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Dear Client,

We are about to enter the semiquincentennial (or quarter millennial if you prefer) of the greatest Republic that God has ever blessed. I pray that we continue to deserve His blessings. Our current Caesar plans many festivities for our big 250<sup>th</sup> birthday party. I hope he continues to succeed in his bid to cease hostilities around the world.

The One Big Beautiful Bill Act or OBBBA was passed and Caesar signed it into law on July 4, 2025. This new act codified much of his 2017 bill ending some aspects and making much of the older law permanent. Major new tax bills always add to the complexity of tax preparation. Dedra attends tax classes throughout the year and watches many tax webinars. In November/December I got my Continuing Professional Education (CPE) online.

The Internal Revenue Service will soon stop issuing paper refund checks. Please bring your Direct Deposit Information with you at your appointment time.

Our newsletter pages One and Two contain basic 2025 TAX FACTS. Page Three describes some aspects regarding the NEW tax bill, OBBBA. This page should interest most taxpayers so please review it carefully. Pages Four and Five detail our OFFICE POLICIES and PRIVACY NOTICES respectively. Page Six details our required document retention regarding your favorable tax attributes when claiming your children. Page Seven describes our communications, security and A.I. challenges.

“The more things change the more they stay the same.” Axioms are axioms because they usually have merit. Isreal is violent today and it was also violent 2000 years ago. Joseph moved his young family from Bethlehem to Egypt because of King Herod’s brutal dictate that young infant boys be slaughtered. Joseph kept his family safe. Today we have soldiers, police, and first responders that keep us safe. We should thank every one of them. We need to thank God for our security and stability here in Mid-Missouri. Let us not take it for granted. Our tax service will give a tax prep break for soldiers and vets on a case-by-case basis. Thank you.

Have a happy Semiquincentennial!!!

Sincerely,

Barry and Dedra Lindenbusch

## 2025 TAX FACT SHEET

.... **INCREASED STANDARD DEDUCTION:**

Married Filing Jointly	under 65	\$ 31,500
Married Filing Separately	under 65	\$ 15,750
Head of Household	under 65	\$ 23,625
Single	under 65	\$ 15,750

The above standard deduction for those who are either 65 or legally blind is increased by \$1600 or \$2000 per person depending on filing status.

.... **10% TAX BRACKET:** is built into the tax tables for the very first dollars taxed. \$11,925 for single and married filing separate, \$17,000 for head of household and for married filing joint the amount is \$23,850.

.... **THE TAX BRACKET FOR 2025:**

Married Filing Jointly you leave the 12% bracket and enter the 22% when taxable income hits \$96,950.

Married Filing Separately you leave the 12% bracket and enter the 22% when taxable income hits \$48,475.

Head of Household you leave the 12% bracket and enter the 22% when taxable income hits \$64,850.

Single you leave the 12% bracket and enter the 22% when taxable income hits \$48,475.

.... **THE PERSONAL EXEMPTION:** Is lowered to zero for tax years 2018 thru 2025.

.... **THE BUSINESS MILEAGE:** rate per mile for 2025 70.0 ¢

.... **THE MEDICAL MILEAGE:** rate per mile for 2025 21.0 ¢

.... **THE CHARITABLE MILEAGE:** rate per mile for 2025 14.0 ¢

.... **THE SELF EMPLOYED HEALTH INSURANCE:** deduction for 2025 is 100% of your premiums or net earnings from business whichever is lower. This deduction is an adjustment to income and does not reduce FICA & Medicare. Also available to Sub Chapter S shareholders who own more than 2% of the Corporation.

The “Lucky One Percenters” 2025 income redistribution maximums hit at:

.... The top marginal income tax bracket for married taxpayers with Adjusted Gross Income (AGI) over \$751,600 is 37%. For single taxpayers the Adjusted Gross Income threshold is \$626,351.

.... The long term capital gain rates for AGI and filing status is 20%. For AGI on married taxpayers this capital gain rate of 20% starts at \$600,050 and for single taxpayers starts at \$533,400.

.... There is no Phase-out on itemized deductions, this will change in 2026.

.... The 3.8% tax on net investment income will hit married taxpayers with MAGI's (modified adjusted gross income) of \$250,000 and single taxpayers with MAGI's reaching \$200,000, these thresholds also include the to the 0.9% Medicare tax on earnings. These two new taxes were instituted with the Obamacare legislation and do not appear to be indexed to inflation.

.... The 2025 exemption amount for alternative minimum tax (AMT) is \$137,000 for married taxpayers and \$88,100 for single and Head of Household taxpayers and \$68,500 for married persons filing separately.

Effective beginning in 2023, the mandatory distribution ages goes from 72 to 73. THEREFORE taxpayers reaching age 72 in 2023 can delay RMD (required minimum distributions) until 2024 when they reach age 73. **The QCD (Qualified Charitable Distribution) for traditional IRA's still remains at age 70 ½.** Please bring in each and every charitable donation statement from your charitable organization so that we can correctly deduct your QCD.

With the exception of the ten percent bracket, the remaining six brackets have been reduced either two or three percentage points for 2025 compared to 2017 and earlier. This reduction has been made permanent in the OBBBA.

See also on our website information on:  
[Click on Useful Tax Information](#)

1099 Misc and 1099 NEC Alert  
Employee VS Independent Contractor

## **ONE BIG BEAUTIFUL BILL ACT OBBA**

**SOCIAL SECURITY** – If your Modified Adjusted Gross Income is less than \$75,000 (Single) or less than \$150,000 (Married Filing Jointly) and you are 65 or older, then you will get to deduct from your income \$6,000 or \$12,000 respectively. If your income exceeds those amounts, you have a \$100,000 phase-out range for the \$6,000 and \$12,000 deductions. If your income approaches the \$75,000 and \$150,000, chances are you will still pay tax on some of your social security benefits.

**QUALIFIED TIPS** – Single or Married Filing Joint taxpayers can deduct up to \$25,000 per return in tip income. Tips must be offered voluntarily by customer/clients and from service-based industries such as food/beverage, hospitality, beauty salons, ride share, and food delivery. Industries that “customarily and regularly” receive tips qualify. The tip amount should be shown on your W-2 for 2025 or listed separately on your Schedule C 1040.

**QUALIFIED OVERTIME** – Single or Married Filing Joint taxpayers can deduct up to \$12,500 or \$25,000 respectively in qualified overtime compensation as required by the Fair Labor Standards Act of 1038. This would be Time and a Half AFTER 40 hours per work week. The premium pay ie the “half” is tax free NOT the base pay. For example, if you earn \$20/hr and you have 1 hour of overtime only the premium is tax free ( $\$20 \times 1.5 = \$30$ ) or \$10 would be income tax free. Please bring pay stubs that verify overtime (especially the year-to-date last pay stub for 2025). In 2025 the Code TT in box 12 of your W-2 is not required to be shown by your employer. That overtime dollar amount in box 12 should be furnished next year, in 2026, by your employer with the new Code TT.

**CAR LOAN INTEREST DEDUCTION** – If the taxpayer purchased a NEW car after December 31, 2024, and its’ final assembly was in the United States, the taxpayer may deduct up to \$10,000 in interest expense. The auto must weigh less than 14,000 lbs gross vehicle weight (GVW) and be used for the taxpayer’s personal use. The loan must be a First Lien and not paid to a related party and if the loan is refinanced it cannot be more than the original loan principal. The Vehicle Identification Number (VIN) will be entered on the tax return. Please bring that VIN number with you at tax time or go on NHSTA.gov/vin-decoder to access the need information.

.... The above four areas of New tax legislation are only for tax years 2025, 2026, 2027 and 2028, then they expire unless a future congress extends them. They each have large phase out windows that reduce the tax benefit as Adjusted Gross Income rises.

**CHILD TAX CREDIT** – increases from \$2,000/child 16 and under to \$2,200/child in 2025 and will be indexed to inflation and made permanent.

## OFFICE POLICY

Lindenbusch Accounting and Tax Service, Inc. is very small, and we wish to remain that way. During the income tax season which starts in mid-January and runs through mid-April, unless extended, our time is a precious commodity. We've grown to the point where we need to share some guidelines with you, our valuable client. We appreciate your trust in us and hope that with these few suggestions our accounting and tax practice can operate more efficiently to better serve you. THANK YOU.

### OFFICE HOURS (during tax season)

8:30 am to 7:00 pm Monday through Friday  
8:30 am to NOON pm Saturdays  
Any other time is by appointment only

### OFFICE HOURS (outside of the tax season)

By appointment only. To keep fees reasonable, we do not employ a secretary for the entire year.

### APPOINTMENTS

Please ring the doorbell once and enter, someone will show you in. Try to be on time or 5 to 10 minutes early. If you are going to be a little late, a quick phone call would be appreciated. **To reduce communication errors our secretary has been asked to repeat the appointment time, day of the week and date.** To help facilitate clear and concise appointments, we suggest that you jot down your appointment on our postcard. We do not make reminder calls. If children need to accompany you we have TV and books/magazines in the waiting room. **NO APPOINTMENTS WILL BE MADE BY EMAIL.**

### DROP-OFFS

Returns dropped off are WELCOME. We ask that you include a daytime, evening and/or cell phone number(s) on our short drop-off sheet. Tell us the best time to call you.

### INVOICING

If your return is dropped off and picked up later or if it is mailed back to you by us, our tax prep invoice will always be in the file copy folder in the left side pocket (when opened). Prompt payment would be appreciated, regardless of whether return is dropped off or you sit for an appointment.

### TELEPHONE

Our secretary will be here from 8:30 am to 4:30 pm Monday through Friday starting mid-January. We would prefer that she make the appointments during those hours. To utilize her even more we ask that as many phone calls, return drop-offs and return pick-ups as possible occur during those hours. Advance appointments (November, December and January) will be taken by either Dedra or myself. Simple questions will be forwarded to one of us and we'll try to call you back as soon as possible. Limited tax planning can be done during your income tax appointment. In depth tax planning will need to be done from May through December. **IF REQUESTED WE CAN SEND YOU A PERSONAL TAX ORGANIZER BASED ON LAST YEARS TAX INFORMATION.** You can see at a glance all your data from last years return. If interested call to get this tax organizer prior to filing your taxes.

## PRIVACY NOTICES

The Gramm-Leach Bliley Act and the Federal Trade Commission (F.T.C.) restrict the disclosure of personal financial information by us and those in our employ. Because we produce a “financial product or service” Uncle Sam is mandating that we supply you with a notice of our privacy policy. Please refer to our new website for additional privacy information.

**Lindenbusch Accounting and Tax Service, Inc. has never and will never sell or give away in part or in total our clients tax returns, information, client lists, or addresses. Your confidence in us is important and we want you to know that your personal and account information is safe. If you have any questions or concerns, please contact us.**

In fact we’re not that crazy about faxing returns even with the consent of the client. That return can be viewed by anyone on the other end. We furnish a copy of your tax return at the time it is prepared. **If you think that you will need an extra copy please inform us at that time and we'll throw another copy in for no extra charge.** If at a later date you need us to make a copy to either mail, e-mail, pick up or fax a fee of **\$40.00** per return will be charged. Please keep the Grey folder containing the CLIENT FILE COPY of your return that we make for you. That copy has your W-2’s and other source documents attached. We have the capability to E-MAIL returns to the taxpayer(s). **However due to security reasons we will not email to a third party.** We will only email to the email address provided to us at appointment time. If you drop-off or mail your information to us, please make sure to provide us with your current email address.

As mentioned in the client letter, please go to our Homepage and click “Forms” then read the first two bullet points on new material for future technology and security that we will be adopting: (1) the Tax Return Email Checklist AND (2) our new “TaxDome” client portal.

How long should you keep your records? We recommend 5 years for documents such as receipts, statements, check registers and computer hard copy. Your actual tax return I’d keep much longer, it has a copy of your W-2’s/1099’s and often your working papers. 50 years of tax returns only take up 2 or 3 cubic feet. Any asset that you currently own, if upon sale or liquidation would create a taxable event, you need to keep the documents that show your cost basis for that asset. Depreciation schedules would fall into this category.

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If you responsibly carry a weapon, you and your firearm ARE welcome in our office. This castle (your tax info) is protected by the 2<sup>nd</sup> amendment and our willingness to exercise that God-given right. We are not a gun-free zone.

There are TWO TIERS of documents that the preparer must receive and retain in order to properly prepare and e-file your return. WE WILL NEED AT LEAST ONE ITEM FROM EACH TIER.

**TIER ONE**  
**PROOF OF CHILD(REN) RELATIONSHIP**

- ..... Social Security Card
- ..... Birth Certificate
- ..... Adoption Papers

**TIER TWO**  
**PROOF THAT CHILD(REN) LIVES WITH CLIENT**  
Documents that have child(ren) names and address

- ..... \*School records, school letter, report card
- ..... Landlord or property records Head of Household (H.O.H.)
- ..... Real Estate tax receipt (H.O.H.)
- ..... Utility bill (H.O.H.)
- ..... Health care provider statement
- ..... Medical records
- ..... Childcare provider statement
- ..... Placement agency statement
- ..... Social service records
- ..... Place of Worship statement
- ..... Employer statement

We need to collect tier two documents each and every year on each child, two or three documents is suggested in Tier Two. Lindenbusch Accounting and Tax Service, Inc. need these statements/documents. We are required to retain this information to ensure that we practiced due diligence for the claiming of:

1. Earned Income Credit
2. Child Tax Credit and Other Dependent Credits
3. Education Credits
4. Head of Household (H.O.H. started in 2018)

If we do not acquire this documentation the above tax benefits will be OR could be disallowed by the IRS.

\* In addition to school records that anchor a college age child to your residence, we will also need Form 1098-T AND your dependent students tuition payment transcript for last year as well as the cost of books. We will need this information to file for any tuition credits or education deductions.

It is a sad fact in today's world we have cyber-criminals running rampant. Until our citizens force our non-responsive government to treat them as they should be treated, then we will have much more of it. We as a country need to inflict crushing penalties on domestic and foreign "hackers/thieves". Their crimes include, but are not limited to; identity theft, false filing of entire tax return, sale of stolen social security numbers, stealing children's social security numbers, bank and credit card fraud, compromising medical records, and as we have recently seen in Minnesota, corrupt politicians and bureaucrats.

Dedra and I have taken many measures including acquiring cyber insurance to mitigate any breach. No one is out of reach from these criminals. Even the IRS, the military, state governments and the largest companies are getting hit. If your return is e-filed rejected for identity theft or any other reason that is not the fault of Lindenbusch Accounting & Tax Service, Inc., there will be an additional fee. For this reason we are charging a fee for e-mailed, mailed or copies of any tax return other than the original file copy that you received at tax time. **That charge is \$40 per return.** Remember, for e-filing the original there is no charge and if you want/need an extra copy of your income tax return during your annual tax appointment there is no charge. So please take care of your file copies and put them in a safe accessible place. Thank you.

As mentioned in past-years cover letters, our office experiences phone disruptions. Many disruptions are due to high volume client contact. Our secretary, struggles to ensure that clients are served in the order they arrive (in person or by phone). Dozens of times I hear the phone and door bell ring simultaneously. She will either put you on hold or ask the arrival to have a seat in our waiting room. Please be patient with us and our possible busy signals. If you go to voicemail (answering machine) leave a message. The other problem we are experiencing as well as businesses nationwide, are the unsolicited sales or "robocalls." The US has seen an explosion of this type of intrusion. Caller ID is worthless because these vermin have learned to "SPOOF" (i.e. appears as though it is your neighbor or acquaintance calling you from your area code and prefix).

Artificial Intelligence A.I. will factor into the income tax preparation business just as it has with other businesses/industries. One aspect (certainly not the only one) will be A.I. tax guidance/advice. Initially one will be able to ask search engine sites simplistic questions. As the tax questions get more complex the questions must be more precise and specific. In tax law, the general rule will almost always have an exception. Again, the axiom of "Garbage In/Garbage Out" will also apply to A.I. As A.I. develops, it will eventually ask you as many questions as it is being asked. On our end we will likely rely on A.I. as much as our old-fashioned tax books. If you call IRS or eventually even Missouri Department of Revenue, expect A.I. interaction to some degree. If you get a Garbage-Out answer from A.I., the IRS will not accept A.I. as an authority because they won't know the questions that you originally asked. Please be as careful as Dedra and I intend to be when relying on A.I. answers.