

30 YEARS



"Merry Christmas and Happy New Year from my family to yours! 30 years of being a tax preparer! Wow the time has flown. This is a huge bonus for all of my customers as it comes with 30 years of a multitude of law changes, complex situations, tax agency dealings, and a VARIETY of business and personal structures. Most importantly - this equals well over 1000 hours of continuing education and learning to best serve YOU. I am very thankful for your continued business and trust throughout these many years." - Mavis

W-2 FORMS and 1099 FORMS

All W-2 and 1099 forms MUST be mailed to recipients by Monday, **February 2, 2026**. This is not just about the recipient claiming the money as income, but your ability to DEDUCT the monies paid out as a deduction on your farm, rental or business schedules.

If you paid \$600 or more for services performed for your farm, rental or business to someone who is not your employee, you must issue them a 1099-NEC. If you paid \$600 or more for rent, prizes or awards you must issue a 1099-MISC. Please have the information turned into our office by **January 20, 2026** to ensure preparation and filing by the deadline.

The IRS now REQUIRES taxpayers, who file 10 or more 1099 forms, to file the forms electronically. Due to this requirement, the IRS has limited the amount of blank 1099 forms that our office can receive. Unfortunately, this means that we may not be able to provide as many blank 1099 forms like we have in the past. Our office can handle the e-filing for you, but it is imperative that we have the correct information. The best practice is to collect a completed W9 form from each individual/business who meets the filing threshold to make sure the correct names, addresses and ID numbers are reported on a 1099 as required.

IP PIN NUMBERS

We know that IP Pin Numbers can be a hassle but they are extremely important for keeping your information safe. The IRS started issuing IP Pin letters in December, but you might be required to get your IP Pin number online. If you had an IP Pin last year, it will be **REQUIRED** to have one this year. Your tax return will be delayed if your IP Pin is not provided. If you are unable to provide your IP Pin, your return will be paper filed which will delay processing and will add an extra filing fee.

ESTIMATED TAX PAYMENTS

Individuals must make quarterly estimated tax payments if they expect to owe at least \$1,000 in federal and/or state tax. **If these payments are prepared for you, please make these payments.** This helps prepare you for the upcoming tax year. The IRS and State enforce penalties for not making payments. If you have questions about this, please let us know.

Estimate Due Dates: April 15, June 15, and September 15 of 2026, and January 15, 2027.

FINANCIAL LIFE CHECKUP

Year-end is more than just wrapping gifts and planning celebrations – it's the last chance to make smart money moves that can reduce taxes and set the stage for a confident start to the new year. Use this checklist to help cover the essentials.

Check tax withholdings. Do a quick check to see if your paycheck withholdings will match your tax liability. If you had a big refund or owed a large amount last year, you can anticipate the same will happen this year. If you have not already done so, adjust your W-4 so you're closer to even. Then after filing your 2025 tax return, revisit your withholdings and make any adjustments for the 2026 tax year.

Max out tax-advantaged accounts. If you have a Health Savings Account (HSA), try to max out your annual contribution limits. This serves a dual purpose: paying for health expenses with pretax dollars PLUS any unspent contributions can be invested and used for future needs. Next, look at retirement accounts like 401(k)s, 403(b)s, or IRAs before the year closes and contribute as much as possible up to the annual limits.

Use up FSAs. Flexible Spending Accounts often have use-it-or-lose-it rules. Check your balance and submit reimbursements for eligible medical or dependent care expenses. Some plans offer a short grace period or a limited carryover, so know your deadlines to avoid forfeiting money.

Plan for life changes. Marriage, divorce, a new child, or a change in employment can alter your tax situation. Be prepared for any changes these life events may cause.

Clarify dependency claims. If family members provide or receive support, coordinate who will claim dependents on tax returns. This helps prevent IRS mismatches and ensures valuable credits like the Child Tax Credit go to the right filer.

Harvest investment losses (or gains). Review your portfolio to realize losses that can offset capital gains. If your income is low this year, you might even be able to harvest gains at a lower tax rate (maybe even 0%). Be careful to avoid wash-sale rules. **CONSULT YOUR FINANCIAL ADVISOR!**

Review insurance coverage. Health, life, home, and auto policies all deserve a fresh look. Confirm coverage levels still fit your needs, compare premiums, and check that beneficiaries are current.

Update beneficiaries and legal documents. Wills, trusts, and powers of attorney can become outdated quickly. Confirm that beneficiaries listed on retirement accounts and life insurance policies align with your estate plans.

FILING DEADLINES

March 2: Qualified Farmers

March 16: S-Corporations

Form 1120S, Partnerships Form 1065
& LLCs taxed as either

April 15: Individual 1040 &
C-Corporations Form 1120

EXTENSION DEADLINES

September 15: S-Corporations & Partnerships

October 15: Individual & C-Corporations



DROP OFF DEADLINE

Drop off deadline is April 1st to ensure your tax return is completed by the deadline. If your tax documents are in the office, we will file an extension for you. If not, please call our office to request one. Please note: filing an extension DOES NOT extend your time to pay, only to file.

TIP DEDUCTION

- For qualified job classifications deduction allowed UP TO \$25,000.
- Phase out of deduction begins at MAGI (Modified Adjusted Gross Income) of \$150,000 for Single and \$300,000 for MFJ (Married Filing Jointly).
- The eligible amount for the deduction will normally be on your W-2 in the Tips Box #7.
- For the self-employed individual – the tips claimed must be included as income on your schedule C in order to deduct them from your taxable income on the federal side. Most have a point-of-sale system that can produce a report showing how much tip income is.
- States are varying in their taxability of tips – Illinois is still taxing tip income; Missouri will tax tips still in 2025 but will follow suit with the federal law starting in 2026 and deduct them from taxable income. We have all of the variations for each state, so no worries if you are one of our clients from a state other than Illinois or Missouri.

1099-K FORMS

1099-K's may still be issued. You shouldn't see a Form 1099-K from a payment processor such as PayPal or Venmo unless you have 200 or more transactions amounting in more than \$20,000 in payments from the processor. But because of the many tax law changes in this area, you may still receive a Form 1099-K in error. If you receive one of these forms, do not throw it away! Include it with your other tax documents for proper reporting on your 2025 tax return.

DEPRECIATION FOR BUSINESS CLIENTS

100% Bonus depreciation is back; however, it may be best to use Section 179. Many states decoupled from the federal laws on this and do not allow 100% bonus depreciation but does allow Section 179. As a normal practice, Mavis reviews which option is going to suit your situation best. Again, everyone's situation is different.



2026 WILL INTRODUCE ADDITIONAL CHANGES

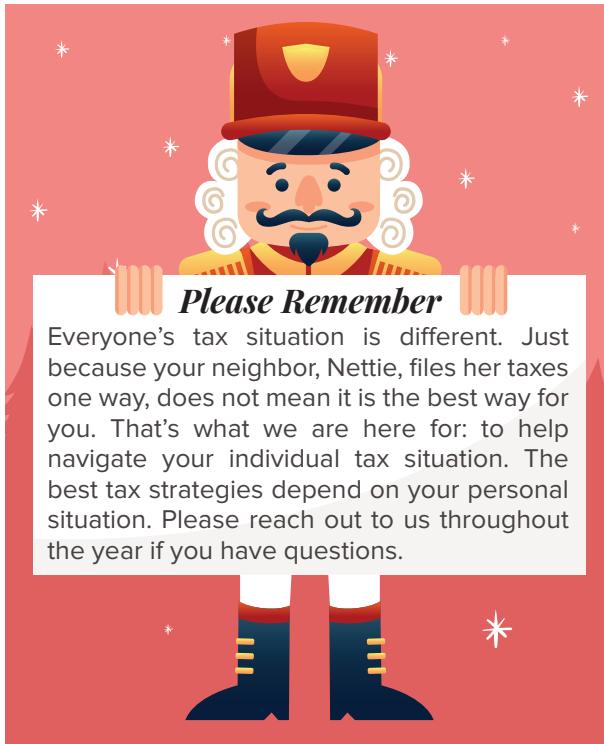
After 70 years, the minimum threshold for 1099s will be \$2000 (this is for payments made in 2026 and going forward).

Affordable care act health insurance premium assistance ends 12/31/25.

An above the line deduction returns for those who do not itemize but make qualified charitable contributions. Up to \$1,000 will be allowed with substantiation for single filers and up to \$2,000 for MFJ filers.

OVERTIME DEDUCTION

- ◆ Deduction is UP TO \$12,500 per person.
- ◆ Phase out of deduction begins at MAGI of \$150,000 for Single and \$300,000 for MFJ.
- ◆ To claim this deduction, there will need to be supporting documentation obtained from your employer showing the amount eligible, or the # of hours and rate.
- ◆ The deduction is ONLY for the additional 1/2 time of the OT, not the base hourly rate of pay; example, if you make \$20/hour and your OT rate is \$30/hour, the deduction is only allowed on the extra \$10/hour multiplied by the # of hours worked.
- ◆ Most states are still taxing these amounts, and do not have a state deduction for this item.
- ◆ OT is based on the Federal Fair Labor Standards Act of more than 40 hours worked in a week, not any company or state policy.



Everyone's tax situation is different. Just because your neighbor, Nettie, files her taxes one way, does not mean it is the best way for you. That's what we are here for: to help navigate your individual tax situation. The best tax strategies depend on your personal situation. Please reach out to us throughout the year if you have questions.



REFERRALS

Unfortunately, we are still not accepting new clients at this time. As always, we appreciate your trust in our office and for the referrals you have sent our way.

SOCIAL SECURITY TAXABILITY

The taxability of SS Income has NOT changed.

What has changed is they are allowing an extra \$6,000 standard deduction for those that have reached aged 65 by 12/31/25 to help offset the taxable amount of SS Income.

There is a PHASE OUT of this extra standard deduction starting at MAGI of \$75,000 for single filers and \$150,000 for MFJ.

Also, many may have been affected by the repeal of the Government Pension Offset (GPO) and received an extra payment of social security this year; commonly known as the windfall provision. This may cause some extra taxable income for 2025, and your tax outcome may be very different than it has been in the past.

USPS CHANGED POSTMARK RULES

Effective December 24, 2025, the USPS implemented a postmark rule change. Your mail will now be postmarked when the mail is processed at an automated sorting facility not when you dropped off your mail in a box or at the counter. This could delay tax payments being postmarked timely which could cause penalties for not making timely payments. Please make sure to mail early, ask for a manual postmark at the post office or create an online account to make payments.

RETIREMENT CONTRIBUTIONS

There is a special catch-up contribution for those aged 60 to 63 with 401(k), 403(b), 457, and SIMPLE IRA plans do not miss out on making these contributions, it could change your tax bracket!

For the 401(k), 403(b), and 457 plans the catch-up contribution is \$11,250 instead of the \$7,500 regular catch-up contribution that is allowed starting at age 50.

For the SIMPLE IRA plan, the additional catch-up contribution is \$5,250 increased from the age 50 catch up contribution of \$3850.

CAR LOAN INTEREST

New deduction for years 2025 through 2028.

- Do not need to itemize to benefit from this new deduction.
- Car must be purchased in 2025.
- Car must be assembled in the US.
- Car must be NEW (used vehicles are not eligible)
- Deduction starts to phase out with MAGI of 100,000 for single and 200,000 for MFJ.
- The VIN will be needed to take this deduction.



PHONE CALLS

We understand that during the year you might have questions and need to talk to Mavis. If Mavis isn't available for phone calls, please leave a detailed message with the staff so your message can be given to Mavis. Someone will get back to you with an answer. Unfortunately, Mavis isn't always available to take phone calls or make callbacks in a quick turnaround especially during tax season or her mandated continuing education classes.

OTHER TIDBITS

Energy Efficient Credit: This credit ends 12/31/25. All items must be installed and paid for by 12/31/25 to obtain a credit on the eligible items.

Child Tax Credit: This credit increased \$200 per child to \$2200 for children age 16 and under.

Missouri Residents: Missouri legislation passed a new law stating that one hundred percent (100%) of the income reported as capital gain for federal tax purposes can be subtracted in determining Missouri adjusted gross income. This subtraction is effective for individuals starting January 1, 2025.

Missouri Minimum Wage: The minimum wage will increase to \$15.00 per hour on January 1, 2026. Minimum wage for tipped employees will increase to \$7.50 per hour.

Liquor License Renewal: For business clients who hold Illinois liquor licenses, renewals will no longer be processed through MyTax Illinois. The Illinois Liquor Control Commission is launching a new online portal in early 2026. A new account will need to be set up. If you need help with this, please let us know.

Mileage Rate: The 2026 mileage rate is 68 cents per mile.

Crypto Currency Reporting: Brokers of digital assets are now required to report all sales and exchanges. The reports provided by the brokers will be needed to prepare your tax return. These are FORM 1099-DAs.

ITEMIZED DEDUCTION CHANGES

- Itemized deduction phaseout is back. If you're in the top 37% tax bracket, your itemized deductions could be reduced. This phaseout of deductions is being re-introduced beginning in 2026.
- Gamblers take a loss. Losses from wagering transactions are now limited to 90% of such losses. Under the previous law you could claim deductions up to the amount of your winnings. For example, if you won \$10,000 and incurred \$15,000 in losses over the course of a tax year, you could deduct \$10,000 using the previous law. Under the new law you can only deduct 90% of your losses, or \$9,000 in this example.
- Mortgage insurance premiums can be reported as an itemized deduction.
- The \$10,000 SALT limitation was increased to \$40,000.

AFTER TAX SEASON

Some might ask: what happens in our office after tax season? We stay busy!

Continuing Education: Mavis attends numerous continuing education classes throughout the year so she can keep up to date with the never ending changes. Some classes are only an hour, but the more in-depth classes are full days and multiple days a week.

Year-Round Compliance and Filings: Tax season never truly ends. We still have to prepare and file tax returns for clients who filed extensions (September and October deadlines).

We also manage ongoing tasks for multiple clients such as:

- bookkeeping • payroll processing • sales tax returns • payroll tax returns • bank and credit card reconciliations • financial statements • bill pay • insurance audits • and much more...

Financial Planning: Advising on personal finance topics like retirement planning, investments and estate planning.

Business Consultation: Assisting with major business decisions, reviewing major equipment purchases, planning for succession and evaluating business structures.

HOURS

JANUARY THROUGH APRIL

Monday - Friday: 8:30am to 6pm
Saturday by appointment only

MAY THROUGH DECEMBER

Monday - Thursday: 8:30am to 5pm
Friday: Closed

JOYFUL
Merry
and
blessed

PAYMENTS AND CREDIT CARDS

ALL fees from prior returns **MUST BE PAID IN FULL** before you make your appointment. Payment is **REQUIRED** before e-filing your tax return, which means you will not receive your refund until your bill is paid in full. **Late payment fees and re-billing fees will be enforced.** We have always tried to be very reasonable but due to rising costs, additional forms causing extra preparation time and supply costs, prices will be increased. Remember you are not only receiving a tax return, but you receive year round help from a caring office.

Effective January 1, 2026, there will be a 3% charge added to all credit card payments. This was a tough decision but with the rising costs it was unavoidable. You can avoid this charge by paying with a check or cash.

APPOINTMENTS

Sit down appointments: These appointments fill up fast and are extremely limited. Please call our office at 217-242-5707 to schedule your appointment. When making an appointment, please let us know if you have multiple returns because our appointment slots are set to 1 hour.

If you are running late to an appointment, please call and let our office know as soon as you can. We can only allow a 10 minute grace period with appointments since our schedule is tight. If you arrive 10 minutes or more after your scheduled appointment time, you will need to drop off your tax information. We understand that things happen, but we need to be respectful of the following appointments.

Appointment Reminders: If in doubt of your appointment date and/or time, please call the office to verify. Reminders are sent out at least 48 hours in advance. If your phone number has changed, please let us know as soon as possible.

Drop off: If an appointment isn't necessary, we **strongly** encourage you to drop off your tax documents, and we will let you when your return is complete. We will contact you if Mavis has questions. Please keep in mind, drop offs are worked on in the order they are received. If you drop off your tax information in multiple stages/at different times, the date that you drop off the last of your information is the date that is considered as your drop off date.

Next year (2026 tax season - filed in 2027), there will be a discount on your invoice if you decide to drop off your tax information instead of having a sit down appointment. Sit down appointments are very limited and need to be reserved for our business and farming clients since those returns are more time consuming and have earlier deadlines.

Canceled/Rescheduled appointments: As mentioned earlier, we understand that things happen but unfortunately there is not a lot of wiggle room to reschedule appointments. We will do our best to work with your schedule but cannot make any promises. It is very possible that you will need to drop off your tax information instead.

STAFF

Mavis Lantz: CPA/Owner • **Abbey:** Office Manager • **Roxie:** Bookkeeper • **Tina:** Office Assistant
Krista: Bookkeeper • **Laurie:** Receptionist