

716-632-7886



2025 BIG BEAUTIFUL BILL, BBBIII

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



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

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

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!!!





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



LET ME REPEAT \$\$

You may be eligible to pay <u>NO TAX</u> 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!

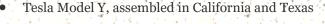


Children under the age of 4 will receive a deposit from the Federal government in the amount of \$1000 to be used as an IRA type investment. However, parents can annually contribute up to \$5000 after tax dollars to the account (which will grow tax deferred). Finally, at age 18 the child may withdraw 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.

et the GOOD news continue

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 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



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.





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

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.



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 AVAILIBLE
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.





Offer in Compromise or Fresh Start Initatiave...

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!!!

Make an apt at: EGTAX.COM OR CALL US AT 632-7886.

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