

US Tax Returns 2025: Strategic Overview & Checklist

Tax Year: January 1, 2025 – December 31, 2025 **Filing Season:** Spring 2026 **Purpose:** Compliance readiness and documentation guide for the 2025 filing season.

1. Executive Summary: The 2025 Landscape

For the tax year ending December 31, 2025, taxpayers are operating in the final years of the *Tax Cuts and Jobs Act* (TCJA) provisions. With inflation adjustments continuing to alter brackets and standard deductions, and significant changes to reporting thresholds (specifically Form 1099-K), professional oversight is essential to navigate compliance traps.

This guide outlines the critical deadlines, legislative updates, and documentation required for a comprehensive tax review.

2. Key Legislative Updates & Planning Points

A professional approach requires navigating several complex updates this year.

A. Form 1099-K Reporting Threshold

After several delays, the reporting threshold for third-party settlement organizations (Venmo, PayPal, eBay, etc.) has been the subject of intense legislative adjustment.

- **Current Status:** For Tax Year 2025, the IRS has reverted to the **\$20,000 and 200 transactions** threshold.
- **Action:** If you received a 1099-K, we must reconcile it against your books to distinguish between taxable business income and non-taxable personal reimbursements.

B. Beneficial Ownership Information (BOI) - *Compliance Check*

The *Corporate Transparency Act* mandated that most small businesses file a BOI report with FinCEN.

- **Deadline Check:** Existing companies (formed before 2024) were required to file by early 2025.
- **Action:** If you own an LLC or Corporation and have **not** filed this report, please notify us immediately. Penalties for non-compliance are severe (\$591/day).

C. Standard Deduction Increases (Inflation Adjusted)

Due to high inflation adjustments, the standard deduction has increased significantly.

- **Single:** \$15,750
- **Married Filing Jointly:** \$31,500
- **Head of Household:** \$23,625
- **Implication:** We will run a comparative analysis to determine if "Itemizing" (Schedule A) still yields a better result than these expanded Standard Deductions.

D. Clean Energy Credits

Under the Inflation Reduction Act, credits for EVs (up to \$7,500) and Home Energy Improvements (up to \$3,200/year) remain active but have complex qualification rules regarding manufacturing location and income limits.

3. Documentation Required for Review

To ensure accurate preparation and maximum tax efficiency, please collate the following information.

Income Sources

- **Employment:** Form W-2.
- **Contract Work:** Form 1099-NEC (Non-Employee Compensation).
- **Investment Income:** Consolidated 1099 Forms (1099-DIV, 1099-INT, 1099-B) from your brokerage.
- **Pass-Through Entities:** Schedule K-1s (Form 1065 or 1120-S) from any partnerships, S-Corps, or trusts you have an interest in.
- **Crypto Assets:** Transaction history or gain/loss reports (Form 8949) from exchanges.
- **Distributions:** Form 1099-R for any IRA, 401(k), or pension withdrawals.

Deductions & Credits

- **Mortgage Interest:** Form 1098.
- **State & Local Taxes (SALT):** Records of property taxes paid and state income tax paid during 2025.
- **Charitable Giving:** Acknowledgement letters for donations >\$250.
- **Education:** Form 1098-T for tuition payments.
- **Health Savings Account:** Form 1099-SA (Distributions) and 5498-SA (Contributions).

Foreign Assets (Crucial)

- **FBAR / FATCA:** If you held an aggregate of **\$10,000+** in non-US bank accounts at *any point* during 2025, provide the maximum balance and account details for each account.

4. Why Professional Review Matters

Self-preparation software often misses strategic elections available to complex filers.

1. **Pass-Through Entity Tax (PTET):** We evaluate if you should pay state taxes at the entity level to bypass the \$10,000 SALT cap on your personal return.
2. **Basis Schedules:** For S-Corp and Partnership owners, we meticulously track "Tax Basis" to ensure losses are valid and distributions are tax-free.
3. **Estimated Tax Strategy:** We analyze your 2025 liability to safely calculate 2026 estimated payments ("Safe Harbor") and protect cash flow.

Disclaimer: This guide highlights general tax parameters for the 2025 tax year and is for informational purposes. It does not constitute specific legal or tax advice.