



**Your Extended Family at Frank Cafasso, EA LLC  
Welcomes You to Income Tax Time!**

January 2025

Dear Valued Friends and Clients,

Happy New Year! As we step into 2025, we wish you a year filled with prosperity and joy. Your continued trust as your tax advisors means the world to us, and we eagerly look forward to another year of collaboration and success.

As you prepare for this tax season, we'd like to share some key updates and information that may impact your return:

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**IRS Online Account: Simplify Tax Season**

With the 2025 filing season approaching, the Internal Revenue Service (IRS) encourages taxpayers to take proactive steps now to prepare for their 2024 federal returns. By setting up an IRS Online Account, you can:

- Access your most recent tax return details, including adjusted gross income.
- Request an Identity Protection PIN for added security.
- Retrieve transcripts with wage and income records.
- Sign documents like powers of attorney or tax information authorizations.
- View and manage language preferences and receive IRS notices electronically.
- Make, view, or cancel payments and set up payment plans.

To create or access your IRS Online Account visit [www.irs.gov](http://www.irs.gov).

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**1099-K Reporting Changes**

If you received over \$5,000 in payments through online marketplaces or apps in 2024, expect to receive a Form 1099-K in January 2025. A copy will also be sent to the IRS.

While there have been no changes to what's considered taxable income, it's crucial to report all income from part-time work, side gigs, or the sale of goods and services, regardless of whether you receive a 1099-K. Taxpayers must report all income unless explicitly excluded by law.

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**Healthcare Coverage: ACA Marketplace Updates**

Temporary rules in effect through the end of 2024 allow more people to qualify for Premium Tax Credits (PTC), helping them save on health insurance. Households earning up to 400% of the federal poverty level can receive these credits, with contributions capped at 0-8.5% of their income.

Note: This rule expires after 2025, and PTC eligibility will change in 2026.

## New Tax Provisions

### Retirement Plans Withdrawals for Emergencies

In 2024, new rules allow for penalty-free emergency withdrawals of up to \$1,000 from retirement accounts. This can cover unexpected expenses like car repairs or medical bills. However, while these withdrawals are penalty-free, they may still be subject to taxes.

### Cryptocurrency Transactions

Starting in 2025, crypto exchanges must issue Form 1099-DA for digital asset sales, including cryptocurrencies. Maintaining accurate records now can simplify your tax preparation later.

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## 2025 Standard Mileage Rates

For 2025, the IRS standard mileage rates are:

Standard Mileage Rates	January 1 <sup>st</sup> – December 31 <sup>st</sup> , 2025
Business Mileage	70 cents
Medical & Moving Mileage	21 cents
Charity Mileage	14 cents

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## Our Commitment to You

We are grateful for your trust and partnership. To serve you better, we've adjusted our policies:

- **Hourly Rate:** \$225
- **Minimum Fee:** \$350 per tax return (excluding children's returns)
- **Paper Copies:** Tax returns will now be provided electronically unless requested otherwise.


To schedule your tax appointment, contact us at **(201) 447-1040**.


Thank you for being a part of our family. We're here to guide you every step of the way.

Warm regards,



**Frank Cafasso, EA**

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