

Summer Newsletter 2025 August 2025



This summer, our newsletter provides a comprehensive overview of the key highlights and anticipated changes for the 2025 filing season, as introduced under the One Big Beautiful Bill Act. Our aim is to keep you informed and prepared by breaking down the most impactful provisions and what they mean for taxpayers and professionals alike.

One Big Beautiful Bill Act Highlights

1. TCJA Extensions Made Permanent

- What Changed: Key provisions of the 2017 Tax Cuts and Jobs Act (TCJA)—including lower tax brackets, increased standard deductions, and the SALT deduction cap—are now permanent.
- Impact: There will be no sunset in 2025, as originally planned. This locks in the current rates and deduction structures indefinitely.

2. Standard Deduction Levels

- What Changed: The elevated standard deduction introduced by TCJA is now permanent:
 - Example (2025 est. figures):
 - Single: ~\$14,000
 - Married Filing Jointly: ~\$28,000
- Impact: No return to pre-TCJA (2017) lower deduction levels. Simplifies filing and likely reduces itemization.

3. SALT Deduction Cap Raised

- What Changed: The cap on deducting State and Local Taxes (SALT) rises:
 - From \$10,000 to \$40,000 for married couples earning under \$500,000.
 - For earners above that, the cap phases down gradually back to \$10,000.
- Impact: Higher benefit for middle-to-upper income taxpayers in high-tax states (e.g., NY, CA, NJ).

One Big Beautiful Bill Act Highlights Cont.

4. Tip and Overtime Income Deduction (Temporary: 2026–2028)

- What Changed: Workers earning:
 - Less than \$150K (individuals) or \$300K (couples)
 - Can deduct up to \$25,000 of tip and overtime income from taxable income.
- Impact: Aimed at working-class and service industry employees.
- Note: This is not permanent—only applies to 2026–2028, but retroactive legislation could affect late 2025.

5. Senior Deduction Boost

- What Changed: Additional deduction for taxpayers 65 and older:
 - \$6,000 for singles, \$12,000 for joint filers, on top of standard deduction.
 - Phases out between \$75K–\$175K AGI (single) and \$150K–\$250K (joint).
- Impact: Large potential savings for lower- and middle-income seniors. Phased out for wealthier retirees.

6. Child Tax Credit (CTC) Update

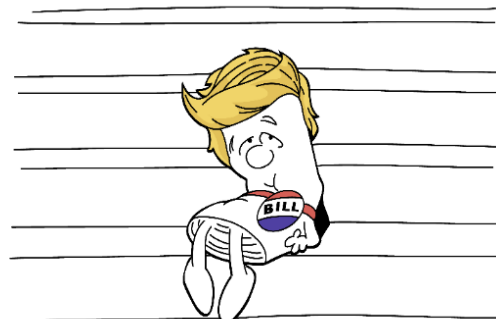
- What Changed: Increased to \$2,500 per child (from \$2,200).
 - Inflation-indexed through 2028.
 - Refundable portion indexed (but not increased).
- Impact: Slight increase in benefit for middle-class families; minimal impact for low-income filers unless further reforms are enacted.

7. New “Trump Accounts” for Children

- What this likely refers to: Proposed tax-free savings accounts or expanded 529-style accounts for children’s future needs (e.g., education, housing, entrepreneurship).
- Status: Conceptual or early-stage proposal. May resemble Roth IRAs for minors, with tax-free growth and potential parental contribution limits.
- Impact: Could offer tax-advantaged investment opportunities for families planning ahead, but details are not yet finalized.

8. Auto Interest Deduction for Vehicles made in the US:

- Up to \$10,000 – Phase out at \$100K Single & \$200K married



ADDITIONAL INFORMATION

Status of an Amended Return

The IRS offers an online tool to check the status of your amended tax return. To access this feature, visit irs.gov and navigate to the “How can we help you?” section. From there, click on “Where’s my amended return” You will need to provide your Social Security number, date of birth and ZIP code.

1099 Independent Contractors

When engaging a worker as a 1099 independent contractor, it is essential for the employer to request a completed Form W-9 **immediately** to ensure proper tax reporting and compliance with IRS requirements. The W-9 should be given to your accountant upon hire.

QuickBooks Fees 2025

Effective January 8th, 2025, the direct deposit fee for EACH EMPLOYEE has increased to **\$5 per paycheck**.

We recommend you check with your banks to see if there are alternatives, such as an ACH feature. If this is an option, we are happy to help with the transition.

Dental Fee Surveys

We encourage you to keep an eye out for our upcoming dental fee surveys, which will be mailed out in mid-October. Your participation is highly valuable!

Billing: New Payment Option

We are pleased to announce a new payment option available on our website. To make a payment, simply visit our website homepage and click on the “Pay Bill” button located at the top right corner. You may pay using a credit or debit card.

Please note: a **3% convenience fee** will be applied to all credit and debit card transactions and will be applied to your next invoice. For alternative payment options, kindly contact our office. We also recommend confirming your account balance before proceeding with payment as it will not provide your balance.

Contact us with any questions!



422 Epic Drive
Chambersburg, PA 17201
Phone: (717) 263 - 8713
Fax: (717) 263 - 9435
Website: www.gpallc.net