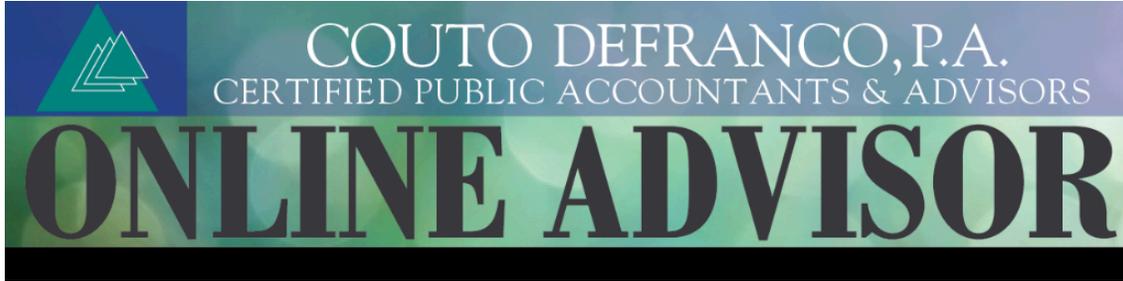




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Forward



December 2025



Plenty of new tax laws are set to land in 2026. This issue gives you an easy way to size them up, along with several practical moves to help make filing your 2025 tax return feel a whole lot easier.

Also read how year-end is a good time to handle a few financial tasks that can trim taxes and set you up for a steady start to the new year. And with prices still climbing across everyday items, we've included straightforward tips to help your budget stretch a bit further.

As always, should you have any questions, please call. And feel free to forward this information to someone who could use it!



Getting Ready For Taxes This year AND next!

Plenty of tax changes are lining up as the calendar turns toward 2026,



Upcoming dates:

Dec. 14 to Dec. 22
- Hanukkah

and knowing what's coming can help you stay a step ahead. Before then, there's also several moves to make filing your 2025 tax return as easy as possible.

Preparing to file your 2025 tax return

- **Gather records to support deductions for *no tax on tips* and *no tax on overtime*.** Review the approved occupations for qualified tips and confirm the amount of this benefit you expect to claim in 2025. You will need proof of these claimed amounts. The same holds true for overtime pay. Employers are not required to issue W-2s or 1099s with this information in 2025, but they should provide you with the necessary confirmation of the dollar amounts. Compare these employer-provided amounts with your records to ensure they match prior to filing your tax return.

- **Look for new Form 1099-DA.** If you own cryptocurrency or other digital assets, you may see this new form. Starting with the 2025 tax year, exchanges and brokers must report certain cryptocurrency and digital asset transactions, so you should track cost basis, sale dates, and wallets used to avoid mismatches or questions from the IRS.

- **1099-Ks may still be issued.** You shouldn't see a Form 1099-K from a payment processor such as PayPal or Venmo unless you have 200 or more transactions amounting in more than \$20,000 in payments from the processor. But because of the many tax law changes in this area you may still receive a Form 1099-K in error. If you receive one, don't throw it away! Include it with your other tax documents for proper reporting on your 2025 tax return.

- **Review IRA and HSA accounts.** If you have an IRA or HSA account, you can make 2025 contributions up until either April 15, 2026 or the date you file your

December 25
- Christmas Day

December 26
- Kwanzaa begins

January 15
- 4th Quarter Estimated Payments Due

Take final year-end actions

- Charitable contributions, other itemized deductions
- Capital gains/losses
- 401(k) contributions
- Dividend income

Your Year-End Tax & Financial Checklist



Year-end is more than just wrapping gifts and planning celebrations – it's the last chance to make smart money moves that can reduce taxes and set the stage for a confident start to the new year.

Use this checklist to help cover the essentials.

return, whichever is earlier.

What's new in 2026

- Above-the-line charitable contributions. You can deduct \$1,000 of charitable contributions if single or \$2,000 if filing jointly. This is available to you whether you use the standard deduction or itemize your deductions. There's also the introduction of a 0.5% floor for itemizing charitable contributions.

- Itemized deduction phaseout is back. If you're in the top 37% tax bracket, your itemized deductions could be reduced. This phaseout of deductions is being re-introduced beginning in 2026.

- Gamblers take a loss. Losses from wagering transactions are now limited to 90% of such losses. Under the previous law you could claim deductions up to the amount of your winnings. For example, if you won \$10,000 and incurred \$15,000 in losses over the course of a tax year, you could deduct \$10,000 using the previous law. Under the new law you can only deduct 90% of your losses, or \$9,000 in this example.

- Mortgage insurance premiums can be reported as an itemized deduction.

- Elimination of many energy credits. This includes the credit for purchasing electric vehicles after September 30, 2025 and the elimination of many residential energy efficient purchase credits at the end of 2025. So plan accordingly.

**Prep Now, Stress
Less Later:
Everyday
Readiness for Any
Storm**

- Check tax withholdings. Do a quick check to see if your paycheck withholdings will match your tax liability. If you had a big refund or owed a large amount last year, you can anticipate the same will happen this year. So if you have not already done so, adjust your W-4 so you're closer to even. Then after filing your 2025 tax return, revisit your withholdings and make any fine tune adjustments for the 2026 tax year.

- Max out tax-advantaged accounts. If you have a Health Savings Account, try to max out your annual contribution limits. This serves a dual purpose: paying for health expenses with pre-tax dollars PLUS any unspent contributions can be invested and used for future needs. Next take a look at retirement accounts like 401(k)s, 403(b)s, or IRAs before the year closes and contribute as much as possible up to the annual limits.

- Use up FSAs. Flexible Spending Accounts often have use-it-or-lose-it rules. So check your balance and submit reimbursements for eligible medical or dependent care expenses. Some plans offer a short grace period or a limited carryover, so know your deadlines to avoid forfeiting money.

- Plan for life changes. Marriage, divorce, a new child, or a change in employment can all alter your tax situation. Be prepared for any changes these life events may cause.

- Clarify dependency claims. If family members provide or



Blizzards aren't the only storms on the menu as we head into the winter season.

Storms of all types often slip in small surprises, such as cancelled plans, brief power losses, or water issues that disrupt your day.

These moments can reveal where daily habits and budgets feel a bit thin. Here are some ideas to help keep your family prepared when these unwanted surprises take place.

Idea #1: Build a short-term cushion

An emergency fund offers to soften the blow of unexpected events from weather to home repairs. So create your three to six month emergency fund AND then if possible create a special emergency fund to address that surprise bill or event. Remember, these moments can create unusual expenses like takeout, extra childcare, or a rush for basic supplies.

Idea #2: Keep practical supplies on hand

A few shelf-stable meals, working batteries, candles, a backup charger, clean water, and comfortable layers can make a short power outage easier. Stock items you will actually use for a day or two at home, not specialized gear most people never touch. Those in hurricane prone areas know the drill, but the same preparedness can be used by everyone.

Idea #3: Think ahead: Power and water interruptions

When the lights go out or the water slows to a trickle, the real strain

receive support, coordinate who will claim dependents on tax returns. This helps prevent IRS mismatches and ensures valuable credits like the Child Tax Credit go to the right filer.

- Harvest investment losses (or gains). Review your portfolio to realize losses that can offset capital gains. If your income is low this year, you might even be able to harvest gains at a lower tax rate (maybe even 0%!). Be careful to avoid wash-sale rules.

- Review your budget and spending. Look back over your expenses for 2025 to spot trends. Did you meet your savings goals? Were there surprise costs that could be planned for next time? Adjust your budget now while memories are fresh.

- Check your emergency fund. Aim to keep three to six months of living expenses in a readily accessible account. If you've dipped into it this year, make a plan to replenish it, and review whether inflation or lifestyle changes mean you need a larger cushion.

- Review insurance coverage. Health, life, home, and auto policies all deserve a fresh look. Confirm coverage levels still fit your needs, compare premiums, and check that beneficiaries are current.

- Update beneficiaries and legal documents. Wills, trusts, and powers of attorney can become outdated quickly. Confirm that beneficiaries listed on retirement accounts and life insurance policies align with your estate plans.

can show up in the costs that follow. A short outage can force a change in plans such as shifting work hours, rearranging childcare, or tossing out spoiled food. You may also need a Plan B if the air conditioning goes out during summer or the heat takes a lunch break during the winter. Even simple tasks like cooking, bathing, or keeping pets comfortable can turn into small, repeated expenses.

Idea #4: Tune up your insurance

Review whether your insurance covers common storm-related issues, such as water damage, roof damage, fallen branches, or personal liability if someone is hurt on property you are responsible for. Make sure your deductible still feels right and confirm whether your belongings would be protected if you needed to stay elsewhere for a night or two. Clear answers now can help you avoid surprise expenses later.

Turn storm prep into everyday resilience. General storm readiness can ease both worry and costs when your routine gets knocked off balance. Use these ideas to help you move through unexpected disruptions with a little more confidence.



Ingredients of a Successful Business Partnership

Like a bundle of sticks, good business partners support each other and are less likely to crack

- **Talk as a family.** Finally, gather around the table for an open conversation about finances. Discuss goals, responsibilities, and plans for the coming year. Shared understanding builds financial strength, which is the best gift you can give each other before the year ends.



Spend Less with These 5 Money Tips

Rising costs across nearly every kind of product and service have stretched everyone's budgets, making each dollar feel a little tighter.

Here are some tips to spend less to help offset the effect from these higher prices.

- **Pay down high-interest debt.** You can start spending less money today by paying down high-interest debt. [Data from the Federal Reserve](#) shows people who don't pay off their credit card balance each month pay an average interest rate of 22.83%. For a monthly credit card balance of \$500, this interest expense costs you \$9.51 a month, or just over \$114 a year.

- **Revisit your subscriptions.** Write down how many monthly subscriptions you're paying for, then add up the monthly cost.

under strain together than on their own. In fact, companies with multiple owners have a stronger chance of surviving their first five years than sole proprietorships, according to U.S. Small Business Administration data.

Yet sole proprietorships are more common than partnerships, making up more than 70 percent of all businesses. That's because while good partnerships are strong, they can be a challenge to successfully get off the ground.

Here are some of the ingredients that good business partnerships require:

- A shared vision. Business partnerships need a shared vision. If there are differences in vision, make an honest effort to find common ground. If you want to start a restaurant, and your partner envisions a fine dining experience with French cuisine while you want an American bistro, you're going to be disagreeing over everything from pricing and marketing to hiring and décor.

- Compatible strengths. Different people bring different skills and personalities to a business. There is no stronger glue to hold a business partnership together than when partners need and rely on each other's abilities. Suppose one person is great at accounting and inventory management, and another is a natural at sales and marketing. Each is free to focus on what they are good at and can appreciate that their partner will pick up the slack in the areas where they are weak.

- Defined roles and limitations. Before going into business, outline who will have what responsibilities. Agree on which things need consensus and which do not. Having this understanding up front will help resolve future disagreements. Outlining the limits of each person's role not only avoids conflict, it also identifies where you need to hire outside expertise to fill a skill gap in your

Then ask yourself the following questions: Can you do without some of these subscriptions? Can you cut the cost of some of these subscriptions? Are there some with overlapping benefits? Maybe you'll discover a subscription you completely forgot about. You don't have to cancel all of them, but getting rid of just a few can help you spend less each month.

- Shop around for insurance. Loyalty to an insurance company doesn't always pay off. Consider shopping around and comparing rates for homeowners, auto, & umbrella insurance, along with other insurance coverage you may have.

- Eat at home. Limit how often you dine out or stop for take-out. Your wallet will thank you! [According to data from the Bureau of Labor Statistics](#), overall food spending was up 6.9% in 2023 (the latest year data was available), partly driven by an 8.1% increase in food spending away from home.

- Start using a budget. Finally, spend less by creating a written monthly budget and sticking to it. Find a budgeting app that you like the look and feel of, then create a budget within that app to help you decide how much to spend each month in various categories. Once the budget has been created, be sure to keep it updated throughout the month, instead of waiting until the last week to get it up-to-date.

The cost of everything may have skyrocketed, but you still have at least some control

partnership.

- A conflict resolution strategy.

Conflict is bound to arise even if the fundamentals of your partnership are strong. Set up a routine for resolving conflicts. Start with a schedule for frequent communication between partners. Allow each person to discuss issues without judgment. If compromise is still difficult after a discussion, it helps to have someone who can be a neutral arbiter, such as a trusted employee or consultant.

- A goal-setting system. Create a system to set individual goals as well as business goals. Regularly meet together and set your goals, the steps needed to achieve them, who needs to take the next action step, and the expected date of completion.

- An exit strategy. It's often easier to get into business with a partner than to exit when it isn't working out. Create a buy-sell agreement at the start of your business relationship that outlines how you'll exit the business and create a fair valuation system to pay the exiting owner. Neither the selling partner nor the buying partner want to feel taken advantage of during an ownership transition.

over where your money goes each month.

Consider these steps to cut your spending, and you may be surprised at how much you save.

As always, should you have any questions or concerns regarding your tax situation please feel free to call.





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