



January 9, 2026

Happy New Year! It is time again to start gathering your tax information. The One Big Beautiful Bill signed July 4, 2025, has brought changes to your tax return, including:

1. Typical COLA adjustments to tax brackets and a higher standard deduction.
2. **No Tax on Tips:** Limitations of tips and income apply and not all jobs qualify.
3. **No Tax on Overtime:** Dollar limitations apply along with income phase outs.
4. **No Tax on Social Security:** This is *not* true! Instead, there is a \$6,000 senior deduction for anyone reaching age 65 by 12/31/2025.
5. **Auto interest deduction:** Limitations include US assembly and income phase outs.

I will include expanded information so be sure to read carefully and submit your data as needed.

Here is what you need to know this year:

- Send your tax info by March 20 to avoid an automatic extension. This is not a guarantee that an extension will be avoided...send your information early!
- Upload scanned documents to:
  - <https://barbarastaxservice.securefilepro.com/portal/#/login>
- Mail copies of your documents via USPS Priority Mail to:
  - **PO BOX 2981, GILCHRIST, TX 77617-2981**
  - Keep your tracking number, just in case!
- Review, sign and send:
  - Personal Organizer
  - Signature Page
  - OB3 Checklist, if applicable
  - Failure to include the first two items will cause delays and possible extra charges.

I look forward to working with you again this year. Please let me know if you have any questions or concerns. I appreciate your business!

Very truly yours,

Barbara K Boyd, EA

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## 2025 TAX INFORMATION NEEDED – PLEASE READ CAREFULLY

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- Your completed personal organizer and signature page.
- If you are a **new client**, please include a copy of the last tax return filed for you.
- All forms W-2, and 1099, including 1099-MISC, 1099-NEC, 1099-R, and 1099-SSA.
- Interest income: *Banks are not required to issue a 1099-INT if the amount is less than \$10.*
- Crypto-currency information: Disclosure is an IRS requirement even if you had no trades/sales.
- Brokerage statements: Personal investments only, not for accounts owned by your IRA.
- Form 1095-A: ***Missing this form is the most common reason for tax return rejection! An additional fee will be charged for missing forms 1095-A after E-file rejection.***
- Business income: If you have always provided your income and expenses in a certain manner, continue to do so.
- Farming income: Again, if you have your own way of reporting this, continue to do so.
- Rental income: Airbnb, VRBO; if you rented a portion of your home, a vacation home, or simply had a regular rent house, I need to know about it. I have handouts that can help you organize this information.
- Itemized Deductions: Medical (out-of-pocket only), Charitable contributions, mortgage interest, and real estate taxes. Keep in mind that very few will qualify to itemize (go “long” form).
- Due Diligence: I am required to practice due diligence in determining qualifications for certain tax credits, deductions, and filing status. Please be prepared to answer questions if you normally claim Earned Income Credit, Child Credit, College credits, and Head of Household status (which is only for single parents).
- Childcare credit: Please include the name, address, and taxpayer ID number of the caregiver and break down the amounts paid by child and by caregiver.
- If you gained a dependent child, either through birth, adoption, or guardianship, include a copy of their social security card.
- If your adolescent child files a return, **be sure they do not claim themselves**. It won’t change their refund, but it will change yours.
- **Touch Fee: This is a fee that might be charged if multiple attempts are required to obtain complete information necessary to finalize your return.**

Any information you receive where the envelope is marked: **Important Tax Information** should be included. Watch out for paperless! Things you may be required to download include brokerage statements, insurance marketplace (subsidy) forms 1095-A, form 1098 for your mortgage interest, and form 1098-T for college tuition reporting.

Please do not send receipts, a written itemization of the totals is sufficient. However, keep the receipts for proof in the event of an audit. If you are unsure of the deductibility of something, include the paperwork and questions.

You are free to call me if you have any questions about what to send. Please **do not email or text your paperwork!** Either scan (PDF only) and upload to your secure or send via USPS to my PO Box or delivery service to my street address.

## **TAX CHANGES – ONE BIG BEAUTIFUL BILL**

**All the following items** are *deductions* and expire in December 2028. On all except the car loan interest deduction married taxpayers *must* file a joint return to qualify.

### **No Tax on Tips**

The tip income is subject to FICA and/or SECA and may be reported on form W-2, 1099 or reported directly on form 4137. Most, but not all, professions qualify. More information:

- Tips must be *voluntary*, i.e. built in gratuities or service charges do not count.
- The maximum annual deduction is \$25,000. For self-employed individuals, the deduction may not exceed the net income of your business.
- The deduction phases out for individuals reporting gross income over \$150,000 (\$300,000 for married taxpayers).
- If tips are not reported on form W-2 or 1099 please submit either a final paystub or a statement from your employer indicating your total tips for the year. For self-employed individuals you must provide a separate statement of tips.

### **No Tax on Overtime**

- The deductible amount is the “half” portion of your overtime. For instance, if your hourly pay is \$20 per hour, your overtime rate is \$30 per hour. Of that, only \$10 per hour of overtime qualifies. “Salaried” taxpayers do not qualify.
- The maximum deduction is \$12,500 for singles, \$25,000 for joint filers.
- The deduction phases out at \$150,000 income for singles, \$300,000 for joint filers.
- If your overtime is not separated out on your form W-2 (this requirement is delayed until 2026), you need to provide me with either your final paystub or a statement from your employer along with your form W-2.

### **No Tax on Car Loan Interest**

- Maximum deduction is \$10,000 and phases out on income over \$100,000 (\$200,000 for joint filers).
- Vehicle must have been purchased *after* December 31, 2024.
- Vehicle must be new, and the taxpayer must be the first registered owner.
- Vehicle must be for personal use only. Business and commercial vehicles do not qualify.
- The interest must be secured by a lien on the vehicle.
- Vehicle must have a gross vehicle weight rating of less than 14,000 pounds.
- Vehicle must have undergone final assembly in the United States. This is determined by reviewing your VIN.
- You must provide me with the VIN and the purchase date, along with the total amount of interest paid.

### **No Tax on Social Security – WRONG! It is a new deduction for seniors not tied to Social Security:**

- The deduction amount is \$6,000 for each qualifying taxpayer.
- Taxpayer(s) must reach age 65 on or before December 31, 2025.
- On a joint return, both taxpayers are eligible if both are 65 or older.
- The deduction phases out on income over \$75,000 (\$150,000 for joint filers).

Mail: PO BOX 2981, Gilchrist, TX 77617-2981 \* Delivery: 2401 Hwy 87, Gilchrist, TX 77617-2981

Office/Mobile: (940) 393-3590 \* Facsimile: (855) 333-4830 \* BTSTaxLLC.com

[BARBARA@BARBARASTAXSERVICE.COM](mailto:BARBARA@BARBARASTAXSERVICE.COM)

Owned and Operated by BTS Tax LLC



### Important Dates

- E-File start date: January 26, 2026
- Tax return due date: April 15, 2026
- Extension cutoff date: March 20, 2026
- Extended due date: October 15, 2026

### How long will I have to wait for my tax return?

Once *all* your information is received, I will put it on the calendar. I can tell you what date I will begin work. Targeted turnaround time is two weeks but may take longer as April 15<sup>th</sup> draws closer. Other obstacles can and will occur but keeping this target in focus will benefit us both.

### Partial Information Submission

In a word, don't. Sending your information piecemeal will delay preparation and could cause errors. Once I have received your complete information, I will put you on the calendar. If you are not uploading everything, please let me know. There will be occasions when I need more information. Prompt responses ensure accuracy and avoid delays. Delays beyond three business days will incur a separate charge. Starting, stopping and then restarting work often results in errors. This "touch fee" covers the extra review time necessary to ensure accuracy.

### What's the "cutoff date"?

The cutoff date of March 20 is an artificial due date I created for receiving your info. Will I accept your tax info after this date? Of course! Is this a guarantee that I will not extend your return? No. If your return is particularly complex or missing information I may need to extend your return. Also, as April 15<sup>th</sup> approaches, the volume of taxes I receive increases greatly.

### How much will this cost me?

The truest answer is "it depends". Complexity, delayed submission or responses, and complete info submission are all factors in billing. I do raise my rates annually in response to my own cost increases. These increases include software costs and additional education required to fully understand and implement new tax laws to your advantage. To help defray the increase I am offering a \$25 "no paper" discount. This means you will not receive a paper copy of your return and that you must either upload your information to the portal or mail copies of your documents, not originals. This saves printing and mailing costs which I will then pass on to you.

### Extensions

An extension gives you more time to file your return. **It does not give you more time to pay your taxes.** Taxes are due by April 15<sup>th</sup> or late filing penalties of 0.5% per month will be charged by the IRS. If you expect to owe let me know so I can calculate an estimate to pay on April 15<sup>th</sup> with your extension.

### Direct Deposits

The IRS has advised that refunds paid by check will delay your refund by at least **six weeks**. My having to email you to verify your banking information may result in delays and extra charges. **PLEASE** verify your banking information as shown on your personal organizer. While you are at it, make sure your mailing and email address are both included and correct.

### Tax Planning

The most basic of tax planning is included in the cost of your tax preparation. Any work required beyond the most basic will incur an additional charge. Help with form W-4 will incur a separate charge.

## **Oh No! I Owe!**

The safest option is to pay online. You will receive an acknowledgement of your payment as proof of time and date paid. The USPS has recently announced that *postmarks will no longer verify the date you mailed your check*. If you do choose to pay by check, be sure to get a hand stamped postmark.

You can also request an installment agreement. This is not a service I offer; you are responsible for the application. You can find the application at <https://www.irs.gov/payments/online-payment-agreement-application>.

## **I have a question...**

Tax season is a busy time, but your questions are important. When the question requires research and calculation, I need time to do the work, and I usually respond via email. Email provides me with a record of what transpired and you with a full explanation of my answer.

I encourage questions as you need to be an informed taxpayer. Most questions are included in your tax prep fee. However, I must charge when the answers require more time and expertise than a simple response or involve extensive tax planning.

## **I got a notice from the IRS!**

First, don't panic. Sometimes they are wrong. Sometimes they simply need clarification or more information. In any case, send me a copy, either uploaded to your portal or by USPS Priority Mail, as soon as possible. If you copy/scan it, be sure to include all pages, front and back. Responding to notices is not covered in your tax preparation fee and will incur an additional fee. Please scan the document on a flat, plain surface. Half-folded papers with a speckled granite background are difficult to read. These notices can be serious, and I must be able to read and understand them.

## **BTS Payment Terms**

Invoices are *due upon receipt*. Your return will not be electronically filed or released until payment is made. All payments made with plastic will incur a 3% courtesy fee, with a cap of \$25. You can pay by check, electronic check, ACH, or cash with no added fees. Payments made after 30 days will incur a monthly late fee. Invoices 90+ days past due will void the engagement agreement. Your file will be deleted, and any original documents will be returned to you.

## **Contact Me**

My posted hours during tax season for appointments or phone calls are as follows:

- Monday, Tuesday, Wednesday, and Friday 10 AM to 4 PM
- Saturday 10 AM to 2 PM

Email is my preferred form of contact. The telephone is great for quick questions only. Please *do not* send any tax information via text.

Please upload your documents in **PDF format only**. You can also mail your information. I recommend sending copies by priority mail. Make a note of the tracking number in the event your package is delayed.

## **And Finally...**

Thank you for entrusting me with your tax preparation. I appreciate my clients and understand you have a choice. Thank you for choosing me.

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## **BTS TAX LLC 2025 TAX PREPARATION ENGAGEMENT AGREEMENT**

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Thank you for choosing BTS Tax LLC to assist you with your income tax preparation. This letter confirms the terms of my engagement with you and outlines the nature and extent of the services I will provide, as well as your responsibilities.

### **CLIENT RESPONSIBILITIES**

#### **Supporting Data**

Client acknowledges that he/she possesses supporting documentation for all income and deductions reported to BTS, and that all information provided to BTS is true, accurate, and complete to the best of their knowledge. The law imposes a penalty for substantial understatement of the tax liability and tax authorities regularly question whether any cash or bartering transactions have transpired. Submission of unorganized receipts will incur a significant "shoebox" fee. Keep those documents in your files for proof in the event of an IRS audit.

#### **Timeliness**

Client agrees to timely deliver requisite tax data and supporting documentation. Surcharges may apply if requested information is not provided in a timely manner. If electronic filing of return is rejected due to missing client information, additional charges will be incurred to bring return into compliance with filing requirements. BTS will give priority to clients who have timely provided data and otherwise cooperated with the preparation process.

#### **Extensions (all dates 2026)**

The filing deadline for individual returns is April 15<sup>th</sup>. If BTS has not received Client's tax data in full by March 20<sup>th</sup>, an extension *may* be automatically filed. Submission of information by March 20 does not guarantee Client's return will not be extended. Every effort will be made to file by April 15<sup>th</sup> but complications do sometimes arise. NOTE: Extensions allow an additional six months to file your return. Extensions **do not allow additional time to pay your taxes**.

#### **Client Review**

Client is wholly responsible for the accuracy of the return and after thorough review, authorize BTS to file electronically. If Client chooses to not file electronically, Client will be sign and deliver the completed return to the proper taxing authorities. Client is responsible for all penalties and interest unless such penalties and interest are the result of BTS preparation error.

***In no instance will BTS be responsible for paying Client's tax liability.***

#### **Tax Notices**

Client agrees to promptly notify and forward copies of any communications received from tax authorities to BTS for review and advice. If representation and/or action is required of BTS, such action is not covered by the tax preparation fee and will be billed separately under a separate engagement agreement. Client has the option to sign form 2848, Power of Attorney, directing that copies of all notices also be sent to BTS. If married, both spouses must sign separate forms 2848.

#### **Document Retention**

BTS's final work product will be retained for three years; thereafter, all documents will be destroyed by BTS without further notice to Client. Physical deterioration or catastrophic events may shorten this term. Client understands and agrees that in the event a file is destroyed, BTS will no longer have any records and will not have any responsibility to reconstruct the file. BTS does not retain any original documents. Electronic copies will be retained by BTS for a period of three years as required by Circular 230 of the Internal Revenue Service. Electronic copies of returns prepared within the last three years are available upon request via secure portal. Paper copies are available at a starting cost of \$75.

#### **Payment Terms**

When data is submitted to BTS, Clients may be required to prepay one-half of the estimated tax preparation fee, with a minimum prepayment of \$200. The balance is due upon delivery, whether virtual or physical, of the completed return, whether the Client chooses to file the return as prepared. Electronic filing will not occur until after BTS is paid in full and form 8879 is signed. **If electronically filed return is rejected, additional fees will be due and must be paid before resubmission.** Invoices 90 days past due or older may result in return of client records and disengagement of any further services. Please refer to Payment Methods, Discounts, and Fees in FAQs for more information.

## **TAX PRACTITIONER RESPONSIBILITIES**

### **Mission**

Returns will be prepared based on information provided by Client. BTS will not audit or verify the data but may request additional material or clarification. BTS will make every attempt to properly apply the law and legally minimize Client's tax liability. BTS places accuracy, professionalism, and courtesy as our highest priority.

### **Confidentiality**

Client is hereby given notice that all communications throughout the tax preparation process with BTS are confidential, but *not privileged* and may be disclosed if a summons is issued. The workpapers and data file(s) for this engagement are the property of BTS and constitute confidential information. Client should immediately engage legal counsel if Client has any concerns regarding possible criminal matters.

### **Privacy**

BTS does not disclose nonpublic personal information about current or former clients to anyone unless instructed to do so in writing by Client. BTS will not perform a conflict check; client remains solely responsible for identifying and disclosing actual or potential conflicts of interest to BTS. If a joint return is filed, BTS may provide returns and copies of supporting documentation to either spouse without consent from or notification to the other spouse. BTS restricts access to nonpublic personal information to those professionals who may assist in the preparation process or provide adjunct services. BTS has instituted all reasonable measures, including physical, electronic, and procedural safeguards to protect Client's nonpublic personal information. Client assumes the risk of loss of confidentiality and/or tax documents during unencoded electronic transmission or mailing via USPS and third-party delivery services. Client is greatly encouraged to use electronic portal provided for electronic transmission of sensitive information. Client is greatly discouraged from sending sensitive information via text, email, or any other unsecured method, and will hold BTS harmless if such transmissions result in any sort of data breach.

### **Duties**

BTS will provide Client with a signed copy of the return, either electronically or physically. Client should retain this and all related materials safely for a minimum of five (5) years. BTS will be available year-round to address any Client concerns and to provide tax planning advice for an additional fee and only with Client's written consent, although BTS will not be responsible for implementation of suggestions made.

### **Limitations**

BTS has no duty to detect fraud or uncover Client's fraudulent activity. BTS will not be responsible for mis-deliveries by USPS or other private carriers. BTS may terminate engagement for Client's lack of cooperation with the preparation process, for lack of payment, or for other reasons with written notice to Client at any time. Client agrees to indemnify and hold BTS harmless from all claims, including third party claims and other liabilities, costs, and expenses incurred by reason of any action taken or omitted by using good faith arising out of this engagement, except for matters judicially determined to be caused by BTS's gross negligence or bad faith.

### **Duration of Engagement**

Engagement will begin once Client has signed Agreement; however, in the event client does not return signed Agreement to BTS but nonetheless verbally agrees or otherwise indicates by such actions as submitting the tax organizer, providing tax data, or filing the prepared returns, that BTS shall prepare returns on Client's behalf, all terms and conditions of this Agreement shall apply. Client's signature on federal e-file authorization forms shall be deemed acceptance by client to all terms in Engagement Agreement. Additional services such as tax planning, communications with tax authorities, preparing prior-year unfiled returns, and others may be provided under a separate agreement between Client and BTS.

### **Cost of Service**

Fees for tax preparation will be based on the complexity of the return, expertise required, and time expended by BTS and will increase annually to remain commensurate with the skill, knowledge, expertise, and continuing education required by regulatory authorities. Client's tax return results have no correlation to BTS fees. Upon request, BTS will provide a good faith estimate of fees based on review of records and/or previously filed returns. Work beyond the scope of the estimate will not be completed until client is notified of and agrees to an updated estimate.

## 2025 Tax Organizer Personal Information

### Personal Information

Name		SSN	Has IP PIN	Date of Birth
Taxpayer				
Spouse				
Name of person to whom all information should be addressed, if not the taxpayer				
Street address, city, state, and ZIP				
Occupation		Daytime Phone	Evening Phone	Cell Phone
Taxpayer				
Spouse				
Taxpayer email				
Spouse email				

#### Filing status at the end of 2025

Single    Married    Widowed - If widowed and your spouse died after December 31, 2023, enter the date of death \_\_\_\_\_

Married filing separately - If married but filing separately, did you live apart from your spouse for the last six months of 2025? \_\_\_\_\_

Yes   No

Are you or your spouse blind?  
  Are you or your spouse disabled?  
  Are you or your spouse a full-time student?  
  Do you or your spouse want to designate \$3 to go to the Presidential Election Campaign Fund?  
  At any time during 2025 did you:  
    (a) receive (as a reward, award, or payment for property or service) a digital asset?  
    (b) sell, exchange, gift, or otherwise dispose of a digital asset (or a financial interest in a digital asset)?

### Identification Information

<p><b>Taxpayer's type of photo ID</b></p> <p><input type="checkbox"/> Driver's license   <input type="checkbox"/> State-issued photo ID</p> <p>Photo ID number _____</p> <p>State photo ID was issued _____</p> <p>Date photo ID was issued _____</p> <p>Date photo ID expires _____</p>	<p><b>Spouse's type of photo ID</b></p> <p><input type="checkbox"/> Driver's license   <input type="checkbox"/> State-issued photo ID</p> <p>Photo ID number _____</p> <p>State photo ID was issued _____</p> <p>Date photo ID was issued _____</p> <p>Date photo ID expires _____</p>
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### Account Information for Deposits and Withdrawals

Name of Bank	Bank Routing Number	Bank Account Number	Type of Account		Use this Account for	
			Checking	Savings	Deposits	Withdrawals

### Appointment Information

Your 2025 appointment is scheduled for \_\_\_\_\_

## Dependent and Other Information

Name:

SSN:

### Dependent Information

First and Last Name SSN	Has IP PIN	Relationship	Months in Home	Date of Birth	Disabled	Full- time Student	Childcare Expenses

List dependents required to file a return

### Child and Other Dependent Care Expenses

Name of Care Provider	Address	SSN or EIN	Amount Paid

### Estimates

	Federal		Resident State		Resident City	
	Date Paid	Amount	Date Paid	Amount	Date Paid	Amount
Overpayment applied from 2024						
First quarter						
Second quarter						
Third quarter						
Fourth quarter						
Additional payments						

## Questionnaire

Name:

SSN:

### Questionnaire

#### Personal Information

**Yes No**

Did your marital status change during the year?

If "Yes," explain. \_\_\_\_\_

Did your name change during the tax year?

If "Yes," explain. \_\_\_\_\_

Did your address change during the year?

Were you, your spouse, or any dependents issued an Identity Protection PIN (IP PIN)?

If "Yes," provide Notice CP01A from the IRS.

**Provide proof of identity to be eligible to e-file your tax return (driver's license or state-issued photo ID)**

#### Dependent Information

**Yes No**

Did you have any changes in dependents during the year?

If "Yes," explain. \_\_\_\_\_

Can another person qualify to claim any of your dependents?

Did you have any child or dependent care expenses during the year?

Did you have any children under age 18 or a full-time student under age 24 with more than \$2,700 of unearned income?

**Provide documentation for proof of dependent credits (school records, medical records, daycare records, etc.)**

#### Refund, Withholding, and Estimated Tax Information

**Yes No**

Do you want to have any refund or balance due directly deposited or withdrawn?

**NOTE: Due to Executive Order 14247, refunds received by check will be DELAYED by at least six weeks. Direct deposit of refunds is recommended. DOUBLE CHECK YOUR BANKING INFO!**

#### Yes No

Did you receive qualified tips reported on Form W-2 or a statement provided by your employer?  
If "Yes," provide documentation or amount.

Did you receive overtime pay reported on Form W-2 or a statement provided by your employer?  
If "Yes," provide documentation or amount.

Did you purchase a new passenger vehicle for personal use during 2025?  
If "Yes," are the following true:

**Yes No**

- The final assembly was in the U.S.?
- The gross vehicle weight is under 14,000 pounds?
- The vehicle was NOT purchased with a lease?
- The vehicle was used to secure the loan?

PLEASE PROVIDE VIN: \_\_\_\_\_

If you have a dependent born during 2025, do you want to establish a Trump Account?

**Yes No**

- If "Yes," do you want to receive a \$1,000 pilot program contribution?

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## **2026 TAX PREPARATION DISCLAIMER AND SIGNATURES**

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I/We (Client) understand that this engagement agreement only covers preparation of the tax return(s) for the current year. Client also understands that any additional work, including responses to IRS notices, mortgage company inquiries, or other items outside the scope of tax preparation will be billed separately. All other consultation services are not included in this engagement agreement. If married, both spouses must sign.

Client acknowledges their agreement to the following items by initialing as indicated:

- I/We have read and agree to the terms of the Engagement Agreement.
- I/We have **reviewed/updated the Personal Organizer** and certify the information contained therein is correct.
- I/We certify that all information provided to BTS Tax LLC for use in preparing their tax return(s) is true, correct, and complete to the best of my/our knowledge.

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Taxpayer Signature

Printed Name

Date

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Spouse Signature

Printed Name

Date

**DO NOT SEND ANY SENSITIVE INFORMATION VIA EMAIL! EITHER UPLOAD TO YOUR CLIENT PORTAL OR SEND VIA USPS PRIORITY MAIL. I DO NOT HAVE HOME DELIVERY FROM THE POST OFFICE SO BE SURE TO USE MY PO BOX ADDRESS.**

**YOU ARE WELCOME TO USE DELIVERY SERVICES SUCH AS UPS OR FEDEX. BE SURE TO USE MY PHYSICAL ADDRESS FOR THIS AND ADD "SUITE 2981" TO THE ADDRESS, IN THE EVENT YOUR PACKAGE IS CONVERTED TO LAST MILE SERVICE. (Last mile service delivers the package to the nearest post office. Mail is not delivered to my home so this "suite" number is important!)**