



2025 Tax Tips from Fiscal Tax Co.

**The tax code is complicated and can change dramatically.
Please consult your tax advisor for expert advice.**

1) Received a Letter from IRS or Indiana?

- Our experienced and knowledgeable tax advisors offer **free**, personalized assistance year-round to help you handle letters or audits.
- **Never ignore an IRS or Indiana letter** - *always speak with us before assuming their accuracy*. Some studies show that roughly one in four notices may contain errors.

2) Indiana Taxpayers Only

- Do you know anyone (including Grandparents) that are saving or paying for College Expenses or Private School K-12 Tuition? Contribute to the **Indiana College Choice Direct Savings 529 Plan** and boost your Indiana refund by up to **\$1,500** annually. Contact us for details.
- Don't forget, Indiana allows you to deduct the first **\$3,000** you paid in rent and the first **\$2,500** of property taxes.

3) Social Security is **STILL** Taxable - But Less So For Many

- Instead, you get a **new senior deduction: \$6,000** for individual age 65+ and **\$12,000** for married couples 65+.
- The new senior deduction starts phasing out when income exceeds \$75,000 (single) or \$150,000 (joint).

4) No Tax on Overtime law - only on the **premium portion of overtime**

Deduction amount: Up to **\$12,500** per year for single and up to **\$25,000** for married couples.

5) Guide to Understanding Your Paycheck Withholding and W-4 Assistance

- Your Fiscal Tax Advisor will use this guide to help you understand your W-4, paycheck withholding, and tax bracket complexity.
- Client feedback: **"Can I keep this form and show it to my friends?"; "It's clear and makes sense."; "Thanks!"; "Why don't they teach this in school?"**

6) Standard Deduction vs. Itemized Deductions

Itemized deductions must exceed the standard deductions of **\$31,500** for Joint Returns, **\$22,500** for Head of Household, and **\$15,750** for Single taxpayers.

7) Child and Other Dependent Tax Credit

The child tax credit has been raised by \$200, making it **\$2,200** for each child under 17. Additionally, every dependent who is 17 or older qualifies for a \$500 credit.

8) Traditional IRAs vs ROTH: Which is Better for You?

- With a **Traditional IRA**, you get a tax break right away. Put in \$100 and, because of Federal and Indiana tax savings, your paycheck only shrinks about \$70 - \$80. So, that means you could put \$120 to \$130 in your traditional IRA and your take-home pay would be the same as if you put \$100 in a ROTH account.
- **ROTH IRAs** tend to get a lot of hype, and for good reason, because you pay the taxes upfront and your eventual withdrawals are completely tax-free.
- It doesn't matter if you go Traditional or ROTH, the key is getting your company's maximum match. That's free money for your retirement, so don't leave it on the table.
- **Discover how smart saving pays off!** Your Fiscal Tax advisor will design a personalized tax planner that reveals the federal and Indiana tax savings you've unlocked by contributing to your workplace retirement account. You'll also see the powerful return on investment (ROI) your contributions are generating — proof that planning today builds wealth for tomorrow.

9) Energy Tax Credit

As of January 1, 2026, the Energy Tax Credit, originally scheduled to be valid through 2033, will no longer be in effect. For 2025 you can still get a credit up to \$1,200 for the purchase of **High efficiency**: furnaces, air conditioners, hot water heaters, exterior doors, windows and insulation. And up to \$2,000 for heat pumps.

10) Childcare Expenses Credit

The amount of credit you can claim is a percentage (20% to 35%) of the child care expenses you paid a daycare provider up to a maximum of \$3,000 for one child, or \$6,000 for two or more children.

11) Earned Income Credit (EIC)

Established in 1975 to help reduce poverty for lower-income working families, the EIC is a refundable tax credit. The maximum credits are:

- 3 children: **\$8,046**; 2 children: **\$7,152**; 1 child **\$4,328**; no children: **\$649**; and the Indiana maximum is **\$724**.

12) Education Credits

The American Opportunity Credit can increase your refund by up to **\$2,500** per student. Also, you could qualify for a **\$1,000** refund even if you had zero income, but you cannot claim it if you could be a dependent of your parents. The tax break is allowed the year you pay the tuition even if you used a student loan to pay for it. Form 1098T is required.

13) Student Loans

The deduction for Student Loan Interest can ease the burden of payments for student loans. If you pay interest on a qualified Student Loan, you are generally able to deduct the interest expense up to **\$2,500**.

14) Teachers

There is a **\$300** deduction for teachers using their own money to pay for classroom supplies for 2025.

15) Make the RMD from Your Traditional IRA Tax-Free

- Money donated in **Qualified Charitable Deductions** (QCD) directly from your Traditional IRA escapes Federal income taxes and will also lower your Indiana and county taxes by over 5% of the contributed amount.
- Other benefits may include: Lower Medicare premiums and lower tax on your Social Security benefits.

16) Business Deductions for Sole Proprietorship, S Corporations, Partnerships and, Rental Income

- Standard Mileage Rates. The rate for business use of your vehicle is set at **70¢** per mile. It's important to have a mileage log or all deductions could be disallowed.
- Here's good news for business meals. If, for business reasons, you take a customer, friend or spouse to breakfast, lunch or dinner at a restaurant or hotel - even though you do not discuss business - the law allows you to deduct the expenses for meals and beverages to the extent they are ordinary and necessary expenses. You need to keep records that prove the expenses and shows the name of the person you had meals with and a short note of seven words or less. Tip: record on monthly charge card statements.
- Qualified Business Deduction (QBD). Generally you can deduct 20% of profit from your income.

17) Scams to Look Out For

- IRS letters and notices are only sent to you by mail through the United States Postal Service (USPS).
- **Do not respond** to requests for personal or financial information you may receive via email, social media, phone calls or text messages.
- Don't give out any information to anyone who calls you demanding immediate payment of your tax bill. These scammers pretend to work for the IRS and often even use fake IRS identification numbers.

Our Tax Advisors Have More Than 20 Years of Experience
Assuring You Always Receive Your **Maximum Refund - Guaranteed!**

Have a Tax Question?

Please feel free to call us year-round at (317) 897-9964.