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DOTTS HAMILTON
TAX and ACCOUNTING SERVICES

Serving Centre County Businesses and Residents Since 1971

Office Updates

John Briggs has joined us on a full-time basis in accounting and is accepting new tax clients.

Autumn Bartley has joined our Payroll Team and Cindy Newman has transitioned to a role outside of payroll.

We have an online portal where our clients can securely upload and receive documents. If you would like access to the portal, please email office@dottshamilton.com and we will email you a link and your login credentials.

Tax changes effective for tax year 2025

We are still waiting for official guidance on some of the new tax law changes. Here is what we do know.

- Most of the home energy credits expire as of December 31st, 2025. Clean Vehicle credits expired as of September 30th, 2025.
- Beginning with tax year 2025, eligible seniors could each receive an additional $6,000 deduction beyond the standard deduction and without itemizing. There is a phaseout of the deduction based on income. (Not applicable for married filing separately.)
- There is a temporary federal income tax deduction which allows individuals to deduct up to $25,000 of qualified tips annually from their taxable income. FICA taxes (Social Security and Medicare) still apply.
- Another temporary deduction of up to $12,500 for single filers ($25,000 for married couples filing jointly) relates to overtime pay. Effective for 2025 through 2028, individuals who receive qualified overtime compensation may deduct the pay that exceeds their regular rate of pay – such as the "half" portion of "time-and-a-half" compensation. FICA taxes still apply.
- State and Local Tax (SALT) deduction cap is temporarily increased to $40,000 (previously $10,000). This means more people may be able to benefit from itemizing on their tax returns again. (excluding married couples filing separately), with a phaseout for taxpayers with income over $500,000.
- Interest on certain personal vehicle loans may now be deductible.

A bit of advice

- The IRS recently announced their plan to stop accepting paper checks as payments (and to eventually stop issuing paper checks for refunds). Electronic processing is safer and more efficient. Therefore, we requesting our clients provide their banking information prior to filing their returns to allow for electronic payment of balances due and/or electronic refunds.
- We recommend taxpayers create online accounts with the IRS (www.irs.gov/your-account) and PA (www.mypath.pa.gov). You can make payments, view copies of notices, and send communications through these online accounts.

Reminders

- The filing deadline for corporate and partnership returns is March 16, 2026. The deadline for individual returns is April 15, 2026. To meet these deadlines, we must have the necessary information by February 28 for partnerships and corporations, and by March 27 for individuals.
- Extensions are an extension to file your return, *not* an extension to pay taxes due. If you believe you will owe taxes then make a payment with your extension.
- Inform your tax professional if your marital status or parental status has changed.
- The status of your refund can be checked online at www.irs.gov/wheres-my-refund for the IRS and www.mypath.pa.gov for Pennsylvania.
- To help us expedite processing of tax returns, please separate tax documents by return type (ie. separate envelope for parent's documents vs. child's documents).
- If you need us to issue any 1099s on your behalf, please send us your information by January 16, 2025 to ensure they are filed by the deadline.

We encourage our clients to visit our website at www.DottsHamilton.com and our Facebook page for the latest information along with valuable links.

Contact information…

If you would like to coordinate an appointment, please email us at appointment@dottshamilton.com or call us at 814-355-3335.