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Dear Client:

Our annual tax letter starts off very different from prior years. Many of you found out that 2025 was the absolute worst year for us since the beginning of our business. The next few paragraphs are for any of our clients that have yet to find out why.

Mr. Larry passed away on April 3, 2025.

It happened while he was undergoing a planned procedure. What we thought would be an ordinary day turned into one of our worst nightmares. There was no retirement celebration…no planned farewell…no real chance for any goodbyes. Instead, we were met with the sudden shock and painful reality of his loss. If there is a silver lining, it is that he was relaxed going into the procedure and did not suffer when he passed.

We decided that there was no way he would want us to close the office during tax season—so close to April 15th—and so his funeral was held on April 16th...the day after tax season ended. We appreciated immensely the prayers, support, and patience from all of you as we navigated through operating that final stretch of tax season, planned his funeral, and mapped out continuing the business going forward. It truly meant the world to us to hear the high esteem you had for Mr. Larry, as well as the memories of interacting with him. For any of you wondering, we want to assure you that we are definitely going to continue this business that he and our mom built and loved so much. Actually, it was not the business that he loved---it was truly all of you that made his workdays matter. Whatever memories you may have of him, we want you to know that one of his missions in life was to educate, reassure, protect, and prepare the most accurate return for all his clients. When he got on a call with IRS or read a tax letter from clients, he was not just professionally invested—these letters felt like personal offenses to him because he took great pride in his work and was dedicated to minimizing his clients' tax liabilities according to tax laws.

Our dad was a very religious man. We hope you will not mind us asking you to please pray for his eternal peace in Heaven, as well as earthly peace for our mom, Ms. Alma, until they are reunited eternally. For those of you who already knew of his passing, we thank you again for your continued prayers, patience, support, and friendship; they have helped carry us since that horrible day.

Michelle and Carlos will continue to see clients—preferably by appointment—and our brother, Ryan, may also lend a hand from time to time, as he is an accountant who is also knowledgeable in tax preparation. Mr. Larry prepared taxes until the very end, so to his clients: we hope you come to like us as much as you liked him, and we aim to continue with providing you the same quality service—he taught us well, and we are honored and excited to deal with you going forward.

As we start 2026, we wish you a prosperous, healthy, and Happy New Year! We appreciate your continued patronage and take that honor seriously and with humble hearts. There are many companies providing tax services, each offering different levels of professionalism, education, and respect. Rest assured that we will keep preparing your return in the most complete, accurate, and compliant manner---all while making your visit enjoyable, engaging, and informative. We are here for you.

IRS has announced that e-filing will begin on 01/26/26. This is the perfect time to mention our Facebook page...we have already started posting daily articles, updates, and of course, our discounts. We try to post daily so you can stay abreast of all things tax, and recommend it since the One Big Beautiful Bill, "OB3", introduced so many changes (plus that is where our discounts live!).

For those of you who receive your W-2's and other tax forms early, and are certain you have EVERYTHING you need, make your appointment early and we can prepare your taxes right away! There is no need to wait until the end of January if you have ALL your information. You can relax, knowing your return is done and will be one of the first ones filed in the country! When you come in, tell us whether your filing status, address, phone number, bank account info, or dependents have changed since last year.

Be aware that IRS may increase the number of mail audits. Their budget may have gotten cut, but they are sending letters and halting processing of returns until they get a response. Some of you may have experienced this firsthand receiving "love letters" over the Christmas holidays (great timing—not!) and dealing with them personally or over the phone. We are still hearing rumblings of overzealous agents who seem to only be interested in collecting and not understanding or working with you. Most IRS agents are decent people who get a bad rap, but as these reports from the folks out there continue to trickle in, we wanted to make you aware that you may have to interact with an agent in the future. To minimize the stress levels, always report your total income and claim deductions for all expenses you can verify. This proof can be canceled checks, bank statements, receipts, mileage and cash logs, etc. The tax appointment is not the time or place for you to tally your totals or pull up your online records—you should already have all that info when you come see us. Unless you have just started a new business, you should already have an idea of what you can and cannot claim as deductions. Once your return is filed, keep all tax info for that year in a safe place for 7 years.

REMINDER: For the eleventh year, ALL returns claiming Earned Income Tax, Child Tax, and Dependent Care credits will not be finalized by IRS until the end of February, so those refunds will start arriving in March. By now, we all know the drill with the EITC/AOTC/CTC/ ACTC and HOH requirements. One change is that everyone needs to have SSN's to qualify for these credits (no more ITIN's). IRS continues to select random filers and challenge various dependency and tax credits, so be ready to provide the information below. We NEED to have the first two items listed, and you should have the other stuff "on standby" in case IRS challenges your return (they have three years to do so). By "challenge", we mean IRS will mail you a letter asking you to prove certain things. If you receive one, please do not bring it to us. Just send IRS copies of what they want or they will stop processing your refund until they get it. Due to past cases with clients mailing in supporting documentation only to hear it was lost by the postal service or was lost at the IRS, we recommend that you keep ALL originals.

IRS is usually very good about describing what they need from you on their letters. Use this list to help you answer any letters.

- ***LARRY'S TAX NEEDS***: Child(ren)'s birth certificate and social security card.
- ***LARRY'S TAX NEEDS***: Your (and spouse's) current state-issued license or ID and social security card or ITIN letter.
- ***LARRY'S TAX NEEDS***: Form 1099-T for college tuition credit. Also, the amount of Pell Grants received. Finally, we will need the total spent on school supplies and textbooks. Food, transportation and living expenses do not count.

- ***STANDBY**: To prove children's residency, you can get school and medical records showing their name and address matching your address. Also, make sure they are listed in all lease agreements as members of the household.
- ***STANDBY**: To prove that you have the legal right to claim them, make sure to have a copy of their birth certificate and Social Security cards. You may also send agency documents that prove things such as legal custody of your kids in divorce cases, legal guardianship for foster children, and completed adoptions.
- ***STANDBY**: If IRS challenges your Head of Household filing status, make sure to have proof that: 1) you pay for at least 50% of all household living expenses…2) You are considered unmarried (if separated, have lived apart from your spouse at least from Jul 1-Dec 31)...and 3) You are claiming a qualifying dependent (usually a citizen or resident under 19 yrs. old who meets certain relationship criteria) who lived with you for at least 6 months. Think leases, letters from court, church, doctors, or school.
- ***STANDBY**: FYI for divorced parents—when both parents claim the same child, IRS mainly cares about where the child has slept—so, even if you have joint custody, pay for 90% of costs, pay child support, but only took the child 90 nights of the year (instead of 183)---the custodial spouse technically has the right to claim the child. Non- custodial parents may want to get in the habit of getting form 8332 when it's "your year" to claim your child (custodial gives up dependency).
- ***STANDBY**: Have a statement from care providers and proof of payment when claiming childcare and summer/winter camp deductions for kids < 13 yrs. old. If one spouse stays home or has no income, this credit may not be available.
- ***STANDBY**: Keep receipts for school tuition/fees, uniforms, and supplies paid for your kid(s) in K-12th grade.
- ***STANDBY**: Self-employed individuals—keep copies of all receipts (a credit card charge showing $31.67 payment to Home Depot only proves you bought something there, not WHAT was purchased. Same with canceled checks---keep copies (you may have to download/print online). Just like you deduct all expenses, also report ALL income, whether or not a 1099 is received.
- ***STANDBY**: If itemizing, keep canceled checks and/or the letters from charities, out of pocket medical payments (pre-tax insurance does not count), and a log of your gambling losses in addition to your mortgage and property tax statements.

With the new IRS agents, tax liens, collections, and audits being back, plus gig work earnings being reported by the different platforms, "do not mess with IRS"—do your best to "audit proof" yourself by having and observing the above practices!

Please be aware that we are currently focusing on 2025 tax returns. If you have questions regarding tax laws that take effect in 2026 or seek tax planning, we will be available for paid consultations after April 15th. Also, this letter does not permit the listing of all the tax law changes for 2025. Annual tax law changes are the norm and are never simple. The primary changes for 2025 are available on page 6 below. This letter is also available on our website. For daily posts, check out our Facebook page. If you read this summary file, you will see that the changes surely did not simplify the tax preparation except for clients who have no dependents and one or two W-2's with no other income.

FYI, remember that we have a file titled "Basis Determination" on our website. It defines what basis is and how to calculate it. You need to track basis on all investments, whether you are investing in stocks or own part of a business. We will need the basis when you sell any investment to determine the gains and losses. Most investment companies track basis for you. Sometimes, they do not have it, and it is up to you to get it so you do not pay capital gains tax on the entire sale.

*****NEW PROCEDURE FOR EXTENSIONS***** If we have not filed your taxes by the end of March (or February if you are a business filer), note that **we will file an extension for you automatically**. This is mostly for us, as it is very stressful and disruptive to have folks calling and coming in around the filing deadlines just to get extensions. We will file business return extensions by March 1st and individual extensions by April 1st. **To be clear, this will not affect the way YOU do things**—if you always come in on April 7th, for example, we will file you that evening like we always do (you will just also have an extension that we filed April 1st).

****IMPORTANT**** **Filing an extension does not hurt you nor give you extra time to pay IRS their money—only extra time to file the forms. If you know/suspect that you will owe tax this year, then you need to send a payment by 4/15. You can make extension payments online at www.irs.gov/payments.** Although IRS now prefers paperless, we can print you a voucher, if you prefer to mail a check. Oh, and if we end up filing you before the deadline, we will not charge you the $25 fee for the extension (we dropped it from $35).

Cryptocurrency is here to stay and had a wild ride in 2025. Remember that the spending and/or selling of crypto represents a reportable transaction. Whether you "sell Dogecoin to buy Bitcoin", cashed out, or you simply buy a coffee with your crypto wallet, you have to report that transaction to IRS, just as if you sold Exxon shares to buy Apple. Crypto exchanges are now required to provide you with form 1099-DA, showing what you have bought, sold, and exchanged during the year, so please print and bring those reports with the rest of your usual forms. Finally, just because you do not "cash out", does not mean there is nothing to report. While it is true that your broker is holding your investments, YOU are choosing to leave the proceeds of the sale/dividends/rewards/etc. in there to keep investing. IRS knows that you could have asked the broker to send you the cash. IRS has that info and won't appreciate you leaving it off the return (and neither will you when you get their "love letters"!).

Please stop by our office if you would like to pick up a free organizer to help you gather your information and avoid overlooking something you may need to report. We also have some deduction worksheets available for specific occupations, especially self-employed. Additionally, we have brochures available in the front waiting area that are designed to help you in assembling your information to have your taxes prepared. Enclosed are a couple of business cards for you to distribute to friends or relatives who may be in need of professional tax preparation services.

Again, we thank you for your continued patronage, loyalty, and referrals. Finally, please leave a positive review on social media...Google, Facebook, Yelp, Our Website, etc….and help us continue spreading the word about our services!

Sincerely,

Carlos H. Jaubert	Michelle E. Jaubert
Carlos H. Jaubert, EA	Michelle E. Jaubert, AFSP
Enrolled Agent	Licensed Tax Preparer

P.S.: To our clients who are finding out of Mr. Larry's passing by reading this letter: From the overwhelmingly loving responses we received last year, while this nightmare was still very raw (we did not close the office), we know that you may want to remember him and share memories with us. We definitely heard some gems, and it was good to share them with clients. We needed those instant prayers, hugs, and tears that were unabashedly offered at that moment. However, if you've experienced the loss of a close family member, especially in a sudden and abrupt manner, you know that some days you can reminisce without any tears, but other days, a simple object, word, or glance will open up the flood gates. We do not want to lose sight of the fact that your goal for coming to see us is your tax return preparation, so we will not bring up his passing during the appointment. At the same time, we want you to know that you can definitely express your feelings and do not have to feel the need to tiptoe around us or like you cannot approach the subject at all—we just want to make sure our time together gets devoted to the main goal of preparing your tax return. For the most part, Michelle and I should be able to hold it together for you as we briefly reminisce about our dad with you, but we apologize in advance if some memory is particularly overwhelming and we have to change the subject or take a moment to compose ourselves. As mentioned, it is a day by day (sometimes, minute by minute!) thing and our first complete tax season without the blessing of working side by side with him.

For newer clients, know that we thank you for being part of our client base and trusting us to prepare your return. To our long-time clients who remember "Mr. Larry" at his prime—working from home...at the Williams location...or early 2000's here on Florida Ave—thank you for having been there for him through it all and for continuing business with us now, as we look to forge an even stronger relationship in the future with you all and continue our parents' legacy with the office.

OFFICE PROCEDURES

As usual, let's discuss our office procedures so your experience is as fulfilling as possible:

We are open 9am-7pm during the week and 9am-4pm on Saturdays. We schedule appointments every hour, on the hour, with the last appointment one hour prior to closing. Although you do not need an appointment, we strongly recommend you make one to avoid wait times that can sometimes last hours. "Walk-in" clients will be seen if time permits on a given day. Please note that clients with appointments take preference and will be seen as close as possible to the allotted time slot which can be very frustrating to those without an appointment! In an effort to operate smoothly, we may ask clients who walk in to make an appointment, come back another day, or leave your information with us and pick up your completed return when we inform you it is ready.

We encourage you to set a tax appointment and ask you to be punctual. In an effort to remain on schedule, we require a 24-hr advance notice for canceling/rescheduling your appointment. Should you be running late, we will allow a 5-minute grace period with the understanding that you may be asked to leave your information with us as a drop off, depending on your arrival time to our office and the remaining time left for your appointment. Furthermore, clients that we determine to have a complex tax return and requiring more time in completing should be aware that we may ask you to leave your information with us and pass back at a later time to pick up your completed return. As always, we ask that you simply be patient with us as we work diligently in assuring all clients a quality, professional, and pleasant experience.

"No-shows" will get one chance to reschedule and may see a nominal $25 "No-Show" fee added to the bill to help us recoup the lost revenue your empty slot represents. If you miss a rescheduled time, you will have to come as a "Walk-in" or use one of the "drop off" options mentioned below. We definitely understand things happen, but kindly request you give us as much advance notice as possible should you need to reschedule to avoid this fee.

YOUR appointment is for YOUR tax preparation. Please do not bring any surprise friends or family members with you because we may not be able to serve them as we try to remain on schedule. We ABSOLUTELY LOVE it when you honor us by referring your loved ones, but we must ask that you schedule back-to-back appointments for your friends and family who wish to come with you on the same day. As for your kids' info, you may have to leave it with us.

We have two drop off options. If you are flexible and do not need the taxes done that day, may we suggest dropping off your taxes? Many of you fell in love with this concept during COVID, and we promise not to get our feelings hurt [that much] for you not wanting to spend that hour with us. We definitely appreciate and value your time!

OPTION 1: Schedule an appointment, show up on time, and discuss any changes or concerns that need our attention for a couple of minutes. We will then ask for the best means of contacting you and prepare your taxes during the allotted time slot, as if you were sitting at our desk! The only difference is you would be able to leave and run errands, hit the gym, get lunch, go home and take a nap--whatever you want to do. While most of the time it is possible to complete them within a couple of hours, we will certainly contact you with the best timeframe of when they will be ready and will also let you know if we cannot finalize it for same-day pickup.

OPTION 2: Drop off your tax packet, at your leisure, and we will complete your return within a couple of weeks once it is ready to be picked up. Please make sure EVERYTHING is included and clearly write down or highlight any concerns and/or changes we need to know about while preparing your taxes. Be sure to leave at least one good phone number and definitely a good email address so we can contact you. Often, we work on drop-offs after hours, and it is much easier to send you an email than to call you late at night! E-mails will come from either cjaubert@larrysincometax.com or mjaubert@larrysincometax.com. If servers are down (rarely), we also send emails from larrysincometax@live.com

PLEASE...PLEASE...PLEASE—When leaving a phone message, be very detailed and leave a good phone number and e-mail address to assist us in replying to you sooner. Due to our limited availability, we will review your message and ask one of our bookkeepers to contact you with an answer by phone, or we will send an email for more complex or tax return specific questions. We ask that you be patient with us in responding back, as we likely will have to get back to you the next business day or so. Leaving a detailed message assists us in better managing our schedule and responding to you in a timely manner. These 3.5 months of tax season demand most of the time we are awake (which is a lot!), and we need your help and patience to ensure a smooth process—please (and thank you!).

Preparation Fee—There will be no automatic discounts. The discounts we offer are on our Facebook page and/or our web site. Follow us on Facebook and earmark our webpage for tax-related articles and content. Our prices are very reasonable. We realize they may not be the cheapest, but we are a bargain for the quality, expertise, and knowledge you receive. Many clients tell us we do not charge enough for what we do, and we hope to make you feel that way too!

INFORMATION TO BRING TO YOUR TAX APPOINTMENT INTERVIEW:

1. Wage and/or Pension, Social Security, or Unemployment statement—Your W-2s or 1099 forms, state tax refund or other income or loss end of year statements, Gambling Income and losses (W-2Gs)—obtain loss statements from the casinos if taking a loss deduction.

2. Interest, Dividend and Investment Income—Bring all 1099s or K-1s from your side gigs, business interests, banks, investments, and crypto. If you sold stocks, investments, or crypto during the year, we need to know: a) When investment was purchased...b) How much you originally paid for it...c) Whether you reinvested earnings...d) The date you sold the investment...and e) The proceeds from the sale. IRS has this info, and will send notices of deficiency if you neglect to report it. Senders should send your forms by Feb 15th.

3. Self-employment income and expenses—Please total the expenses by category types (as we charge bookkeeping fees if we total it for you). Also give us your business mileage logs or totals. If claiming office in home, we need to know totals for utilities, mortgage interest, property tax (or total rent paid); insurance; and repairs or maintenance (including alarms/pest control) for the year. Also, the office square footage and the entire living area of your home, as well as purchase price of house and major improvement costs.

4. Rental Income and expenses—Total receipts by types of expenses, mortgage interest, insurance, repairs, utilities, etc.

5. For alimony paid or received during the year (for divorces prior to 2019), include the name and social security number of recipient. For divorces finalized after 2019, do not report anything on either side.

6. Purchase or sale of residential house, rental, investment, or business property—Bring HUD statements, Act of sale, 1099-S

7. Out of pocket medical expenses should be totaled by type: Doctors, Hospitals, Clinics, Eye care, Dental, Medical Insurance (but not pretax ins deductions), Mileage for medical care. FYI, to claim medical expenses, you must first a) Have enough other "stuff" to itemize (mortgage interest, property tax, donations, and gambling losses) and <u>not</u> take the standard deduction and b) Exclude 7.5% of your AGI from total medical (so for example, on $100k of income, you can't deduct $7500 of medical).

8. Property and state taxes. Including estimated state taxes paid for 2025 and 2024 state tax paid when you filed last year.

9. Charitable donations, check donations and non-cash donations such as value of clothes to Goodwill, Salvation Army, etc. Charitable mileage. You must keep receipts for your records (canceled checks and donation letters). Undocumented donations are not deductible.

10. You can deduct college and votech expense for tuition, fees, and supplies and student loan interest on federal (we will **NEED** form 1099-T). LA allows you to deduct kids' tuition/fees, uniforms, books and supplies for grades K–12.

11. Mortgage Interest and points are only deductible if a) You itemize...and b) The loan proceeds (up to $750K) were used to acquire or improve your home. If you refinanced—can only deduct interest related to original home debt, not "cash out".

12. Work expenses and other miscellaneous deductions are still not deductible in 2025 except for self-employed folks or owners of an LLC, Partnership, or Corporation. Examples include advertising, professional dues, phone, internet, travel, required work supplies, tools, and required use of vehicle (calling on clients or for other business trips). Please give us the total miles driven and also the business-only miles driven for the year. We cannot stress the importance of keeping a mileage log. You must keep it for at least 3 years to show IRS. If claiming actual expense, we need to know whether you are buying or leasing, the purchase date and price as well as yearly totals for gas, repairs, maintenance, insurance and loan interest. For business meal deductions, you must have receipts that have five things annotated on front or back of receipt: 1) The date of meal, 2) Place of meal, 3) Whom meal was with, 4) Purpose of meal, and 5) Amount spent on meal. Remember that entertainment has been disallowed since 2018 (so, no games/concerts/plays, etc.).

13. Child care expenses paid to day care providers. Please include the provider's name, telephone number, address, and tax ID number. If the facility is Louisiana "star rated", make sure to get form R-10614 since LA gives an extra credit for those centers.

14. Form 1095-A from the Marketplace insurance provider. Please do not misplace it because IRS will not finish processing without it.

15. List of estimated tax payments to Federal and State showing dates and amounts paid towards 2024.

16. Any other information in regards to income that you earned or expenses that you believe to be deductible. Ask us about it during your tax appointment. It is better to ask now than to get a letter from IRS in 1-2 years (and trust us---they are back!). You must save all of your receipts, canceled checks, credit card statements, and other proof of deductions you claim for a minimum of three years. Update your vehicle mileage log daily/weekly to prove the business mileage and usage of the vehicle. MileIQ is a popular mileage app.

PLEASE MAKE YOUR TAX APPOINTMENT EARLY!!

SIGNIFICANT CHANGES FOR 2025 (#31 IS GOODBYE)

1. The standard deduction for single individuals increased to $15,750...$23,625 for head of household...and $31,500 for married filing jointly (MFJ). A $2,000 deduction is available for taxpayers >65; and a $1,600 one for taxpayers who are blind and <65.

2. For 2025, required minimum distributions must be taken if you are 73 or older. If you turned 73 in 2025, you have until 4/1/26 to take your initial RMD—based on the account balance @ 12/31/24 (your broker should calculate for you). Penalties are steep.

3. The 2025 business mileage deduction is 70 cents per mile (2026's is 72.5 cpm).

4. The child and dependent care credit remains at $1,050 max for one child and $2,100 for two or more, subject to income limits.

5. The child tax credit, different from #4 above, increased to $2,200 per child under 17.

6. If your health insurance is thru the Marketplace (healthcare.gov), we need form 1095-A so we can reconcile the Advanced Premium Tax Credit. If you do not get it by the end of January, go in your account and print it. You can also call 1-800-318-2596 and ask them to mail you a copy or give you the info over the phone (find a blank 1095A form online). IRS will "park" the return without that info. ****Effective 2027:** the temporary cap on excess APTC will be gone and the full amounts will be collected by IRS.

7. **Reminder:** if your social security benefits get taxed, SSA can withhold federal tax by using form W-4V (online at www.ssa.gov).

8. 1099-K's will be issued if you receive >$20,000 and have >200 transactions during the year.

9. Again, IRS is advising against mailing anything (if you can help it). E-filing is so much more efficient and secure. They also brag about the "callback" option so you do not have to wait on hold for long times (we can attest that this actually works!).

10. 2025 was the final year for most home energy credits. Electric vehicles purchased prior to 9/30/25 will qualify and you can get a credit for EV charging stations installed by 6/30/26. Solar/window/doors/AC/water heater credits are gone effective 1/1/26.

11. IRS keeps recommending all taxpayers get an IP PIN. This is a number issued by IRS that is required to e-file your tax return. It cannot be e-filed without it. You will have to create an online account with IRS—which is actually pretty neat since you can get transcripts/balances/refunds/payment plans, etc. Go to irs.gov/retrieveippin to reprint IPPIN or irs.gov/getanippin to get a new one.

12. You can now title your bank and investment accounts in Louisiana, making estate planning more flexible for you.

13. Not new, but emphasized—"reasonable salaries" for S-corporation owners—pay yourselves what you would pay others!

14. For those aged 60-63, there are enhanced additional "catchup" contribution amounts you can make on most employer-sponsored retirement plans. ****Starting in 2026,** high earners (>$145K) will have to make them into a Roth account—not pre-tax.

15. ****New: The One Big Beautiful Bill ("OB3")** made many changes to personal and business tax law. In addition to new changes, it also made the tax reductions from 2018 permanent (would have expired in 2025). Basically, tax brackets and standard deductions stay the same as they have been for the past few years (they change each year for inflation). There are many more below.

16. ****Effective 2026,** IRS is going paperless. Refunds will be direct deposited and estimated payments have to be paid electronically. If you have no banking info, they will send paper refunds after six weeks of processing the return.

17. ****Effective 2025-2028**, taxpayers 65 and over can claim an "enhanced senior deduction" of $6,000, based on income limits.

18. ****Effective 2025-2029**, itemizers can now take $40,000 for state and local tax (SALT) deduction (up from $10,000). Some of you hit that ceiling and could not itemize, but with this higher limit, you will be closer. Also, PMI will be deductible starting in 2026.

19. ****Effective 2025-2028,** taxpayers can deduct up to $25,000 of tips earned. High earners phase out >$150,000 ($300,000 for MFJ). There are nuances for tips—a main one being it must be given freely by customer (so service fees added to large parties do not count), in a business that customarily receives tips. They must be reported on W-2s, 1099-NEC's, 1099-Ks or form 4137.

20. ****Effective 2025-2028,** taxpayers can exclude up to $12,500 in overtime premium pay ($25,000 if MFJ). There are income phaseouts and note the OT premium is the amount received above your normal rate. So, if you make $10/hr. regular and $15/hr. OT, the amount of the deduction is the $5/hr. excess x the hours worked during the yr.—up to the limit.

21. **Effective 2025-2028, up to $10,000 of car interest will be deductible—whether or not you itemize—for new vehicles bought in these years and assembled in the US. Income phaseouts start at $100,000 ($200,000 if MFJ) and business vehicles do not qualify. We will need to enter the VIN and information from the financing company.

22. **Effective 2025-2028, the new "Trump" accounts for kids under age 18 go live in July '26. Kids born in these years get $1,000 seed money in their accounts. We strongly recommend you open them since that $1,000 isn't the only way to fund it (large-scale private donors/employers/family can contribute). We will complete the forms for you. Check out www.trumpaccounts.gov.

23. **Effective 2026, casualty losses will now include state declared disasters. In the past, it had to be a federally declared disaster to qualify, which left some localized disaster victims out of luck (localized fires, tornadoes, snowstorms, etc.).

24. **Effective in 2026, contributions into ABLE accounts now potentially qualify for Saver's Credit.

25. **A few more personal changes before starting business: ***If itemizing, charitable contributions now have a 0.5% floor (similar to medical deductions), so, for every $1,000 donated, you can only deduct $995 (do not be surprised if this percentage starts to creep up over the years). Remember to get your donation letters—especially for sizeable donations. ***Educators can now deduct school supplies exceeding their $300 deduction (if itemizing). ***Effective in 2026, gambling losses are taking a 10% haircut, so you only claim 90% of your losses (would not be surprised if the haircut turns to a buzz cut in future years!). ***Starting in 2026, qualified 529 Plan distributions increased to $20,000 per yr.—and more expenses qualify (even credentialing expenses!). ***In case you missed it, most benefits now require taxpayers/spouses/dependents to have a full SSN—no ITIN's—to qualify. We're talking EITC, CTC, College tax credits, etc. ***If you are married, you have to file MFJ to claim the OT/Tip/>65 deductions; MFS filers do not qualify for these. ***Effective 2025, the LA retirement exemption doubled to $12,000 per taxpayer>65!

26. ***Effective 1/19/2025, special bonus depreciation is back to 100% and it is unlimited—no dollar caps or phaseouts. So, whether you spent $1,500 or $1.5 billion on qualifying equipment, you can depreciate it all in the current year (but if bought before 1/19/25, you can only depreciate 40%). Section 179 depreciation limits were increased from $1M to $2.5M.

27. ***Effective 1/19/2025, there is a new special depreciation incentive for businesses to build qualifying nonresidential production property (investments supporting the manufacturing, production, or refining of tangible personal property) right here in the U.S. These facilities usually get depreciated over 39 yrs., but OB3 allows for an immediate deduction if it meets all criteria.

28. ***Effective in 2026, 1099-NEC and 1099-Misc threshold increases to $2,000 (about time the old $600 limit got raised!)

29. ***Effective in 2026, LA repealed the franchise tax on S-corporations—great news for S-corps who have large RE balances. Credits such as the inventory tax credit will now be passed on to shareholders as part of their personal returns.

30. ***FINALLY, in case you were wondering when your $215,715 fine ($591/day) was going to be assessed for not filing it, the much talked about BOI filing requirement was repealed for all domestic companies!

31. ******EFFECTIVE CIRCA 1983*******: Mr. Larry Jaubert, then employed with the State of Louisiana, decided to start helping people prepare their taxes, after he himself was audited by IRS. He told the story of how he became interested in this field because he saw how IRS tried to strong-arm him during the process, and he figured they were doing the same to others. In preparation for his audit, he read all the pertinent publications and regulations and ended up getting a refund by the time he got through with them. Monetarily, it was not even close to his largest victory—but it was definitely his most cherished!

The fire had been **LIT**—he started **L**arry's **I**ncome **T**ax modestly, part-time in the evenings and weekends, from home; helping friends, coworkers, and family. He woke up between 2-3AM, every day, because he ran newspaper routes for both The Times Picayune and USA Today. He also ran a lawn mowing business on weekends and waited tables at Dominick's Restaurant in Kenner. Did we already mention that he commuted daily, from Kenner, to his full-time job in downtown Baton Rouge?!?! If he would have ever met James Brown (whom he loved to listen to on his computer speakers), we are positive that the Godfather of Soul, himself would have definitely shared the "Hardest Working Man" title with him!

Having earned his Enrolled Agent designation, and with Ms. Alma making sure everything in the office ran smoothly, the business grew to the point where they incorporated the business and opened our original location in a strip mall on Williams Blvd in 1990. Within a couple of years, all that hard work made the business sustainable enough where Mr. Larry only cut his own grass and now had to pay for his newspapers! Anchored by a convenience store on one end, a bar on the other, and having everything from a check cashing service to an alterations service as neighbors, that strip mall was always busy and offered lots of exposure. Sometime during the early 90's, we even had television commercials (those 5-second ones that were annoyingly repetitive, but efficient!).

In the year 2000, blessed with stamina, laser-focus, and a failure to accept defeat or mediocrity, Mom and Dad achieved their dream of buying and building their own site for the business—right here on Florida Avenue—to start the new millennium! We have been here since then and hope to be serving you guys and the rest of the community for countless many more years in the future.

The story of Larry's Income Tax, though unique to us, is so similar to so many of yours. With strong faith, hard work, and a healthy peppering of blood, sweat, and tears, Mr. Larry proved that dreams can become reality. He NEVER shied away from any type of work—assembling office furniture, shredding paper, taking out the trash, going with Ms. Alma to pick up and deliver work to clients in the early phases of growing the business, midnight runs to the post office (with whole family in tow at times) to postmark tax returns and other forms by their designated filing deadlines, etc.—and was very proud of his humble beginnings. He 100% believed that our country, while not close to being perfect, is the best country in the world when it comes to affording anyone the freedoms and opportunities for success in anything they pursue. He was a proud veteran who fought for his country and its values. He was a true wealth of knowledge and wisdom as he was always researching or reading a topic of interest, and often would offer his advice and constructive criticism.

Toward the end, he was working on attaining his 3rd Masters (this time completely outside of the taxation field, and rather focusing in Theological Studies from Loyola University). Due to his grades and being an exemplary student, he was awarded the title posthumously at the 2025 Spring Commencement where our brother, Ryan, accepted the award on his behalf to enthusiastic clapping from his much, much younger peers—even in death, Dad, you inspired and achieved your goals!

Thank you all for caring enough to read through this. In part, it was sort of a second obituary/eulogy for Dad and a way for us to share his legacy with all of you—he certainly deserves to be remembered!

We miss you, "Mr. Larry", aka "Honey" & "Dad"