment is TAXABLE.** Please include your **1099-G** with your documents if you received unemployment. **Log into unemployment and print the tax doc!**
3. **Healthcare.gov Insurance aka Marketplace Insurance**-If you get insurance on **healthcare.gov (subsidies)**, you must file a return and provide us with your **1095A** form which you can find under **messages** on **www.Healthcare.gov**
4. **HSA and IRA contributions can be made for the prior tax year up to April 15th.**

Itemized Deductions (less than 15% of taxpayers can itemize) Changes due to Tax Cuts and Job Acts (TCJA) See my checklist <http://mc1040.com/itemized-deductions-checklist/> :

1. Limit on **state and local taxes (SALT.)** The maximum total taxes you can deduct is \$10,000 (\$5,000 married filing separate MFS.) Taxes included are real estate taxes, state income tax or sales tax, and personal property taxes.
2. Medical expense AGI threshold is 7.5%
3. Home Mortgage Interest Reminders
 - i. NO deduction for home equity loan interest (HELOC) to the extent the loan proceeds were not used to buy, build, or improve your home. In other words, if you used a HELOC to buy a car or pay off a credit card, this interest is no longer deductible.
 - ii. Home Mortgage Interest is limited to a maximum mortgage of \$750,000 (\$375,000 if MFS) unless your debt was incurred before December 15, 2017. If you have a mortgage greater than \$750,000 (up to \$1,000,000), it may not be in your best interest to refinance because if you do, the new \$750,000 limit will apply.
 - iii. Mortgage insurance premiums - non-deductible.
4. No Miscellaneous Itemized Deductions including investment fees, safe deposit box fees, tax prep, uniforms, licenses, and unreimbursed employee business expenses (home office)
5. **Charitable Deductions**—So maybe you can't itemize anymore; however, I do have two suggestions to garner at least some tax advantage for charitable donations:
 1. **Donate appreciated stock directly** to the charity from your brokerage account. You will not have to pay taxes on the gain. For example, if you sold the stock, then donated the cash to the charity, you would have to pay taxes on the capital gains. If you donate the shares of stock **directly** to the charity, there is no tax on the capital gain.
 2. **Donate from your IRA if you are 70-1/2 directly from the IRA account to the charity.**

Less Common Items

- **Estate Tax Deduction**--\$13.99 million for 2025 and 13.61 million for 2024. Annual Tax Gift Exclusion is \$19,000 for 2025 up from \$18,000 for 2024.
- **Casualty Losses**—Must be a federally declared disaster before deductible.
- **Moving Expenses**—Only available to members of the military on active duty who move pursuant to the military orders.
- **Alimony**—Alimony and separate maintenance payments are no longer deductible (or taxable) for any agreement executed or **modified after 12/31/2018**. Let me know if your alimony agreement was modified in 2019 or later.

Please include this form with your tax paperwork.

Fees: Due to my increasing costs, a basic form 1040 will be \$150 and up (depending on the forms needed, time spent throughout the prior year.) Payments by debit and credit cards will incur a 4% surcharge. I accept checks, and I will hold the check until you get your refund. I also accept VENMO (McAlpineTax or 9046697266) and CashApp (\$McAlpineTax) and Zelle 904-669-7266.

Tax documents can be delivered to us four ways (if electronic-one pdf of all docs is preferred):

1. Mail-Our mailing address is 1012 Dunstable Lane, Ponte Vedra FL 32081-7045. A mailing label is enclosed. I recommend you keep one copy of each tax document.
2. Email me with scanned forms in one pdf-Please use marycalpine@gmail.com for e-mail correspondence. Password protect the documents with the last four digits of your SSN.
3. Portal-New Users-Email or text me to request a login to my secure portal:
<https://mc1040.com/client-portal/>
4. In person appointments-Appointments at my home are available. Please pre-arrange a date and time with me. If either of us have a cold or not feeling well, let's reschedule.
5. Filing Deadlines:
 - Individual returns/extensions must be filed by April 15th. With extension October 15th
 - Partnerships, Corporate and S Corporations returns/extensions are due by March 17th With extension September 15th
 - Estimated taxes to avoid penalties and interest are due 4/15/25, 6/16/25, 9/15/25 and 1/15/26.

Your Name _____

Marital Status on 12/31/24(circle one): Married Separated Single Head of Household (with a dependent)

Best Phone Number to Reach You _____ - _____ - _____ Is this a Cell? ___ Can I Text You? ___

Email address (make sure it is private) _____

At any time during 2024 did you receive (as a reward, award, or payment) or sell, exchange, or otherwise dispose of a digital asset (or a financial interest in any virtual currency?) YES NO

At any time during 2024, did you have financial interest or signature authority over any foreign investments including trusts? _____ YES NO

Please tell me your preferred preference for a copy of your tax return (circle one):

Paper emailed PDF with password Portal (online storage) – You will receive an email for access to the secure portal where you will create a password or there's now an App! **SecureFilePro** (no spaces.)

If the following info is the same, write "same", but I appreciate last 4 digits of bank acct to verify.

Direct Deposit Information-- Financial Institution's Name _____

Routing Transit Number _____ (always 9 numbers) Checking ___ Savings ___

Checking Account Number _____

New Driver's License # _____ Issue Date _____ Expiration Date _____

New Driver's License # _____ Issue Date _____ Expiration Date _____

NEW DEPENDENTS:

Name on Social Security Card _____ # of Months Lived in Your Home _____

Social Security Number _____ - _____ - _____ Date of Birth _____ - _____ - _____ Relationship _____

Tax organizers are optional and available upon request (email or text me and we will forward.) Please be sure to include all tax documents and inform us of changes that occurred in 2024.

Tax Form Reminder!!! If you get any kind of a tax form, please forward it to us. If you receive a retirement distribution from an IRA or 401K, please forward the 1099-R tax documents. We must include the income on your return even if tax was withheld. **Unemployment is taxable.** **Sold real estate?** Check your closing package for a 1099-S. 1099-B (brokerage accounts.) Sadly, every year someone gets a letter from the IRS, and they owe more taxes. If the IRS owes you, they won't write! **Make sure you send us all tax documents!** **CP2000 responses start at \$100** depending on time spent verifying or responding if the letter was generated due to a missing tax document that was not provided to us. If you feel the tax form is wrong, we need to address the issue on your original tax filing.

If you receive online bank or brokerage statements, tax documents are likely online too.

___ **Did you get unemployment? You may have to login to the Unemployment website for the 1099G.** Send all 1099G for gov't payments such as unemployment and state refunds.

___ **Health Insurance Subsidy?** www.Healthcare.gov, login and go to messages for tax form 1095A.

___ W-2s and W-2G (Gambling)

___ 1099-R – Any Qualified Charitable Distributions if 70.5 or older?

___ 1099-K - \$5,000 or more for goods and services (2025 limit \$2,500, 2026 \$600)

___ 1099-INT for bank interest income or was interest paid on your tax refund?

___ 1099-DIV and 1099-B for dividends, stock/bonds sales (even if at a loss)

___ 1099 NEC for nonemployee income or 1099-MISC for rent collected, prizes etc.

___ Did you buy an Electric vehicle last year? <https://fueleconomy.gov/feg/tax2023.shtml>

___ Did you make qualified energy improvements? Solar, Windows, Door

<https://www.energystar.gov/about/federal-tax-credits>

Educator Expenses—up to \$300 without itemizing.

___ Student Loan Interest (Form 1098-E.)

___ Withdrawals from Retirement Plans (1099-R) or 401k loans paid off when terminated.

___ Sales of Assets such as savings bonds, stocks, land, timber, property.

___ Home Purchases/sales— Send Closing Statement, Form 1098 and 1099-S for sale.

___ Home Refinancing—Send Closing Statement and Forms 1098 (old and new mortgage.)

___ Home Mortgage Interest statements (Form 1098.)

___ Change in marital status or lived apart the last six months of 2024.

___ Children in College (or Taxpayers) (1098-T) **College Education Credits**—This tax credit is missed by so many taxpayers. If anyone in your tax household attends college, their tuition and sometimes their books and supplies qualify for a tax credit. Make sure we know that the person is in college. Most colleges require that the student logs into their system and print the tax form 1099-T.

___ Marriage, divorce, or separation in 2024?

___ Marriage of dependent Children in 2024?

___ Change in Dependents in 2024?

___ Child Care Payments – please include child-care provider statement including after-school services. **Max is \$3,000 for one; \$6000 for 2 or more qualifying persons**

___ Sale of a home that the First Time Homebuyer credit (tax year 2008) was taken.

___ New Business or New Rental Property Please call as I am no longer accepting new clients at this time.

___ Mileage (rarely allowed)-For each vehicle, we need the total miles driven, miles to be deducted for each category--business, charity, and total miles driven for commuting. This applies to rental property owners and self employed who file a Schedule C or statutory employee (box 13 on W2 s checked.) **The business mileage rate is 67 cents for 2024 and 70 cents for 2025. The rates are less for medical and charity.**

Deadlines and Surcharges—New Policy effective 10/15/21

Copies of tax returns cost a minimum of \$25, extensions are \$40.00, and advice for friends and relatives will be billed to you at my hourly rate.

Tax Documents received within 25 days of a filing deadline will incur a 25% surcharge on the tax preparation fee or the fee to prepare an estimate of amount owed before the filing deadline. If you are willing to wait until after the filing deadline (understand that you will pay penalty and interest on any taxes owed,) you can avoid the 25% surcharge by waiting until I have time after the deadline. Please send all documents 30 days before the filing deadline because I have quarterly commitments to accounting clients in April and October.

More Info Available online:

McAlpine Accounting & Tax Service:

<https://mc1040.com/>

Thank you!

Keep in Mind that you are Paying me for My Education, My Experience and My Knowledge~