



JBA Tax Preparation, LLC

Hello all!

First of all – I apologize for sending this out so late!!

We are already into another tax season and want to share a few things with you:

Individual Tax Returns:

- **Standard deduction** has increased – \$14,600 for single taxpayers and \$29,200 for filing a joint return
- **IRA contribution limits** increased to \$7,000/person, \$8,000 if you are 50 or over.
- You can withdraw retirement funds without the early withdrawal penalty if you are a victim of domestic abuse or for certain emergency personal expenses.
- If you received the \$7,500 credit for a home purchased in 2008, this is the last year of your \$500 annual repayment – hooray!!
- If you received over \$5,000 last year, through Venmo, PayPal, etc., you will receive Form 1099-K. In 2025, the threshold is reduced to \$2,500 and in 2026, it goes down to \$600.
- ****MN Renters**** If you live in Minnesota and you rent your home, you should receive a CRP (Credit for Rent Paid) from your landlord. In the past, you may have been eligible for a Property Tax Refund based on that CRP and would have filed a separate return to get the refund. That has changed. Rent refunds will now be included with your MN state tax return. We will need your CRP with your other tax documents. If you are a homeowner and file for a property tax refund, you will still file a separate return.
- **Minnesota Residents** – If you are eligible for a MN Child Tax Credit in 2024, you may be eligible to receive advance payments of your 2025 MN Child Tax Credit.

Business Tax Returns:

- **Standard business mileage** rate was \$.67/mile in 2024 and is now \$.70/mile for 2025.
- **Bonus depreciation** is down to 60% for 2024.
- **BOI or Beneficial Ownership Interest Reporting** is still a hot topic. As you know, in the quest to stop financial crimes, LLC's, LLP's, LLLP's, S-Corps and any other business that was 'created' and is now required to be registered (with, for example, the Secretary of State's office) was going to be required to report information regarding 'beneficial owners.' Beneficial owners include individuals who own 25% or more of the entity or who have substantial control over the company even without ownership. This was a requirement, then it wasn't, then it was again and now it isn't again. Yikes!! I will let you know as soon as there is any additional guidance out there. If it is enforced, noncompliance will result in HUGE penalties. For more information, go to: <https://fincen.gov/boi>

Here are your tax prep options:

- You can drop your information off at your convenience and your returns will be prepared in the order that they are received. You have multiple options for providing your information to us:
 - We are open from 8:00 - 6:00 Monday-Friday and 9:00-3:00 on Saturdays. There is also a slot in the front door where your information can be deposited if the office is closed.
 - You can fax them to us at (218)477-8182.
 - You can upload your documents to our secure portal (My.SmartVault.com.)

§ Let us know if you need an invitation so we can set up your account (if you don't already have one.

- You can mail your documents to us at the address below.
- Please do not email your documents - it is not secure.
- You can schedule either an in-person or virtual appointment with one of our preparers.
 - If you schedule a virtual appointment, or if you upload your documents, we will upload your completed return to the portal rather than providing a paper copy. Paper copies will be available upon request.

I am attaching a fill-in worksheet both here and on our website – www.jbataxprep.com. It works best if you download the worksheet first and then fill it in. Please contact us if you prefer to have one mailed to you.

Please complete the worksheet, it is extremely helpful to us as we prepare your return and will eliminate the need for repeated phone calls.

Let us know if you received (as a reward, an award, or as payment,) sold or traded any **Virtual Currency**.

Remember:

- Please provide ALL tax documents, including 1099-K and property tax statements.
- Let us know if you have any foreign bank accounts or other assets.
- The 2024 gift tax exclusion of \$18,000 increased to \$19,000 for 2025.
- MN residents – remember that charitable contributions greater than \$500 are deductible on your state return even if you do not deduct them on your federal return.
- ND Primary Residence Credit – You can once again apply online for a credit of up to \$500 to be applied against your 2025 property taxes. You must own a home in ND and it must be your primary residence. Applications are due by March 31st. Let us know if you would like our help, or you can apply here: <https://apps.nd.gov/tax/tap/>

We value your business and look forward to working with you in the future.

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