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Tax Year 2025 Annual Letter

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Dear Clients,

You can provide your tax documents one of the following ways: **uploaded to our secure TaxDome Client Portal, dropped off at our office, or mailed to our office**.

We have enclosed three forms: **Tax Checklist, Tax Preparation Agreement, and Tax Worksheet.** It is essential that you complete these forms and gather all your tax documents. We require the Tax Preparation Agreement to be **signed** before we begin work on your tax return. The Tax Checklist is a comprehensive list of documents we may need to complete your tax return. The Tax Worksheet needs to be reviewed and completed. If you do not complete and submit all three forms, and your tax documents, we cannot be responsible for errors or missing information. If you receive documents after your tax return is filed, we may need to amend your tax return.

We encourage using the TaxDome Client Portal for its convenience and security. You can access the Client Portal online from anywhere, through a link on our website or by using the TaxDome Client Portal app on your smartphone or tablet. We have found that many of our clients are able to download their tax documents directly from their banks or financial institutions and upload them to TaxDome, even if traveling or away from home.

If you don't have a TaxDome account set up, please reach out and we will email you an account invitation. For joint tax returns, we only need one person to have an account to upload documents. However, individual accounts for each spouse are required to electronically sign a joint tax return. Physical copies of the completed tax return can be picked and signed if you choose. To submit documents via TaxDome, we ask that you upload PDFs directly from your employer or financial institution or use the **Scan** button in the TaxDome Client Portal app.

If submitting your tax documents in person, please remove them from the envelopes they were mailed in and keep the pages in the order they were received. Do not staple any documents together, as all items will be scanned. Make sure all documents and handwriting are legible. Our office building is typically open from 7:00am-6:00pm Monday to Friday. Please package all documents in a sealed envelope or folder clearly labeled with your name. If we are unavailable or out of the office during those hours, you can use the mail slot in our office door. If you choose to mail your documents, we recommend using the USPS Priority Mail Flat Rate Envelope. Please know that the mail is not as secure as the TaxDome portal or in-person drop-off. We encourage you to retain copies of all documents you submit to keep with your records.

The tax year 2025 filing deadline is April 15th, 2026. **If we don't have everything we need to file your tax return by Monday, March 9th, 2026, we will file an extension for you**. This is a necessary deadline so we can manage our workload. Extensions have become more common as tax documents are sent as late as mid-March. We will work on tax returns in the order that they are received. We complete and file as many tax returns as possible before April 15th and continue to work on extended tax returns starting April 16th. While we want to file your tax return as soon as possible, missing documents or information can significantly delay the processing of your tax return.

We are continuing to use the Holistiplan tax planning software we introduced last year. Many of you opted into the Tax Report with your 2024 tax return. This additional report breaks down the figures from the federal 1040 and MN M1 tax return into an easy-to-understand format. It is an excellent report to bring to your financial advisor to start a conversation around tax planning. We are offering the Tax Report again this year, at a price of $50. You can opt in on the Tax Checklist.

We often receive questions from our clients and their advisors regarding Roth Conversions, tax bracket management, RMD income, and IRMAA surcharges. Holistiplan allows us to model multiple future scenarios and manage the tax implications of these tax planning actions. We are happy to work with you or your financial advisor on these scenarios as a separate engagement outside of tax season (generally after May 31st).

Federal Tax Law Changes (OBBB)
There were several new federal tax law changes in July 2025. These include but are not limited to:

Enhanced Senior Deduction
New, temporary deduction for taxpayers age 65+, available for tax years 2025-2028, in addition to the standard deduction, can be taken by both itemizers and non-itemizers, reported on Schedule 1-A, $6,000 per qualified individual, income phaseouts apply

SALT Deduction Limitations
Temporary increase in the SALT (State and Local Tax) deduction cap to $40,000 in 2025, inflation adjusted through 2029, returning to $10,000 in subsequent years, income phaseouts apply. This is part of the Schedule A Itemized Deductions calculation, and we expect more taxpayers to take Itemized Deductions over the Standard Deduction during these years

Increased Child Tax Credit
Increased to $2,200 per qualifying child in 2025, inflation adjusted in future years, income phaseouts apply

Trump Accounts
New account type, starting in 2026, essentially an IRA for children. Children 17 or under are eligible to open an account. Children born in 2025-2028 are eligible for a $1,000 pilot program contribution from the US Treasury. The account is opened using Form 4547, opt in on the Dependents section of our Tax Worksheet

Paper Refund Checks
The IRS is following Executive Order 14247 and phasing out paper checks for tax refunds. If you still wish to receive your federal tax refund as a paper check, you will need to sign a statement acknowledging we informed you of this change, you will receive IRS Notice CP53E, and your federal tax refund will be delayed for six (6) weeks

Qualified Tips Deduction
New, temporary deduction for eligible employees/occupations only, available for tax years 2025-2028, available to both itemizers and non-itemizers if eligible, max deduction of $25,000 for all filing statuses, income phaseouts apply, voluntary tips only, reported on Schedule 1-A, this may not be reported accurately on your 2025 W-2, please provide your final paystub for 2025 and/or a statement from your employer with accurate tip amounts

Qualified Overtime Deduction
New, temporary deduction for qualified overtime compensation only (as defined by the FLSA), available for tax years 2025-2028, available to both itemizers and non-itemizers if eligible, max deduction of $12,500 (Single/HoH) or $25,000 (MFJ), income phaseouts apply, reported on Schedule 1-A, this may not be reported accurately on your 2025 W-2, please provide your final paystub for 2025 and/or a statement from your employer with accurate OT compensation amounts

Qualified Vehicle Loan Interest Deduction
New, temporary deduction for qualifying passenger vehicle loan interest, available for tax years 2025-2028, available to both itemizers and non-itemizers if eligible, max deduction of $10,000, income phaseouts apply, reported on Schedule 1-A

EV Credits
Repealed, effective 9/30/2025

Renewable Energy Credits
Repealed, effective 12/31/2025

Please do not email us sensitive information. We will not email sensitive information to you. Our TaxDome Client Portal is a secure means of communication and document sharing, as well as drop offs at our office. Everything included in this mailing, as well as tax-related links you may find helpful, can be found on our website, www.rowekamptax.com, on the Client Resources page.

Thank you for your continued trust and partnership.

Eric Rowekamp
AFSP – Record of completion
Owner / Tax Preparer
Rowekamp Tax Service LLC