"THE NEWSLEDGER"

WE CAN NOT BELIEVE THAT OUR 50TH YEAR ANIVERSARY IS ABOUT TO END. THIS YEAR ALONE HAS BEEN FULL OF WONDER AND SURPRISES. A NEW PRESIDENT, HIS ONE BIG BEAUTIFUL TAX BILL, ONE OF OUR SENIOR MEMBERS GETTING MARRIED (FOR THE FIRST TIME), A NEW YOUNG EXCITING MEMBER JOINING OUR LEADERSHIP TEAM, A KEY PLAYER IN HAPPY RETIREMENT AND A GREAT SCHEDULE OF CELEBRATION EVENTS – A FANTASTIC AND APPROPRIATE CULMINATION OF 50 YEARS OF SUCCESS! A TOAST TO 50 MORE!

MARYLAND EMPLOYERS BEWARE – SET UP "MARYLAND SAVES" ACCOUNTS OR BE PROSECUTED!

The new "Maryland Saves" program is a state-sponsored retirement plan that most businesses who have Maryland employees must offer. The plan offers employees a voluntary, automatic, low-cost, portable retirement and savings program. All Maryland businesses that use an automated payroll system are required to either offer a retirement plan or sign their employees up for the Maryland Saves program. Businesses that do sign up will receive an annual waiver of the $300 personal property filing fee. There are no employer contribution requirements, and the administrative fees are paid from the employees' accounts. There are no annual reporting requirements. If an employee signs up for the plan he/she will have 5% of his income withheld as a ROTH IRA payment, subject to federal ROTH IRA rules and regulations.

IF YOU GAMBLE – UNCLE SAM WINS – ALWAYS!

All gambling winnings are taxable – sometimes even when your costs exceed your gains! Gambling expenses are only deductible for taxpayers who itemize their deductions on Schedule A of their 1040 forms. If you take the standard deduction – you are out of luck – your entire winnings are taxable! Beginning in 2026 even if you itemize your deductions only 90% of your losses can be used to offset your reported winnings. Now even winners are "IRS LOSSERS"!

NEWS FROM AROUND OUR WORLD THAT MAKES MY HEART GO PITTER-PATTER!

- The federal law known as the Corporate Transparency Act that required all small businesses to electronically report information about themselves and their owners to the Financial Crimes Enforcement Network has been repealed. The director of "FINCEN" says that her agency intends to delete any and all information that has here-to-date been gathered.

- Federal estate and gift portability elections are very important. Portability allows a married decedent's unused federal estate and gift tax exemptions to pass through to the surviving spouse. The transfer is not automatic; an estate makes the election by timely filing an estate tax return.

- IRS's allowable simple per diems for meals and lodging are up to $319 tax-free daily in high-cost areas and $225 in other places. For meals and incidentals only the rates are $86 per day for high cost areas and $74 elsewhere.

- If you are trading in digital currency sales expect your brokerage firm to send you and the IRS a 1099 information form this year.
- Four states have no state or local sales tax. They are Delaware, Montana, New Hampshire and Oregon.
- A new simplified student loan program is on tap which should produce federal savings in excess of $270 billion.
- Federal student debt presently exceeds $1.7 trillion affecting over 43 million borrowers.
- The new GENIUS Act sets up a new regulation framework and consumer protections for stablecoins.
- The FAA presently limits Boeing's aircraft production to 38 units per month; in 2026 the monthly production will increase to 42.
- The TSA recently announced that you can now keep your shoes on during screening.
- Look for a 9% increase in health care costs for 2026.
- Federal officials have proposed a new $100,000 fee for employers to bring high-skilled workers into the USA.
- U.S. food prices increased by 24% from 2020 to 2024.
- Data-center demand for electric power will increase by 22% this year – and triple by the end of the decade.
- The Federal Reserve is clearly more worried about jobs than inflation as evidenced by its slow interest rate reductions
- The increase in the Consumption rate has decreased from 3.4% in 2024 to 1.5% in 2025. Interest rates are consequently falling.
- The U.S. is helping a struggling financial Argentina by making a $20 billion currency swap.
- The travel industry is gradually improving and 2026 is anticipated to be a boomer year; especially for business travel.
- American liquor imports to Canada have fallen by 85% during this year.
- China has a chokehold on the global rare earth industry. They are restricting quantities to countries they are unhappy with and are undercutting foreign competitors with unrealistic low prices.
- Farmers are struggling to find customers as they have produced record crops of corn and soybeans this year.
- Artificial intelligence tools can make a new employee as or more productive than an experienced worker.
- Solar's share of power in the U.S. has increased from 4% in 2024, to 7% in 2025, and is expected to exceed 8% for 2026.
- U.S. passport holders are now subject to visa-free access to 182 global destinations; 10th on the world index; our lowest ranking in the past 20 years.
- Sales of guns in the U.S. are down for the fourth consecutive year. Background checks are the lowest since 2018.
- Europe is now the top source of military aid to Ukraine.
- The Biden regulations banning most noncompete agreements have been scrapped by the Trump administration.
- A record low 54% of adults now say they drink alcohol . Pot has taken over with young adults ages 18 to 34.
- Three-year college degrees are now in vogue. The programs are titled

"accelerated bachelor's workforce specialists" and focus on core subjects.

- Big business private fleet drivers now exceed the number of for-hire and drivers at trucking farms combined with independent contractor drivers.

- Space X is probably going to dominate the future of satellite phone services. Space X can now deliver text as well as voice and internet services directly to smartphones.

- Traffic deaths on U.S. roads have declined more than 8% during the first half of 2025, as compared to 2024.

- Trade school enrollment is on the rise. Fall enrollment has increased by 1.1 million students, or an increase of about 5.5% over the prior year.

- Nippon Steel's purchase of U.S. Steel is a done deal! The U.S. government will hold a so-called golden share which prevents any efforts to move the company's headquarters out of Pittsburgh, change its name, transfer jobs or move production outside of the U.S.

- Encounters with illegal migrants at America's southern border have hit a historic low – from a prior year monthly average of 90,000 to less than 6,000 per month.

- January and February are the cheapest months to fly, thanks to the shrinking demand following the holidays.

- Look for the holiday season spending to increase by about 3% over last year.

- There are presently over 1.1 million international students enrolled in U.S. colleges. More than 277,000 are from China. Expect these numbers to drop substantially in 2026.

- The U.S. born population of college-going young adults is expected to fall by 15% between 2026 and 2029.

- Social Security recipients will receive a 2.8% increase in their benefits for 2026.

NEW TAX LAW (OBBB) NEW TAX FORMS

Many of the tax changes in Trump's Big Beautiful Bill take effect for 2025. The $6,000 senior deduction for taxpayers 65 and older, the tax write-offs for up to $25,000 of qualified tips and the $12,500 of overtime pay deduction; per qualifying individual, all begin in 2025. Also on the purchase of a new vehicle you can write-off the interest incurred on automobile loans beginning in 2025. These deductions are available to taxpayers who claim the standard deduction as well as those who itemize for years beginning in 2025 and ending in 2028. Be aware that all of these deductions are subject to adjusted gross income limitations. The state and local tax deduction limit has increased from $10,000 to $40,000. Nonitemizers can deduct $1,000 each for charitable cash gifts beginning in 2026.

"ONE BIG BEAUTIFUL BILL" AND OTHER EDIBLE TAX SWEETS

- The One Big Beautiful Bill (OBBB) extends or makes permanent many of the tax reforms in President Trump's original first-term tax reduction bill.

- The OBBB makes permanent the gift and estate tax exemption and allows it to be adjusted annually for inflation. The exemption is $13,990,000 for 2025 and increases to $15,000,000 for 2026.

- The special estate tax valuation of farm and business real estate rises to $1,460,000 for 2026, and is valued based on its current use.

- The annual gift tax exclusion is $19,000 for 2026.

- You can now take up to a $17,280 deduction for qualified adoption expenditures. ($17,670 for 2026). Be aware there are modified adjusted gross income limitation rules that apply.

- The maximum 401(k) contribution for individuals is $23,500 for 2025. Simple plan contributions max out at $16,500. Older taxpayers can make catch-up contributions.

- IRS is requesting that taxpayers use their alternative dispute resolution programs to resolve tax disagreements. Their newest program is titled the "Post Appeals Mediation" plan. This process is post-appeals and pre-tax court.

- A nonprofit organization set up to benefit one individual does not qualify for a tax exemption according to the IRS.

- Against IRS wishes Congress passed a bill that would authorize contingency fee arrangements for tax preparer services.

- You can now transfer up to $108,000 directly from your IRA plan to a charity for 2025. The withdraw is not taxable to you, however you must be 70 ½ or older to participate.

- The IRS is phasing out paper check refunds. If proper bank information is not supplied, expect long refund delays and nasty letters from your Uncle Sam!

- Most premiums paid for long-term medical care policies are deductible medical expenses.

- The fine for failure to report overseas accounts is $10,000. The penalty for willful violations is the larger of $100,000 or 50% of the highest balance in the account.

- The IRS anticipates starting its tax filing season for 2026 around Presidents' day – about a month late.

- Don't expect any help from IRS this year as they have reduced their tax payer service group by more than 9,000 workers.

- The Social Security wage base increases to $183,600 for 2026.

- The standard deduction for 2025 for joint filers is $31,500; for singles $15,750 and $23,625 for heads of households.

- The child tax credit for 2025 is $2,200. The refundable portion is $1,700.

- There is now a new tax-advantaged savings account for young children beginning in 2026. You can contribute up to $5,000 to the account each year and the federal government will automatically put $1,000 per account for children born after 2024 and before 2029. Contributions are not deductible.

SMALL BUSINESS STOCK – AN UNBELIEVABLE TAX HAVEN!

Investors in regular "C" corporate small business stock get an amazing capital gains tax break. Individuals who acquire qualified small business stock after September 27, 2010 and sell it more than five years later can exclude 100% of their gain. The amount of excludable gain is capped at the greater of 10 times your stock basis or $10 million ($15 million if purchased after July 4, 2025) Qualifications include that the shares must be acquired in an original issuance, the C corporation must be a qualified small business when you acquire the stock, the firm's original gross assets cannot exceed $75 million and at least 80% of the small business assets must be used in the active conduct of a qualified trade or business.

THE "ONE BIG BEAUTIFUL BILL" TAX BREAKS FOR BUSINESSES, ETC.

- The bill reinstates and makes permanent the 100% first-year bonus depreciation of qualified business assets with lives of 20 years or less put in use after January 19, 2025.

- Firms can now fully deduct the cost of manufacturing production facilities.

- For 2025 Section 179 equipment expensing increased to $2.5 million, subject to the phase out rules beginning when $4 million of assets are placed in service during the year.

- The full expensing of domestic research and development costs is permanently restored.
- The small business 20% qualified business income deduction is now permanent.
- Tax professionals must now have acquired a preparers tax identification number (PTIN) in order to prepare a federal returns for a fee. The PTIN annual fee for 2026 is $18.75.
- The bottom 50% of income tax filers paid 2.96% of the total federal income taxes last year. The top 1% of individual filers paid 41% of all U.S. federal income taxes last year.

THE COURT REJECTS TRUMP RECIPROCAL TRADE TARIFFS!

President Trump used his national emergency powers to impose reciprocal tariffs on various trade countries. However, the United States Court of International Trade ruled that a state of emergency was not proven, thus voiding his tariffs. Subsequently, the Appeals Court allowed the reciprocal tariffs to continue until the tariff issue completed its progression through the legal system. In Trump's first term his tariffs were supported by the law that allows for tariff retaliation against countries that discrimination against United States exports. It is possible that he could again use this law, however the implementation must be done on a country-by-country basis and takes a lot of time to implement.

PROFESSIONAL SPORTS PROFITS ON THE RISE!

It is estimated that professional sports in North America will generate more than $50 billion in revenues this year. By 2030 the revenue should exceed $70 billion. This year the NFL will exceed $25 billion, MLB will exceed $12 billion, while the NHL, WNBA and Major League Soccer are setting attendance records. In conjunction with the increase in revenue and attendance comes the increased appetite for sports betting. Last year legal sports betting generated $14 billion in revenue – the most ever; up 25% from the previous year.

GHOSTS HAUNT THE IRS

The IRS is hunting and sniffing out income tax preparers who charge to prepare income tax returns, but refuse to actually sign said returns. Recently the IRS sent out over 10,000 letters to taxpayers requesting they identify if any ghost preparers actually prepared their returns. Many people replied and identified the non-signature preparers. IRS's criminal investigators are presently pursuing the most egregious of these illegal ghost preparers.

"B"OB "A"ND "D"AVES DAD JOKES

How does Santa stay germ free during the Holidays? He uses a hand santa-tizer!

What did the wise men say after they offered up their gifts of gold and frankincense? But wait, there's myrrh.

What happens if you eat Christmas decorations? You get tinsel-itis!

What is worse than a lobster on your piano? Crabs on your organ!

What do you call a dog that lives in the basement? A subwoofer!

What is a chicken's favorite brand of shoe? Re-bok-bok-bok.

It is nothing new women complaining that their husbands never listen to them! Well I am proud to say that I have never heard my wife say that!

Why did the chicken go to the gym? To work on his pecks.

My wife thinks it's really weird that I stand and stare at the window during heavy thunderstorms! I think it would be a lot less weird if she let me in the house!

I changed the name of my toilet from John to Jim – My friends are all impressed when I tell them I go to the Jim 4 to 5 times a day!

My wife asked me to toast the bread – so I grabbed a beer and raised my glass to bread!

What do you call a woman who puts all her bills in a stack and sets them on fire? Burnadette!

What do you call a five foot tall psychic who escaped from jail? A small medium at large!

Last night I was in the bathroom and my wife yelled honey, do you ever get a shooting pain across your body like someone has a voodoo doll of you and they are stabbing it? I replied “um no” after a few seconds she said “how about now”?!

ZIMMERMAN & ASSOCIATES EVENTS

Our new youthful staff continues to grow! Z&A has added two new professionals to our accounting and financial staff. Kayla Ferguson is a graduate of American University where she focused on law and finance. Like our own founding member, Bob, she minored in psychology! Her talents lean toward critical thinking and common-sense things this world sorely needs. Carly D’Alessio joins us after training with an Owings Mills accounting firm. She holds a Bachelor of Science in Business degree from West Virginia University. Look for this college cheerleader to cheer her way to the top of Z&A with care and emotion – a team player for certain!

Carol Zimmerman just returned from spending two weeks helping her daughter, our website artist, Jamie, settle into her new home and professional writing position in Portland, Maine. Jamie holds two master’s degrees. Her latest master’s degree is a critical writing Master of Fine Arts from Oregon State University which qualified her for this new professional writing position. Look for future books written by Jamie Zimmerman!

Rich and Mary formally exchanged their wedding vows on Friday October 3rd. The ceremony and reception were held at the renowned Hampden restaurant True Chesapeake, located along the scenic Jones Falls waterway. In true Rich fashion, the momentous occasion began with the sounds of an authentic Viking horn. The pair has decided to delay their honeymoon until the fall of 2026 with a trip to Sicily currently in the works.

Speaking of Viking horns, Rich led a horde of 18 people up to his adoptive home state of Minnesota to attend the Ravens vs Vikings football game in early November. The trip was a smashing success (for the 17 Ravens fans) as Rich guided the group to some of his favorite sights, attractions and restaurants in the Twin Cities area. Unfortunately for him, the final score was Ravens 27 – Vikings 19. The rumors are true, Rich cries purple tears.

Everyone’s favorite accountant Dave, attempted to take a calming adults only cruise around the Bahamas, only to be continually harassed by a giant nasty stubborn hurricane! The ship, passengers and crew were forced to flee from its frightening clutches to finally hide out at its final destination – the Turks and Caicos all inclusive island. Dave is now safe at home!

WELL HERE WE ARE – STILL CELEBRATING THE END OF OUR FIFTIETH YEAR OF BUSINESS – AGAIN LET US SAY THANK YOU TO THE MANY, MANY FRIENDS MADE OVER THESE PAST FIFTY YEARS – NOW IT’S TIME TO BEGIN OUR NEXT FIFY YEARS!

SPEND THE HOLIDAYS IN LOVE AND CHEER! KISS THE ONE YOU LOVE – BUT DON’T LET SANTA SEE!! FAITH, CARING, TRUST AND DEVOTION – WHAT CHRISTMAS IS ALL ABOUT!

FOOD FOR THOUGHT

50 seconds, 50 minutes, 50 hours, 50 days, 50 months, “50 YEARS” – TIME SURELY IS THE RHYTHM OF THE SOUL!