

**Jamie Duman**  
**Certified Public Accountant**

Dear Clients & Friends,

I hope that each of you had a wonderful 2025! The years seem to go by quicker and quicker and here we are again. The new One Big Beautiful Tax Bill (OBBB) signed into law on July 4, 2025 has numerous new provisions, each of which are effective for 2025 through 2028. Eligibility for each of the new provisions requires a valid social security number.

**No Tax on Tips:**

One Big Beautiful Tax Bill allows tipped employees to deduct the tips received from their taxable income. This applies to employees as well as self-employed individuals. The tips must be documented on Form W-2, Form 1099, or other specified statement furnished to the individual. This maximum annual deduction is \$25,000. For self-employed individuals the deduction may not exceed net income of the business in which the tips were received. This deduction phases out for taxpayers with modified adjusted gross income over \$150,000 (\$300,000 for joint filers). You need not itemize deductions to qualify but there are restrictions to certain businesses and employees of businesses referred to as a Specified Service Trade or Business (SSTB).

**No Tax on Overtime:**

Individuals who receive qualified overtime compensation may deduct the pay that exceeds their regular rate of pay—such as the “half” portion of “time-and-a-half”. The maximum annual deduction is \$12,500 (\$25,000 for joint filers). This deduction phases out for taxpayers with modified adjusted gross income over \$150,000 (\$300,000 for joint filers). You need not itemize deductions to qualify.

**No Tax on Car Loan Interest:**

Individuals may deduct interest paid on a loan used to purchase a qualified vehicle, provided the vehicle is purchased for personal use. (Lease payments do not qualify.) The maximum annual deduction is \$10,000. This deduction phases out for taxpayers with modified adjusted gross income over \$100,000 (\$200,000 for joint filers). The purchase must be made after December 31, 2024 and the original use of the vehicle starts with the taxpayer (used vehicles do not qualify).

A qualifying vehicle is a car, minivan, van, SUV, pick-up truck or motorcycle with a weight rating of less than 14,000 points and that has undergone final assembly in the United States. You need not itemize to qualify but the Vehicle Identification Number (VIN) will be required.

**Deduction for Seniors:**

Individuals who are age 65 or older may claim an additional deduction of \$6,000. This new deduction is in addition to the current additional standard deduction for seniors under existing

law. The \$6,000 senior deduction is per eligible individual (i.e., \$12,000 total for a married couple where both spouses qualify). This deduction phases out for taxpayers with modified adjusted gross income over \$75,000 (\$150,000 for joint filers). Again, you need not itemize deductions to qualify.

#### ID.me:

More and more individuals are being required to go through a second identification process. One of the requirements is to establish an ID.me account with the government. This can be done free online. If you would like our assistance, please contact my office. My office fee will be \$100.00 per individual.

#### PINs:

Similar to the ID.me, the government may issue an individual a PIN as a secondary source of identity verification. This PIN is a six digit code that will come to you through the US Postal Service, and you can expect to receive a new PIN each year. I will be unable to electronically file your income tax returns without this information.

#### Tax Law Updates:

The mileage rate for 2025 has increased to 70 cents per mile. The tax deduction for meals will once again be 50% of the total amount spent (with no deduction for entertainment).

The credits for energy efficiency credits to the home are no longer available for any improvements made after December 31, 2025. Please be certain I know of any improvements made during 2024. Please provide me with a copy of your invoice if you installed a new furnace, air conditioner, boiler, heat pump, windows, doors or solar panels, etc.

Similarly, if you purchased a new electric or hybrid car prior to September 30, 2024, I will need the details on the purchase.

The IRS is starting a system whereby it will be mandatory for all refunds to be directly deposited into bank accounts and they will no longer issue paper refund checks. This policy is still in the preliminary stages.

#### IRA:

The maximum IRA and Roth IRA contribution for 2025 will be \$7,000 plus \$1,000 if age 50 or over. Income limitations apply. This must be made by April 15, 2026 to be deducted in 2025.

#### Health Savings Account (HSA):

A health savings account (HSA) is a savings account set up exclusively for paying the qualified medical expenses of the account beneficiary or the beneficiary's spouse or dependents. The HSA reduces taxable income in the same manner as an IRA and, therefore, is another way to save on income taxes. An HSA provides a powerful tool in putting aside tax-deductible dollars to be used when health care costs arise.

However, there are numerous restrictions relating to health insurance plans, so, if interested, please check with your insurance agent regarding whether you qualify to use an HSA. If you

make a contribution to an HSA, make sure you get me the information to ensure we take the deduction. Similar to IRAs, these contributions can be made up until April 15, 2026 and still be deductible on your 2025 income tax returns.

Additionally, I'll need verification of the amounts spent out of your HSA account.

Health Insurance:

The State of Idaho continues to allow a deduction for health insurance costs including health insurance, long-term care insurance, and cancer insurance. Please include your health insurance costs when you provide your tax information.

\* If you received a credit on your insurance through the insurance exchange, you will receive a form from them. **This is Form 1095-A, which I will need in order to prepare your returns.** If you have qualified for the exemption, please go to the exchange for the verification sheet.

Virtual Currency:

The IRS continues to increase its focus on virtual currency (like Bitcoin, for example). Please bring it to my attention if you bought, sold, traded, or spent any virtual currency.

Appointments:

In an effort to better utilize my time, I will have a \$30.00 fee for in-person appointments during tax season. Please feel free to email, fax, or drop off your information. There is a secure drop box (mail slot to the left of the main doors) on the face of the building. Rest assured that if I have any questions, I will certainly give you a call.

Lastly, please remember:

\* Per IRS directive, we will be electronically filing all tax returns that are eligible. If you wish to paper file, there is an additional release form that you need to sign.

\* If you would like direct deposit for a refund, we will need a canceled check or a photocopy of a check for the account you wish to deposit into. Deposit slips are not acceptable.

\*Please be sure to provide your email address as this is often times the most efficient way of communicating.

\* Finally, for those of you who are typically last-minute filers, **ALL of your tax information needs to be in my office no later than Friday, March 13, 2026** in order for us to meet the April 15th filing deadline. Otherwise, contact our office and we will be happy to file an extension on your behalf; however, *you* will still be responsible for making an estimated payment *on time*, if necessary. We will not be responsible for late penalties.

Copies of Tax Returns:

In an effort to reduce paper usage (and save a few trees), returns will be emailed in a PDF format. Therefore, I will need a current email address. If you would prefer a paper copy of the return, please let me know and I'll be happy to provide you with a paper copy as in the past. We

use a time-sensitive encryption program to ensure confidentiality. Please let us know your preference.

Organizers:

Blank organizers are available on my website: [www.jamiedumancpa.com](http://www.jamiedumancpa.com). If you would like to request a personalized tax organizer with last year's information filled in, please call, email ([frontdesk@jamiedumancpa.com](mailto:frontdesk@jamiedumancpa.com)), or simply return the request slip at the end of this letter. As always, please let us know if you have questions.

Privacy Policy:

The company privacy policy is available on my website. If you have any questions or concerns, please do not hesitate to contact me.

I am honored to have the opportunity to assist you with your tax and financial matters and will continue to do so for the foreseeable future. I'm looking forward to an exciting and probably surprising tax season!

Best Wishes,

A handwritten signature in black ink that reads "Jamie Duman". The signature is written in a cursive, flowing style.

Jamie Duman  
Certified Public Accountant  
Enrolled Agent