

Sandberg Tax Service, LLC

2025 Client Newsletter

I attended the IRS Nationwide Tax Forum in Orlando last July and my National Association of Tax Professionals seminar in September. There are a few new things for the 2024 tax year that may affect many of you so read the rest of this newsletter and updates on my website. Tax brackets use the same tax rates but are adjusted for inflation. I will refer to changes in this newsletter with references to my website so you can read about them in detail. Check the 'Helpful Forms' tab on my website to get more details of the 2024 tax law changes.

I am continuing my policy of not accepting new clients this upcoming season. As I get older, the stress level is harder to deal with, so using natural attrition helps with less appointments and fewer 12-hour days. I will help your kids living at home who have part-time jobs if they come with you to your appointment. I continually get asked when I'm going to retire. I will continue my business until health issues determine it's time to hang it up. My nephew, Will Sandberg, owns the office building I am in. He is a financial adviser and runs the Utah Senior Planning business. He and his brother-in-law, who is a CPA, are interested in purchasing my business when I decide to retire. You won't have to go anywhere else to get your taxes done for many years to come. They won't even have to change the sign outside. I truly thank you for your loyalty, trust, and support for all these years! I am honored to help you again this coming tax season.

APPOINTMENTS: Appointments start Tuesday, January 21, 2025. Online appointment requests on sandbergtax.com are now open. Please don't procrastinate making an appointment just because you might owe IRS. Get your return done early so you know what you owe and can plan to pay by April 15th. To request an appointment, go to www.sandbergtax.com. Click the "Appointments" button to check my availability calendar and see what fits your schedule best, then select the link, "Appointment Submission Form", fill out your request info, and submit it.

Please request an online appointment at least 24 hours in advance. Call if you want to come in the same day and I'll see if I can fit you in. Please put your email address on the submission form so I can confirm your appointment. I will send you an email to confirm the appointment and will enter your last name on the website calendar. If you forget what day and time your appointment is, just review my online calendar. **Your appointment submission does not update my calendar automatically.** If you can't or don't want to request an appointment through my website, please email me or call me at 801-928-9642 and leave a message if I don't answer. I'm looking forward to seeing you again this year!

CLIENT ORGANIZER/TAX DOCUMENTS/NOTICES: When I confirm your online appointment request, I will email you a personal organizer with data from your prior tax return. If you would like it before you submit your appointment, just send an email to dave@sandbergtax.com. I will also send you a checklist of items I need you to bring. It is extremely important that you bring all your tax documents so you can avoid getting an IRS letter.

Please take all documents out of the envelopes beforehand and don't staple your documents together! Opening envelopes takes a lot of time! Please make sure your tax documents are for the 2024 tax year. I really don't want to see any envelopes this coming tax season except for the one you are bringing all your documents in! I must scan everything, and my scanner hates staples! Thank you for helping us both out!

Documents you must look for and bring with you

W-2

1099s: R - retirement income, INT – bank interest from bank website, DIV - dividends, S - home sale, SA - Health Savings Account distributions, SSA - Social Security

1099 MISC - miscellaneous income, NEC - non-employee compensation, K - income from vendors like Paypal

1099 Q - 529 savings plan withdrawals, G - refunds or interest paid from taxing authorities,

1099 A – home foreclosure, or C – forgiven taxable credit card debt)

1998 (mortgage interest)

1098-T (Student tuition and fees paid – Get this from the university website)

1098-E (Student Loan Interest)

County property tax bills you paid

End of year receipt for childcare showing the providers name, address, total paid and tax ID number

IRS compares the info on your tax return with the info employers and others provide. It takes over a year to match up everything. If you fail to provide me with all your important tax documents, you will receive a letter from the IRS stating that you may owe more tax because your return wasn't complete. If you receive an IRS notice or need to amend your tax return because of something you failed to provide me, I will charge you a fee to review the issue, resolve it with IRS (and Utah) and amend the IRS 1040 and Utah TC-40 if necessary. If it was something I erroneously did, there will be no charge to resolve it. Take your time, review your organizer, assemble your tax documents, and be prepared when you come in. Thanks!

Now that bank interest rates are higher, you may have earned more than \$10 in interest income on your savings. Most credit unions and banks don't send out 1099-INT earned interest documents if you have paperless statements. Go online, look at your December 31st bank statement and get the information before our appointment. **The time to prepare is BEFORE, not during the appointment!**

If you bought and/or sold a home last year, please bring your closing papers with you for both transactions. Although you may not pay capital gains tax if you lived in the home more than 2 years, I still need to report the sale on your tax return. If you don't have the purchase documents, document how much you paid for the home you sold, the month/year you purchased it and a total of any capital improvements you made like finished basements, landscaping, rv pad, etc.

Due to tax law changes through 2025 with the Tax Cuts and Jobs Act, you may not be able to itemize deductions. See if you have more than \$14,600 in deductions if you are single or filing married/separate, \$21,900 if you file as Head of Household, or \$29,200 if you are filing married/joint.

- 1. Total Medical out of pocket costs less 7.5% of your combined gross income \$ _____
- 2. Total state income taxes withheld on your W-2 or 1099-R forms \$ _____
- 3. Total real estate taxes you paid on your home(s) and land \$ _____
- 4. Total mortgage interest you paid (1098) \$ _____
- 5. Total cash contributions to charity and non-cash contributions to DI, etc. \$ _____
- Total \$ _____

(#2 and #3 combined are capped at \$10,000. Enter \$10,000 if over that amount)

I will determine if you are eligible to itemize. If you have over the standard deduction, you can save tax. See you soon!