

TaxBrief

Keeping you informed

Get Ready for 2026 Tax Time

Tax season is around the corner, and the earlier you start organizing your documents, the smoother the process will be. Here's what you should know and gather before we sit down to prepare your 2025 tax return.

Personal information and documentation

Start by confirming your basic details. Gather Social Security numbers or taxpayer identification numbers for yourself, your spouse and dependents. If you are concerned about identity fraud or have had issues in the past, consider getting an IRS identity protection pin (IP PIN). Once you've registered for an IP PIN, the IRS will send you a new PIN by mail that you must file with your tax return annually. Verify that your name and address match what's on file with the Social Security Administration and the IRS. If you have moved or changed your marital status, please update your information now. You'll also need bank routing and account numbers for direct deposit refunds. Keeping this information current helps avoid processing delays.

Income records

Collect all documents that report your 2025 income. These typically include:

- Form W-2 from your employer
- Form 1099-NEC or 1099-MISC for freelance or gig work
- Form 1099-INT for bank interest and 1099-DIV for dividends
- Form 1099-R for retirement plan distributions or pensions
- Form 1099-G for unemployment compensation or state tax refunds
- Form SSA-1099 for Social Security benefits

- Schedule K-1 if you're part of a partnership, S corporation, trust or estate

If you receive funds through digital payment platforms like PayPal, Venmo or Cash App, or third-party networks such as Etsy, eBay, Uber or Airbnb, keep those records too. Some payments may not be taxable, but if they're for goods or services, they must be reported, even if you didn't receive a Form 1099-K.

Expenses that can reduce your tax bill

Certain expenses can lower your taxable income by reducing your adjusted gross income. Keep records for contributions to traditional retirement plans, health savings accounts (HSAs), individual retirement accounts (IRAs), self-employed plans (SEPs), student loan interest paid and educator expenses if you're a teacher. If you plan to itemize deductions, gather receipts and statements for medical expenses, property taxes, mortgage interest, charitable donations and state income tax payments. If you purchased a new car this year, you could be eligible to deduct your vehicle loan interest, which is a new deduction for 2025. Even if you use the standard deduction, documentation helps confirm your eligibility and can highlight potential tax changes. We can discuss other deductions and savings you might qualify for at your next appointment.

Credits you shouldn't miss

Tax credits directly reduce your tax bill, dollar for dollar. Gather any documents that may show eligibility for the child tax credit, child and dependent care credit, education credits, the earned income tax credit and the retirement saver's credit. If you made energy-efficient home improvements or adopted a child, save those records too. Clean vehicle credits may still be available to you, as well. Credits often require specific documentation, which we can guide you through, and having everything ready will streamline the filing process.

Retirement, investments and savings

If you contributed to a retirement plan, collect statements showing contribution amounts. Distributions from retirement accounts are reported on Form 1099-R and may be taxable. Review all investment activities, including stock or mutual fund sales, which appear on Form 1099-B. You'll need cost basis and sale proceeds for accurate reporting. If you sold digital assets such as cryptocurrency, record each transaction's date, amount, and gain or loss. The IRS expects detailed reporting on these transactions even if no form was issued.

Health care and insurance

Health-related forms are just as important. If you had marketplace health insurance, wait for Form 1095-A before filing. For other coverage, retain records of premiums and employer-provided coverage statements. If you contributed to or used an HSA, keep track of contributions, distributions and qualified medical expenses. The IRS will match this information, so accurate reporting now prevents future errors/issues.

Major life changes

Significant events during the year often affect your taxes. Let us know if you got married, divorced or widowed, had a child, adopted or took on guardianship. Buying or selling a home, moving across state lines, or starting or closing a business can also impact your return. Provide closing documents, settlement statements or contracts for any major financial events. These records help ensure you receive every deduction and credit available to you.

Organize your digital records

Many employers, banks and financial institutions now issue digital tax forms. Check online accounts or email alerts to ensure you download everything necessary. Create a folder on your computer or a secure cloud storage service labeled "2025 Taxes." Store all your PDFs and statements there for easy access. If you prefer paper copies, keep them in one folder or envelope. Staying organized means fewer last-minute surprises.

What you can do right now

Start gathering your forms as they arrive in January and February. Confirm your employer and bank mailing addresses to ensure you receive everything that's pertinent. Schedule an appointment early to review your situation. Keep copies of all tax documents for at least three years in case of future IRS correspondence.

Common mistakes to avoid

Gather any and all income forms. Even small 1099s from side jobs or interest accounts can trigger IRS notices if omitted. Don't overlook estimated tax payments made during the year. Verify your Social Security numbers and make sure names match your government-issued IDs. Finally, double check all signature lines. An unsigned or incorrectly signed return can delay processing.

Final thoughts

Getting your documents ready now makes tax season smoother and less stressful. As your trusted tax professional, my goal is to make sure you file accurately, maximize deductions and avoid unnecessary complications.

