

From: Feltz Associates, LLC

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Dear Friends,

February 4, 2026

Wishes for a Blessed, Healthy and Happy New Year. **Color for 2025 – Yellow** – We are looking forward to Sunny Days and a Great Tax Season!

SIGN, SIGN, SIGN all documents where required, and **ANSWER ALL** questions on the questionnaire you choose. Your Tax Return preparation and **filing may be delayed and you may incur additional fees for additional preparation time if you do not supply all information where required.**

- **nancyfeltz.com** Please look at the WEBSITE for
 1. **Engagement Letters** – including new letter for **Foreign Income & Asset matters**
 2. **Questionnaires** – One lengthy, one shorter. Choose the **one** that best fits your situation for filing the best possible return. Whichever **one** you choose, answer **ALL** questions and SIGN the page.
 3. **SYSTEMIZERS**
 - **PAGES 1, 3, 4 if applicable** - READ BEFORE YOU SIGN, Print your Name. If banking info is the same as it was in 2024, write “SAME”, **plus last four #'s of the account.** Otherwise, complete that section with the new information.
 - **OTHER PAGES** – Only if needed. **OR you can use your own worksheets**
 4. **Additional News and information about matters of tax importance, including the One Big Beautiful Bill Act (OBBBA).**
- ***PLEASE DO NOT send me receipts.*** Please send a Summary of your Expenses by Category and if I need additional information, I will contact you. It is important to segregate **Long Term Care Insurance** from other insurance as well as the amount for each person covered when you itemize your Medical expenses. This is due to limitations of the amount based on age. However, you **MUST RETAIN** the backup paperwork with your copies of the returns, in case it is required in an audit, but again, I do not need you to send me that detail, unless I notify you.

LOOK ON THE WEBSITE **nancyfeltz.com** for important info on the following - Packet A, etc.

- **OBBBA 2025 Highlights:** (Note, **some** provisions are **not eligible** for Married Filing Separate Status)
 1. Deduction for seniors (subject to qualifying age & income limitations, etc)
 2. No Tax on Tips (subject to limitations & qualifications)
 3. No Tax on Overtime (premium time only, subject to income limitations & Maximum Deduction amount) – Final yearly paystub must be provided for this and other possible tax benefits.
 4. No Tax on New Car Loan Interest (must be a qualifying vehicle for personal use meeting other eligibility criteria, with an annual deduction). Purchase information must be provided.
 5. Health Savings Accounts Expansion
 6. Trump Accounts for eligible children
 7. Adoption Credit Enhanced
 8. Enhancement of Child & Dependent Care Credit
 9. State & Local Taxes (SALT) annual Cap temporarily increased to \$40,000 (\$20,000 MFS) subject to income limitations, etc. More taxpayers may qualify to itemize, however, this may trigger AMT.
 10. Expansion of Section 529 Plans for K-12 Education expenses.
- **DIGITAL ASSETS/VIRTUAL CURRENCY** –New Questions which **MUST** be answered – **SERIOUS CONSEQUENCES FOR IMPROPER REPORTING.** Basis must be tracked and maintained.

- **FORM 1099-K** – You must submit any Forms 1099K to me with your information regardless of the circumstances, whether taxable or not. There is a provision in the tax return to adjust for erroneous reporting on the Form 1099K.
- **CHILD TAX CREDIT** – Subject to Income phaseouts -Children **under age 17** may qualify and, per **OBBA**, the Maximum amount for 2025 increases to **\$2,200** per qualifying individual and will be adjusted annually for inflation after 2025. Other Dependent Credit remains at **\$500**.
- **RMD Chart Reprint FYI** First RMD must be taken by April 1 following the year reaching required age, and all subsequent RMDs are due by Dec. 31 of each year. Delay of First RMD to Apr 1 may trigger additional tax due to the second RMD payment year which will cause two distributions in one year,

Taxpayer Year of Birth	RMD Starting Age
Before July 1, 1949	• 70 ½
7/1/49 – 12/31/50	• 72
1951 – 1959	• 73
1960 or later	• 75

- **IRA CONTRIBUTIONS**

1. There is no longer an age threshold for making Contributions to your Individual Retirement Accounts (IRA). You will still have to have Earned Income in order to make the contribution.

- **Residential Energy Credits – Ends after 12/31/2025.**

- **CLEAN VEHICLE CREDITS -(Must have the Report from the Dealer or there can be no Credit).**

Take care at the Dealership, they want to sell cars, but they are not tax experts. **Ended at 9/30/2025.**

STATE NEWS:

1. Those who do not Itemize Deductions (**NON-ITEMIZERS**) on their Federal return **may still be able to use Miscellaneous Expenses, Taxes, and/or Medical Expenses** on certain State's returns. Certain States, e.g., New York, still allow taxpayers to Itemize their Miscellaneous Deductions, even if not useful on the Federal Return for 2025. Therefore, if your State has an option to Itemize Deductions, rather than using a Standard Deduction, or an Adjusted Itemized Deduction amount, consider completing the Long-Form Systemizer Packet B **or providing the related information in whatever form you are comfortable with.**

2. **Many States** offer tax benefits for **EDUCATION** – Certain Sec 529 plans, Student Loan Interest, Certain Tuition Expenses. Complete the Systemizer Page for this information

- **DEADLINES:**

- **Systemizer & Info – ASAP**, after you have all of your tax documents and information. Please do not submit piecemeal **unless** it is time for extension calculations. It is not time efficient if I continually go in and out of a return. Each return is treated carefully and professionally, as if it were the only income tax return I prepare. In most cases, I prepare the returns on a first come/first served basis.
- **TAX PAYMENTS, Tax Returns, and Extension DEADLINE – Wednesday, APRIL 15, 2026.** Tax payments are due 4/15 even if extended. Federal Extension only saves the Late filing penalty of 5% per month. States assess both Penalties & Interest if tax is not paid in full by 4/15 each year.
- **IRA CONTRIBUTION DEADLINE IS APRIL 15, 2026.**

The above is a brief synopsis. Important and Additional info may be found at **nancyfeltz.com** **Client Handouts**, and in the 2025 **Packet A** (also found on the website).

Amy and I appreciate our long-standing relationship with you, and we sincerely value your trust and friendship. We look forward to hearing from you soon. Very truly, Nancy M. Feltz Paparazzo, EA

Nancy M Feltz Paparazzo EA