

What do I need to file my taxes?

Tax Planning Checklist: Updated to Include OBBB Provisions

Use this comprehensive checklist to organize your tax documents and maximize your deductions and credits. Check off items as you gather them to ensure you're fully prepared for tax season. Use it year-round to stay organized and help reduce your tax bill—owe less, refund more.

Personal Information & Documentation

Essential Documents to Gather

- ☐ Social Security numbers for yourself, spouse, and all dependents (required)
- ☐ Prior year tax return for reference (if we did not prepare your previous taxes)
- ☐ Bank account and routing numbers for direct deposit/payment
- ☐ Photo identification (driver's license or state ID)
- ☐ Documentation of address changes during the year

Income Documentation

Employment Income

- ☐ W-2 forms from all employers (check for separate reporting of tips and overtime)
- ☐ 1099-NEC forms for independent contractor work
- ☐ 1099-MISC for miscellaneous income
- ☐ 1099-K for payment card and third-party transactions

Investment & Retirement Income

- ☐ 1099-INT for interest income
- ☐ 1099-DIV for dividend income
- ☐ 1099-B for proceeds from broker transactions
- ☐ 1099-R for distributions from pensions, annuities, retirement plans, or IRAs
- ☐ Records of capital gains and losses
- ☐ Cryptocurrency transaction records

Other Income Sources

- ☐ 1099-G for unemployment compensation or state/local tax refunds
- ☐ SSA-1099 for Social Security benefits
- ☐ Rental property income and expense records
- ☐ Self-employment income records
- ☐ Alimony received (if divorce finalized before 2019)

NEW: One Big Beautiful Bill Act Deductions (2025-2028)

Tips Income Deduction (NEW!)

- ☐ Verify your W-2 shows total cash tips separately
 - ☐ Confirm your occupation is on the Treasury Department's qualifying list
 - ☐ Tips deduction available: Up to \$25,000 per year (above-the-line deduction)
 - ☐ Note: Phases out if MAGI exceeds \$150,000
 - ☐ Requirements: Valid SSN required for you and spouse
- Detailed Information: <https://www.carolinataxservices.com/no-tax-on-tips>

Overtime Pay Deduction (NEW!)

- ☐ Verify your W-2 shows qualified overtime compensation separately
- ☐ Overtime deduction available: Up to \$12,500 (single) or \$25,000 (joint) per year
- ☐ Note: Phases out starting at \$150,000 MAGI (single) or \$300,000 (joint)
- ☐ Requirements: Valid SSN required for you and spouse
- ☐ Cannot claim same wages as both tips and overtime

Car Loan Interest Deduction (NEW!)

- ☐ Vehicle loan interest statements from lender
- ☐ Vehicle Identification Number (VIN)
- ☐ Proof vehicle was assembled in the United States
- ☐ Deduction available: Up to \$10,000 per year (above-the-line deduction)
- ☐ Note: Phases out starting at \$100,000 MAGI (single) or \$200,000 (joint)
- ☐ Qualifying vehicles: Cars, minivans, SUVs, pickup trucks, vans, motorcycles, ATVs
- ☐ Does NOT include: Campers or RVs

Senior Deduction Enhancement (NEW!)

- ☐ If you are age 65 or older: Additional \$6,000 standard deduction available
- ☐ If your spouse is age 65 or older: Additional \$6,000 standard deduction available
- ☐ Note: Phases out if AGI exceeds \$75,000 (single) or \$150,000 (joint)
- ☐ Available for tax years 2025-2028

Note: Detailed information about the OBBB: www.carolinataxservices.com/obbb-and-taxes

Deduction Planning & Documentation**Retirement Contributions**

- ☐ Traditional IRA contributions (2025 limit: \$7,000; \$8,000 if age 50+)
- ☐ Roth IRA contributions (same limits as traditional IRA)
- ☐ 401(k), 403(b), or 457 plan contributions
- ☐ HSA contributions (2025 limits: \$4,300 individual, \$8,550 family)
- ☐ SEP-IRA or SOLO 401(k) contributions (for self-employed)

Medical & Health Expenses

- ☐ Health insurance premiums (if self-employed)
- ☐ Out-of-pocket medical and dental expenses
- ☐ Prescription medications
- ☐ Long-term care insurance premiums
- ☐ Medical mileage log (if applicable)

Homeownership Expenses

- ☐ Form 1098 for mortgage interest paid
- ☐ Property tax statements
- ☐ Records of energy-efficient home improvements (credits expire Dec. 31, 2025)
- ☐ Home office expenses (if self-employed)
- ☐ Points paid on mortgage

State and Local Taxes (SALT) - UPDATED LIMITS!

- ☐ State and local income tax paid
- ☐ Property taxes paid
- ☐ Personal property taxes (vehicles)
- ✓ NEW LIMITS: Deduction cap raised to \$40,000 (if income under \$500,000)
- ✓ Phases down to \$10,000 for incomes above \$500,000
- ✓ Cap increases with inflation through 2029

Charitable Contributions

- ☐ Cash donation receipts
- ☐ Written acknowledgments for donations over \$250
- ☐ Non-cash donation records with fair market values
- ☐ Mileage log for volunteer work
- ☐ Form 1098-C for vehicle donations

Education Expenses

- ☐ Form 1098-T (Tuition Statement)
- ☐ Form 1098-E (Student Loan Interest Statement)
- ☐ Records of qualified education expenses

- ☐ Student loan interest paid

Business & Job-Related Expenses (Self-Employed)

- ☐ Business mileage log
 - ☐ Home office expenses
 - ☐ Business equipment and supplies (100% bonus depreciation available!)
 - ☐ Professional development and education
 - ☐ Business insurance premiums
 - ☐ Professional dues and subscriptions
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Tax Credits to Consider

Family & Dependent Credits - ENHANCED!

- ☐ Child Tax Credit: \$2,000 per qualifying child for 2025 (up from \$2,000)
- ☐ Additional Child Tax Credit: \$1,400 (refundable, adjusted for inflation)
- ☐ Income phaseout: \$200,000 (single) or \$400,000 (joint) - now permanent
- ☐ Credit for Other Dependents (\$500 per qualifying dependent)
- ☐ Child and Dependent Care Credit
- ☐ Adoption Credit

Education Credits

- ☐ American Opportunity Tax Credit (up to \$2,500)
- ☐ Lifetime Learning Credit (up to \$2,000)

Energy & Home Credits - EXPIRING SOON!

- ☐ Electric Vehicle Credit (EXPIRES Sept. 30, 2025 - act now!)
- ☐ Energy Efficient Home Improvement Credit (EXPIRES Dec. 31, 2025)
- ☐ Residential Clean Energy Credit (solar, wind, geothermal)

Income-Based Credits

- ☐ Earned Income Tax Credit (EITC)
- ☐ Retirement Savings Contributions Credit (Saver's Credit)
- ☐ Premium Tax Credit (health insurance marketplace)

More Details: www.carolinataxservices.com/obbb-and-taxes

Year-End Tax Planning Strategies

Income Timing

- ☐ Consider deferring income to next year if beneficial
- ☐ Accelerate income if expecting higher tax bracket next year
- ☐ Review estimated tax payments and adjust if needed
- ☐ Consider Roth IRA conversions if in lower tax bracket

NEW Deduction Timing Strategies (One Big Beautiful Bill)

- ☐ If receiving tips: Track carefully to maximize \$25,000 deduction
- ☐ If earning overtime: Maximize overtime hours if below income phaseout
- ☐ If buying a vehicle: Ensure it's US-assembled to qualify for interest deduction
- ☐ If age 65+: Consider income management to stay under \$75,000/\$150,000 threshold

Investment Strategies

- ☐ Review portfolio for tax-loss harvesting opportunities
- ☐ Offset capital gains with capital losses
- ☐ Consider timing of investment sales
- ☐ Avoid purchasing mutual funds in taxable accounts near year-end

Deduction Acceleration

- ☐ Prepay January mortgage payment before year-end
- ☐ Pay estimated state income taxes before year-end (especially with higher SALT cap)
- ☐ Make charitable contributions before December 31
- ☐ Schedule and pay for medical procedures before year-end

- ☐ Pay property taxes before year-end (take advantage of \$40,000 SALT cap)

Retirement Account Actions

- ☐ Max out retirement account contributions before deadline
 - ☐ Consider catch-up contributions if age 50+
 - ☐ Take Required Minimum Distributions (RMDs) if age 73+ by December 31
 - ☐ Review beneficiary designations
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Special Situations & Life Events

Major Life Changes

- ☐ Marriage or divorce
- ☐ Birth or adoption of a child
- ☐ Death of spouse or dependent
- ☐ Job change or unemployment
- ☐ Home purchase or sale
- ☐ Starting or closing a business
- ☐ Retirement
- ☐ Turning age 65 (NEW senior deduction available!)

Other Considerations

- ☐ Received an inheritance or gift
 - ☐ Received a legal settlement or award
 - ☐ Forgiveness of debt
 - ☐ Disaster losses (casualty or theft)
 - ☐ Identity Protection PIN from IRS (if previously issued)
 - ☐ Purchased a vehicle with a loan (NEW car loan interest deduction)
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Estate & Wealth Transfer Planning

- ☐ Review estate plan under new \$15 million exemption (OBDD)
 - ☐ Consider strategic gifting
 - ☐ Update wills, trusts, and beneficiary designations
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Small Business Owner Additional Items

Standard Business Items

- ☐ Schedule C income and expenses
- ☐ Form 1099-NEC for contractors paid over \$2,000 (NEW threshold starting 2026)
- ☐ Business asset purchases (100% bonus depreciation now available!)
- ☐ Quarterly estimated tax payment records
- ☐ Self-employment tax calculation
- ☐ Business use of home calculation
- ☐ Vehicle expense logs (actual expenses or mileage)

NEW: One Big Beautiful Bill Business Provisions

- QBI Deduction (Section 199A) - now permanent at 20%
- Higher SSTB phaseout thresholds: \$75,000 (single) or \$150,000 (joint)
- Minimum \$400 QBI deduction if you have \$1,000+ in qualified business income
- 100% bonus depreciation for property placed in service Jan. 20, 2025 - Dec. 31, 2029
- Pass-through entity tax (PTET) workarounds preserved
- SALT workarounds available for all pass-through businesses (including SSTBs)

Important Deadlines

2026 Tax Year Deadlines

- **January 15, 2026:** 4th quarter 2025 estimated tax payment due
- **January 31, 2026:** W-2 and 1099 forms deadline for distribution
- **April 15, 2026:** Individual tax return filing deadline (can request extension to October 15)
- **April 15, 2026:** IRA contribution deadline for 2025 tax year
- **Quarterly dates:** Estimated tax payments due (April 15, June 15, September 15, January 15)

URGENT Action Items

- **September 30, 2025:** LAST DAY for Electric Vehicle Tax Credit
- **December 31, 2025:** LAST DAY for Energy Efficient Home Improvement Credit

Before Filing - Final Checklist

- ☐ Review all entries for accuracy
- ☐ Verify Social Security numbers (required for new deductions)
- ☐ Verify W-2 shows tips and overtime separately (if applicable)
- ☐ Verify vehicle information for car loan interest deduction (if applicable)
- ☐ Check math calculations
- ☐ Ensure all required forms and schedules are included
- ☐ Sign and date the return
- ☐ Keep copies of tax return and all supporting documents for at least 3 years
- ☐ Consider electronic filing for faster processing and refunds

Note: Keep copies of tax return and supporting documents for at least 3 years

One Big Beautiful Bill Act - Summary of Changes

Effective Tax Years: 2025-2028 (unless otherwise noted)

- ✓ Tips Deduction: Up to \$25,000/year (above-the-line)
- ✓ Overtime Deduction: Up to \$12,500 (single) or \$25,000 (joint) per year
- ✓ Car Loan Interest Deduction: Up to \$10,000/year for US-assembled vehicles
- ✓ Senior Deduction: Additional \$6,000 if age 65+
- ✓ SALT Cap Increase: Raised to \$40,000 (for incomes under \$500,000)
- ✓ Child Tax Credit: Increased to \$2,200 for 2025 (indexed for inflation thereafter)
- ✓ Standard Deduction: Additional increases of \$1,000-\$2,000 depending on filing status
- ✓ QBI Deduction: Made permanent at 20%
- ✓ 100% Bonus Depreciation: Restored for qualified property
- ✓ 1099-NEC/MISC Threshold: Increased to \$2,000 (starting 2026)
- ⚠ EV Tax Credit: EXPIRES September 30, 2025
- ⚠ Energy Efficient Home Credit: EXPIRES December 31, 2025

Questions or need assistance?

Contact **Carolina Business Services** for professional tax preparation and planning services.

This checklist is based on the One Big Beautiful Bill Act (signed July 4, 2025) and current IRS guidance. Tax laws are subject to change. Please consult with your tax professional for advice specific to your situation.

Sources: One Big Beautiful Bill Act (H.R. 1, 119th Congress), Internal Revenue Service (IRS.gov), IRS Publications 17 & 505, and 2025 tax year guidance.