



Wedding season, graduation season... change in tax filing status season? –

Significant **positive** life changes (weddings, college graduations, etc.) can have unexpected **negative** tax consequences as you may lose the ability to claim your child as a deduction this year. Even high school graduation could impact the ability to deduct your child if they choose not to attend college right away and work full-time instead.

Children 0-16 years old are eligible for a \$2,000 child tax credit. The credit for a 17-year old is only \$500. If your child turns 17 in 2025, you may find that your federal income tax liability will increase this year. Contact our office if any of these apply to you, and we can evaluate whether adjustments to your withholding may be necessary.

Withholding adjustments season? –

It may be time for a 6-month check-up. If you owed federal or state tax unexpectedly last year, your income tax withholding may have been the cause. If you have multiple sources of income, it is important to make sure all these income sources have taxes withheld appropriately.

If your income has changed this year or if you or your spouse...

- Changed jobs
- Started or expanded your business
- Started taking social security or drawing on a pension or another retirement account,

...please give us a call. We will project your 2025 income, as well as your federal and state tax liabilities, and suggest withholding adjustments necessary to make sure you won't be surprised next April.

Quarterly estimated payments season –

The overwhelming majority of notices clients receive from the IRS and the Indiana Department of Revenue are related to quarterly estimated payments. For the first time, Indiana PTET payments for partnerships and S-corporations are due quarterly as well. Make sure to make copies of your checks and vouchers before you send them in. And if you haven't already, please pay your individual June quarterly estimated payments right away.



Home improvement season –

Strategically planting shade trees may reduce the amount you use your air conditioner, but unfortunately, trees do not gain you a tax break. However, installation of...

- new insulation
- skylights
- new windows and doors
- new furnaces and air conditioners

...may help both reduce your overall utility costs AND help reduce your 2025 federal tax liability.

Certain eligibility requirements apply for each item installed. Contractors generally will not offer tax advice, so before installing any of these, please give us a call to determine if the improvement is credit eligible.

Electric vehicle credits –

You may be eligible for a federal tax credit if you purchase an electric vehicle or plug-in hybrid in 2025. Please note that the rules are tighter than in past years,

as stricter battery sourcing requirements are in effect this year, meaning not all electric vehicles will qualify for credit.

New and used clean vehicles may be eligible, but your personal income situation (ie. filing status, total income, etc.) may impact your ability to benefit.

Consider calling our office to verify the eligibility of the automobile as well as your ability to benefit from the credit.

New federal tax laws? –

Not yet...but there is a bill working its way through the House and the Senate right now. Hopefully, we will have a complete bill to discuss in our next newsletter.

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