Online Advisor – October 2025

Upcoming dates:

October 15

- Filing deadline for extended 2024 individual and C corporation tax returns

October 31

- Halloween

Tax rules aren't set in stone...what worked last year might not work this year. If you're not keeping your tax strategy up-to-date, you could be inviting a bigger bill from the IRS. In this month's issue, we're breaking down practical tax tips to help you stay ahead and keep more of what you earn.

Also learn how to lower your property tax bill, financial tips that sound like common sense, and how to graduate with zero student loan debt.

As always, should you have any questions, please call. And feel free to forward this information to someone who could use it!

Key Tax Planning Topics to Consider

The U.S. tax code is constantly changing. What saved you money last year might cost you this year. Between shifting income thresholds, changing deduction rules, and overlooked credits, you now need to stay focused on your tax plan throughout the year. Here are several bits of tax wisdom that can help you lower your bill to the IRS.

Phaseouts matter (a lot). A lot of tax breaks, such as child tax credits, tax benefits for college costs, or the new senior deduction don't disappear all at once. Instead, they phase out slowly as your income rises. This means earning a bit more could quietly cost you some of these benefits.

What you can do: *Keep an eye on how much income you're showing on paper and how it will impact these phaseouts. You might be able to stay in the sweet spot so you don't lose the value of your deductions or credits by putting more into your retirement account or timing when you receive certain payments.*

Are itemized deductions going the way of the dinosaur? Not so fast! Yes, the standard deduction is now higher than ever ($31,500 for married couples, $15,500 for singles in 2025), which has made itemizing less common. But with an increase of the state and local tax (SALT) deduction from $10,000 to $40,000, you may be shifting back to itemizing your deductions without realizing it.

What you can do: *Don't assume you'll be taking the standard deduction again this year. Add up your potential itemized deductions, especially if your expenses vary, to see how close you are to being* *able to itemize. Consider bunching charitable contributions or property taxes into one year to clear the standard deduction hurdle.*

Timing is everything (especially with capital gains). If you sell assets held longer than a year, you'll likely qualify for long-term capital gains rates (0%, 15%, or 20%). But miss that time by even a day and you could pay ordinary income rates, which can be nearly double. Strategic timing can also help you harvest losses to offset gains and reduce your overall tax bill.

What you can do: *If possible, hold investments that are profitable for at least one year and a day before selling to qualify for lower tax rates. Use end-of-year tax-loss harvesting to offset gains, and stagger sales across tax years if needed.*

Don't sleep on the Qualified Business Income deduction. If you're a small business owner, self-employed, or even a gig worker, you may be eligible for a 20% deduction on your qualified business income. Planning how and when revenue hits your books could make or break your eligibility for this significant deduction.

What you can do: *Review how your business is structured and how much income you're reporting. You may be able to reduce taxable income through retirement contributions, shifting income between years, or reclassifying your business activities.*

Tax-deferred doesn't mean tax-free. Traditional 401(k)s and IRAs offer tax deferral, not tax elimination. When you withdraw funds in retirement, you'll pay ordinary income tax on the distributions. If you expect to be in a high tax bracket in retirement, it may be a better idea to contribute to a Roth account now and pay taxes up front.

What you can do: *Schedule a planning session to discuss whether diversifying your retirement accounts between traditional and Roth makes sense for your situation. Also consider planning for the timing of distributions from these accounts to be as tax efficient as possible. Run long-term tax projections to decide which type of contribution makes sense today. Consider partial Roth conversions during lower-income years.*

Tax planning isn't a once-a-year scramble, but rather a year-round strategy. And with these pieces of prevailing tax wisdom, you can be better prepared to cut your tax bill. Please call if you have any questions about your tax situation.

Property Taxes: What Every Homeowner Should Know

Property taxes are still on the upswing in many parts of the U.S. To help get a handle on your property taxes, here's a look at what goes into determining your bill and a few ideas that may help to reduce it.

Background

Property taxes are typically calculated using two factors:

- The assessed value of your property (set by your local assessor)
- Your local tax rate (set by schools, counties, fire departments, etc.)

Why this matters: *Even if your home's value doesn't change, your tax bill can go up if any of the taxing authorities raise their rates. And while setting the tax rates is usually a legislative process, establishing the value of your property often has judgement applied.*

Ideas to lower your property tax bill

- **Understand and adhere to the calendar.** Challenging the value of your property requires an understanding of the process for doing so AND hitting the proper deadlines. If there's an appeals process, know it and make sure you meet their deadlines or you could be out of luck for that year.
- **Challenge your property's assessed value.** You have the right to appeal your property's assessment by filing a formal appeal with your local assessor. If you can show your home was assessed for more than it's worth compared to similar homes, you might get your tax bill reduced. If you want to appeal, you need to act fast. There are typically just a few weeks each year to appeal your assessment. So mark the date and gather evidence early if you plan to dispute it. But do your homework! Collect actual sales of similar properties that show a lower sales price, and be ready to defend the condition of your property if it is an older home. Assessors are quick to dismiss complainers with no facts to back them up.
- **Claim all exemptions and eligible tax breaks.** Contact your local assessor's office to see what exemptions you can claim. Many states and counties offer breaks for veterans, people with disabilities, low-income households, older residents and those in designated areas like historical districts or disaster zones.
- **Compare local tax rates before you buy or move.** Property taxes are determined locally by counties, cities, or school districts, which means two identical homes in nearby ZIP codes can have drastically different tax bills. So always check the local tax rate before you buy or move. Look at the history of property taxes in your target neighborhood and see how it changed over

the past several years. Then compare it with other homes in the area to ensure the rate increase is consistently applied.

- **Calculate the tax impact of renovations before building.** Adding a new deck or renovating your kitchen may increase your home's assessed value, especially if the county finds out through permits or a property inspection. So even if you don't sell your home, upgrades can mean a bigger tax bill. Some areas reassess properties automatically after building permits are pulled. So always factor in long-term tax implications when upgrading your home.
- **Review your lot details for unused land.** Your property tax bill covers not only the value of your house, but also the value of your land. If part of your property can't be used, like wetlands, steep slopes, or areas with easements, ask your assessor if your bill can be adjusted.

Property taxes are one of the few taxes you can actually fight and get lowered. But you can't do that if you don't understand how the system works. So don't just pay the bill without looking at it. There's often money to be saved if you understand the details.

Be Debt-Free: Graduate With Zero Student Loans

A growing number of students are saying no to paying for higher education with student loans. Here's how to join the growing number of students graduating debt-free, often by using unconventional approaches.

- **Serve before studying: Military service.** Military enlistment remains one of the most reliable routes to a fully-funded education. The *Post-9/11 GI Bill* not only covers in-state public tuition or contributes toward private schools, but also provides housing stipends, book allowances, and even the option to transfer unused benefits to a spouse or child. Active-duty personnel and reservists can also qualify for other tuition assistance programs that cover college courses taken during service.

  Potential tradeoffs: *Enlistment requires several years of service, during which you may face deployments, relocations, and the demands of military life. While these experiences can provide leadership skills and career discipline, they also delay immediate entry into civilian education or employment.*
- **The gap year that pays off.** Delaying college to work full-time is another strategy for avoiding student loans. By taking a gap year, or even several years, students can earn a steady income, build savings, and gain valuable work experience before stepping onto a campus. Postponing college also gives students time to clarify their goals. A year or two in the

workforce provides insights on career paths that can be used to make more intentional choices about their fields of study.

Potential tradeoffs: *Taking time away from academics can make it harder for some to get back into a rhythm of rigorous coursework. Some students risk losing academic momentum altogether. A delayed start also means graduating later, which can postpone entry into certain careers.*

- **Beating the clock: Accelerated and AP credit.** Students may be able to enter college with a head start, sometimes as a sophomore instead of a freshman, by maximizing Advanced Placement (AP) courses or dual-enrollment credits while still in high school. In addition to AP credits, some universities now offer formal three-year or accelerated degree tracks designed to condense a traditional four-year program into a shorter time frame.

  Potential tradeoffs: *The pace of accelerated education can be demanding. Students often carry heavier course loads, enroll in summer or winter sessions, and have less flexibility for internships, study abroad, or part-time work. In some cases, moving through requirements quickly can limit the exploration of different majors or electives.*

- **Employer-sponsored degrees.** More companies are offering tuition assistance or direct sponsorship for employees pursuing degrees or certifications as the competition for talent increases. Some companies partner directly with universities or online programs, creating a simple pathway for workers to earn degrees in fields related to their jobs. Many employers now extend these opportunities beyond management, also offering assistance to front-line workers in retail, hospitality, healthcare, and manufacturing.

  Potential tradeoffs: *Balancing work and study can be challenging, often stretching degree timelines to five or more years. Some programs require employees to remain with the company for a set period after graduation, tying educational opportunities to job loyalty.*

While student loans remain the norm for many, the rise of debt-free graduates shows that alternatives do exist. These paths may be unconventional, but they show that a college degree or technical certification doesn’t have to mean decades of repayment.

Analog is Suddenly Cool Again

In a time when information is always at our fingertips and digital tools dominate daily life, there's something quietly appealing about picking up a pencil, winding a watch, or playing a record.

Here's what appears to be driving the trend to operate without screens or batteries.

Imperfection is the new perfection

Technology has continually moved us towards digital precision. Photos can be edited until flawless, music can be perfectly tuned, and every word can be polished by spell-check. But sometimes, that perfection feels a little flat.

Analog technology brings back what modern tools often smooth away: small imperfections. The soft crackle of a vinyl record adds character to the music. A Polaroid's uneven exposure becomes part of its charm. A typewritten page might have a slightly tilted *e*, but it reflects the hand of the person who made it.

In a world filled with polished, curated images, the imperfections of analog offer a feeling of authenticity.

The slow life is a statement

Need a song? Stream it instantly. Want to send a message? Sent to the other side of our planet in 0.3 seconds. But speed has a catch: it flattens experiences.

Shooting film forces you to slow down. You don't get 1,000 shots, you get 36 (if you're lucky). Writing with a fountain pen is deliberate. Even making a mix tape on cassette – pausing, rewinding, recording in real time – demands a kind of presence that modern tech rarely asks of us.

Ironically, in a hyper-connected world, the true luxury is slowness. Analog tech is the ultimate status symbol because it's proof you can take your time.

Objects with weight and memory

A file on your phone weighs nothing. It can vanish without warning, courtesy of a corrupted drive or forgotten cloud password.

Analog stuff on the other hand, such as records, notebooks, and physical photographs, have weight. They occupy space. They age, and in aging, they gain character. A dog-eared book isn't just a copy...it's your copy, with coffee stains from that trip you took in 2017 and the faint smell of sunscreen from the day you left it on the beach.

In a world of momentary pixels, analog gives us artifacts.

Why analog deserves your attention

With all this in mind, here's are some of the ways the analog revival can work in your favor:

- **You gain control.** Analog tools put you back in charge, whether it's a record player you can fix yourself, a notebook that can't crash, or a car that doesn't need a software patch to start.
- **You find balance.** In a world of speed and infinite choice, analog slows you down. It forces you to savor music, create works through knitting and hand crafting, or savor moments without constant interruptions or algorithmic nudges.
- **You create meaning.** Physical objects age, carry memory, and become part of your story in ways pixels never can. They ground you in reality, giving permanence to experiences that digital life often erases.

Analog tech's comeback isn't about rejecting the future, it's about rounding it out. It's about reminding ourselves that life isn't meant to be optimized in every way possible.

Financial Tips That Sound Like Common Sense

When it comes to personal finance, guidance is often delivered in quick, confident soundbites:

- *Open a high-yield savings account!*
- *Sign up for a rewards credit card!*
- *Buy your food in bulk to save money!*

On the surface, these suggestions sound like common sense. But managing your money is rarely this simple, as what works brilliantly for one person might not be the best move for someone else. Here's a closer look at a few common financial tips and how the hype holds up in practice.

#1 – High-yield savings accounts: A favorite low-risk move

Why they sound great: High yield savings accounts (HYSAs) are often promoted as a simple way to make your cash work harder. While a standard savings account may pay just 0.01% interest, many HYSAs offer more than 4% APY, a major boost if you're building an emergency fund or saving for short-term goals.

The reality check: Everyone should consider better yields for their everyday funds. To not do so is simply giving this money away to the bank. But you need to be smart. Putting this money in CD's often includes a hefty early withdrawal penalty. So find accounts with reasonable rates and then know how to transfer the money penalty-free to transaction accounts when you need it. Remember, a 4% yield on $5,000 provides approximately $200 every year. Would you be willing to take $200 and throw it on the street? Most banks hope the answer is yes, so they can pick it up.

Worth the hype? *Yes, for the savvy consumer. While it won't change your financial situation, it helps establish best practices and encourages active management of your financial life.*

#2 – Credit card rewards: Free money or clever marketing?

Why they sound great: The pitch is to earn cash back, travel points, or perks for spending money you were going to spend anyways. Some cards even have generous sign-up bonuses worth hundreds of dollars.

The reality check: Credit card rewards can be lucrative, but only if you pay your balance in full every month. The second you start carrying a balance and paying interest, these rewards vanish into the void – lost in never-ending interest charges. Many cards also have annual fees, category restrictions, or minimum spend requirements that can lead you to overspend for the sake of earning points.

Worth the hype? *Yes, but only for those who DO NOT carry a balance from month to month. If you're debt-averse and organized, rewards cards are a tool, not a trap.*

#3 – Buying in bulk: The Costco/Sam's Club effect

Why it sounds great: The logic is simple: buying in bulk means paying less per unit. Warehouse clubs and bulk shopping apps promise you'll save a fortune on everything from cereal to toilet paper.

The reality check: Bulk buying can indeed slash your cost per item, but only if you use it and have the space to store it. So be careful with perishables you can't consume in time. And know your storage limits, especially for bulky items like paper towels.

Worth the hype? *If you have a large family the savings are easy to obtain. If not, you simply need to be a smart shopper or shop with a friend or two to share the bulk purchase and the savings.*

Financial tips are great, but only if you understand how they work and make them work for you and your situation.

Ideas to Identify and Manage Problem Accounts

As a small business, once you decide to extend credit to a customer, you now have a financial stake in continuing that relationship even if you suspect there might be trouble brewing.

Here are some ideas to help you manage this risk.

- **Develop a rating system.** Score each customer with a number. The number represents to whom you will sell on credit and how much risk you are willing to take. Also have scores that represent customers you will not bill and those who you will no longer take orders from because of credit risk. Develop a system to objectively assign the score. Payment history and external credit scoring reports are both good indicators of whether a particular customer will be an acceptable credit risk.
- **Consider credit applications.** Create a simple credit application. The application should be signed by the responsible party to pay the bill. If large credit amounts are expected, get a person to take personal responsibility to pay the bill. This will provide an additional means to

collect your money should the company fail to pay. You will need this signed document if you wish to use a collection agency to collect delinquent accounts.

- **Look at history.** Those to whom you provide a credit line must have their payment history monitored. If they are habitually late payers, reduce their credit line. If they frequently miss payments, move them to prepay only.
- **Create a notes section on your customer records.** Use this to record what a late paying customer tells you. Over time, this will reveal the customers who are honest and the customers who fail that test. This idea also provides continuity of communication for the customer that tries to tell different employees different stories.
- **Develop a collection system.** The best credit rating system starts with a receivable aging report run once a month. This will quickly show you current trouble customers and potential trouble customers. When a bill ages through the report, know what you are going to do to collect bills at 30 days, 60 days, 90 days and anything older than that.

Look for other signs of trouble. Train your team to be on alert for:

- Customers paying smaller invoices while larger invoices go unpaid.
- The customer fails to return your phone calls or shows annoyance at your inquiries.
- Your requests for information, such as updated financial statements, are ignored.
- The customer places multiple, large orders and presses you for a higher credit limit.
- The customer tries to coax you into providing a good credit report to another supplier.
- You get word that the customer's credit rating has been downgraded.

Remember, great customers can have sincere problems paying a bill. By having a good credit rating system, you can more readily identify the customers you want to accommodate to pay their bills and those customers whose activity should be suspended because they are truly problem accounts.

As always, should you have any questions or concerns regarding your tax situation please feel free to call.