



EXPERT QUOTES: TAX SEASON 2026

The below commentary from H&R Block tax experts is customized to support your tax season stories on the top tax tips for 2026. This document is frequently updated. If you have additional questions, please email mediadesk@hrblock.com.

Top Tips for Tax Season 2026

- 1. Tax Season 2026 Overview**
- 2. Senior Tax Deduction**
- 3. 1099-DA**
- 4. State and Local Taxes (SALT)**
- 5. Parents and Families**
- 6. Paper Checks**
- 7. Car Loan Interest Deduction**
- 8. 1099-K**
- 9. Qualified Business Income Deduction**
- 10. No Tax on Overtime**
- 11. No Tax on Tips**
- 12. How to File Tips**
- 13. How to Track Tips**
- 14. Major Business Expenses**

1. Tax Season 2026 Overview

"Tax season 2026 brings some of the most significant tax code changes we've seen in years. The 'One Big Beautiful Bill Act' makes some rules permanent, introduces new ones, and creates a complex mix of deductions and credits that will impact the take-home pay of nearly every American."

-Alison Flores, Director, The Tax Institute at H&R Block

2. Senior Tax Deduction

"Taxpayers age 65 and older now qualify for a new \$6,000 senior tax deduction. Seniors may be able to claim it regardless of whether they choose to itemize or claim the base standard deduction."

-Alison Flores, Director, The Tax Institute at H&R Block

3. 1099-DA

"A new IRS tax rule for digital income/assets means you may see Form 1099-DA if you traded in crypto or used crypto or other digital assets to pay for goods or services through a broker. While digital asset sales have always been taxable, the form is brand new this year. It will be sent at the end of January or through mid-February depending on the activity it's reporting. Keep in mind, even if you don't get a Form 1099-DA, you'll still need to report your income."

-Alison Flores, Director, The Tax Institute at H&R Block

4. State and Local Taxes (SALT)

"Homeowners and property owners may have heard the SALT deduction cap increased. The cap is now \$40,000—up from \$10,000. This bumped cap may make it more advantageous for some to itemize vs. claiming the standard deduction. This change could be one of the strategies to minimize taxes under 2025 tax rules—especially for those in states with higher state taxes."

-Alison Flores, Director, The Tax Institute at H&R Block

5. Parents and Families

"Families with children could see bigger tax breaks this year. Changes in the 'One Big Beautiful Bill' resulted in updates for the Child Tax Credit (increased to \$2,200 per child) and Adoption Credit (up to \$5,000 is now refundable). For those with kids over 17 or adult dependents, the Credit for Other Dependents was made permanent and that's a \$500 credit. Lastly, families with children under 18 can open a new Trump savings account as part of the process when filing their tax return."

-Alison Flores, Director, The Tax Institute at H&R Block

6. Paper Checks

"New for tax season 2026, there will be changes for those who typically receive a paper refund check in the mail from the IRS. New this season, the IRS will hold these requests for up to 6 weeks after the tax return is processed. Because this will delay refunds substantially, we recommend that taxpayers request direct deposit when they file their tax returns. For those without a bank account, resources like the FDIC's GetBanked or MyCreditUnion.gov can help. Treasury's Direct Express Card and H&R Block Spruce Card are also available and are great solutions."

-Alison Flores, Director, The Tax Institute at H&R Block

7. Car Loan Interest Deduction

"If you bought a qualifying vehicle after December 31, 2024, you might be able to deduct the interest on your car loan. The value of the deduction is up to \$10,000, so it's worth checking if your car meets the requirements for the car loan interest deduction."

-Carl Breedlove, Principal Tax Research Analyst, The Tax Institute at H&R Block

8. 1099-K

"The 1099-K reporting threshold has been raised to \$20,000 and 200 transactions, reducing the paperwork burden and confusion for many gig workers and online sellers."

-Carl Breedlove, Principal Tax Research Analyst, The Tax Institute at H&R Block

9. Qualified Business Income Deduction

"For small businesses, making the 20% Qualified Business Income (QBI) deduction permanent provides crucial certainty for long-term planning, hiring, and investment."

-Carl Breedlove, Principal Tax Research Analyst, The Tax Institute at H&R Block

10. No Tax on Overtime

"If you put in extra hours in 2025, you could keep more of what you earned. A new tax rule from OBBBA will allow eligible workers to claim a deduction for qualified overtime pay—up to \$12,500 for unmarried taxpayers, and \$25,000 for married filing joint taxpayers. Review all the details about this deduction, dubbed No Tax on Overtime."

-Carl Breedlove, Principal Tax Research Analyst, The Tax Institute at H&R Block

11. No Tax on Tips

"One of the tax changes for 2025 lets certain tipped workers get a tax break on up to \$25,000 of tip income. The new rule covers a wide variety of workers, from food service and the hospitality industry to digital content creators and much more."

-Carl Breedlove, Principal Tax Research Analyst, The Tax Institute at H&R Block

12. How to File Tips

"If you have qualifying tips you will fill out a new schedule this year, Schedule 1A. This new schedule will be used to determine the tip deduction that is reported on your individual tax return."

-Carl Breedlove, Principal Tax Research Analyst, The Tax Institute at H&R Block

13. How to Track Tips

"If you are an employee beginning in tax year 2026 your tips will be reported on Form W-2, but this will not be the case for 2025. Your employer may provide you with a statement listing the tips you received, but you can also rely on a daily tip log or the amounts you self reported. If you're confused, don't worry. H&R Block can help. Visit us in person or online at Hrblock.com."

-Carl Breedlove, Principal Tax Research Analyst, The Tax Institute at H&R Block

14. Major Business Expenses

"Self-employed taxpayers and business owners, this one is for you: you can deduct 100% of the cost of qualifying equipment in 2025, if the property was placed into service on or after January 20, 2025. This 100% bonus deduction applies to investments such as machinery, equipment, technology upgrades and more."

-Carl Breedlove, Principal Tax Research Analyst, The Tax Institute at H&R Block