

# The General Ledger

A Financial & Tax Update for Clients and Friends of Robins, Eskew, Smith & Jordan

## WINTER 2026

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## What's Happening at the Gold Dome?

### GEORGIA LAWMAKERS WORKING TO PASS BILLS TO LOWER TAXES

The 2026 state legislative season got underway in early January and lawmakers are working to pass a flurry of bills that would lower taxes in an effort to address rising costs. The Georgia House and Senate are each drafting proposals that would provide tax relief to Georgia taxpayers; however, they are looking at different approaches.

#### THE HOUSE: PROPERTY TAX RELIEF

For the past several years, Georgia taxpayers have received a round of rebates based upon their filing status: \$250 for individuals, \$375 for heads of household and \$500 for married couples. The House's plan is part of the Republican leadership's tax plan that calls for the complete elimination of local taxes for homeowners. Gov. Kemp again wanted to return \$1 billion to taxpayers in the form of one-time rebates in 2026; however, the House voted 167-5 to return \$850 million to homeowners through property tax relief grants. The grant would reduce next year's tax bills by \$500 on average. Property tax relief is a priority for

House Speaker Burns who wants to gradually reduce property taxes for homeowners until 2032 when they would be abolished. The House's proposal to eliminate homeowner property taxes will face stiff opposition from the Senate.

#### THE SENATE: INCOME TAX RELIEF

Earlier this month, Senate leaders filed legislation to accelerate Gov. Brian Kemp's plan that aims to phase out the current state income tax rate of 5.09% 2032.

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# What to Expect from U.S. Tax Policy in 2026

After a whirlwind 2025 that produced what may be the largest tax bill in American history, the coming year looks dramatically different. Tax policy experts are predicting a legislative standstill, a turbulent tax filing season and lingering questions about how new provisions will work when put into practice.

**YEAR OF LEGISLATIVE GRIDLOCK**  
The forecast for 2026 tax legislation is bleak. With Republicans clinging to an impossibly thin House majority of just 218 or 219 seats following recent resignations, passing any significant bills will be extraordinarily difficult. Every single Republican vote would be needed to advance legislation

through reconciliation, and as 2025 demonstrated, keeping the caucus unified is no small feat.

While there has been discussion about a potential second reconciliation bill, most observers view this as wishful thinking. If such a bill were to materialize, it would likely focus on technical corrections to lingering Tax Cuts and Jobs Act issues and problems that emerged from the One Big Beautiful Bill Act. One notable concern involves accelerated research credits that did not deliver the benefits lawmakers intended because of unexpected interactions with the corporate alternative minimum tax.

The more pressing concern will simply be keeping the government running. A deadline looms to avoid another shutdown and, given the contentious relationship between House Republicans and Democrats throughout 2025, even basic funding bills face uncertain prospects. With midterm elections consuming attention in the



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## What's Happening at the Gold Dome?

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The proposed legislation would begin in 2027 with a massive reduction in personal taxes for roughly two-thirds of Georgia taxpayers, ultimately phasing out the current rate. To make up for the revenue loss, lawmakers are looking at gutting dozens of tax breaks for Georgia industries.

### **BILL 382**

Also earlier this month, the Senate passed Bill 382 that would prevent local governments and school districts

from opting out of a state homestead exemption, which caps annual property tax increases. The bill eliminates part of state law that has allowed school systems and local governments to continue levying taxes on property values that increase more than the inflation rate. The bill will now be considered by the House.

We will continue to follow the legislative process and provide an update on final outcomes. The current budget year ends June 30 with the 2027 year beginning on July 1.



# Tax Preparation Checklist

GATHER DOCUMENTS NOW TO MINIMIZE LAST-MINUTE STRESS

We are well into the month of February which means tax season is in full swing. If you have not started the tax-filing process, now is the time to begin gathering the documents you will need to file your personal income taxes for 2025.

## PERSONAL INCOME

- **Employment Income:** W-2 Forms for reporting employment income
- **Self-employed:** Forms 1099, Schedules K-1 and other income records for those who are self-employed
- **Rental Income:** Records for any rental property owned
- **Retirement Income:** Records for pensions, IRA and annuity income (Form 1099-R), traditional basis IRAs, Social Security income
- **Savings, Investments & Dividends:** Documents for interest and dividend income, income from sale of stocks, information about any real property bought or sold, health savings account and long-term care reimbursement
- **Alimony:** Records of alimony received

## EXPENSES/DEDUCTIONS

Some of the most common records needed for tax deductions include:

- **Self-employed:** Records of expenses, business assets for depreciation, home office information and estimated quarterly tax payments from Form 1040-ES
- **Home:** Mortgage interest statements (Form 1098) and property tax records
- **Rental Property:** Property tax records and expenses

- **Energy-Saving Improvements:**

Receipts for home improvements involving solar panels, solar water heaters, etc.

- **Electric Vehicles:** Electrical vehicle information

- **Health Insurance/Medical:** Form 1095-A if enrolled in a marketplace plan, premiums paid for health insurance plans outside of the marketplace or an employer-sponsored plan; other amounts paid for healthcare, insurance, doctors, dentists and hospitals

- **Childcare:** Expenses paid for a licensed day care center or payments to a babysitter for a child under the age of 13 while you are working; contributions to a work-sponsored flexible spending account

- **Retirement Savings:** Forms showing IRA and health spending account contributions

- **State/Local Taxes:** Amounts paid for state and local income taxes or other sales taxes paid; invoice showing amount of vehicle sales tax paid

- **Charitable Donations:** Receipts for gifts to houses of worship, schools and other charitable organizations along with records for non-cash donations

The above forms and documents cover the majority of income and expense-related documents most taxpayers need. To minimize last-minute stress, now is the time to begin collecting the documents you will need for filing your 2025 return. For those with complex tax situations, our team of experienced tax accounting professionals is ready to assist. We will carefully evaluate your financial situation and develop a strategy to help you realize the lowest effective tax rates and maximize your after-tax income.

## FIRM NEWS

### NEW HIRES

We are pleased to welcome three new team members to the firm:



#### JIMMY BENTLEY

Jimmy is senior tax accountant. He joined RESJ in December and works in the Duluth

office. He brings several years of previous experience to the firm. Jimmy is a graduate of Augusta University where he earned a Bachelor of Business Administration in accounting and is currently studying for the CPA exam.



#### CADEN PRITCHARD

Caden joined RESJ in January as an audit staff accountant in the Duluth office. He

is a recent graduate of the University of North Georgia, where he earned degrees in accounting and finance.



#### RIKKI MCMURRIAN

Rikki McMurrian joined the firm in January and is an audit administrative

assistant in the McDonough office. This newly created role supports our growing audit team across both the McDonough and Duluth offices.

### CERTIFICATIONS



Congratulations to Kim Biles, a senior staff accountant in our McDonough office! Kim recently became Intuit-

certified in bookkeeping in the desktop and enterprise versions, online level 1, online level 2 and payroll. Kim works in client accounting services and has been with RESJ since 2017.

second half of the year, legislative bandwidth for tax policy will be virtually nonexistent.

### **A ROUGH ROAD AHEAD OR TAXPAYERS**

The 2026 tax filing season is shaping up to be challenging. The IRS has experienced unprecedented upheaval, losing somewhere between 20% and 25% of its workforce through a combination of voluntary resignations and reductions in force. Many of these departures came from enforcement divisions, though customer service will also feel the impact.

Leadership instability has compounded these problems. The agency cycled through roughly seven commissioners or acting commissioners in 2025 alone. Former Congressman Billy Long was confirmed as commissioner but lasted less than two months before departing under unclear circumstances. The Treasury Secretary has since taken direct oversight of the agency, and an IRS CEO position was created for the first time in the agency's history. No new commissioner nominee has been put forward, and there is currently no Senate-confirmed chief counsel either.

For taxpayers who need more than basic return processing, this means longer wait times, fewer answered phone calls and potential delays. Those filing straightforward W-2 returns seeking refunds will likely fare better than individuals or businesses with complicated situations requiring IRS assistance. Audit rates will

decline intentionally, as the current administration has committed to scaling back the enforcement emphasis of the Biden years.

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The Justice Department's Tax Division also has been gutted, losing many qualified litigators who previously maintained an exceptional track record against large taxpayers in court. This erosion of enforcement capability may not immediately move voluntary compliance numbers, but continued cuts will eventually catch up with the system.

### **UNRESOLVED INTERNATIONAL QUESTIONS**

The relationship between U.S. tax policy and the global minimum tax framework under Pillar 2 remains unsettled. Republicans declined to include a retaliatory tax provision known as section 899 in last year's legislation based on an agreement with G20 nations. If that agreement unravels, there may be pressure to revisit retaliatory measures, though passing such legislation with current House margins seems unlikely.

American companies operating internationally could face pressure in foreign jurisdictions if the United States fails to align with Pillar 2 requirements. While many in Washington believe the international minimum tax framework will collapse, the reality on the ground suggests otherwise, and this disconnect might force future legislative action.

### **CONCLUSION**

The bottom line for 2026: Expect a holding pattern on major tax legislation and brace for a difficult filing season as an understaffed and unsettled IRS works to implement last year's massive changes.

## IRS Phasing Out Paper Refund Checks

As you may have heard, the IRS is in the process of phasing out paper tax refund checks. In 2025, 93% of refunds were issued via direct deposit. The IRS will be sending communications to those who are still receiving paper checks to encourage the switch to direct deposit, which is more secure and reduces the risk of fraud, theft and being lost. Paper check refunds are costly and slow, with refunds taking up to six weeks to be processed. You may still pay your tax bill with a mailed check or money order; however, the IRS encourages taxpayers to pay electronically.