



November 2025

Dear Client,

In July President Trump signed into law the One Big, Beautiful Bill Act (OBBA), which included a significant number of tax law changes, extensions and early expiration of most energy credits. We sent an email in July outlining the most relevant provisions and we've included the same letter with additional details as part of these year-end letters (see separate insert). Since many of the questions we've been receiving these last few months have been regarding the expiring energy tax credits and the (misleading) "no tax on Social Security", we've included expanded details on these bill provisions. The separate insert on OBBA also includes information on the new Trump accounts for minors that will be available in 2026 and further details regarding the deductions for tips and overtime compensation; another two components of the bill that were misleading in terminology and with media's attention.

ELECTRONIC PAYMENT MANDATE

This is the most important bit of tax information we'd like to emphasize at the moment! Paper refund checks began phasing out on September 30, 2025. This was the first step in implementing President Trump's Executive Order issued in March which directed the U.S. Treasury to stop issuing paper checks as well as mandating that **all payments to the government be made electronically "as soon as possible"**. If you are unable or refuse to receive direct deposit of your refund, alternative options will include debit cards or digital wallets.



Many of you have emphasized a preference for making tax payments by check and receiving refunds by check, but since this will soon no longer be an option, we'd like to encourage you to get familiar with this process of paying online and/or creating online accounts. Neither the IRS nor FTB require an online account to make payments, but having both are strongly encouraged. Online accounts enable you to access account balance information, notices, and transcripts without having to endure lengthy phone calls to the IRS or FTB. Links are below.

[IRS Online Account](#) Requires a somewhat exhaustive security process to create an ID.me account. A verification PIN will be mailed to you. A one-time process for a very valuable tool.

[IRS Direct Pay](#) Make IRS payments using your checking account. No account required. No fees.

[FTB Online Account](#) A one-time set-up process will be required, but again, a valuable tool.

[FTB WebPay](#) Make FTB payments using your checking account. No account required. No fees.

YEAR-END TAX PLANNING TIPS and TAX PROJECTIONS

We have prepared a separate sheet that includes some routine year-end suggestions and general information. Contact us to discuss your situation or for a personalized strategy. An income tax projection allows you to plan for tax liabilities, assists in deciding when your taxes need to be paid to avoid or reduce penalties, and what alternatives and options you have available to alter the result. This is something that can be prepared at any time during the year and can be updated as often as you desire. We use assumptions and estimates in preparing these projections, so there are no guarantees. However, it is a valuable tool to use when making an informed decision.

OTHER SERVICES

We are available for your entire professional advisory needs. We can often offer suggestions before you do something that may save you money. For example, we can assist you in deciding whether to exercise stock options, to purchase or sell a business or real estate and how to calculate the required minimum distributions from retirement plans.

2025 FILING DEADLINE

This year's tax filing deadline is Wednesday, **April 15, 2026**.

EXTENSION REQUEST

We will e-file extension requests for all individuals whose tax information is received after **Tuesday, March 10, 2026**. Please note that we must have your information in hand by this date! Any income tax balance due amounts must be estimated and paid by April 15, 2026 to avoid interest and penalties. All information required for us to calculate extension payment amounts must be received by **Wednesday April 1, 2026**. If we do not receive the necessary information for your extension calculation by April 1, 2026, we will e-file your extension request with "zero" balance due amounts. **Note - we are no longer automatically e-filing extensions even if we prepared your 2024 tax returns. Our 2025 engagement letter must be signed before we can e-file your extension request, whether we prepare any calculations or not.**

PENALTIES

You are required to have a minimum amount for withholding and/or estimated tax payments during the year to avoid any potential penalties for underpayment of your tax. As a result, it is important to review your withholding and estimated tax payments before the end of the year. If you do not meet the minimum amounts, you should increase your withholding or make an estimated tax payment as soon as possible.

REMOTE WORKING AND MULTI-STATE TAX RETURNS

We continue to see more clients moving among states and/or working remotely or taking on the super-commute (live in one state and fly to another state to work). Unfortunately, determining state income sourcing has become a complex tax issue, especially since most state laws haven't been updated for the blurring of state lines. State audits are increasing for out-of-state income sourcing and there's been added pressure on employers to accommodate remote workers and handling out-of-state payroll tax withholdings. We bring this up to make sure you are aware of the tax return complexity and risk of audits, and also as a reminder to contact us during the year if this may apply to you. We can review your situation to confirm you have sufficient income tax withholding deducted for the correct state and/or if you should be paying state estimated tax payments.

INTERVIEW AND DROP-OFF OPTIONS

We offer tax interviews by phone or Zoom. Diane offers a limited number of face-to-face appointments in Fremont from 2/16/26 through 2/18/26. You can also schedule a 10-minute appointment with Diane to drop off your tax package during this week. **Please contact Diane by phone or email no later than January 31 to reserve a time.** We continue to encourage all clients to provide tax documents and completed organizers electronically. Documents and organizers can be uploaded to your [ShareFile](#) account (preferred method), sent via secure email, or provided via flash drive. Again, electronic transmission is not required and we understand if it's easier for you to continue to provide paper documents. Paper documents and completed organizers can be sent via FedEx, UPS or USPS to our private mailbox ("PMB") in Sisters, Oregon. As Diane continues her gradual implementation of semi-retirement, be sure to include both of us in your emails regarding questions or tax information.

PAPERLESS ORGANIZERS AND TAX RETURNS CONTINUE

The following continues for the 2026 tax season:

- **Organizer packages** – Organizers will be e-mailed or mailed via USPS by **January 15, 2026**.
 - ✓ PDF organizers ~ Your complete organizer will be sent via email as PDF attachments. Engagement letters can be signed electronically, questionnaires can be filled out within Adobe, and your personal organizer can be completed in certain Adobe versions. Alternatively, all these items can be printed at home, completed by hand and then scanned or mailed to us. **Please email Becky before December 31 if you would like your organizer in PDF fill-in format.**
 - ✓ Paper organizers ~ For those of you who have requested paper organizers in the past, I will do the same again for 2025 unless you tell me otherwise. *A reminder never hurts, though!*
 - ✓ E-organizers ~ We no longer offer the E-organizers generated by our software provider.
- **Completed tax returns** – Paper tax return copies are not provided unless specifically requested each year. In addition to the environmental impact and many clients telling us that paper copies are no longer wanted; this decision was made as a way for us to streamline our tax season hours. Completed tax returns will be uploaded to Sharefile without your social security number. When your tax returns are complete, I will send you an email with your results, payment instructions and options. Any original documents you sent to us will be returned by FedEx.
- **Payment vouchers** – Payment vouchers will not be provided due to recent government changes. I will continue to provide detailed online payment instructions for any balances due and/or estimates.

REFERRALS

We have always appreciated your confidence by referring your friends and family to our firm. However, to better service our existing long-term clients, we are not accepting new clients at this time.

HOLIDAY HOURS

We wish you and your families a very enjoyable holiday season and a prosperous new year. Diane and I will be available on a limited basis by phone or email during our firm's holiday break between Monday December 22 to Friday January 2. We encourage you to contact us with any year-end questions before December 12 to ensure a timely answer.

Sincerely,

Rebecca Perry Diane Ferg

Friedman & Perry
Certified Public Accountants

