

## Alliance Tax and Accounting Services LLC

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**Once again, a new year is behind us, and income taxes are coming. As with all things, we have changes!**

**Bob Woodsmall** is heading to retirement.

**BOBS NOTE:**

*“I hope this note finds you well. I wanted to personally share with each of you that I have begun my transition toward retirement. From this point forward, Darrell, my business partner of 20 years, and his son Joshua will be handling the management of the office. Back in early 2025, Joshua purchased my share of the business with the agreement that I would stay on board for the next two to three years. Josh has been with the company as a tax preparer, consultant, and IT professional for ten (10) years. As I move forward towards retirement this year, I’ll be taking steps to ensure there is a smooth transition that will provide continued quality service for all my clients.*

*Thank you again for all your loyalty and support over the years!”*

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***Our goal is to make your tax preparation experience headache and hassle free and as pleasant, as possible.***

Please visit our website at [alliancetaxpros.com](http://alliancetaxpros.com) to download our **Returning Client Forms** to fill out for drop-offs. On our website you can also **upload your documents through our secure portal**. Please include the **Returning Client** forms with your upload or drop-off. **We have attached these forms for your convenience. Allow additional time when dropping off in person if you haven’t printed and completed these forms prior to visiting our office.**

***To ensure you get an appointment with your preferred preparer at your preferred time and date, give us a call today at [636-477-0829](tel:636-477-0829)***

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### **Alliance Tax Recommends all Clients Create an Individual IRS Online Account**

Setting up an IRS online account has many benefits. You can securely access and view your IRS tax information anytime through an individual online account.

**<https://www.irs.gov/payments/view-your-tax-account>**

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**The IRS is phasing out paper checks beginning September 30, 2025! Please be prepared to have your refunds Direct Deposited. You will also need to use the options to pay your taxes from your bank account.**

## **The top items affecting most taxpayers coming for 2025:**

1. The standard deduction has increased. Single filers rose to \$15,750, Married Filing Joint rose to \$31,500, \$23,625 for Head of Household. (Higher if over age 65).
2. *New for 2025-2028, individuals who are aged 65 and older may claim an additional deduction of up to \$6000. This new deduction is in addition to the current additional standard deduction for seniors under existing law. Income limits will apply.*
3. The Child Tax Credit has been raised to \$2,200.
4. *State and Local Tax (SALT) deduction has been increased from \$10,000 to \$40,000 which will allow more taxpayers to itemize deductions especially with higher mortgage interest and Real Estate tax amounts.*
5. **Credits for new electric vehicles have expired.**
6. Two major residential incentives—the Energy Efficient Home Improvement Credit (25C) and the Residential Clean Energy Property Credit (25D)—are both set to expire for systems installed after December 31, 2025. **Documentation Requirements: Starting in 2025, homeowners will need to include a Qualified Manufacturer Identification Number (QMID) for eligible products on their tax returns. This requirement is part of new IRS regulations aimed at ensuring compliance with the credit claims.**
7. The Missouri Military deduction remains at 100%. **\* Remember to bring the LES statements.**
8. **Retroactive to 1/1/25 Missouri is no longer taxing Capital Gains.**
9. §530A Commonly known as “Trump Accounts”, read more here: <https://www.irs.gov/newsroom/treasury-irs-issue-guidance-on-trump-accounts-established-under-the-working-families-tax-cuts-notice-announces-upcoming-regulations>

## **New for 2025**

- “No Tax on Tips”
- “No Tax on Overtime”
- “Car Loan Interest Deduction”

*\*Follow the link for more information.*

[One, Big, Beautiful Bill Act: Tax deductions for working Americans and seniors | Internal Revenue Service](#)

***\*Bring your last paycheck stub if you receive tips or work overtime!***

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### **2025 Standard Mileage Rates**

Beginning on Jan. 1, 2025, the standard mileage rates for the use of a car (also vans, pickups or panel trucks) will be:

- 70 cents per mile for business miles driven.
- 21 cents per mile driven for medical.
- 14 cents per mile driven in service of charitable organizations

#### **Remember!**

If you are deducting business vehicle expenses you must have records for: miles, time, place and business purpose of travel.

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### **Digital Assets/Virtual Currency/Cryptocurrency**

The IRS treats virtual currencies as property, meaning it is taxed in a manner like stocks or real property. The IRS is focusing on cryptocurrency/digital asset tax evasion with virtual currencies, employing data analytics to uncover transactions that crypto users assumed were hidden. Form 1040 asks whether at any time during 2025, did you: (a) receive (as a reward, award, or payment for property or services); or (b) sell, exchange, or otherwise dispose of a digital asset (or a financial interest in a digital asset)? ***If the answer is Yes, you must provide a record of all your transactions. This includes how much you paid for the digital asset, if purchased, how long you held the asset, and how much you sold it for. You must have receipts for each transaction. More information may be required to complete your 2025 tax return.***

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### **Online sales/payment apps (Form 1099-K)**

If you received payments through apps like eBay, Venmo, Etsy, PayPal, or Cash App in 2025, you may receive Form 1099-K in early 2026. For more information:

<https://www.irs.gov/pub/taxpros/fs-2025-08.pdf>