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January 28, 2026

Happy New Year! After several years with very little tax changes, One Big Beautiful Bill Act (OBBBA) has made up for it and makes huge changes to the tax code. Below are some of the major changes to 2025 taxes and changes that started 1-1-2026 along with our policies and some important reminders:

- Attached is a questionnaire for you to complete. **This questionnaire is mandatory, so we will need this completed, signed, and returned when sending in your tax information.** This helps you in organizing your tax information and helps us in preparing your return; making sure we have everything needed to file a complete and accurate tax return, getting all the income, deductions, and credits that you are entitled. The questionnaire is also vital as more and more companies are issuing online tax forms (W-2's, 1099's, etc.) instead of mailing them.
- If emailing tax documents, please wait and send everything at once in 1 email or print them and put with the rest of your tax documents to drop off. Multiple clients emailing individual documents becomes overwhelming and can be easily overlooked/missed. Also, please do not text any tax documents. This is not secure, and, in most cases, we are unable to print them clearly.
- We work the returns in the order they are received and have a 2-4 week turnaround time. If you have a year's worth of bookkeeping for us to enter, this time frame will be longer. **100% of your tax information, including the questionnaire, must be in the office to be considered 'in'.** If we do not receive your information or do not complete your return by the deadline, we will prepare an automatic extension for you.
- If you have a business, farm, or rental property, **please review the depreciation schedule** included in your prior year tax return and update any assets you no longer have, noting if they were scrapped or sold (include the sales price and date sold).
- In 2024, Oklahoma started offering refundable credits up to \$7,500 for private school expenses. This is done through the OTC website not on tax returns and the OTC will send the tax credit payments directly to the school. To apply or for more information go to: <https://www.parentalchoice.ok.gov>
- Homeschool tax credit: A refundable income tax credit of up to \$1,000 per student is allowed for Oklahoma taxpayers who pay qualified expenses on behalf of an eligible student who is homeschooled and will be claimed on the Oklahoma tax return starting with tax year 2024. For more information visit the OTC website: <https://www.parentalchoice.ok.gov>
- One Big Beautiful Bill Act (OBBBA) effective for **2025** tax year:
 - Senior deduction (65+) - \$6,000, AGI limits apply
 - Qualified Tip Deduction – Deduction up to \$12,500 (\$25K MFJ) to offset tip income; AGI limits
 - Overtime Pay Deduction – Deduction up to \$12,500 (\$25K MFJ) to offset overtime income; AGI limits
 - Car loan interest deduction – Up to \$10,000 for NEW qualifying vehicles; AGI limits
 - SALT (State & local tax) deduction – Increased to \$40,000 if you itemize (up from \$10,000); AGI limits
 - Child tax credit – increased \$200 to \$2,200 per child under 17 and will be inflation adjusted annually
 - Adoption credit – Up to \$5,000 now refundable
 - Trump accounts – New \$5K children's savings accounts + \$1K match from Treasury for children born between 2025 - 2028
- One Big Beautiful Bill Act (OBBBA) effective starting **2026** tax year:
 - All Energy-Efficient home credits & Residential Clean Energy credits expired December 31, 2025
 - Clean Vehicle Credit expired October 1, 2025
 - Charitable Contribution up to \$1,000 (\$2K MFJ) above-the-line deduction & new base threshold for itemizers
 - Gambling Losses will only be deductible up to 90% of the gambling winnings
 - Advanced Premium Tax Credit (ObamaCare) – the 400% poverty level 'cliff' is back
 - Casualty/Theft Losses will now include federal & state-declared disasters (only Federal previously)
 - Dependent Care Assistance through your employer has increased to \$7,500 (up from \$5K)
 - Dependent Care Credit – 20%-50% (up from 35%) – higher credit % for lower AGI

1099's/Information Returns: The penalties for non-compliance of filing 1099's/information returns are up to \$680 per form, with no maximum penalty. 1099s are a necessity if you own a business/rental property/farm and require you send a 1099 to all vendors who were paid \$600 or more in contract labor, rents, repairs, personal services, accounting, attorneys, etc. The 1099s are due to the vendors and the IRS by January 31st. The threshold is increasing to \$2,000 starting in 2026 and will be inflation adjusted annually thereafter.

Foreign Assets: There are enhanced reporting requirements if you have any type of foreign assets; a foreign bank account, pension plan, rental property, ownership of a foreign company, etc. This income is includable in your US tax return. The penalties for not reporting that you have foreign income/assets start at \$10,000.

Unreported income: If you are making extra money by doing side jobs, such as driving for a ridesharing company such as Uber or Lyft, selling crafts on Etsy, delivering meals with Grubhub or DoorDash, renting out a room in your house via Airbnb, etc. it needs to be included on your tax return. Unless specifically excluded under the Internal Revenue Code, all income is taxable. This includes income that is not reported to you on one of the various Forms 1099, foreign income, and barter income.

Tax Scams: Never, ever give your information over the telephone or by email/text to anyone. With the current developments in Iran, cyber-attacks on the USA could be an issue and we are urged to be very careful before opening emails. If you receive emails containing links, never click on the link unless you are absolutely positive who the sender is. If you keep a backup drive connected to your computer, we recommend connecting your backup drive only when performing a backup. This will help prevent your backup from being breached. Also NEVER give anyone your Social Security number or pay taxes over phone or through e-mail. The IRS does not email you or call you regarding or demanding money owed. If you get one of these calls or e-mails; NEVER pay or give them anything, if you're not sure, call us first!! This applies not only to the Federal, but State as well.

We appreciate your trust in our business. Please give us a call if you have any questions or need additional information.

Have a Blessed Year!

Keli Davis