

THE FINANCIAL EDGE

January 2025



HOW UNEXPECTED LIFE IS...

Personal comments by Mary

Reflecting on 2024, the year brought several unexpected life events. There were more trips to Arizona than planned. The year began with my son John's wedding to Alicia on December 31, 2023, in Peoria, Arizona—a beautiful evening of celebration.

Back in Wisconsin, my husband Steve's health worsened after getting COVID, causing his COPD to flare up. It was a tough year finding medical help. In November, he finally saw a pulmonologist and started planning to improve his health.

In March, I visited Arizona to celebrate my grandson Easton's second birthday. The Montessori playground was fun for everyone.

In July, we had a pig roast wedding reception at my brother's house in Wisconsin, with fireworks and great food. Alicia and Easton both left in wheelchairs—Alicia had twisted her ankle earlier, and being pregnant struggled moving around. Easton had jumped and twisted his ankle the night before they left.

At work, we welcomed Paige Stauber, a recent college graduate preparing for the

CPA exam. She brings great value to our team.

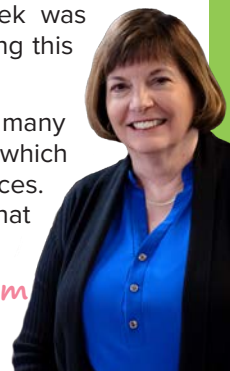
In October, Steve and I celebrated the wedding of Katie, his oldest daughter in Minneapolis. Quality time was spent with all of his children. His son Eric and family came from Vermont, while his youngest daughter Amber and her family live in Madison. The family wedding was held at an Airbnb, originally a small church—a perfect setting for the celebration.

October also brought the joy of welcoming a granddaughter, Lilly, prompting another visit to Arizona. Everyone was healthy and adjusting well to the changes.

In December, my son James navigated a divorce and moved into his own place with his son. A week was spent offering support during this transition.

The year was filled with many ups and downs, most of which were wonderful experiences. It leaves me wondering what 2025 will bring!

Mary Guldán-Lindström



"We chose Focus because Mary is fantastic. She understands small businesses like ours and the unique challenges we face. She is more than just a CPA to us but a consultant and like a partner in our business. Beyond that she knows her stuff when it comes to crunching numbers and minimizing our tax burden when possible. We have no doubt you won't be disappointed if you choose Focus CPA."

*Hans Kindsgrab, Vice President
Ad Ideas of Wisconsin, Inc /
Image Innovators & Zipline*

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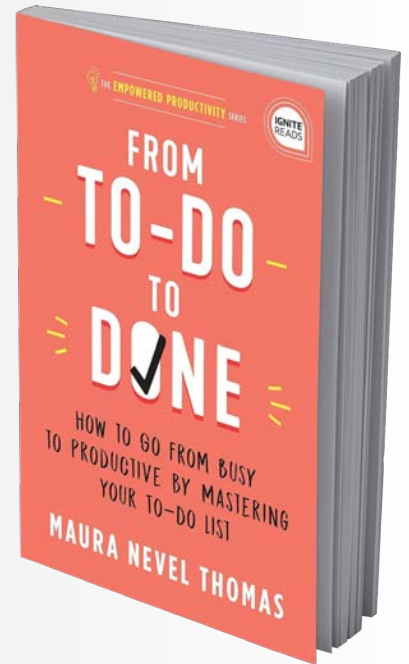
THE BOOK REVIEW

TITLE: From To-Do to Done
AUTHOR: Maura Nevel Thomas
TOPIC: Productivity
EASY TO READ: \$\$\$\$\$ (5 out of 5 dollars)
APPLICABLE TO SMALL BUSINESS: \$\$\$\$\$ (5 out of 5 dollars)

Summary: The author provides a system to be more productive. Start with a brain dump, organize, create doable tasks, and create a system that works for you. Take control of your time.

My recommendation: Easy read with great results for me. I recently heard her speak and wanted more. It was an excellent book! Her presentation brought more meaning from the book.

Pages: 120 | Published: 2021



GATHERING YOUR TAX DOCUMENTS

By Mary Guldán-Lindstrom CPA

It's that time of year. As our government continues to increase reporting requirements, the IRS is going to know more about you than you will. Currently your banks, credit unions, investment companies, your employer, social security, your renter, your credit card company, your health insurance company and almost everyone that you do business with is required to report your financial activity to the IRS.

As we prepare tax returns it is critical to gather that information and provide it to us. The IRS computers match those documents filed to your tax return. However, that is done after your return is due. We want to avoid future tax notices.

You may not receive all your tax documents by January 31. Investment companies send theirs in mid-February 15. Please watch for corrected tax documents that may arrive later. An informational K1 from an investment is not due until March 15.

HOW YOU CAN AVOID FUTURE TAX NOTICES:

- 📎 Watch your mail, email and notifications of tax documents on financial websites.
- 📎 Verify that the name and social security or federal identification number is correct. Verify that the business income is in the business ID and not the owners.

HERE IS A LIST OF OTHER TAX INFORMATION, not reported on a tax document, that may impact your taxes:

- 📎 Your home real estate taxes paid receipt
- 📎 Private school tuition statements
- 📎 Confirmation of any income tax estimates that you paid
- 📎 Business income and expenses, business mileage
- 📎 Rental income and expenses
- 📎 Home office expenses

Please review to your tax document list checklist for all the tax forms that you may receive. For questions, please contact our office.



TAX CHANGES ARE A COMIN'

By Mary Guldán-Lindstrom CPA

Yes, it is time to prepare your 2024 tax return. However, your future tax situation is becoming more uncertain—and not in your favor. As tax law currently stands, we will experience major tax law changes on January 1, 2026, that will increase your tax bill. Unless new laws are passed, the 2017 tax legislation will sunset, meaning we will revert to the laws in place in 2017. This makes tax planning for the next two years very challenging.

THE SCHEDULED CHANGES INCLUDE:

- * Individual income tax rates will revert to higher 2017 levels, and the size of each bracket will change. Here's a comparison of the tax rates:
 - * 12% will increase to 15%
 - * 22% will increase to 25%
 - * 24% will increase to 28%
 - * 32% will increase to 33%
 - * 37% will increase to 39.6%
- * The standard deduction will be cut roughly in half. For those filing jointly, the current standard deduction is \$30,000. In 2026, it will drop to \$12,700.
- * The personal exemption will return. It is currently \$0, but in 2026 the personal exemption will be \$4,700 per dependent.
- * The child tax credit will be reduced from \$2,000 to \$1,000.
- * The estate tax basic exclusion amount will decrease from \$13,200,000 to \$5,000,000.

- * Itemized deductions will revert back to unlimited tax deductions. Casualty losses will be allowed again, and miscellaneous deductions over 2% of adjusted gross income will return.

FOR S CORPORATION OWNERS, partnership owners, and those with self-rental income, several changes will have a unique impact:

- * The 20% Qualified Business Income (QBI) deduction for partnerships, sole proprietorships, and other non-corporate businesses will disappear. This is critical for small business owners—not only will tax rates increase, but taxable income will also rise.
- * The \$10,000 cap on the State and Local Tax (SALT) itemized deduction will be removed and revert to allowing individuals a full deduction for these taxes. This may change the election as to whether the business or the owner pays the Wisconsin income taxes.

WHAT CAN YOU DO?

Be aware of how these changes will impact you. When we deliver your 2024 tax return, we will provide a high-level review of the tax savings you are currently receiving. Keep in mind that this may be the year to report business income versus next year.

Consider putting extra effort into tax planning for 2026. We schedule tax planning meetings in the fall, and by then, we should have a clearer picture of what to expect. **Happy tax time!**

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to set up a time.

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JANUARY FUN FACTS

- The month of January is named after Janus, the Roman god that has two heads, one to look backward and one to look forward towards the New Year.
- The Roman king Numa Pompilius is credited with adding January to the Roman calendar around 700 B.C.
- Julius Caesar added two days to January in 46 BCE when he introduced the Julian calendar.
- Ellis Island opened on January 1st, 1892 allowing more than 20 million immigrants to enter the United States.
- Abraham Lincoln issued the Emancipation Proclamation in 1863.
- In 1890, the Rose Parade started in Pasadena, California. Today the parade is broadcast in more than 100 countries.
- The first New Year's ball drop in New York City started in 1908.
- In 1946, the first United States Computer was built in Pennsylvania at the Moore School of Engineering.
- In 1959, Alaska became the 49th state of the United States.

From www.originalworks.com/fun-january-facts-trivia

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