

January 6, 2026

Happy New Year! **Leighton & Longtin, CPA** wishes you all a prosperous and successful new year. The highlight of 2025 is The One Big Beautiful Bill Act (OBBBA), a wide-ranging tax and benefits law that introduces several new opportunities for individuals, retirees and families. Below is a brief summary of the key tax benefits included in the OBBBA that may apply to you.

## “TAX TALK”

**Increased SALT limit.** The biggest break for individuals in the OBBBA isn't new, but it's greatly expanded. The limit on the state and local tax deduction has been increased from \$10,000 to \$40,000. You must itemize your deductions to take advantage of the SALT deduction. The \$30,000 increase in the deduction limit starts phasing out for AGI above \$500,000.

**Deduction for Car Loan Interest.** There's a new deduction of up to \$10,000 for interest on car loans taken out after 2024 for the purchase of a new personal use vehicle assembled in the U.S. The deduction is allowed through 2028 and begins to phase out for AGI above \$100,000 (\$200,000 for joint returns). The deduction is available regardless of whether you itemize or take the standard deduction.

**Deduction for Tip Income.** There's a new deduction of up to \$25,000 for tips received by an individual in an occupation which customarily and regularly receives tips. The deduction begins to phase out for AGI above \$150,000 (\$300,000 for joint returns).

**Deduction for Overtime Pay.** This deduction allows you to deduct up to \$12,500 (\$25,000 on joint returns) for qualified overtime pay that's required to be paid at time and a half by federal law. The deduction begins to phase out for AGI above \$150,000 (\$300,000 for joint returns).

**Deduction for Seniors.** The OBBBA added a new \$6,000 per person deduction for all individuals who have reached age 65 before the end of the tax year. The senior deduction begins to phase out for AGI above \$75,000 (\$150,000 for joint returns).

Our “eSignature” program continues to be very successful and popular. This program allows the e-file authorization forms (Form 8879) to be signed electronically via email. Questions arise as to the code used when signing the form. We use each taxpayer's social security number (no dashes) as the code. For businesses it is the EIN of the company (no dashes).

We are offering an “auto fill” version of our income tax questionnaire which we included in our email delivery. We encourage you to use either the standard .pdf version or the autofill version and to upload the questionnaire along with your supporting documents using our secure client portal. A link to the portal can be found in the attached email or via our website [www.leightonandlongtin.com](http://www.leightonandlongtin.com).

We ask you to please fill in as much of the enclosed questionnaire as possible to assist us in the preparation of your tax return. Please also note we must have your tax information no later than Monday, March 23, 2026, to guarantee its completion by the filing due date of Tuesday, April 15, 2026.

Whether by zoom, email, phone or in person, all of us at Leighton & Longtin, CPA look forward to working with you in the coming weeks and want to thank you for your loyalty and friendship over the years.

**Leighton & Longtin, CPA**