



Anderson, Nill & Associates, Inc.

December 2024



Jennifer Anderson • President/CEO

Jennifer has led our team for over 10 years. She holds a Bachelor's Degree in Accounting and is a licensed Enrolled Agent with the IRS. Her main focus is income taxes and consulting. Jennifer enjoys puzzles, podcasts, and all things family. She welcomed granddaughter, Winry, and another daughter, Brooklynn, to her family in 2024.



Roxanne Oakley • Bookkeeping Div Mgr

Roxanne has been a constant face here since 1996. She manages bookkeeping and tax preparation for individuals and businesses. She is a licensed Enrolled Agent with the IRS. Roxanne enjoys spending time with her family, spoiling her grandkids, and following her passion for family history and genealogy.



Aaron Spangenberg • Bookkeeping Div Mgr

Aaron became a member of our team in June 2019. He manages bookkeeping and tax preparation for individuals and businesses. Aaron is a licensed Enrolled Agent with the IRS. He enjoys hunting, fishing, camping, photography, and spending time with his family.



JJ Linn • Account Manager

JJ joined our team in August 2022. He holds a Bachelor's Degree in Accounting and is a CPA. JJ is looking forward to building his bookkeeping and tax client base. JJ enjoys being a father of three girls and a husband of one – Jill. He also enjoys hunting, fishing, boating, and sports.



Sydney Nieman • Account Manager

Sydney became a member of our team in August 2021 and has been busy establishing her own bookkeeping client base. She is excited to keep developing her bookkeeping skills and plans to soon dive into the tax world as well. Sydney enjoys fishing, time with friends and family, and new adventures.



Hannah Anderson • Bookkeeper

Hannah joined the team in August 2021. As she's moved into more of a bookkeeping role, her next goal is to become an account manager. She spends all of her time with her girls, Zarya and Winry, but when she does get time away, she just tries to relax and catch up on sleep.



Arielle Isernhagen • Office Manager

Arielle joined our team in June 2022 as the office manager and data entry clerk. She is excited to continue expanding her knowledge of bookkeeping. She enjoys the outdoors, photography, spending time with family and friends, and cheering for the Green Bay Packers.



Carrie Harer • Executive Assistant

Carrie became part of our team in January 2019. Her work is largely behind the scenes as she carries out a variety of duties to complete special projects. Carrie enjoys gardening, crafting, time at the river with family, and embarking on adventures with her two boys.

No more missed calls!

We are now offering clients the option to receive a text message when their documents are ready at the office.

Text **ANATAXES** to 605-224-0311 to sign up for notifications!

By texting ANATAXES, you agree to receive promotional messages sent via an autodialer, and this agreement isn't a condition of any purchase.

Terms and Privacy Policy can be found at www.anderson-nill.com. You may receive up to 4 msgs per month. Reply STOP to unsubscribe or HELP for help. Msg & Data rates may apply.

Office Celebrations

The Anderson Nill team loves to celebrate work anniversaries, birthdays, holidays and a staff retreat!

This year was extra special with two staff weddings and a baby!

Follow us on Facebook: www.facebook.com/andersonnillandassoc



Anderson, Nill & Associates, Inc. operates under Internal Revenue Service Circular 230.

Did you know...

- The state minimum wage will increase from \$11.20/hour to \$11.50/hour for hours worked starting on Jan. 1, 2025. The hourly minimum wage for tipped employees will be \$5.75/hour, half the minimum wage for non-tipped employees. Wages and tips combined must equal at least the minimum wage.
- Estates of decedents who die during 2025 have a basic exclusion amount of \$13,990,000, up from a total of \$13,610,000 for estates of decedents who died in 2024.
- The annual exclusion for gifts increases to \$19,000 for calendar year 2025, up from \$18,000 for calendar year 2024.
- Partners and shareholders are strongly advised to keep annual form K1's indefinitely due to new IRS regulations requiring basis computations.
- Expiring Soon: 100% Bonus Depreciation expired on Dec. 31, 2022. It will decrease 20% each year thereafter, through 2026. It is 40% of cost in 2025.
- If turning 65 in 2025, don't forget to register for Medicare at www.ssa.gov.

401(k) and IRA Limits Increase for 2025

- The contribution limit for employees who participate in 401(k), 403(b), most 457 plans, and the federal government's Thrift Savings Plan will increase to \$23,500, up from \$23,000. The catch-up contribution limit for employees aged 50 and over remains \$7,500. A higher catch-up contribution limit of \$11,250 applies for employees aged 60, 61, 62 and 63.
- The amount an employee contributes from their salary to a SIMPLE IRA will increase to \$16,500, up from \$16,000. The catch-up contribution limit for employees aged 50 and over remains \$3,500. A higher catch-up contribution limit of \$5,250 applies for employees aged 60, 61, 62 and 63.
- The limit on annual contributions to an IRA remains at \$7,000. The IRA catch-up contribution limit for individuals aged 50 and over is subject to an annual cost-of-living adjustment but remains \$1,000 for 2025.

Will You Be Subject to Estimated Tax Payments?

The federal income tax is a pay-as-you-go tax. You must pay the tax as you earn or receive income during the year. There are two ways to pay as you go, either by employer withholding or making estimated tax payments.

Estimated tax. Estimated tax is the method used to pay tax on income that is not subject to withholding. This includes income from self-employment, interest, dividends, alimony, rents, gains from the sale of assets, prizes, and awards. You also may have to pay estimated tax if the amount of income tax being withheld from your salary, pension, or other income is not enough. Estimated tax is used to pay not only income tax, but self-employment tax and alternative minimum tax as well. If you do not pay enough by the due date of each quarterly payment period you may be charged a penalty even if you are due a refund when you file your tax return.

If you are filing as a sole proprietor, partner, S corporation shareholder, and/or a self-employed individual, you generally have to make estimated tax payments if you expect to owe tax of \$1,000 or more when you file your return. If you owed additional tax for the prior year (did not have enough withheld by employer), you may have to pay estimated tax for the current year.

General rule. In most cases, you must pay estimated tax for the current year if both of the following apply.

- 1) You expect to owe at least \$1,000 in tax for the current year, after subtracting withholding and refundable credits, and
- 2) You expect your withholding and refundable credits to be less than the smaller of:
 - a) 90% of the tax to be shown on your current year tax return, or
 - b) 100% of the tax shown on your previous year's tax return, if your previous year's return covered all 12 months.

Note: The percentage amounts may be different for a farmer, fisherman, or if your income is more than \$150,000/\$75,000 MFS.

Underpayment of Estimated Tax: If you did not pay enough tax throughout the year, either through withholding or by making estimated tax payments, you may have to pay a penalty for underpayment of estimated tax. Generally, most taxpayers will avoid this penalty if they owe less than \$1,000 in tax after subtracting their withholdings and credits, or if they paid at least 90% of the tax for the current year, or 100% of the tax shown on the return for the prior year, whichever is smaller. **The underpayment penalty went from 3% to 8% in 2024.**

Your tax preparer can provide more detailed information, based on your specific requirements.

Source: *TheTaxBook*



Anderson, Nill & Associates, Inc.

1517 North Harrison Avenue

Pierre SD 57501

Phone 605-224-0311 Fax 605-224-0438

www.anderson-nill.com

Merry Christmas
&
Happy New Year!

from all of us at



Anderson, Nill
& Associates, Inc.

Roxanne

Jennifer

Ann

Sydney

H

Shelle

Hannah

Carrie