TAX CHECKLIST

Some of the more common items and information required for the preparation of tax returns are listed below. If you would like a more detailed questionnaire, please visit our website at **www.qualitytax.org** or contact our office.

☐ **PERSONAL INFORMATION**
Full Names-as shown on Social Security card, birthdate, marital status, address, and phone number.

☐ **DEPENDENTS**
A. Social Security name, number, birthdate, and for all dependents
B. Did any child turn 19 years old?
C. Was any dependent claimed on another person's return, or did they file their own return?
D. Did any child under age 18 have interest and/or dividends of more than $1,250?
E. Add or delete any dependents?

☐ **INCOME**
A. Forms W2, 1099 Interest and Dividends, Social Security, Gambling, Unemployment, Pension and IRA distributions, Sale of Property, etc.
B. Form K-1 from Partnerships, Estates, Trusts, etc.
C. Alimony.

☐ **MEDICAL COSTS/ACA PREMIUM CREDIT**
If total is more than 7.5% of income
Medical insurance, Long Term Care insurance, doctors, dentist, prescriptions, glasses, hospitals, medical equipment, travel, etc.
<u>Form 1095-A required for insurance purchased on health exchange.</u>

☐ **TAXES**
DMV vehicle license fee (VLF) portion only, property taxes (home, boat, airplane, etc.), and sales tax on vehicles and large items.

☐ **INTEREST**
Mortgage on personal residence and second home. Can be an RV. If paid to an individual, their name, address, and Social Security number is required.
Qualified vehicle loan interest deduction *NEW*

☐ **CHARITABLE CONTRIBUTIONS**
A. Monetary donations (Cash/check) to qualified charitable organization. Documentation (canceled check or receipt) required for any amount. Payroll deduction to United Way, etc.
B. Travel and Expenses for volunteering with qualified organizations.
C. Non-cash donations of clothing, household items, etc. If total is over $500, the name, date, and address of organization and description of articles given is required. <u>Receipt is required for all donations.</u> Appraisal required if value of any item is $5,000 or more. Special rules apply to cars. Must have letter from charity stating the vehicle selling price.

☐ **MISCELLANEOUS DEDUCTIONS**
<u>**(CA only, *If more than 2% of income*)**</u>
A. EMPLOYEE: Union dues, Professional dues, licenses, subscriptions, Uniforms, Supplies required for job, Insurance, Continuing education, Job travel and meals, Teacher classroom expenses.
B. OTHER: Tax advice and preparation fees, investment journals and fees, etc.

☐ **CREDITS**
A. Child Tax Credit up to **$2,200** per qualifying child under the age of 17.
B. Education-Qualified college tuition and certain mandatory fees qualify and are listed on form 1098-T from school, **normally downloaded from school account** (*1098-T required for credit or deduction).* Mandatory enrollment fees and material expenses may also be allowed. <u>Books allowed, if for first 4 years of school. KEEP RECEIPTS.</u>
C. Child Care-Provider's name, address, telephone number and tax ID are required.
D. Renter's credit, if rented in California more than 6 months.
E. Solar-Statement from installer listing full cost including installation.
F. Electric vehicle purchase agreement.

☐ **IRAs**
Contributions and withdrawals for both Traditional and Roth IRAs

☐ **SALE OF STOCK AND SECURITIES**
1099-B from brokerage including date, description, and quantity purchased and sold

☐ **RENTAL PROPERTY**
A. Income, Expenses, Improvements, Sales, etc.

☐ **SELF-EMPLOYED**
A. Income, Expenses, Improvements, Sales, etc.
B. *Need to issue form 1099? See below.
C. Form 1099-K if paid over $5,000 from third-party networks for goods and services.

☐ **ESTIMATED TAXES**
Payment of estimated tax to IRS or State. Need date and amounts paid. 4th quarter payments to state should be made in December <u>if you itemize</u>.

*Payments of $600 or more to individuals (independent contractors) for personal services, that will be deducted on the tax return, must be reported to the IRS, FTB, and the individual. You need the name, address, and Social Security or tax ID of the payee. Forms 1099 are required to be issued by January 31st. We can process these for you. Please call.

HIGHLIGHTS FOR TAX YEAR 2025

2025 TAX RATES

Tax Rate	Single	Married, filing jointly	Married, filing separately	Head of household
10%	$0 to $11,925	$0 to $23,850	$0 to $11,925	$0 to $17,000
12%	$11,926 to $48,475	$23,851 to $96,950	$11,926 to $48,475	$17,001 to $64,850
22%	$48,476 to $103,350	$96,951 to $206,700	$48,476 to $103,350	$64,851 to $103,350
24%	$103,351 to $197,300	$206,701 to $394,600	$103,351 to $197,300	$103,351 to $197,300
32%	$197,301 to $250,525	$394,601 to $501,050	$197,301 to $250,525	$197,301 to $250,500
35%	$250,526 to $626,350	$501,051 to $751,600	$250,526 to $375,800	$250,501 to $626,350
37%	$626,351 or more	$751,601 or more	$375,801 or more	$626,351 or more

STANDARD DEDUCTION

- The standard deduction has been increased to $15,750 for individuals, $23,625 for head of household, and $31,500 for married, filing jointly. Additional standard deduction for single persons 65 and older and/or blind is $1,950 and for married persons 65 and over and/or blind is $1,550 each.
- **New senior (65 and older) deduction of $6,000/each, effective 2025-2028. Deduction phased out for income over $75,000 (single or head of household) or $150,000 (married, filing jointly)**

STANDARD MILEAGE RATE DEDUCTION

For **Tax Year 2025**, the allowable standard mileage rate deductions are as follows:

- **Business miles:** Standard mileage rate for the cost of operating your car for business is **70** cents per mile.
- **Charitable services:** Standard mileage rate to provide charitable services is **14** cents per mile.
- **Medical reasons:** Standard mileage rate allowed for medical reasons is **21** cents per mile.

ENERGY EFFICIENT HOME IMPROVEMENT CREDIT

- The credit for energy efficient improvements (windows, skylights, doors, insulation, A/C and water heaters) has is up to 30% of the cost with an annual limit of $1,200 (there is no longer a lifetime limit). Heat pumps have an annual limit of $2,000. Credit on solar and batteries is 30% with no annual limit. ***Credit ended 12/31/25***

CLEAN VEHICLE CREDIT

- Up to $7,500 for qualifying new clean vehicles with 4 wheels, less than 14,000 lbs.
- Up to $4,000 for used electric vehicles priced at $25,000 or less, purchased from dealership.
- ***Credit ended on 9/30/25**

"NO TAX ON TIPS OR OVERTIME" 2025-2028

- Deduction of up to $25,000 in tip income
- Deduction of up to $12,500/individual for federal overtime pay (over 40 hours/week, not 8 hours/day)
- To qualify, income must be less than $150,000 for individuals and $300,000 for married, filing jointly

STATE AND LOCAL TAX DEDUCTION (SALT) LIMITATION INCREASED TO $40,000

- The SALT deduction limit, if itemizing deductions, has been increased to $40,000 for 2025-2029
- The increased SALT limit is phased down for incomes over $500,000

LOAN INTEREST DEDUCTION ON QUALIFIED VEHICLES

- Deduction of up to $10,000/year of loan interest on vehicles assembled in US and purchased in 2025-2028
- Loan information and VIN for qualified vehicle will be needed for deduction

FOREIGN BANK OR FINANCIAL ACCOUNTS

- Foreign bank or financial accounts, if over $10,000, must be reported on tax return and a separate report, FinCEN Report 114 (FBAR) filed by April 15th each year. This does not apply if accounts are held in US brokerage accounts. Be sure to tell us. There are **big penalties** possible (minimum of $10,000) if not disclosed.