TAX TIP TUESDAY – WAYS TO SPOT AND AVOID SCAMS DURING TAX SEASON

Be sure to watch for urgent requests, pressure to act quickly, and offers that seem too good to be true. This would include unsolicited contact, requests for personal information and unusual payment methods (wire transfers, gift cards).

Recent scams include the following: (1) Impersonation scams, where the scammer pretends to be from a trusted entity like a bank or the IRS and tricks you into sending money or providing personal information, (2) Tech support scams where a pop-up or call will claim your computer is infected with a virus and you need to pay for "support" to fix it, or (3) Grandparent scam, where scammers call pretending to be a grandchild in trouble who needs money immediately and asks you not to tell anyone. To help prevent this scam within your family, set up a code word among family members that can be asked during these types of calls to identify the person on the other line.

If you believe you are a victim of a scam:

- Contact your bank and credit card company.
- Report the scam to local authorities.
- If the scammer obtained your username and password-
  - Create a new, strong password: 12 -16 characters long that contains a mix of upper and lowercase letters, numbers, and symbols.
  - Avoid using identifiable information like your birthday, addresses, names of family members or pet's name.
  - It is recommended you create new passwords every 3 months.
- If you paid with a gift card – contact the company that issued the gift card. Tell them it was used in a scam and ask them to refund you the money.
- If you sent cash by US mail- contact the U.S Postal Inspection Service at 877-876-2455 and ask if they can intercept the package.
- If the scammer obtained your social security number – go to and see what steps to take, including how to monitor your credit.

TAX TIP TUESDAY – VERIFYING FEDERAL AND NEW YORK REFUND STATUS

If you are anticipating a refund from either the IRS or the State of New York and you want to determine the status, you can access online tools via the agencies' websites to obtain a status update.

1. Federal Refund Status

- Use the 'Where's My Refund? tool at .
- Required information: Social Security Number, filing status (Single, Married filing joint, Head of household etc.) and exact refund amount.
- Updates are available 24 hours after e-filing or 4 weeks after mailing a paper return.
- Stages: Return Received, Refund Approved, Refund Sent.
- Common tips
  - When entering the data above, you can use the "?" website feature to assist where to find information on your return such as the refund amount.
  - The IRS will provide the refund status results which could include that the return is still in process, or the refund was issued on a specific date as a direct deposit to a bank account.

2. New York Refund Status

- Use the NY Refund Status Tool on the state tax website.
- Required information: Tax year, Social Security Number, and form filed (e.g., IT-201).
- Updates may take a few days after e-filing or several weeks for paper returns.
- NY will provide the refund status which could include: (1) return is still in processing or (2) return has been processed. A refund is scheduled to be issued on a specific date.

When verifying the status of your refunds, be sure to enter the details exactly as on your return. Be sure to avoid third party sites and always use the official IRS or state portals.

TAX TIP TUESDAY – HOME SALE? KNOW YOUR TAX EXCLUSIONS

If you sell your primary residence, you may exclude up to $500,000 of gain if filing jointly or $250,000 if filing single. To qualify for the $500,000 exclusion, one spouse must meet the ownership test, and both must meet the use test.

If your spouse dies and you have not remarried, you may claim up to the $500,000 exclusion if the home sold was your principal residence, the sale occurs within two years of your spouse's death and all requirements for the exclusion were met before your spouse's death.

You may qualify for a reduced exclusion if you sell your primary residence before two years due to an employment change, health reasons, or other unforeseen circumstances.

When calculating potential gain from the sale, the cost of your home will include the purchase price plus acquisition costs (legal fees, title insurance, transfer taxes) and any capital improvements that increase the value or extend the life of the home.

Common examples of capital improvements include the following: Room additions (bedroom, bathroom, garage, deck), kitchen and basement remodeling, roof, siding, and window replacements, HVAC, plumbing, and electrical system upgrades, insulation, new flooring, landscaping, driveways, swimming pools, and permanent outdoor structures.

TAX TIP TUESDAY – CLAIMING GAMBLING LOSSES: WHAT'S NEW FOR 2026

For Tax Year 2025, you can deduct 100% of your gambling losses up to the total amount of your gambling winnings. Any excess losses cannot be carried forward to future years.
To claim your losses, you must itemize your deductions on Schedule A of Form 1040. If you take the standard deduction, you cannot deduct any of your gambling losses.

Important for Tax Year 2026: As of January 1, 2026, deductible gambling losses will be limited to 90% of the losses, still capped at the total amount of winnings.

Example of the 2026 Rule

Scenario (2026)	Winnings	Losses	90% of Losses	Allowable Deduction (Lesser of 90% Losses or Winnings)	Taxable Income
Break-even	$10,000	$10,000	**$9,000**	**$9,000**	**$1,000**

Net Loss	$20,000	$25,000	**$22,500**	**$20,000**	**$0 (Deduction capped at winnings)**
Net Win	$50,000	$40,000	**$36,000**	**$36,000**	**$14,000**

TAX TIP TUESDAY – ESTATE TAX THRESHOLDS FOR 2025 & 2026

An estate tax return must be filed if the total value of a decedent's estate is greater than $13,990,000 in 2025 and greater than $15,000,000 in 2026. The return must be filed within nine months of the decedent's date of death unless a six-month extension to file the return was approved by the IRS. In 2025, the **portability** provision of the federal estate tax exemption remains in effect, allowing a surviving spouse to use their deceased spouse's unused federal estate tax exclusion amount (DSUE). To benefit from portability, the executor of the deceased spouse's estate must file a federal estate tax return (IRS Form 706) even if no estate tax is owed. This return is generally due within nine months of the date of death, although a special five-year extension may be available for estates not otherwise required to file.

For 2025, the New York (NY) State estate tax exemption is **$ million per person**. For 2026, the NY estate tax exemption will increase to $7,350,000 per person. Estates valued at or below this amount are generally exempt from NY state estate tax.

NY law includes a "cliff" provision whereby if an estate's value exceeds 105% of the exemption amount (approximately $ million in 2025), the entire estate becomes subject to taxation, not just the amount over the threshold.

Unlike the federal system, the NY estate tax exemption is not portable between spouses. This means that a deceased spouse's unused exemption cannot be transferred to the surviving spouse, making proper estate planning crucial for married couples. While NY does not have a gift tax, any taxable gifts made within three years of a resident's death are included in the decedent's estate for state estate tax calculation purposes.

TAX TIP TUESDAY – CHILD TAX CREDIT INCREASED + NEW TRUMP ACCOUNTS

Child Tax Credit

The child tax credit increased to $2,200 per qualifying child for the 2025 tax year. A qualifying child is a child younger than 17 years old by the end of the year, lived with his or her parents/guardians for more than half the year, claimed as a dependent on the taxpayer's return, not provide more than half of their own support throughout the year, be a U.S. citizen, and not file a joint tax return. Married filing joint taxpayers are eligible for the full child tax credit if their income does not exceed $400,000 in the 2025 tax year. All other taxpayers are eligible for the full credit if their income does not exceed $200,000 in the 2025 tax year.

Trump Accounts

Children who are US citizens and born between January 1, 2025, and December 31, 2028, are eligible to have a Trump Account. Households of any income may open an account and qualify for the one-time $1,000 contribution from the US government. Children born before January 1, 2025, who are under the age of 18 will also be eligible for a Trump Account with all its features, except for the $1,000 deposit from the government. Parents or guardians must set up and manage the account until a child turns 18.

IRS Form 4547 will need to be completed by the eligible child's parent or legal guardian to open a Trump account on behalf of a child. Form 4547 will also be used to request the $1,000 U.S. government's contribution to the account. Form 4547 can be filed with the parent or guardian's 2025 income tax return, by mail or online option which will be available mid 2026 at .

In May 2026, the Treasury Department will send instructions to individuals who applied for government funded accounts on how to activate them.

Excluding the government's $1,000 contribution, individuals (children, parents or guardians, grandparents, family members, friends, and employers) can contribute up to $5,000 per year into the account. Of this $5,000 limit, up to $2,500 per year can come from each parent's employer and will not count towards the parent's taxable income.

Contributions to Trump Accounts will be accepted starting July 4, 2026.

Deposits in Trump accounts must be invested in stock mutual funds or exchange traded funds mirroring the S&P 500 or another American stock index. Deposits cannot be withdrawn prior to the beneficiary turning 18 years old. After the child turns 18, the Trump account is treated as an IRA. Income withdrawals are taxed at ordinary income rates. Unless an individual meets certain exceptions when the money is withdrawn before age 59 ½, he or she will have their earnings subject to a 10% penalty.

TAX TIP TUESDAY – GIVE GENEROUSLY WITHOUT TAX SURPRISES

For tax year 2025 and 2026, the annual gift tax exclusion is $19,000. It is important to note that a taxpayer paying for medical care **directly** to a healthcare provider/institution on behalf of another and/or education expenses **directly** to an educational establishment on behalf of another (i.e. tuition) does not need to file a gift tax return for these types of contributions.

Qualifying medical expenses would include diagnosis, treatment or prevention of a disease, medical insurance premiums and long- term care services such as nursing home or assisted living facilities. Non- qualifying medical expenses would include amounts reimbursed by the donee's insurance, elective cosmetic surgery, and general wellness expenses such as a gym membership (unless prescribed by a physician for a specific condition).

If a taxpayer pays for school room/ board on behalf of another, the contribution amount does not fall under the exception noted above and a potential gift tax filing may be required.

TAX TIP TUESDAY – NEW STANDARD DEDUCTION AMOUNTS FOR 2025

The standard deduction amounts for all filing statuses increased for the 2025 tax year because of the One Big Beautiful Bill Act. Couples filing their return using the married filing jointly status qualify for the standard deduction of $31,500. Taxpayers using the single and married filing separately statuses qualify for the standard deduction of $15,750. Taxpayers that file their return using the head of household filing status qualify for the standard deduction of $23,625.

In addition, taxpayers who are age 65 or older or blind are eligible for additional deductions.

- For Single or Head of Household filers**:** an additional $2,000 per qualifying condition (e.g., $2,000 for age 65+ or $4,000 if 65+ and blind).
- For Married Filing Jointly, Married Filing Separately, or Qualifying Widow(er): an additional $1,600 per qualifying

individual (e.g., $1,600 if one spouse qualifies, $3,200 if both are 65+).

For someone who can be claimed as a dependent on another person's return, the standard deduction for 2025 is limited to the greater of:

- $1,350; or
- $450 plus their earned income (up to the basic standard deduction amount for their filing status).

Effective for 2025 through 2028, individuals age 65 and older may claim an *enhanced* additional deduction of up to **$6,000** (or $12,000 for a qualifying married couple). This deduction is available to individuals who either take the standard deduction or those who itemize, but it phases out for taxpayers with a modified adjusted gross income (MAGI) over $75,000 (single filers) or $150,000 (joint filers).

TAX TIP TUESDAY – DONATE SMARTER: QCDS EXPLAINED

Qualified Charitable Distributions (QCD) are taxable distributions that a taxpayer, age 70 ½ and older, would ordinarily receive from their IRA that instead are directed to a charitable organization at the taxpayer's request. The main benefit of a QCD is providing significant tax savings for retirees (age 70.5+) by allowing direct, tax-free transfers from an IRA to a charity, which lowers taxable income, helps satisfy required minimum distributions (RMDs), and can reduce Medicare surcharges and other income-based tax impacts, all without needing to itemize deductions.

To qualify for the QCD, the taxpayer should not receive the IRA distribution, as a direct transfer from the IRA to the charity is necessary. A taxpayer can elect to donate their entire RMD from their IRA to a qualified charitable organization.

TAX TIP TUESDAY – SHOULD YOU CONVERT TO A ROTH IRA?

If you have a significant balance in your traditional IRA, you may want to consider Roth IRA conversions. This can be done gradually over several years to manage tax brackets. If done properly, a multiyear approach could allow you to convert a sizable portion of your savings to a Roth IRA while limiting the tax impact. Keep in mind, withdrawals from your Roth account are tax free including both your contributions and earnings.

A suitable time to implement a Roth conversion is at retirement while your earned income decreases but before you are required to take your RMD which may potentially increase your income.

Conversion amounts will be taxable in the year the conversion taxes place. Another issue to be mindful of is making Roth conversions when you are close (within two years) to filing for Medicare and Social Security. A Roth conversion could increase your Medicare premiums and the taxes you pay on Social Security benefits.

If you are considering a Roth conversion, the payment of taxes should come from funds outside the IRA to maximize tax free growth. Avoid using the IRA funds for taxes to prevent early withdrawal penalties and reduce converted amount.

Roth conversions cannot be reversed so be sure it fits your long- term plan.
