



# Anneken, Huey & Moser<sup>PLLC</sup>

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Here's the Tax Beat broadcast for February 5

Subject Line: "Don't Drive Angry!"

Three hundred sixty-four days out of the year, Punxsutawney, Pennsylvania is a sleepy one-horse town of 5,800 souls, nestled in the foothills of the Appalachians 84 miles northeast of Pittsburgh. But on that *other* glorious day of the year, it's the center of the universe. On February 2, a mangy groundhog named Phil dons a top hat and comes out of his hole to look for his shadow. If he sees it, we're doomed to six more weeks of winter. If not, spring is on its way.

This year, the fearless 15-pound forecaster saw his shadow, which was no comfort to anyone still shivering through a winter that saw eight inches of snow in *New Orleans*. The good news is, according to [stormfax.com](http://stormfax.com), Phil's forecasts are right just 39% of the time. (That probably puts him on par with your favorite TV forecaster.) But that didn't stop upwards of 50,000 people from gathering before dawn to see the hardy rodent appear.

Back in the 1993 film *Groundhog Day*, Bill Murray starred as weatherman Phil Connors, sent to Punxsutawney to cover the festivities. That night, a blizzard hits, forcing Phil to overnight in town. He wakes up the next morning to find it's February 2 *again*, his day unfolding exactly like the day before. Ultimately, he realizes he's doomed to live the same day forever. Even by killing himself, he can't break the cycle.

Since then, *Groundhog Day* has become a cultural shorthand for living the same events over and over. So, what does that have to do with taxes? Well, last month, Donald Trump returned to the presidency—and his tax plans for 2025 sound eerily familiar to those who remember the first year of his *last* term.

Back in 2017, Congress passed the most sweeping tax reform bill since 1986. The legislation included lowering rates in exchange for capping or eliminating a host of deductions that complicated taxes for millions of filers. Most significantly, the law limited deductions for state and local taxes at just \$10,000 per return, single or joint. That move alone saved the Treasury \$1.2 trillion over 10 years and made most of the *other* savings possible.

The problem today is that Congress passed that law under special "budget reconciliation" rules that forced Congress to "sunset" those rules at the end of 2025. That means that, like Bill Murray trying to woo Andie MacDowell, Congress will spend much of this year fighting to extend the *same* rules they passed eight years ago.

Oh, and this time, Trump has also promised to restore that \$1.2 trillion unlimited state and local tax deduction. *And* eliminate taxes on tips, overtime, and Social Security benefits. *And* create an itemized deduction for car loan interest. (So much for tax simplification!) *And* his House Republican caucus can afford to lose just two votes before needing Democrats to bail him out—which they surely won't be inclined to do. If they can't tie it up with a neat little bow, taxes go up for over half of Americans. [Wheeeeeee!](#)

Bill Murray was the perfect choice to make *Groundhog Day* into a hit comedy. If Hollywood made *April 15* into a movie, they'd look for someone like Steven King to write it! But you don't have to wait for lawmakers to see their shadow before you can cut your taxes, because the *real* key to minimizing that tax bill is *planning*. Most tax pros do a fine job recording history. But we're here to help you *write* it, with a full menu of deductions, credits, loopholes, and strategies. Punxsutawney Phil predicts you'll love the savings!

Kevin

