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# CKR Financial Services

HELPING OUR CLIENTS GAIN THE ADVANTAGE OVER THE COMPETITION

## monthly journal

### End-of-Year Tax Planning

*Did you owe taxes last year? It's not too late to make significant changes to your tax liability next year by using a few simple tax strategies-*

We talked about **Tax Planning** in last month's newsletter, but it's important to note that there are MANY strategies you can use in this last part of the year to reduce your federal liability. If you owed taxes in 2024, you may want to consider implementing some simple moves to reduce your tax burden. Here are two that are easy to implement and can have a huge effect on your liability.

**1-Maximize Retirement Contributions.** Contributing to tax-advantaged retirement accounts like a 401(k) or Traditional IRA can significantly reduce your taxable income.

-401(k) Contribution limits for 2025: up to \$23,500 with

additional \$7,500 catch-up for those aged 50 and older!

-IRA Contribution Limits: Up to \$7,000, plus \$1,000 catch-up if you're 50 or older.

**2-Harvest Capital Losses.** If you have investments in taxable accounts, consider selling underperforming assets to realize capital losses. This strategy, known as tax-loss harvesting, allows you to:

- Offset capital gains from other investments
- Deduct up to \$3,000 of net capital losses against ordinary income annually
- Carry forward unused losses to future tax years



\*This is especially useful if you had significant gains in 2024 and expect similar investment activity in 2025.

In addition to Tax Preparation, we now offer Tax Planning services. This isn't for everybody, but it can make a significant difference in getting your tax strategy in place now before the end of the year. Give me a call so we can set up some time to look into this for you.

**QUICK QUICKBOOKS TIP:**

**Use Bank Rules to Categorize Transactions Faster**

QuickBooks can automatically categorize bank transactions based on rules you set. This is a huge time-saver during reconciliation.

**How to do it:**

- Go to **Banking > Rules**
- Create a rule based on description, amount, or bank text
- Assign a category, payee, and class (if applicable)

This helps maintain clean books and reduces manual entry errors.

# Big Beautiful Bill – Part 2

*It's a massive rehaul – here are some highlights. We'll cover more next month.*

In our continuing discussion of the Big Beautiful Bill, let us talk about 3 topics that may be of interest to our clients.

We want to caution our clients that some items written into the Big Beautiful Bill will not go into effect until tax year 2025 (which means they will be reported in 2026).

So, let me try to dispel the confusion:

Going into effect THIS tax year (meaning reportable in 2026 for the 2025 tax year) is the repeal of the Revision to De Minimis Rules for Third Party Network transactions. What does this mean? Third party pay networks such as Zelle, Paypal, etc, were going to be required to issue 1099-K's to individuals making certain thresholds (which were being phased in by year) according to the America Rescue Plan Act of 2021. This, however, has been repealed so that the former regulations prior to the America Rescue Plan Act are set in place. Those third-party platforms will only have to report transactions that exceed \$20,000 or if the aggregate number of such transactions exceeds 200.

There are 2 items that do not go into effect until tax year 2026 (reportable in 2027) but are noteworthy to our clients.

Reporting on 1099-NEC and 1099-MISC. The thresholds to report on

these forms has been \$600 and above. Starting with payments made January 2026, that threshold will rise to \$2,000. That will save a lot of time and effort on gathering that data and issuing forms. Again – this does not go into effect until 2026 but you may hear about it in the media now since it is written into the Big Beautiful Bill.

Another item you may hear about is the Modification of Limitation on Wagering Losses. What this means is the amount allowed as a deduction shall be equal to 90 percent of the amount of such losses during the taxable year AND shall be allowed only to the extent of the gains from such transactions in that same year. Currently, a gamer can deduct 100 percent of their losses up to their verifiable wins. Again – this does not go into effect until tax year 2026 (reportable in 2027), but it is something to keep in mind for the future. So, for your tax year 2025, gamers can still deduct 100 percent of their losses up to their gains. In the meantime, Dina Titus has introduced the FAIR BET Act to restore the full 100% deduction for gambling losses against winnings and to prevent gamblers from being forced to pay taxes on losses, so we'll keep watch to see what actually goes into effect in 2026.

We will continue discussing this piece of legislation in future newsletters.

**Feeling confident – or pretending that you feel confident – is necessary to reach for opportunities. It's a cliché, but opportunities are rarely offered; they're seized.**

**-Sheryl Sandberg, Business Exec and COO of Facebook**

**Wisdom is always an overmatch for strength.**

**-Phil Jackson, former pro basketball player & coach**

**I have a theory and I really believe it. I think your worst weakness can become your greatest single strength.**

**-Barbara Corcoran**

**"Success is a decision. Dare to choose it."**

**-Jill Konrath**

**Try not to become a man of success, but rather try to become a man of value.**

**-Albert Einstein**

**"Where's My Refund?"** Log in to <https://www.irs.gov/wheres-my-refund> and click the button "Check your refund". You will need your SSN, filing status (single/married/head of household), and the exact refund amount on your return.



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