YOUR MONEY. YOUR MOVES. YOUR 2026 TAX YEAR.



COOKS
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THE 2026 TAX LAW SURVIVAL GUIDE

What changed, what matters, and what to save before you file in 2027.

A free guide for individuals, families, self-employed professionals, and small business owners.
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2026 TAX YEAR | 2027 FILING SEASON | NOVEMBER 2026 EDITION

First, a little tax-season truth.

Before we start talking about deductions, let me say this: the IRS does not accept "but I saw it on TikTok" as supporting documentation. And buying a $90,000 truck does not automatically mean Uncle Sam owes you a refund.

This guide is for general education and planning. It is not legal advice, individualized tax advice, a guarantee of a deduction, or an opinion on the best tax treatment for your particular situation. Tax results depend on your income, filing status, business structure, documentation, elections, and other facts. Laws, agency guidance, and filing procedures may change after publication.

Not every tax benefit listed here applies to everyone. Some provisions have income phaseouts, special definitions, documentation requirements, and restrictions. Business expenses must meet applicable tax-law standards; personal expenses do not become deductible just because you used the business debit card.

Reading this guide, submitting a question, or downloading a free resource does not create a client relationship or authorize tax preparation, representation, or advisory services. Services begin only after a signed engagement agreement and completion of any required onboarding and payment steps.

My rule: Be informed, keep the receipts, and ask questions before making expensive decisions. We want tax savings, not tax surprises.

> Friendly reminder: Social-media tax hacks are entertaining. IRS notices are considerably less entertaining. Let us review your actual numbers before you act.

How to use this guide

- Read the individual-tax section if you receive wages, retirement income, investment income, or claim dependents.
- Read the business section if you own a business, freelance, receive 1099s, or operate an LLC or corporation.
- Use the checklist near the end to gather documents, and keep this guide as a reference rather than a substitute for a tax organizer.

01 Your 2026 tax snapshot

These are federal tax-year 2026 amounts for returns generally prepared in 2027. State tax rules can differ.

Filing status	2026 standard deduction
Single / Married filing separately	$16,100
Married filing jointly / Qualifying surviving spouse	$32,200
Head of household	$24,150

Keep these numbers in perspective

- A deduction reduces income subject to tax. A credit generally reduces tax dollar for dollar, subject to eligibility and refundability rules.
- The standard deduction is not a refund amount. You may need to compare it with itemized deductions and account for any additional deductions you qualify for.
- The 2026 Child Tax Credit is up to $2,200 per qualifying child under age 17; the potentially refundable additional credit is up to $1,700, subject to requirements.
- The 2026 adoption credit maximum is $17,670; up to $5,120 may be refundable, subject to eligibility.

CAS tip: Do not judge your return by whether last year brought a refund. Withholding, income, household changes, and credits can all change your result.

Source: IRS Working Families Tax Cuts - Individuals and workers; IRS Child Tax Credit; IRS Revenue Procedure 2025-32. See source links at the back.

02 Newer deductions for individuals

These benefits apply for tax years 2025 through 2028 under current law. Each has its own eligibility rules, modified adjusted gross income phaseouts, and documentation requirements.

Qualified tips: up to $25,000

Eligible workers in qualifying tipped occupations may deduct qualifying voluntary tips. This is not a blanket exemption for all wages, mandatory service charges, or every tipped job. Income phaseout begins above $150,000 of modified AGI ($300,000 joint).

Qualified overtime: up to $12,500 / $25,000 joint

For qualifying overtime, the deduction generally applies to the premium portion required under federal overtime law, not the entire overtime paycheck. Income phaseout begins above $150,000 of modified AGI ($300,000 joint).

Enhanced deduction for seniors: up to $6,000 each

Eligible people age 65 or older may qualify for an additional deduction, up to $12,000 on a joint return when both spouses qualify. Phaseout begins above $75,000 of modified AGI ($150,000 joint). This is separate from the existing additional standard deduction for age or blindness.

Interest on qualifying new personal-use car loans: up to $10,000

May apply to eligible loans originated after 2024 for new vehicles assembled in the United States. The vehicle must meet criteria, including weight and original-use rules. Leases and used vehicles are not eligible. Phaseout begins above $100,000 of modified AGI ($200,000 joint); keep the VIN and lender statement.

> Important: "No tax on tips" and "no tax on overtime" are labels for deductions, not a promise that all such earnings escape payroll taxes or that everyone qualifies.

Source: IRS Working Families Tax Cuts - Individuals and workers; IRS car loan interest tax tip, Nov. 3, 2026.

03 Families, giving, and household updates

Child tax credit and family records

The Child Tax Credit is up to $2,200 per qualifying child in 2026. Eligibility depends on age, relationships, residency, SSN rules, income, and other conditions. Keep birth dates, SSNs, residency records, and childcare provider information.

Charitable giving even without itemizing

Beginning in 2026, eligible taxpayers who do not itemize may deduct up to $1,000 in qualifying cash donations ($2,000 married filing jointly). Donations must go to eligible organizations; keep receipts or bank records. Donating to an individual does not qualify.

Different rules for itemizers

Starting in 2026, itemized charitable contributions generally must exceed a floor equal to 0.5% of adjusted gross income, subject to detailed rules. A contribution that was deductible in a previous year may be treated differently.

Child and dependent care credit

The highest credit percentage increases to 50% for 2026, subject to income-based limits and qualification rules. The usual expense ceilings remain $3,000 for one qualifying person and $6,000 for two or more.

Clean-energy credit timing

Several individual energy-related credits expired for new expenditures after 2025 under current law. Do not assume a 2026 solar, home-improvement, or vehicle purchase qualifies based on a previous-year article.

CAS tip: Big tax events often come from ordinary life: marriage, divorce, a baby, a move, college, retirement, or buying a home. Tell us what changed.

Source: IRS Child Tax Credit; IRS Publication 505 (2026); IRS Publication 6196 (Oct. 2026).

04 Business deductions: what actually counts

A business deduction is generally for an ordinary and necessary expense of operating a trade or business. The business connection, timing, entity type, and supporting records matter.

Common business expense	What to track
Advertising and marketing	Paid ads, signage, email campaigns, branded promotional materials
Software, apps, AI tools and cybersecurity	Business-use subscriptions, hosting, bookkeeping and CRM systems
Contractors and outside professionals	W-9s, invoices, contracts, payment records; 1099 review
Office and supplies	Rent, office supplies, postage, printers, work-related consumables
Insurance and professional fees	Business insurance, accounting, legal, licensing and industry fees
Travel and qualifying meals	Business purpose, traveler, dates, receipts, 50% meal limits where applicable
Vehicles and equipment	Mileage logs, purchase documents, business-use percentages, financing details
Payroll and employee costs	Wages, payroll filings, benefits and reimbursement records

Not automatic write-offs: Personal groceries, ordinary clothing, commuting, entertainment, principal payments on loans, or the full sticker price of a car simply because the LLC paid for it.

Source: IRS Publication 535; IRS Publication 463; IRS Publication 946.

05 Major 2026 business-law changes

Section 179 expensing

For tax years beginning in 2026, the maximum Section 179 deduction is $2,560,000, with a phaseout starting when eligible property placed in service exceeds $4,090,000. A separate $32,000 cap applies to certain SUVs. Business-use limits, asset qualifications, income limits, and recapture rules can apply.

100% bonus depreciation

Permanent 100% bonus depreciation generally applies to qualifying property acquired after January 19, 2025, under the enacted rules. Not every asset qualifies; acquisition date, placed-in-service date, business use, and other exceptions matter.

The qualified business income deduction (QBI)

Section 199A remains an important potential benefit for eligible sole proprietorships and pass-through owners. Calculations can involve wages, property, income levels, and service-business limitations. An LLC does not automatically mean a 20% deduction.

Do you need an S corporation?

An S election can sometimes improve outcomes, but it also adds payroll, reasonable-compensation, return-filing, and administration responsibilities. It should be evaluated with actual projected profit, not solely because someone online says every LLC should elect S status.

CAS strategy note: Buying equipment solely to create a deduction can still leave you with less cash. Make the business decision first, then structure the tax treatment intelligently.

Source: IRS Working Families Tax Cuts - Businesses; IRS Publication 946; IRS Revenue Procedure 2025-32.

06 Mileage, 1099s, and payment apps

Business standard mileage changed midyear

2026 dates	Business mileage rate
January 1 - June 30	72.5 cents per eligible business mile
July 1 - December 31	76 cents per eligible business mile

Keep a contemporaneous log with dates, destinations, miles, and business purpose. Commuting is generally not deductible. The actual-expense method is an alternative in qualifying circumstances and may have limitations.

1099-NEC: 2026 reporting threshold

For qualifying payments made in 2026, the general Form 1099-NEC reporting threshold is $2,000, replacing the prior $600 threshold. Exceptions and backup-withholding rules can apply. Get a completed W-9 before paying your contractors whenever possible.

1099-K: reporting threshold is not a tax-free amount

For third-party payment networks, the federal Form 1099-K reporting threshold generally requires more than $20,000 AND more than 200 transactions. Payment-card transactions have different reporting rules, and platforms may issue forms below the federal threshold. Business income may still be taxable even if no Form 1099-K arrives.

Do not forget state sales tax

Sales-tax registration, collection, filing, and exemptions depend on what you sell and where you operate. Federal income tax deductions and state sales-tax compliance are separate questions.

Source: IRS Standard Mileage Rates; IRS Form 1099-NEC guidance; IRS Understanding Your Form 1099-K.

07 What to gather before tax season

Here is the practical version: more organized records mean fewer last-minute requests, fewer guesses, and a stronger tax-prep process.

Individuals and families

- W-2s, 1099s, Social Security forms, retirement statements, and investment / crypto tax documents.
- Dependents and childcare information; education Form 1098-T; mortgage Form 1098; property tax and eligible donation records.
- 2026 pay stubs or supporting records for qualifying tips or overtime, if applicable.
- Car purchase details, VIN, loan and interest statements for a possible car-loan-interest deduction.
- Estimated tax payment confirmations and notices received from IRS or state agencies.

Self-employed and business owners

- Year-end profit and loss statement, balance sheet, bank and credit-card statements.
- Sales and payment-platform reports, 1099-K/NEC forms, invoices, inventory and cost-of-goods records.
- Expense receipts or substantiation, contractor W-9s, vehicle mileage log and home-office dimensions.
- Payroll reports, owner compensation records, asset purchase invoices, financing statements and prior depreciation schedules.
- State franchise / annual reporting, sales-tax records, prior-year returns and any IRS notices.

One more thing: Sending a screenshot of your bank balance is not the same thing as sending complete bookkeeping records. We love clarity. We do not love detective work.

08 Your 2026 year-end action plan

Use this quick checklist before December 31, 2026, and before preparing your 2027 filing-season documents.

Action	Why it matters
Reconcile business income to bank and platform reports	Avoid omitted income, duplicates, and unexplained deposits
Review owner draws vs. payroll	Protect proper tax classification and entity treatment
Confirm contractor names and W-9s	Support year-end 1099 reporting
Finish and preserve mileage logs	Support eligible vehicle deductions at both 2026 rates
Review large equipment purchases before year-end	Consider placed-in-service and depreciation rules
Check estimated payments and withholding	Reduce unexpected balances and penalties
Gather receipts for charity, care, and new deductions	Support claims and avoid missing benefits
Review state registrations and returns	Address compliance that a federal return will not solve

Questions to ask before taking a deduction

- Was this expense actually for business, and can I prove it?
- Do I have an invoice, receipt, contract, mileage log, or bank record?
- Does this tax rule apply to my filing status, entity, income, and circumstances?
- Will the decision help cash flow as well as taxes?

09 Five tax myths worth retiring

“If the LLC paid for it, I can deduct it.”

No. Tax treatment follows the nature and business purpose of the expense, not which debit card was used.

“An LLC means I do not pay income taxes.”

No. Federal tax treatment depends on entity classification and elections; an LLC may be disregarded, treated as a partnership, or elect corporate treatment.

“No 1099 means no taxable income.”

No. Taxable business receipts can exist without a corresponding information return.

“A huge deduction means I made money.”

No. A deduction generally reduces taxable income. It does not reimburse the purchase price dollar for dollar.

“I can fix every tax problem in April.”

Not always. Payroll filings, estimated payments, state compliance, and tax elections can have their own deadlines and consequences.

The takeaway: Tax preparation is looking backward. Tax strategy is planning forward. Good businesses need both.

The next move is yours.

You do not have to memorize the tax code. You do need to understand which changes may affect your money and know when to get professional guidance.

At Cooks Accounting Solutions LLC, we help individuals and businesses move beyond simply filing a return. We focus on compliance, clarity, proactive planning, and confident financial decisions.

LET US HELP YOU CONNECT THE DOTS.

Review your tax position, organize your documentation, and discuss your next steps with Brittany Cooks, EA and the Cooks Accounting Solutions team.

Visit: www.cooksasllc.com Phone: (214) 813-1507

Official sources and further reading

IRS - Individuals and workers: irs.gov/newsroom/working-families-tax-cuts-individuals-and-workers

IRS - Business provisions: irs.gov/newsroom/working-families-tax-cuts-businesses

IRS - Standard mileage rates: irs.gov/tax-professionals/standard-mileage-rates

IRS - Form 1099-K: irs.gov/businesses/understanding-your-form-1099-k

IRS - Form 1099 reporting: irs.gov/businesses/small-businesses-self-employed/am-i-required-to-file-a-form-1099-or-other-information-return

IRS - 2026 withholding / charity and credits: irs.gov/publications/p505

IRS - Depreciation: irs.gov/publications/p946

Prepared November 9, 2026. Verify subsequent IRS guidance before filing. Educational material only; see legal disclaimer on page 2.