



EG Tax Service

Summer 2025

July 14, 2025

716-632-7886



2025 BIG BEAUTIFUL BILL, BBB!!!

**THERE IS
SOMETHING IN THE
BILL FOR MOST
AMERICANS, FROM
YOUNG TO OLD
AND IN
BETWEEN.....LET'S
EXAMINE THE
LEGISLATION**



Special points of interest:

- No Tax on Overtime
- No Tax on tips
- Salt Tax Limit Increase
- Car Loan Interest Deduction
- Social Security Tax Implications
- Child Savings Account
- Charity Deduction
- Child Tax Credit
- Gifting Guidelines
- Limiting losses on Gambling

**Thank you for your support & dedication
We Could Not Have Done It Without YOU**

BBB: Something for Everyone

REMEMBER the day when you thought all of your overtime went to taxes? *Not anymore!* Overtime pay is potentially tax free!! up to \$12,500 if you are single and \$25,000* if you file a joint return with your spouse!!!
TAX FREE, YOU HEARD RIGHT!!!



TAX ON OVERTIME



LET'S NOT OVERLOOK the new deduction for **tip** income on businesses such as barber, nail salons, waiter/waitress or other personal service businesses where tipping is customary. The deduction for those taxpayers is up to \$25,000*!

Good News!!!



BIG CHANGE

**LET ME REPEAT
\$\$**

You may be eligible to pay **NO TAX** on up to \$25,000* on your TIP income!!!!

*****Families, Families, Families*****

NEW CHILD TAX CREDIT IS \$2200, for children under the age of 17!! While a qualifying dependent over 17 you will still receive \$500. This is a direct credit reducing your taxes dollar for dollar!!!





The new *Private School Voucher* is up to \$1700 for children if your mean income is less than 3 times area medium income. In order to qualify this must be in the form of a donation that you give to a scholarship granting organization!! What a great break for parents!



Children under the age of 4 will receive a deposit from the Federal government in the amount of \$1000 to be used as an IRA type investment. However, parents can annually contribute up to \$5000 after tax dollars to the account (which will grow tax deferred). Finally, at age 18 the child may withdraw the funds *without* penalty if the funds are used for higher education, home purchase or to start a business.

Good News: The appreciation on the investment will be taxed at capital gains rates. While the deposit for children 4 years old up to age 8, operate the same as the accounts for children under age 4, No initial deposit will be made by Federal government.

Let the **GOOD** news continue...



How about... the new charitable deduction for singles of \$1000 or \$2000 for joint filers. (Naturally, you must have made the contribution to qualify). But you don't have to itemize to get the write off.

GOT A CAR LOAN? If your car loan is for a U.S. assembled vehicle, then the interest paid up to \$10,000 is a write off! Great for U.S. Car Manufacturers & Also Some of the Foreign cars that are manufactured in U.S. that would qualify are:

- Tesla Model Y, assembled in California and Texas
- Tesla Model X, assembled in California
- Tesla Model S, assembled in California
- Honda Passport, assembled in Alabama
- Honda Odyssey, assembled in Alabama
- Honda Ridgeline, assembled in Alabama
- Volkswagen ID.4, assembled in Tennessee
- Toyota Camry, assembled in Kentucky
- Jeep Wrangler, assembled in Ohio
- Lexus TX 350 assembled in Indiana



UNDER THE BIG BEAUTIFUL BILL, BBB, ARE YOU ARE A SENIOR 65 +? *You may still have to pay taxes on your social security, however, for seniors you will receive UP TO \$6000 for each qualifying taxpayer as an added deduction! (THAT IS HUGE).* Other deductions for seniors include a stepped up standard deduction making your taxes **LESS** taxing!

Income Limits \$75,000 single and \$150,000 MFJ

QCD, QCD, QCD



Good news for seniors who want to give back while saving on taxes!! The *Big Beautiful Bill* increases the annual limit on Qualified Charitable Distributions (QCDs). If you're 70½ or older, you can now donate up to **\$108,000** directly from your IRA to a charity of your choice without being taxable.

The SALT

DEDUCTION which was limited to \$10,000 is now up to \$40,000! This could mean more people will be itemizing on their returns. New Yorkers.... this helps!

Income limit \$500,000



Gambling losses up to winnings are now only 90% used as an itemized deduction rather than 100%

THE ELECTRIC
VEHICLE CREDIT IS
ONLY AVAILABLE
UNTIL
SEPTEMBER 30, 2025.



****GIFTING:** Many questions arise when you want to gift money to your children. All gifts are tax free to the recipient. The donor has to consider if they must submit a gift tax return. As long as your gift is \$19,000 or less there is no gift taxes due on the gift. In the case of a married couple, each spouse can give \$19,000 X 2 or \$38,000 per Person. Gifting over the limit will require a gift tax return to be filed. But fret not....the gift tax return is keeping track of all your excess contributions until you have exceeded the unified exclusion of \$13,610,000 as an individual and \$27,220,000 as a married couple. Needless to say, most couples will never exceed the taxable floor.



EG Tax Service

32 offices to service you.



Thanks for being a part of our

IF you know of anyone who would like this newsletter, let us know.

We're on the web
Egtax.com



**EG Tax.....Open YEAR ROUND @
1890 Colvin Blvd., Tonawanda, NY 14150
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Radio Show
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From 3pm-4pm
& Ask The Financial Guys
Every Saturday on
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Offer in Compromise or Fresh Start Initiative...

If YOU ARE CARRYING TAX DEBT THAT YOU CANNOT PAY, SUCH AS INCOME TAXES, EG TAX CAN HELP YOU WITH THAT AS WELL. IT'S CALLED AN "OFFER IN COMPROMISE" WHERE THE IRS WILL ANALYZE YOUR ABILITY TO PAY THE TAX DEBT AND IF FOUND THAT YOU ARE UNABLE, THEY WILL ACCEPT A MUCH SMALLER SETTLEMENT AND THE LIABILITY CAN BE SETTLED. EG TAX CAN HELP YOU. CALL OUR OFFER IN COMPROMISE SPECIALIST, TIFFANY FABIAN.....WE CAN ALSO STOP GARNISHMENTS AND LEVIES!!!

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EG TAX, Tax School is starting soon!!! Call 716-632-7886 or click egtax.com to REGISTER NOW!!



If you should receive a letter from NYS or the IRS, NEVER handle it on your own, give us a call: 716-632-7886



**KEEP
CALM
AND
BE
HAPPY**

