C. A. WHITE ACCOUNTANCY

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WINTER 2025/2026 TAX NEWSLETTER

Hours of Operation: **tax season** 9:30am - 6:00pm Monday through Thursday; Saturday 9:30am to 5:00pm
off season 9:30am - 5:00pm Monday through Thursday

CONTENTS

NOTE

WE NO LONGER PREPARE OUT OF CALIFORNIA STATE TAXES

SPECIAL INFORMATION

See our website for:

- Addendum questionnaire (AQ25, engagement letter, home interest worksheet (all required forms)
- Federal & State links
- Commonly used forms from our office

MANDATORY QUESTIONNAIRE (AQ25)
Completion is required by all clients.

HOME INTEREST WORKSHEET COMPLETE IF YOU have a home loan of any kind on your residence. With the new tax laws, this information is more important than ever before. This needs to be completed each year with 12/31 balances.

HINTS FOR BETTER SERVICE FROM US
- Phone Calls: Cheryl has blocked out 9:30-10:00 am to take questions;
- We take appointments on the hour, so please pick-up taxes on the ½ hour.

Our office will be closed Dec 19, 2025 through Jan 5, 2026.

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Winter 2025-2026 Tax Newsletter

WEBSITE: www.cwcpa.info

TAX PREPARATION REQUIREMENTS

There are 3 items we must have from you to complete your taxes. All can be found attached:

- ENGAGEMENT LETTER - Please print,
- sign and bring to your tax appointment or include in the tax package you mail/e-mail.

- HOME INTEREST WORKSHEET - We must have a completed copy of this worksheet for all clients with mortgage interest (1st or 2nd/equity line).

- AQ25 questionnaire with all questions answered.

RATES

1) Rates for tax preparation and consulting:
    - Individuals, Sole Proprietorships (Includes consulting time) $190/hour
    - Corporations & Partnership/LLC's $200/hour
    - Out-of-pocket expenses are additional.

2) Retainer fees will be collected at the first appointment. The retainer fee is normally a minimum of $190 for individual 1040 returns. The retainer is a down payment against the total cost of your tax return. The retainer for business entities is $200.

3) Payment in full is expected on completion of each tax return or consultation. Payment will be collected when you pick-up your return or before it is mailed to you.

4) Bad checks and accounts over 30 days will be charged interest at 18% per annum.

Note: We accept Visa and Master Card.

APPOINTMENT TIMES

February through April 15th

After January 15th, appointment slots fill up fast. Appointments are available on the hour, Monday-Thursday, 10 a.m. - 6 p.m.; Saturday, 10:00 a.m. - 4 p.m.

MAILING INSTRUCTIONS

If you are approved to mail tax data to us for tax preparation, include all items listed below under What to Bring to Appointments, plus a signed engagement letter, minimum $190 retainer, form AQ25 and completed tax organizer. We must receive this package by **MARCH 22nd** to meet the April 15th deadline. Please follow these instructions or there will be unnecessary delays while we await these items.

APPOINTMENT INFORMATION

Please, No Children at Appointments: very boring for them and distracting for you.

Please CALL for an appointment. To change an appointment, call as soon as possible so others may be scheduled at the time you are vacating. You may be charged for missed appointments that you do not call to cancel.

Be aware that the April 15th deadline makes the tax season short and trying to reschedule an appointment may not be possible if you want to meet the deadline.

March 30th is the last date for appointments and tax data to meet the April 15th deadline!

As always, our office is closed Fridays and Sundays and most holidays.

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YEAR-ROUND SERVICES

Tax services are year-round. Our office is closed 3 weeks in December/January and most of May.

TAX ORGANIZERS
will be sent out on request and are available on our website.
cwcpa.info

WHAT TO BRING TO APPOINTMENTS?

W-2 and all income sources, year-end 1099's, interest, dividends and mortgage statements, detail on securities and home sales, itemized personal deductions, business income and expenses, rental income and expenses, prior year tax returns if you are a new client.

An engagement letter will be ready for you to review and sign at your appointment.

IF YOU ARE BUYING YOUR HOME, WE NEED A COMPLETED HOME INTEREST WORKSHEET.

If you are a new client or electronic filing for the first time, bring your family's social security cards and birth dates.

Have childcare expenses? We need name, address, phone number and tax I.D. of each provider. Don't forget the sitter.

TAX QUESTIONS

After February 1st the best time to reach Cheryl with questions is 9:30 - 10:00 a.m. She saves this time slot to take calls during this busy time of year.

NOTE

WE NO LONGER PREPARE OUT OF CALIFORNIA STATE TAXES

BUSINESS RETURNS

We prepare California S and C corporations for existing clients. We are not licensed to prepare corps for other states.

We no longer prepare partnership returns.

EXTENSION form 4868 for personal taxes is available if you cannot file taxes on time. This extends filing time to 10/15/26, which is a six-month extension. File form 4868 by 4/15/26.

Remember, this is an extension to file the tax return: it is NOT an extension to pay tax still due for 2025. We do NOT file the form 4868 for you.

If the estimate of tax liability on the extension is unreasonably low, IRS can void the extension (no zeroes on lines 4 & 5).

IMPORTANT: COMPLETE ALL LINES ON THE EXTENSON.

Tax extension deadline for LLC's, Partnerships, Trusts, S-Corps is September 16, 2026, for tax returns.

See tax deadlines below.

TAX CALENDAR DEADLINES

1/15/26 Final 2025 Estimated tax payment due.

1/31/26 2025 W-2 and 1099's are due out

3/16/26 2025 S Corporation and Partnership/LLC deadline (12/31 year-end). S Corp/LLC, etc. income tax returns are due the 15th day of the 3rd month after the business year-end.

4/15/26 2025 Individual tax returns due; 2026 estimated tax due. Foreign account reporting #114 due. C Corp taxes due.

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E-MAIL

Our e-mail address is cwcpa@aol.com. You may e-mail tax data needed to complete your tax returns. If you would like your taxes e-mailed to you when completed, we can only do so through our secure Link. Email us a request to join the Link and we will send an invitation to the e-mail address you choose. You will then set-up your link with a password you select, and we will be able to upload your taxes to you.

If you are already on the Link, you do NOT need to make this request.

PLEASE inform us of e-mail address changes so we can keep you informed, when major tax changes occur during the year.

When you e-mail us, always use a subject title such as "tax info, "tax question 2025," etc.

PRIVACY POLICY

It is our firm's policy not to disclose any nonpublic personal information about you. Access to such information is granted only to employees of our firm who need the information to complete the work they were hired to do. Our firm maintains physical, procedural and electronic safeguards that comply with Federal regulations to guard your information. We do not disclose personal and confidential information to anyone outside our firm without your written permission to do so.

IRA's, ROTH's, ETC.

If you're over 73, take your required minimum distribution NOW for 2025! If you have contributed to a pension account not on your W-2 form let me know about it.

OLD TAX RETURNS

Our office policy dictates that we shred tax workpapers that are over five years old. If we prepared your 2020 tax return in any year, we will be shredding workpapers after October 15th, 2026. If you want those workpapers, please send $35.00 to our office by October 15th, 2026.

REMINDER

Our office will be closed December 19, 2025 through January 5, 2026.

Tax season begins January 6th.

MILEAGE RATES

For, 2025, the business rate is 70¢ per mile.

The medical rate for 2025 is 21¢ per mile.

The charity mileage rate for 2025 remains steady at 14¢ per mile.

Reminder: We always need total miles per vehicle per year for businesses.

Business/Rental Capital Assets

As long as a capital asset is being depreciated, you must keep the invoices and records related to the purchase. For Section 179 write-offs, keep the related records while you possess that asset.

IDENTITY THEFT

If you believe you're a victim, call IRS (800) 908-4490. You will complete a Form 3949-A.

SCAMS ON THE RISE

Report tax scams to the Federal Trade Commission and Treasury Inspector (800) 366-4484.

1099 FORMS –RENTAL & BUSINESSES

1099 forms are required for payments made of $600 or more to service providers for taxpayers receiving rental income from real property. THIS AFFECTS YOU AS A LANDLORD! Submit to IRS with form 1096 transmittal. For 2025 1099-NEC forms, the basic fine for filing with incorrect/incomplete data is $250 per #1099-NEC. To obtain forms 1099 and 1096 transmittal form, call 800-829-3676.

This form need NOT be filed with California this year.

RECORD RETENTION SCHEDULES

Copies of tax returns:	Forever
Tax & legal correspondence:	Forever
Audit Reports:	Forever
Contracts and leases:	Forever
Real estate records:	Forever
Corporate minutes:	Forever
Stock records:	Forever
Bank statements:	7 years
General ledger and journals:	7 years
Sales records and journals:	7 years
Employee expense records:	4 years
Personal investment records:	7 years after sales
IRA records:	7 years after withdrawals
Canceled checks:	4 years
Paid vendor invoices:	4 years
Employee payroll records:	4 years
Depreciation schedules and asset cost:	decades

FOREIGN BANK ACCOUNTS

Reminder: For any foreign financial account with an aggregate value over $10,000 at any time during the year, you must file electronically form 114 by April 15 of the following year with the IRS; there is a six-month extension. You must disclose in your taxes if you have foreign financial assets over $50,000. The form is #8938 and is filed with the tax return. Non-filing penalties can be up to 50% of the account value.

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Business Personal Property Tax

If you are properly licensed, you will prepare California form 571L, due April 1 each year. This form reports the total cost of all business property you owned on January 1 each year to your county assessor for property tax purposes. Each asset, from a screwdriver to large equipment, must be placed into a class year and reported to your county assessor.

CALIFORNIA RULES: THESE AFFECT YOU

Most of our newsletter refers to Federal tax law. California does not always conform to Federal regulations.

Standard Deduction for California

Single $5,706
Married & Head-of-Household $11,412

HSAs

2025 pay-in caps are $4,300 for singles, $8,550 for families

For both years, those over age 50 can still add $1,000 more.

No Deduction in California for HSAs

Standard Deductions for Federal

Single $15,750 (add $2,000 if over 65)

Married Joint $31,500 (add $4,000 each if over 65)

Head of Household $23,625

YEAR-END TAX STRATEGIES

Required Minimum Distributions

If 2025 is your first RMD year, you have until April 1, 2026, to take the RMD. The distribution will still be based on your total IRA balance as of December 31, 2024. If you opt to defer your first RMD to 2026, you will be taxed in 2026 on two payouts.

Gift Tax Exclusion

You can give up to $19,000 to each person this year without paying gift tax or tapping your lifetime estate-and-gift-tax exemption. Spouses can also give $19,000.

One Big Beautiful Bill

Most new laws are in effect for 2025. Some for 2026. Made permanent tax laws from 2017 Act lower tax rates, much higher standard deduction, higher child tax credit, no exemptions, no misc. itemized deduction.

State taxes including property taxes, deductible up to $40,000 with income limits. Limits are $500,000 income married, $250,000 single. This law goes through 2029 (Yes for 2025). Above the line deduction for tips, up to $25,000, if income's below $150,000. Overtime income deduction above the line, up to $12,500, if income's under $150,000 through 2028. Above $150,000 income, deduction phases out.

Seniors get an extra deduction up to $6,000, if over 65 (2025-2028), income under $150,000 for married, under $75,000 if single.

Auto loan interest deduction up to $10,000, if income is under $100,000 single, $200,000 married.

Auto must be purchased new & assembled in the U.S. Child Tax Credit is $2,200 in 2025. Child is under 17 & has an SSN.

Electric Auto Credit ends 9/30/25. Energy efficient improvement credit ends after 2025

Business write off is 100% for purchases of business equipment in the year purchased. There will be limitations.

Holiday Greetings and Thank You.