

## MURPHY FINANCIAL SERVICES, INC.

June 2026 update

There are some updates to the tax code that take effect in 2026 from the One Big Beautiful Bullshit Bill. If you have any questions regarding these things, let me know.

Nonitemizers can deduct charitable donations up to \$1000, \$2000 for joint returns.

Taxpayers who itemize can still deduct charitable donations. There are some small reductions for some people. Make sure you keep documentation of your donations.

If you are at least 70 ½ years old you can make direct charitable donations from your IRA and that distribution is tax free to you. The money must go directly from the IRA to the charity. Since older people aren't required to take RMDs from their IRAs until they are 73 now, this is a way to reduce the value of your IRA for 2 or 3 years before the RMD kicks in.

If you work at a place that has flexible spending for day care, the limit has been increased to \$7500 (up from \$5000).

If you have gambling winnings, you can only deduct your losses if you itemize your deductions. Beginning in 2026, only 90% of losses can be deducted (down from 100%). For the state of Wisconsin there is still no deductions allowed so all gains are taxable.

1099-Misc and 1099-Nec no longer need to be filed unless you pay out at least \$2000 (up from \$600).

Teachers are able to deduct up to \$350 per year for their out of pocket classroom expenses.

The 2026 business mileage rate is 72.5 cents per mile. The charitable mileage rates remains at 14 cents per mile while the medical mileage rate falls to 20.5 cents per mile.

Seems like we are all dealing with death lately. It doesn't help if their assets have not been setup properly ahead of time. If you want to make things easier (one less thing to stress about) make sure:

You have a will (especially if you have minor children)

Any bank accounts include another person on the account (making it a joint account)

Any IRAs, pensions, and retirement accounts have beneficiaries listed on them

Any investment accounts either have beneficiaries listed on them or they are titled Transfer on Death to the person/people you want them to go to

Any real estate you have should be titled as transfer on death.

All these things make things easier at death.

We are still looking for donations for our June 14 fundraiser, Bowling for Brandy. The bowling tournament is filled so you can join us for \$20 and have a fun filled special day. We can still use bottles of wine for the wine pull, raffle baskets or items, or just donations.

Sharon