



Important Dates

July

July 10: Office Closed for Summer Party

July 15: Maine Monthly Sales Tax Due

August

August 1: Maine Business Equipment Tax Reimbursement Program (BETR) Opens

August 15: Maine Monthly Sales Tax Due

September

September 15: Calendar Year S-Corporation & Partnership Tax Returns Due Date

September 15: Maine Monthly Sales Tax Due

September 15: 3rd quarter Individual Tax Estimates Due



Firm Headlines

AICPA Conference: During June several of our staff attended a National Tax conference focusing on several areas.

1. New Technologies
2. Leadership and Processes
3. Tax Strategy and Technical Expertise

We're excited to have brought back new ideas and technology to the Firm which we'll be sharing with our clients.

Tax Season 2024: At this time, approximately 70% of all 2024 returns have been completed. We continue to work diligently to complete all returns before the extended deadline. If you



have not submitted your 2024 tax information, please submit it as your earliest convenience.

Client Advisory Services: Before year end, we're excited to start rolling out a new offering for client advisory services on a more scheduled and proactive basis. We're still working on the logistics but plan on seeing future updates on this.

Tax Updates

One Big, Beautiful, Tax Bill: The "One Big Beautiful Bill Act," which was narrowly passed by the House on May 22, 2025, is a sweeping tax and spending package championed by President Trump. It proposes over \$4.5 trillion in tax cuts, including permanent extensions of the 2017 Tax Cuts and Jobs Act provisions, elimination of taxes on tips and overtime for targeted workers, an increased state and local tax (SALT) deduction cap from \$10,000 to \$40,000, an increased deduction on business income for business owners and potentially reduced taxation on Social Security income. It also proposes allowing interest deductions for items like vehicles, RVs, ATVs etc. that are manufactured in the United States.

The Bill has now passed the Senate and has been signed into law. We will monitor its progress and advise on upcoming tax season changes when we know more. There will be thousands of pages of new regulations written for this, so it will take some time to come into focus., There WILL be significant tax changes to nearly all returns for 2025. More to come.

As we get towards the 4th quarter of 2025 we'll provide more updates as both the IRS and the States begin to finalize their expected Tax Law Changes. For now, start tracking itemized deductions like we did prior to 2018. Excise Taxes, Charity and Medical Expenses specifically.



Business Tax Tips:

Business Owners and Paying Children: Paying your kids through your business can be a smart tax-saving strategy, but there are key rules you must follow.

If your business is a sole proprietorship or a partnership where both partners are parents, you can pay your children under 18 without needing to withhold Social Security and Medicare taxes. Payments to children under 21 are also exempt from federal unemployment tax (FUTA). However, wages must be for legitimate work appropriate to the child's age, and they must actually perform the services. Pay must be reasonable for the job done (i.e., not excessive), and you must follow standard employment practices: maintain timesheets, issue W-2s, and make payments via check or direct deposit to document the compensation. If the company is an S-Corporation or a Multi-Member LLC, the strategy can still work, but becomes more complex with potential payroll taxes.

The child can earn up to the standard deduction amount (\$15,000 in 2025) federally tax-free, assuming they have no other sources of income. This can be a great way to shift income from a higher to a lower tax bracket, and can be used to contribute to a Roth IRA for them to build an even larger tax advantage. If you have questions about this, please feel free to reach out to our office.

Business Equipment Tax Reimbursement Program (BETR):

The Business Equipment Tax Reimbursement (BETR) program in Maine is a state initiative designed to encourage capital investment by reimbursing businesses for local property taxes paid on eligible business equipment. To qualify, the equipment must have been first placed in service in Maine after April 1, 1995. Businesses can receive a 100% reimbursement of the property taxes paid on eligible equipment for the first 12 years of the claim. Starting in the 13th year, the reimbursement rate decreases by 5% annually, stabilizing at 50% in subsequent years. Applications for reimbursement must be submitted between August 1 and December 31 for property taxes paid in the previous calendar year. It's important to note that equipment located at facilities that have permanently ceased all productive operations may not be eligible unless the facility is actively marketed for sale or lease. Additionally, leased equipment may qualify if the lessor applies for reimbursement and passes the benefit to the lessee. For more detailed information and application forms, businesses should consult the Maine Revenue Services website [here](#).

If you believe you may qualify, and you pay more than \$1,000 of property tax on equipment, please reach out to [Carla Burnett](#) who manages the BETR program at our office. You can also reach out to your local assessor for more information if you'd like to complete the required Forms and documentation yourself.



Payroll Updates

In 2025, Maine businesses are facing increased scrutiny from federal immigration authorities as I-9 audits become more frequent and rigorous. Although Maine does not mandate the use of E-Verify, all employers are still required under federal law to complete and retain Form I-9 for every employee hired after November 6, 1986. The current administration has intensified efforts to enforce immigration compliance, with U.S. Immigration and Customs Enforcement (ICE) conducting more audits to ensure that employers are verifying the identity and work eligibility of their employees. These audits can be unannounced and carry significant penalties for even minor paperwork errors, making proactive compliance essential.

To prepare, Maine employers should conduct regular internal audits of their I-9 forms, ensuring that all documentation is complete, accurate, and stored securely. It's important to apply neutral, non-discriminatory criteria when selecting records for review to avoid legal risks. Employers should also develop clear communication plans for informing employees about internal audits and correcting any deficiencies privately and respectfully. While E-Verify is not required in Maine, businesses should still maintain strong verification procedures and consider legal guidance to navigate complex compliance requirements. Staying ahead of potential audits through diligent recordkeeping and internal checks is the best defense against costly fines and reputational damage.

Bookkeeping Updates

The bookkeeping team has now caught up after tax season, and we've been making additional investments in our staffing for the department. We're welcoming Lisa Curtis to our office; many of us worked previously with Lisa in a prior life and are excited to see her join us. Additionally, we are welcoming Bonnie Reed to our office, who has over twenty-five years of bookkeeping experience. We continue to provide monthly financial statements to our Bookkeeping clients and are excited to work into our new Client Advisory Services we're looking to roll out before the end of the year.





Bookkeeping Best Practices:

For bookkeeping to be efficient and make sense, try and limit company purchases made using personal accounts, it's difficult to track, an easy way to miss tax deductions and could potentially impact the liability protection being sought after by using separate entities.

Tip of the Month: How to record business expenses that you accidentally put on your personal card in QuickBooks.

Record a journal entry: Debit the appropriate expense account and credit an owner's equity account. This will record your expense on your profit and loss statement and then we will record the expense on your tax return without it going through your business credit card, business checking or cash on hand account. Try and minimize these transactions as much as possible to reduce the risk of missing a tax deductible expense.

★ Employee Spotlight



Kristen Forbes

Bookkeeping Manager

Kristen joined our Firm in 2023 as a Senior Accountant & the Bookkeeping Manager. Prior to working at Freeman & Company she worked at another CPA firm for six years and retail for 15 years. Her responsibilities include managing the workflow of the Firm's Bookkeeping and Individual Tax Departments to keep projects moving efficiently. She also assists with Individual Tax Preparation and Bookkeeping on the Firm's more advanced projects.. She received her Bachelor's Degree in Business Administration with a concentration in Business Management from the University of Maine in May 2006 and her Masters in Accountancy from the University of Phoenix in December 2012. Kristen's perfect day is spent at camp with family and friends eating steak, corn on the cob, and watermelon. Find out more on our website [here](#).

Firm Updates

Technology:

The Firm continues to make significant time and capital investments into its technology stack. After recently meeting with our vendors we expect to see improvements through the rest of the year are in the following areas:

1. Communication - We continue to look for ways to make communications more efficient and responsive
 - a. Client Instant Messaging System - This is in the works through the client portal. It's something we've been excited to see coming for awhile!
 - b. AI Chat Bots - We're in the initial stages of looking into the potential of utilizing tax specific AI Chat Bots to allow clients to ask general questions and receive instant responses. Follow-ups to those questions and more specific questions will still need to be answered by your tax professional.
 - c. Business Tax Questionnaires - All those questions we ask every year for bank statements, fixed, asset invoices, loan balances, etc., we hope to build into a questionnaire that will ask those questions up front. This will increase the efficiency and quality of the questions asked for the preparation of returns.
 - d. Tax Strategy Questionnaires - What are your goals with your return? We want to drill down into what you want from your return before we even start.
2. Tax Planning & Strategy
 - a. The firm is investing heavily in advanced tax planning software we hope to debut in the 4th quarter of 2025. This software will assist in implementing advanced tax strategies to mitigate taxes and provide a quality product that can easily be reviewed by the client. This will also come with a new advisory program for clients that want continuous follow up on a quarterly or semi-annual basis moving forward.

Staffing:

The Firm also continues to invest in its most important asset, its people! We continue to build out the infrastructure to provide quality products to our clients in an efficient manner. We're excited to have multiple new hires this summer:

- Matthew Morgan - Technical Reviewer and Educator. Matt brings over a decade of experience with some of the largest CPA firms in the country. He will be technically reviewing all business returns in the office. Additionally, he will be in charge of building out a growth program for our staff to continue their development and knowledge as accountants.
- Lisa Curtis - Staff Accountant. Lisa joins the business tax practice and will be working on reviewing & cleaning client books up before we begin preparation of tax returns, as well as assisting with the bookkeeping team.
- Bonnie Reed - Staff Accountant. Bonnie bolsters the Bookkeeping Department with significant experience of bookkeeping knowledge.
- William Patin - Staff Accountant. William joins us full time after an internship with us this spring. We're excited to have him on board permanently! He will be working with individual tax returns.

? Tax Tips from Beyond the Firm

Is Your Investment Strategy Tax-Smart?

Smart investing isn't just about what you earn—it's about what you keep. A well-designed investment strategy should work hand in hand with your tax plan. That means being intentional about where you hold different types of investments (taxable vs. retirement accounts), making thoughtful decisions around when to realize gains or losses, and staying ahead of opportunities to reduce unnecessary taxes over time.

A few smart steps to consider: Maximize Roth contributions or conversions during lower-income years to help reduce taxable income in retirement. Take advantage of market dips to harvest losses that can offset gains elsewhere. When eligible, use qualified charitable distributions (QCDs) from IRAs to satisfy required minimum distributions tax-free. Consider using tax-efficient investment vehicles—such as ETFs instead of mutual funds—to help limit unwanted capital gains. And as retirement approaches, develop a tax-aware withdrawal strategy to help minimize your lifetime tax burden. The earlier this kind of planning begins, the more flexibility and long-term value it can create—especially when your financial advisor and CPA are working together.

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A Note from Justin on the Firm

Hi Everyone,

Our Firm continues to grow, quickly, and we are doing everything we can to hire the appropriate staff and provide the most advanced technology to both our staff and our clients. The industry as a whole continues to be battered by retirees and individuals exiting the industry early and not nearly enough graduates coming into the field. We expect that trend to both continue and accelerate. We continue to remain focused on our workloads while trying to maintain some semblance of work life balance for our staff. Please understand we are doing everything we can to move projects on an efficient basis. To that end, we are working on a few new items for the upcoming fall and tax season to continue building our efficiencies AND provide a better communication system with our clients so we can provide a better overall product. Here's some of the updates we are currently working on.

1. Automated emails to let clients know the current status of their return.
2. New Questionnaires in the Business Tax Department to accomplish the following items:
 - a. Discuss wants/needs of each return, i.e. maximum current tax mitigation, long-term tax mitigation, potential financing considerations down the road, etc. before we get into the depths of the return.
 - b. Moving the document requests up-front to try and minimize the back and forth when working on business returns.
3. A complete change to the billing and preparation process to provide additional transparency. There will be a forthcoming email in the next few weeks to all business returns about 2025 preparation procedures, but the gist is we are separating the preparation of the return from the "cleanup" of the client's books. We are going to be trying to move the QuickBooks or Excel cleanup into the fall/winter prior to tax season to avoid delays during January-April.
4. Expanded use of digital organizers and questionnaires for individual tax preparation.
 - a. Including new questionnaires for what clients want and are capable of doing, i.e.
 - i. Retirement Contributions (IRA, SEP, SIMPLE, 401(k), etc)
 - ii. HSA Contributions
 - iii. Depreciation Elections
 - iv. Future ROTH Conversions
 - v. Available Tax Credits
5. The use of a client instant messaging systems for more efficient back and forth conversations for questions, strategy discussions and the preparation of tax returns.

We made some HUGE strides in 2025, we had over 80% of all clients utilize our online portal systems and over 95% utilized our electronic delivery system for returns. 60%+ of clients used our digital organizers. This allowed for 70% more returns to be completed by the printing of this Newsletter compared to this date last year. We are going to continue building on those efficiencies.

We haven't been perfect, we have had struggles this tax season, specifically in two areas, the efficiency of the preparation of business tax returns and communications with clients, specifically emails coming from me, We are working on both and hope to continue improving in both areas.

Thanks for all of your Trust, we'll continue to do the best job we can.

-Justin

Management Directory

| Resource | Title | Email |
|---------------------|----------------------------|--|
| Justin Freeman, CPA | Managing Principal | freeman@freemanassociatescpa.com |
| Michael Jones, CPA | Assurance Principal | Jones@freemanassociatescpa.com |
| David Rosania | Payroll President | Rosania@summitpayroll.com |
| Kristen Forbes | Bookkeeping Manager | Forbes@freemanassociatescpa.com |
| Jill Black | Tax Manager | Black@freemanassociatescpa.com |
| Logan Hughes | Administrative Coordinator | Hughes@freemanassociatescpa.com |

Office Staff

| Tax | Bookkeeping | Assurance | Payroll |
|---|-----------------------------------|--------------------------|--------------------------|
| Thomas Bernier, Technical Reviewer - Individual | Carla Burnett, Senior Accountant | Donna Oxley, CPA Manager | David Rosania, President |
| Matthew Morgan, Technical Reviewer - Business | Rachel Cook, Staff Accountant | Amy Bragg, CPA Manager | |
| Janelle Spencer, Senior Accountant | Chris Riitano, Staff Accountant | | |
| Mohammed Hassan, EA Staff Accountant | Megan Williams, Staff Accountant | | |
| Lisa Curtis, Staff Accountant | Michael Freeman, Staff Accountant | | |
| Linai Savage, Staff Accountant | Bonnie Reed, Staff Accountant | | |
| William Patin, Staff Accountant | | | |



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