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Fall of 2026

Dear Clients:

As the year of 2026 ends, we have seen monumental changes in our world. Many of these changes were initiated through the One Big Beautiful Bill from President Trump last year. Other changes are continually being passed through Congress, making our financial lives unsettled at times.

To assist with these changes, the **IRS is now going digital**. The past several years they have unveiled their on-line portal for individuals. The system appears to be running smoothly and we, as an office, highly suggest each of our clients consider creating their account on the IRS ID.ME. The steps to set this up are easy for the younger people, not so much for us set in the old school mentality. But it really is doable.

Once this is completed, we can assist you with easier navigating through any issues you come up with concerning the IRS. You also can view, in real time, your account with the IRS and know your payment has been received, or the returns have been processed as well as a host of other items related to you and the IRS.

**Charitable Contributions can now be deducted by nonitemizers**. An amount of $1,000 if single or $2,000 if filing a joint return can be deducted above itemized deductions. The same requirement of proof of contribution exists for this deduction.

The trade-off for this deduction is that itemizers using charitable deductions will see a 5% of adjusted gross income deduction from their total contribution amount allowed. This is akin to the long-standing rule of deducting medical expenses on Schedule A, in which total medicals are deductible only to the extent they exceed 7.5% of AGI.

For our Montana volunteer firefighters and volunteer emergency care providers, a $3,000 income reduction is available for unpaid volunteers on your Montana return. A statement is required, signed by the chief, to verify your status as a volunteer to receive this income reduction.

**The overtime and tip credit are available again this year**, however, we as tax preparers are obliged to rely on the amounts given to you on your W-2s and 1099s first. There is still an opportunity to receive the credit if you are self-employed and you do not receive a 1099 in the normal course of your business.

One item to remember, if the tip amount for the credit is less than the taxable tip amount, any mandatory tips are not eligible for the credit.

A new 1099-B will be issued this year with a lot more information for us to follow on your tax returns. Be sure we receive all the forms you have when completing the return. One missed 1099 could make a major difference to the returns.

**The Trump Savings Accounts for children** under age 18 are an excellent way for parents to set aside up to $5,000 per child per year for their children's future. Children born between January 1, 2025 and December 31, 2028 receive an automatic $1,000 from the government to

begin the account. Many other non-profits and states also are considering contributions to this account if the criteria matches the child.

Many are torn due to their political beliefs causing them to shy away from these accounts even though they would be beneficial for their children

Remember, in 1935, a Democrat, President Roosevelt began the US Savings Bond program that benefited millions of Americans and a Republican, President Gerald Ford started the Traditional IRA in the United States in 1974 allowing regular wage earners without a retirement program in their workplace to contribute, tax free, to their own retirements.

All the programs we now have in place were created across the political field for different reasons and have different rules and benefits. Take advantage of what we have available.

The Trump accounts may be opened for your dependents with the tax return or at any time by filing IRS Form 4547.

If a Form 4547 has been e-filed with the tax return for the Trump Account, you should have received an email to finalize the set-up of the plan.

**New in 2027, President Trump has initiated a program called "Saver's Match**". If you can contribute to an eligible retirement plan or have either a Roth IRA, start or continue contribution to the plan or IRA or a 401(k) plan, there is no minimum contribution amount to qualify for a Saver's Match. If you cannot contribute to an eligible retirement plan and do not have either a traditional or Roth IRA, open a new IRA. Starting in 2027, TrumpIRA.gov with approved financial institutions. Look for further notices going into more detail on these plans as the 2027 year progresses.

**All Extensions must be requested.** Remember businesses are due by March 15th and personal returns are due by April 15th. Extensions must be filed before these dates.

A reminder to adjust your W-2 withholding if your situation changes for the next tax year. Items that would be a dependent no longer available to claim on a return, change in marital status or retiring soon.

Please let us know if your phone number, address or email address has changed.

Please note that I, personally, will be out of the office beginning October 16th through the balance of the year for personal and health reasons.

If I talked to you about a pre-look at your taxes at the last of the year, my gals in the office are amply qualified to assist you. If they have questions, they will be able to contact me to discuss your situation.

I look forward to assisting you again in the tax season. I wish each and every one of you a wonderful holiday season and thank you for your continued support of our business.

Sincerely,

Mary Lemons and Staff