



**TaxAct** Professional

# Tax Season Readiness Guide

TY25

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# Key Changes for TY25

## Section 1: TY25 One Big Beautiful Bill Changes

### Key Changes for The One Big Beautiful Bill Act

#### Extension of the TCJA

The One Big Beautiful Bill Act makes permanent the individual and corporate tax rate reductions introduced in the 2017 Tax Cuts and Jobs Act (TCJA), which were previously set to expire.

#### SALT Deduction Cap Increase

The state and local tax (SALT) deduction cap increases from \$10,000 to \$40,000 for households earning less than \$500,000, effective through 2029.

#### Enhanced Child Tax Credit

The child tax credit increases to \$2,200 per child starting in 2025, with a refundable portion capped at \$1,400. The credit is indexed to inflation.

#### Senior Deduction Introduction

A new \$6,000 deduction for taxpayers aged 65 and older is introduced, phasing out for individuals earning over \$175,000 and couples over \$250,000.

#### R&D Expensing Reinstated

The bill allows expensing for domestic research and experimental (R&E) expenditures. Section 70302 allows small businesses (businesses with gross receipts of less than \$31 million) to treat research and experimental expenditures as immediately deductible in taxable years beginning after December 31, 2021.

#### No Tax on Tips and Overtime Pay

For tax years 2025 through 2028, tips and overtime pay may qualify for an above-the-line deduction.

#### Elimination of Certain Green Energy Tax Breaks

Several tax breaks created by the Inflation Reduction Act will be eliminated. This includes the EV tax credit, and the credits for energy-efficient home improvements — like upgrading windows, insulation, or HVAC systems — will expire after December 31, 2025.

#### Car Loan Interest Deduction

For tax years 2025 through 2028, an above-the-line deduction of up to \$10,000 each year for interest paid on a qualified passenger vehicle loan may be claimed.

# Key Changes for TY25

## Section 2: TY25 Tax Rate Schedules

### Heads of Households

If Taxable Income is Over:	But Not Over:	The Tax is:
\$0	\$17,000	10% Minus \$0
\$17,001	\$64,850	12.0% Minus \$340.00
\$64,851	\$103,350	22.0% Minus \$6,825.00
\$103,351	\$197,300	24.0% Minus \$8,892.00
\$197,301	\$250,500	32.0% Minus \$24,676.00
\$250,501	\$626,350	35.0% Minus \$32,191.00
\$626,351	---	37.0% Minus \$44,718.00

### Married Individuals Filing Joint Returns and Surviving Spouses

If Taxable Income is Over:	But Not Over:	The Tax is:
\$0	\$23,850	10% Minus \$0
\$23,851	\$96,950	12.0% Minus \$477.00
\$96,951	\$206,700	22.0% Minus \$10,172.00
\$206,701	\$394,600	24.0% Minus \$14,306.00
\$394,601	\$501,050	32.0% Minus \$45,874.00
\$501,051	\$751,600	35.0% Minus \$60,905.50
\$751,601	---	37.0% Minus \$75,937.50

**Married Individuals Filing Separate Returns**

<b>If Taxable Income is Over:</b>	<b>But Not Over:</b>	<b>The Tax is:</b>
\$0	\$11,925	10% Minus \$0
\$11,926	\$48,475	2% Minus \$238.50
\$48,476	\$103,350	22% Minus \$5,086.00
\$103,351	\$197,300	24% Minus \$7,153.00
\$197,301	\$250,525	32% Minus \$22,937.00
\$250,526	\$375,800	35% Minus \$30,452.75
\$375,801	---	37% Minus \$37,968.70

**Unmarried Individuals Filing Separate Returns**

<b>If Taxable Income is Over:</b>	<b>But Not Over:</b>	<b>The Tax is:</b>
\$0	\$11,925	10.0% Minus \$0
\$11,926	\$48,475	12.0% Minus \$238.50
\$48,476	\$103,350	22.0% Minus \$5,086.00
\$103,351	\$197,300	24.0% Minus \$7,153.00
\$197,301	\$250,525	32.0% Minus \$22,937.00
\$250,526	\$626,350	35.0% Minus \$30,452.75
\$626,351	---	37.0% Minus \$42,979.75

**Estates and Trusts**

<b>If Taxable Income is Over:</b>	<b>But Not Over:</b>	<b>The Tax is:</b>
\$0	\$3,150	10% of the Taxable Income
\$3,151	\$11,450	\$315 Plus 24% of the Excess Over \$3,150
\$11,451	\$15,650	\$2,307 Plus 35% of the Excess Over \$11,450
\$15,650	---	\$3,777 Plus 37% of the Excess Over \$15,650

# Key Changes for TY25

## Section 3: Credits, Deductions, Exclusions, and More

### Standard Deduction

Married Filing Jointly/Surviving Spouse	\$31,500
Single	\$15,750
Head of Household	\$23,625
Married Filing Separately	\$15,750
Dependent Taxpayers	\$1,350

### Additional Standard Deduction

### 65+ or Blind

Married/Surviving Spouse	\$1,600
Unmarried	\$2,000

### Adoption Credit

Maximum Credit	\$17,280
Phase Out Range	\$259,190 — \$299,190

### Annual Exclusion for Foreign Earned Income

Foreign Earned Income Exclusion	\$130,000
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### Annual Exclusion for Gifts

Gift Tax Exclusion	\$19,000
Exclusion for Gifts to a Non-Citizen Spouse	\$190,000

### Cafeteria Plans

Cafeteria Plans	\$3,300 (Maximum Carryover - \$660)
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**Capital Gains Tax Rates**

Type of Return	Joint Return / Surviving Spouse	Heads of Household	Married Filing Separate	All Other Individuals	Estates and Trusts
Maximum Zero Rate Amount	\$96,700	\$64,750	\$48,350	\$48,350	\$3,150
Maximum 15% Rate Amount	\$600,050	\$566,700	\$300,000	\$533,400	\$15,450

*The 20% rate begins when taxable income exceeds the amounts listed in the 15% rate row.*

**Education Credits**

American Opportunity – Maximum Credit	\$2,500 Per Eligible Student
Phase Out Threshold – Joint Filers	\$160,000 — \$180,000
Phase Out Threshold – All Other Filers	\$80,000 — \$90,000
Lifetime Learning – Maximum Credit	\$2,000 Per Tax Return
Phase Out Threshold – Joint Filers	\$160,000 — \$180,000
Phase Out Threshold – All Other Filers	\$80,000 — \$90,000

**Educator Expense Deduction**

Maximum Deduction	\$300 (\$600 Filing Jointly with Both Spouses Being Eligible Educators). <i>Starting in 2026, educator expenses will become an itemized deduction without the \$300 per educator limit.</i>
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**Education Savings Bond Exclusion**

Phase Out Range – Joint Filers	\$149,250 — \$179,250
Phase Out Range – All Other Filers	\$99,500 — \$114,500

**Earned Income Credit**

Number of Qualifying Children				
Item	One	Two	Three or More	None
Maximum Amount of Credit	\$4,328	\$7,152	\$8,046	\$649
Threshold Phaseout Amount (Single / Surviving Spouse / Head of Household)	\$23,350	\$23,350	\$23,350	\$10,620
Completed Phaseout Amount (Single / Surviving Spouse / Head of Household)	\$50,434	\$57,310	\$61,555	\$19,104
Threshold Phaseout Amount (Married Filing Jointly)	\$30,470	\$30,470	\$30,470	\$17,730
Completed Phaseout Amount (Married Filing Jointly)	\$57,554	\$64,430	\$68,675	\$26,214

**Health Flexible Spending Accounts**

Maximum Salary Deduction Contribution	\$3,300
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**Health Savings Account****Self-Only****Family**

HDHP Deductible	\$1,650	\$3,300
Out-of-Pocket Expense Cap	\$8,300	\$16,600
Maximum Contribution	\$4,300	\$8,550 (Additional Contribution of \$1,000 for Eligible Individuals Age 55 or Older)

**Individual Retirement Account Deduction**

Maximum Contribution	\$7,000
Catch-Up Contribution Age 50 or Older	\$1,000 (\$8,000 Maximum Deduction)
Phase Out Range – Joint Filers	\$126,000 — \$146,000
Phase Out Range – Single / HOH	\$79,000 — \$89,000
Phase Out Range – Married Filing Separately	\$0 — \$10,000
Phase Out Range – Joint Filer / Active Participant Spouse	\$236,000 — \$246,000

### Long-Term Care Insurance Deduction

Attained Age Before the Close of the Taxable Year	Limitation on Premiums
40 or Younger	\$480
Older Than 40, But Not More Than 50	\$900
Older Than 50, But Not More Than 60	\$1,800
Older Than 60, But Not More Than 70	\$4,810
Older Than 70	\$6,020

### Medical Savings Accounts

### Self-Only

### Family

	Self-Only	Family
HDHP Deductible	\$2,850 — \$4,300	\$5,700 — \$8,550
Out-of-Pocket Expense Cap	\$5,700	\$10,500

### Mileage Allowances

Standard Business Mileage Allowances	70 Cents Per Mile
Medical and Moving Allowance	21 Cents Per Mile
Charitable Contribution	14 Cents Per Mile
Depreciation	33 Cents Per Mile

### Retirement Savings Contribution Credit

Credit Rate	Married Filing Jointly	Head of Household	All Other Filers (Single / Married Filing Separately / Qualifying Widow(er))
50% of Contribution	AGI Not More Than \$47,500	AGI Not More Than \$35,625	AGI Not More Than \$23,750
20% of Contribution	\$7,501 — \$51,000	\$35,626 — \$38,250	\$23,751 — \$25,500
10% of Contribution	\$51,001 — \$79,000	\$38,251 — \$59,250	\$25,501 — \$39,500
0% of Contribution	More Than \$79,000	More Than \$59,250	More Than \$39,500

**ROTH IRA Contribution**

Maximum Contribution	\$7,000
Catch-Up Contribution Age 50 or Older	\$1,000 (\$8,000 Maximum Deduction)
Phase Out Range – Joint Filers	\$236,000 — \$246,000
Phase Out Range – Single/HOH	\$150,000 — \$165,000
Phase Out Range – Married Filing Separately	\$0 — \$10,000

**Social Security Taxes**

Maximum Net Taxable Self-Employment Earnings	\$176,100
“Nanny Tax” Threshold	\$2,800

**Student Loan Interest Deduction**

Maximum Deduction	\$2,500
Phase Out Range – Joint Filers	\$170,000 — \$200,000
Phase Out Range – All Other Filers	\$85,000 — \$100,000

**Transportation Fringe Benefits**

Vanpool/Transit Pass Monthly Exclusion	\$325
Qualified Parking Monthly Exclusion	\$325

# TY25 Checklists

Get organized and prepared well in advance for the upcoming tax season.

## RENEWALS, SOFTWARE, ENROLLMENT

- Verify License Renewals**  
Check to make sure these authority licenses are valid and paid for: PTIN, EA, and state.
  
- Secure Your EFIN**  
EFIN, file an [application online](#).
  
- Renew Your Tax Software**  
Or take the time to evaluate other options. Want to see what TaxAct Professional has to offer? Download a [free evaluation](#) version of our software now or call (866) 563-1974 to speak with our friendly sales team.
  
- Research and Purchase Tax Tools**  
We highly recommend looking into [TheTaxBook](#). Plus, our customers receive a special discount on WebLibrary Plus. Originally \$389, TaxAct Professionals pay just \$299 for this award-winning tax research solution.
  
- [Enroll in Bank Products](#)**  
Enroll in Pay-by-Refund, Cash Advance, and/or Software Purchase Assistance. Give our bank product specialists a call to learn more: (319) 536-3571.
  
- Finalize Continuing Education**  
Complete any necessary continuing education prior to 12/31/2025. We now offer CPE. [Learn more](#).

## WITHIN YOUR TY25 SOFTWARE

- Order Software and [Download](#) TY25 Version Upon Release
  
- Import TY24 Clients
  
- [Add/Remove](#) Preparers
  
- [Update/Review](#) Master Information
  
- Review/Update Settings
  
- Review/Update Preferences
  
- Update [Master Billing](#)
  
- Run TY24 Reports
  
- Confirm Appointment Manager
  
- Perform a Faux Tax Return**  
To better understand your software's new features.

## OFFICE TASKS

- Clean Office and Desk**  
Start TY25 off on the right foot by reorganizing and tidying up your office space.
- Organize Files From the Prior**  
Sort all paperwork and backup TY24 files.
- Order Supplies**  
Streamline your W-2 and 1099 filing with TaxAct-compatible forms from Nelco. From start to finish, you'll enjoy an easy, reliable process backed by expert support. Order today at [NelcoSolutions.com/TaxAct](https://NelcoSolutions.com/TaxAct).
- Consider Staffing**  
Analyze staffing needs and create a game plan for hiring and onboarding seasonal help.
- Print Handy One Sheets / Important Info at a Glance**  
Easily reference tax code changes, deduction amounts, CTC, etc. with these handy resources.
- Download the Tax Calendar**  
Download and print [TaxAct Professional's Tax Calendar](#) and update with any additional dates specific to your practice.
- Obtain Insurance Bond / Business Insurance**

## ONLINE BUSINESS NEEDS

- Update Online Business Information**  
Online review pages, website, social media accounts, and any other directories your company is listed within.
- Update Anti-Virus and Security Software**
- Address Gaps in Privacy and Data Safety**  
Download TaxAct Professional's [Data Security Plan Guide](#) for assistance. Then, consider offering [Protection Plus](#) to provide comprehensive audit assistance services to your clients.
- Create Marketing Content**  
Prepare social media posts, create and schedule emails, update business cards, etc.
- Set Promotional and Referral Discounts**
- Incorporate Integrated Products**  
Easily process credit, debit, and ACH payments from your clients using [integrated payments, powered by Drake Pay](#).

# Important Calendar Dates

When preparing for TY25.

## FEDERAL HOLIDAYS

### 2025

- September 1 – Labor Day
- October 13 – Columbus Day / Indigenous Peoples' Day
- November 11 – Veterans Day
- November 27 – Thanksgiving Day
- December 25 – Christmas Day

### 2026

- January 1 – New Year's Day
- January 19 – Martin Luther King Jr. Day
- February 16 – President's Day / Washington's Birthday
- May 25 – Memorial Day
- June 19 – Juneteenth National Independence Day
- July 4 – Independence Day
- September 7 – Labor Day
- October 12 – Columbus Day / Indigenous Peoples' Day
- November 11 – Veterans Day
- November 26 – Thanksgiving Day
- December 25 – Christmas Day

## EVENTS & WEBINARS

### Training for TaxAct Professionals

Stay in the know with TaxAct Professional's [educational resources](#), including training videos and a calendar of webinars, trade shows, and events.

## IRS DATES

Get additional IRS due dates by clicking [here](#).

### 2024

- September 16 – Deadline for Extended Partnerships and S-Corporation Returns
- September 30 – Deadline for Extended Trusts and Estates Returns
- October 15 – Deadline for TY23 Individual Tax Returns
- October 16 – Deadline for TY23 Extended C Corporation Returns
- November 15 – Deadline for TY23 Exempt Organizations Returns
- December 29 – TaxAct Professional Software Discount Ends, 5:00 p.m. CST
- December 31 – 2023 PTINs Expire

### 2025

- January 22 – First Day to File a Federal Tax Return
- January 22 – IRS E-Filing Goes Live
- April 15 – Tax Day
- October 21 – TY25 Extensions are Due

# Resource Directory

Important links for you to have at your fingertips all tax season long.

## IRS

[Forms and Publications](#)

### Popular Topics

- [Additional Guidance](#) – Advanced Energy Projects
- [Tax Relief in Disaster Situations](#)
- [Energy Efficient Home Improvement Credit](#)
- [Guidance](#) for Domestic Content Bonus Credit
- [Tax Inflation Adjustments](#) for Tax Year 2024

[Newsroom](#)

[Tax Calendar](#)

[Tax Information for Professionals](#)

## Other

[Consumer Financial Protection Bureau](#)

[EFTPS](#) (Electronic Federal Tax Payment System)

### Popular Tax and Accounting Associations

- [AICPA & CIMA](#)
- American Accounting Association - [AAA](#)
- [American Society of Tax Professionals](#)
- National Association of Enrolled Agents – [NAEA](#)
- National Association of Tax Professionals – [NATP](#)
- [Latino Tax Pro](#)
- National Conference of CPA Practitioners – [NCCPAP](#)
- New Jersey Society of Certified Public Accountants – [NJCPA](#)
- National Association of Accountants – [NSA](#)
- National Society of Tax Professionals – [NSTP](#)
- National Tax Association – [NTA](#)

[US Code](#)

[US Tax Code Online](#)

## On-Demand Webinars and Guides

[Directory](#) of Federal Tax Return Preparers with Credentials and Select Qualifications

### Downloadable Guides

- Bank Products for Tax Preparers – [Downloadable PDFs](#)
- [Client Facing Guide](#) – Minimize Your Tax Liability in 10 Simple Steps
- [Guide](#) to Building a Referral Program
- [Guide](#) to Creating a Data Security Plan
- [Stay Up to Date](#) on New Guides as They're Launched

[On-Demand](#) Training Videos

### On-Demand Webinars

- 2025 Pricing [Workshop](#)
- Basics and Beyond of Crypto Taxation [Webinar](#)
- eSignature [Webinar](#)

## Popular Help Topics

- [1120 Net Operating Loss \(NOL\) and Form 1139](#)
- [Amortization](#) – Business Start-Up and Organizational Costs
- [Apply/Verify](#) Your EFIN
- [Capital Gains and Losses](#) – Transaction Adjustment Codes
- [Form 709 – Gift Tax](#)
- [Form 8910 – Alternative Motor Vehicle Credit](#)
- How to Sign Up for [Text Message Alerts](#)
- [Tax Cuts and Jobs Act](#)

State Program Release [Dates](#)

Support Help Topic [Links](#)

# Tax Industry Contact List

Numbers to add to your phone and keep on your computer or desk, should you need them at any point during the tax season.

## Call the [IRS](#) with Tax Questions

- Individuals: (800) 829-1040 | 7:00 a.m. — 7:00 p.m. Local Time
- Businesses: (800) 829-4933 | 7:00 a.m. — 7:00 p.m. Local Time
- Non-Profit Taxes: (877) 829-5500 | 8:00 a.m. — 5:00 p.m. Local Time
- Estate and Gift Taxes (Form 706/709): (866) 699-4083 | 8:00 a.m. — 3:30 p.m. ET
- Excise Taxes: (866) 699-4096 | 8:00 a.m. — 6:00 p.m. ET
- Callers Who Are Hearing Impaired: TTY/TDD (800) 829-4059
- Interpretation Services: For assistance in Spanish, call (800) 829-1040. For all other languages, call (833) 553-9895.

[Local IRS Office](#)

[Local Taxpayer Advocate](#)

Protection Plus: (866) 942-8348

## Republic Bank

- Check Verification: (866) 631-1040
- ERO Support: (866) 491-1040
- Taxpayer Support: (866) 581-1040

## Santa Barbara TPG

- Tax Pro Support (New to TPG): [sbtpg.com/contact-us/](https://sbtpg.com/contact-us/)
- Tax Pro Support (Existing Client): (800) 779-7228
- Taxpayer Support: (800) 901-6663

## Other Contacts

TaxAct Professional Sales: (866) 563-1974

TaxAct Professional Customer Support: (319) 731-2682

TheTaxBook: (866) 919-5277

Protection Plus: (866) 942-8348

Community Tax: [taxactpro@communitytax.com](mailto:taxactpro@communitytax.com)

# Powerful, professional tax software.


Find prices you'll love and  
a support team who cares.



#1 in Overall Satisfaction in 2025 [NATP Member Survey](#)\*

Category	TaxAct Score	Highest Rank?
Overall Satisfaction	93%	Yes
Ease of Learning Software	98%	Yes
Accuracy - Federal Law	98%	Yes
Ease of E-filing	98%	Yes

## Contact Our Sales Team:

 (866) 563-1974

 [Prosales@taxact.com](mailto:Prosales@taxact.com)

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