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MAJOR TAX LAW CHANGES FOR 2025 Part I

The key provisions from the Tax Cuts and Jobs Act (TCJA) of 2017 are set to expire Dec. 31, 2025. With a Republican-led White House and Congress, policymakers are projected to preserve a majority of the TCJA provisions, but they will need to find a source of funding for the extensions.

Many provisions in the TCJA will expire on December 31, 2025, unless Congress steps in with new legislation.

What is the annual gift tax exclusion for 2025 on amount in 2025, \$19,000 per donor per recipient; \$38,000 for married couples without incurring the gift tax.

The lifetime estate and gift tax exemption for 2025 rises to \$13.99 million.

- In 2025, the maximum amount of taxable earnings for Social Security is \$176,100 total is 12.40% split between employees and employers. Only Social Security tax has a wage base limit, there is no wage base limit for Medicare tax which is 2.90%

For the 2025 KIDDIE tax, year 2025 the first \$1,350 of a child's unearned income qualifies for the standard deduction, the next \$1,350 is taxed at the child's income tax rate, and unearned income above \$2,700 is taxed at the parent's marginal income tax rate.

For digital asset sales to occur in 2025 the broker must complete Form 1099-DA. However, the broker may voluntarily report this basis information.

Starting in 2025, if you receive a payment for the sale of goods or services through apps or online marketplaces and haven't provided them with a valid taxpayer identification number, they must withhold 24 percent of the payments that are reportable on Form 1099-K. required to report payments on Form 1099-K when the total amount of payments you receive for goods or services through the platform exceeds: \$2,500 in 2025 and \$600 in 2026 and after.

The purpose of this presentation is for educational purposes only, you have to seek professional advise from your own financial and/or tax advisors.