



News and Tax Tidbits

January 2025

• PH 208 362-1633

• FX 208-575-1897

January 2025 marks the 10th Anniversary of Family Tax Solutions. The success of our tax practice is because of you! We are so grateful for each of you who have been with us from the start, as well as the many of you that have joined along the way. Your referrals have helped us to continue to grow. You are all important and special to us!

In 2024, Congress has enacted minimal tax changes, but there are still changes of course. I believe we are in for quite a few in 2025. One of the items, I would like for you to be aware of is that 2025 is the last year for the Tax Cuts and Jobs Act. This act reduced taxes and increased the standard deduction and in most cases has been very positive. However, we are in for a tax increase in 2026 unless congress intervenes. It will be interesting how Congress will deal with this situation, as well as secure Social Security after 2034 and stop our national debt increase at the same time.

We do have some new changes to Family Tax Solutions.

1. There will be no price increase for 2025 for tax preparation. But, in order to keep the growing costs, I will have to charge a 3% surcharge will be applied if you use a credit card to pay for services. The best way to avoid this is to pay by check or cash.
2. The secure portal has changed on the website to Verifyle. PLEASE, do not email any sensitive documents with Personal Identifiable Information. Use the portal under client services on www.familytaxsolutions.com.

Robin Gervais, Enrolled Agent
robin@familytaxsolutions.com

2024 Individual Tax Update

- ⇒ **Due Dates:**

| | |
|----------------------------|---------------------------|
| W2's and 1099's | Friday, January 31, 2025 |
| 1065 Partnership Returns | Monday, March 17, 2025 |
| Individual 1040 and 1120-S | Wednesday, April 15, 2025 |
- ⇒ **Standard Deduction**
 - Single/Married Filing Separate—\$14,600 • Head of Household- \$21,900
 - Married Filing Jointly/Qual Surviving Spouse—\$29,200
 - Additional amount for over 65 or blind \$1,550 Married Filing Joint/\$1,950 Single/HH
- ⇒ **Child Tax Credit (CTC)**
 - Under age 17 • \$2,000 per child up to \$1,600 refundable
 - Phase-outs \$200,000 S/MFS.HOH/SS and \$400,000 MFJ for \$2,000 amount
- ⇒ **Earned Income Tax Credit (EITC)**
 - Eased Married Filing Separate rules if you didn't live with your spouse more than 6 months of the year
 - May not have more than \$11,600 in investment income to qualify for the credit
- ⇒ **Child and Dependent Care Credit (CDC)**
 - \$3,000 for one child/\$6,000 for more than one child
 - Idaho Credit is up to \$12,000 if qualified
- ⇒ **Retirement Plans**
 - Contribution limit for employees with 401(k), 403(b), most 457 plans, and Thrift Savings Plan (TSP's)
2024 - \$23,000 Catch up of \$7,500 over 50 • 2025 - \$23,500 Catch up of \$7,500 over 50
 - Limit on Annual Contribution to IRA's : 2024 and 2025- \$7,000 Catch up \$1,000 Over 50

Website: www.familytaxsolutions.com Secure Portal and Appointment Calendar Available

2024 Individual Tax Update (continued)

⇒ **Required Minimum Distributions (RMDs)**

- In 2024 and 2025, you must start taking out RMD's when you turn 73.

⇒ **Energy Efficiency**

- In the Home: Annual Limitations instead of lifetime limitations. \$1,200 per year
 - ⇒ Certain Windows and Skylights \$600 Doors \$250/\$500 Heat Pumps, Biomass Stoves \$2,000
 - ⇒ Solar credits extended through 2034
- Vehicles: Placed in service after 12-31-22 thru 12-31-2032 Two Rules Total potential credit is \$7,500
 - ⇒ \$3,750 credit if minimum percentage of minerals contained in batteries is sourced in U.S. or a country with a free trade agreement and \$3,750 if the battery components are manufactured/ assembled the same.
 - ⇒ Previous owned vehicles can qualify too if purchased after 2022. Lessor of \$4,000 credit or 30% of the sales price. Maximum price per vehicle is \$25,000
- **In 2025, manufacturers will provide a PIN number for each item that qualifies for an energy efficient credit**

⇒ **This and That**

- Insurance Premiums for retired public safety officers can exclude up to \$3,000 from their distribution to pay for health insurance premiums
- Medical Miles 2024 Medical Mileage is 22¢ a mile • 2025 Medical Mileage is 21¢ a mile
- Estate and Gift Tax Exemption has increased to \$13,610,000 and allows an increase in the gift exemption to \$18,000 per recipient in 2024. 2025 the gift increase to \$19,000 per recipient
- Victims of Domestic Violence and those with a Personal Expense emergency can take a limited amount of money out of a retirement plan without paying the 10% penalty for early distributions.
- A lost retirement database is being constructed at <https://lostandfound-intake.dol.gov/>
- IRS Recommends you receive an efilng IPPIN for your protection. This IPPIN makes sure that it is really you when you file and you don't have to worry about Tax Fraud. Having an IPPIN for your dependent also helps to prohibit non-qualified parents from taking their child instead of the qualifying parent. For more information and to apply for an IP PIN go to <https://www.irs.gov/identity-theft-fraud-scams/get-an-identity-protection-pin>
- After 2025—Premium Tax Credit will not be available for those who have income over 400% of Poverty unless congress intervenes.
- In 2025, The sale of Digital Assets (crypto) will be reported on a 1099-DA

⇒ **Idaho Individual Update**

- *Effective* January 1, 2024, Individual income tax rates are 5.695% on taxable income over \$4,673 or \$9,346 married filing joint
- If you have filed an Idaho Tax return late and didn't receive the refund due to the 3 year statute, Idaho now allows a non-refundable credit not received within the last 10 years

2024 Business Tax Update

⇒ **Beneficial Owner Information**

- New reporting requirements are currently suspended. Stay tuned for more information. The state is sending out timely updates. We have also sent out two updates this year by email. It is purely voluntary at the moment

⇒ **Standard Mileage Rate**

- 2023—65.5 cents per business miles • 2024—70 cents per mile

⇒ **Business Miscellaneous Provisions**

- Employee Retention Credit— You have up until 2024 to claim the employee retention credit but refunds are severely delayed due to abuse of this credit.
- Employers can help employes pay off up to \$5,250 of their student loans
- Bonus Depreciation is at 60% in 2024 and 40% in 2025

⇒ **The new 1099-K reporting for 2024 is \$5,000 in total transactions for the year.**