

TaxBrief

Keeping you informed

Mid-Year Check-in for Individual Taxpayers

IRS expands online tax debt help tools

The IRS has expanded its online tools for taxpayers who owe federal tax debt, making it easier to request payment plans and installment agreements electronically. While these tools may streamline the process, taxpayers should carefully evaluate their options before entering into an agreement with the IRS.

The IRS Tax Debt Help tool and Online Payment Agreement application walk users through a series of questions to identify potential resolution options based on the amount owed.

Because penalties and interest continue to accrue until balances are paid in full, choosing the right resolution strategy matters. Before you commit to anything online, reach out to our office. We can walk through the numbers together, evaluate whether other relief options may be available and make sure you're not leaving money on the table.

If you've received an IRS notice or are struggling with a tax balance, let's talk before you click "submit" on anything.

Be aware of evolving scams and fraud schemes

The IRS recently released its annual "Dirty Dozen" list highlighting tax scams. This year's list includes phishing emails, fake refund claims, social media misinformation and AI-generated scams impersonating the IRS.

It's important to remember that the IRS does not initiate contact via email or social media. Fraudsters often create fake IRS websites. They'll use QR codes or demand immediate payment through gift cards. Be sure to avoid clicking suspicious links or downloading unknown attachments.

Gambling reporting thresholds increased this year

Even if you don't receive a Form W-2G, all gambling income remains reportable regardless of whether a form is issued. Beginning in 2026, the reporting thresholds for issuing a W-2G for certain gambling winnings, including slot machine winnings, will increase from \$1,200 to \$2,000.

Pay close attention to sports wagering reporting requirements as online betting continues expanding nationwide. It's important to keep accurate records and to understand that withholding requirements may apply to certain wagering transactions.

Third-party reporting rules continue evolving

If you earn income from freelance work or side jobs, you might see a change in how your income is reported this year. Electronic filing compliance and information return reporting amounts have increased. These thresholds may reduce filing volumes for some businesses while increasing reconciliation responsibilities for others.

For businesses that receive payments through third-party settlement organizations, the new reporting threshold requires a 1099-K to be issued if the payee received \$20,000 in payments and completes more than 200 transactions through online marketplaces or third-party payment processors. The reporting threshold for Forms 1099-MISC and 1099-NEC increased to \$2,000.

Missing account information can delay refunds

Even small data-entry mistakes can delay refunds or trigger IRS notices requiring additional verification. Common issues include incorrect bank account

numbers, missing taxpayer identification information, mismatched names and incomplete direct deposit details. In many situations, the IRS must manually review returns before issuing refunds, which can significantly slow processing times.

Carefully verify direct deposit details, review Social Security numbers before filing and ensure names match IRS records exactly. Healthcare changes may affect premium tax credit planning.

Increased health insurance costs are a concern for families and self-employed individuals. Changes in household income, marketplace insurance enrollment, and advance premium tax credit calculations can affect refund amounts and even create a balance due. Remember to report income changes and household updates promptly throughout the year to minimize repayment issues during filing season. Contact your marketplace representative or visit <https://www.healthcare.gov/contact-us/> to update your information.

IRS focuses on digital asset reporting

The IRS continues to increase enforcement and reporting efforts related to digital assets, including cryptocurrency and other virtual currency transactions. Many taxpayers still misunderstand that digital assets create taxable events even when those transactions do not involve traditional cash withdrawals.

Taxpayers must answer the digital asset question appearing on federal tax returns and report their taxable transactions, including sales, exchanges and certain payments received in digital currency. So keep me informed of any crypto trading activity, NFT transactions, staking rewards, mining income and peer-to-peer transfers that you may participate in.

Planning IRA conversions

As retirement planning conversations continue to evolve, IRA conversions remain an important topic for pre-retirees and retirees.

Converting traditional IRA assets into Roth IRAs may help some taxpayers manage future required minimum distributions (RMDs) and create tax-free retirement income opportunities. However, these conversions may also increase current-year taxable income, affecting credits, deductions and even Medicare premiums.

To help reduce unintended tax consequences, consider spreading partial conversions across multiple years. I can help you evaluate current and future tax brackets, estimated tax payments and how additional taxable income can impact that year's tax return.

Above-the-line charitable deduction returns in 2026

The *One Big Beautiful Bill Act* included an above-the-line charitable contribution deduction beginning in 2026, creating an opportunity if you don't itemize deductions. While additional guidance may still be issued in the coming months, this deduction of up to \$1,000 in cash donations for single taxpayers or up to \$2,000 for married filing joint taxpayers can reduce taxable income. The donations must be made to IRS-approved charities, however.

Trump accounts generate new planning questions

Trump Accounts continue to generate attention as everyone evaluates how they may affect long-term savings and retirement planning for their children born between Jan. 1, 2025, and Dec. 31, 2028.

To receive a \$1,000 deposit from the government, parents must file Form 4547 to open a Trump Account for their child. You can download the Trump Account app (available on the Apple App Store or Google Play) or visit <https://trumpaccounts.gov/>.

Starting July 4, 2026, children will begin receiving initial \$1,000 deposits from the government and accounts can begin accepting contributions from parents, grandparents and other eligible contributors, up to the annual limit of \$5,000.

