



**Dear Clients,**

We at O'Brien Tax hope this letter finds you & your family well and we are looking forward to seeing you in the coming months. Due to the heavy volume of mailed letters & organizers returned to us unopened in the past, this year we will be sending our annual letter & tax organizer via email. You can also get it on our website [obrientax.com](http://obrientax.com). If you prefer a paper version you can stop by our office to pick up a copy, or we will mail upon request. We still request that you fill it out as there can be many changes that will impact your tax return.

### **Federal Updates**

**Due Dates-** This year marks the first year in a very long time that the filing deadline truly falls on April 15th. Partnership and Corporation tax returns have a deadline of March 17th. If you have not given us all your tax information by March 15th, you will be put on extension. If we issue 1099-NECs for your business we require every sub-contractor you pay to fill out a W-9 so we have the most up to date information by Jan 31st. Form W-9 can be found on [irs.gov](http://irs.gov) or on our website.

**Form 1099-DA-** This is a new form to streamline the reporting of cryptocurrency sales. The form is designed to fill the gaps in current tax collection regulations. The form requires brokers to provide detailed information on transactions, including the type and quantity of digital assets and business type.

**Retirement Plan Early Withdrawal Penalty Exceptions-** The following situations will allow you to withdraw early from your retirement plan without the additional 10% penalty. Victims of domestic violence may take a distribution of the lesser of \$10,000 or 50% of account value. \$1,000 may be withdrawn under the same rules for "personal financial emergency". There is no dollar limit if you are terminally ill. Fed & MA taxes still apply.

**Energy Efficient Credits-** The IRS pulled 100 tax returns who claimed an energy efficient credit and half were fraudulent, specifically for solar panels. For this reason please expect your refund to take longer while they evaluate which may include sending you a letter for verification. Please retain any receipts or paper trail.

**Clean Vehicle & Used Clean Vehicle Credits-** Car Dealerships are now allowing you to take this credit in advance to filing your tax return, through the dealership. It will still need to be reconciled on your tax return. If you are claiming this credit on your tax return, certain limits apply in regards to purchase price, total income, and car model.

**Standard Mileage Rates-** The 2024 mileage rates are .67 cents for business, .14 cents for charity, and .21 cents for medical.

### **Standard Deduction**

Filing Status	2024	2025
MFJ/QSS	\$29,200	\$30,000
HOH	\$21,900	\$22,500
Single	\$14,600	\$15,000
MFS	\$14,600	\$15,000
Additional for age or blindness		
MFJ/QSS	\$1,550	\$1,600
Single or HOH	\$1,950	\$2,000

111 Speen St  
Suite LL003  
Framingham, MA 01701  
(508) 655-3934

1024 Central St  
Palmer, MA 01069  
(413) 283-3340



## Income Tax Rates

2024 Beginning Threshold for Tax Rates							
	10%	12%	22%	24%	32%	35%	37%
S	\$0	\$11,601	\$47,151	\$100,526	\$191,951	\$243,726	\$609,351
MFJ, QSS	\$0	\$23,201	\$94,301	\$201,051	\$383,901	\$487,451	\$731,201
MFS	\$0	\$11,601	\$47,151	\$100,526	\$191,951	\$243,726	\$365,601
HOH	\$0	\$16,551	\$63,101	\$100,501	\$191,951	\$243,701	\$609,351
Estates and trusts	\$0	N/A	N/A	\$3,101	N/A	\$11,151	\$15,201

  

2025 Beginning Threshold for Tax Rates							
	10%	12%	22%	24%	32%	35%	37%
S	\$0	\$11,926	\$48,476	\$103,351	\$197,301	\$250,526	\$626,351
MFJ, QSS	\$0	\$23,851	\$96,951	\$206,701	\$394,601	\$501,051	\$751,601
MFS	\$0	\$11,926	\$48,476	\$103,351	\$197,301	\$250,526	\$375,801
HOH	\$0	\$17,001	\$64,851	\$103,351	\$197,301	\$250,501	\$626,351
Estates and trusts	\$0	N/A	N/A	\$3,151	N/A	\$11,451	\$15,651

## Massachusetts Updates

**MA Bank Interest-** There is no longer a deduction amount allowed on the MA tax return for interest accumulated from a MA bank.

**Amnesty program-** The program was so successful in 2024 that MA DOR may bring it back temporarily in 2025. The amnesty program will allow non-filers and taxpayers with outstanding tax liabilities to catch up on back taxes and save on penalties.

**Child & Family Tax Credit-** This credit has gone up \$130 from last year, making it \$440 for those who qualify for the full amount. This credit is refundable even if there is not a tax liability.

**Circuit Breaker-** The Circuit Breaker credit has also been extended for those 65 years+ who qualify, making the maximum amount available \$2,730.

**MA & CT Verification Letters-** States are sending out Verification Letters before releasing refunds, for various reasons. It can be as simple as an address change, change in direct deposit, or first time filer, etc. Please do not lose this letter as they will not reissue a second one.

Thank You for your continued business & support,

Bernice S. Begley, EA  
Abigail Begley, EA  
Liz Begley, EA

111 Speen St  
Suite LL003  
Framingham, MA 01701  
(508) 655-3934

1024 Central St  
Palmer, MA 01069  
(413) 283-3340