

THE BEST OF 2025: INSIGHTS THAT SHAPED A YEAR OF CHANGE

Five expert-led webinars.
Countless insights. The ideas that
defined 2025 — and are guiding
accountants into 2026.



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A YEAR OF CHANGE. A COMMUNITY LEADING THROUGH IT.

2025 challenged accountants to rethink what it means to lead.

From navigating complex legislation to the rise of artificial intelligence (AI) — this year was about adaptation and opportunity.

Thousands of CPAs joined us for expert-led webinars, where practical strategies and innovative ideas were shared.

This guide captures the top insights that shaped 2025, and how they're driving firms forward into 2026.

Explore more at the Accountant ConnectSM Resource Center.

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CLARITY THROUGH CHANGE

Recent legislative shifts have reminded us that compliance is more than just about accuracy — it's also about clarity. Accountants have a unique opportunity to become trusted advisors by proactively interpreting these changes and guiding clients through the complexities.



KEY INSIGHTS

During the One Big Beautiful Bill & Midyear tax and HR compliance update webinar, led by Amy Miller, ADP's senior director of government affairs, accountants explored key provisions of H.R.1, also known as the One Big Beautiful Bill Act (the Act).

BACKGROUND

Enacted on July 4, 2025, H.R.1, the One Big Beautiful Bill Act, introduces significant changes affecting payroll, employment taxes and employee benefits, making it essential for professionals to stay informed.

KEY PROVISIONS

Tax deductions for qualified overtime

The Act introduces deductions for qualified overtime, which refers to the premium portion of pay defined by Section 7 of the Fair Labor Standards Act (FLSA) and excludes qualified tips. Here are the key details:

- **Income limits:** The deduction is capped at \$12,500 for overtime income (\$25,000 if filing jointly). Phase out begins when Modified Adjusted Gross Income (MAGI) exceeds \$150,000 (\$300,000 if filing jointly).
- **Tax applicability:** These deductions apply only to federal income tax and is subject to Federal Insurance Contributions Act (FICA), which is Medicare and Social Security.

Tax deductions for qualified tips

Another crucial component of the Act is the deductions offered for qualified tips, which apply to voluntary cash tips received by employees who regularly and customarily receive tips, while excluding certain businesses. This provision includes:

- **Income limits:** Similar to overtime, the deduction here is limited to \$25,000, and phases out when MAGI exceeds \$150,000 (\$300,000 if filing jointly).
- **Tax applicability:** As with overtime, these deductions apply only to federal income tax and are subject to FICA (Medicare and Social Security).

Federal deduction for state and local taxes (SALT cap)

The Act also revises the federal deduction for state and local taxes (SALT). Notably:

- **Previous limitations:** Under the Tax Cuts and Jobs Act (TCJA), deductions are capped at \$10,000 for individuals and \$5,000 for those married filing separately. This cap is set to expire for tax years beginning after Dec. 31, 2025.
- **New changes under the Act:** Starting in 2025, the SALT cap will increase to \$40,000 and will be adjusted for inflation through 2029. The cap will revert to \$10,000 in 2030.
- **Income limits for 2025:** For taxpayers with MAGI over \$500,000, the deduction will begin to phase down but cannot fall below a minimum of \$10,000.

GOING FORWARD

Understanding the One Big Beautiful Bill Act is crucial for both employers and employees. Accountants can help strengthen client relationships, paving the way for strategic advisory conversations.

To stay updated as new IRS guidance is released, visit [ADP's One Big Beautiful Bill Act Resource Center](#).

Interested in hearing more takeaways from the webinar? You can [register and replay](#) anytime.



AI: A STRATEGIC PARTNER

In 2025, AI emerged as a game-changer for firms looking to do more than just automate tasks. AI is becoming a strategic partner that not only enhances efficiency but also creates new opportunities for strategic advisory services.



KEY INSIGHTS

At ADP's Accountant Connect AI Forum, industry experts, including Jody Padar, the radical CPA, Dan Hood, editor-in-chief at Accounting Today, Naomi Lariviere, ADP's chief product owner, and Heather Sperduto, ADP's vice president of Accountant Advocacy, offered valuable perspectives on AI in the profession.

Embracing an AI-first mindset

Adopting an AI-first mindset means utilizing AI to enhance workflows, improve team dynamics and ultimately increase your advisory impact. A key aspect of this shift involves developing an artificial intelligence quotient (AIQ), which is your firm's collective knowledge and capability in effectively leveraging AI across all roles. By focusing on building AIQ, you ensure that every team member, from administrative staff to leadership, is equipped with the necessary skills to utilize AI meaningfully and efficiently.

Building a strong data foundation

Understanding the data you have, particularly the "human" data, is essential for success. AI excels at analyzing conversations, meeting notes and even client calls, transforming these interactions into opportunities for better communication and problem-solving. It's about finding actionable insights that can help teams connect better with clients and streamline their internal processes.

AI and the future of the profession

As AI continues to transform the profession, the most impactful opportunities are found in its practical, everyday applications. Real-world examples include improving client communications, summarizing meetings and workflow automation — particularly during peak workload periods like tax season.

GOING FORWARD

Firms that prioritize an AI-first mindset, foster AIQ and explore practical applications can transform challenges into opportunities.

Interested in hearing more takeaways from ADP's Accountant Connect AI Forum? You can [register and replay anytime](#).



BUILDING FINANCIAL CONFIDENCE FOR THE FUTURE

2025 demonstrated that the SECURE 2.0 Act of 2022 is more than just a compliance update — it's an opportunity for accountants to strengthen relationships through proactive retirement planning.



KEY INSIGHTS

The insights gained from the SECURE 2.0 — where are we now, webinar, led by Ron Ulrich, service executive of ADP Retirement Services, highlight several key provisions of the SECURE 2.0 Act of 2022.

KEY PROVISIONS OF SECURE 2.0 ACT

Here are some of the key provisions:

- Increased tax incentives for new retirement plans
- Mandatory automatic enrollment in all new plans
- A phased increase in the required minimum distribution age from 72-75
- Higher catch-up contributions for individuals aged 60 to 63
- Provisions for emergency savings and withdrawals
- The ability to make matching contributions for student loan payments
- Expedited eligibility for long-term, part-time workers after two years, instead of three
- Requirements for catch-up contributions to be made in Roth IRAs for those earning over \$145,000
- Allowing for both matching and non-elective contributions to be made as Roth

GOING FORWARD

Accountants should seize this opportunity to engage clients in proactive retirement planning discussions, to help them understand how these provisions affect their retirement savings. By capitalizing on these provisions, professionals can help clients build financial confidence for the future.



For more information, visit [ADP's SECURE 2.0 Act of 2022 Guide](#).

Interested in hearing more takeaways from the webinar?
You can [register and replay anytime](#).

ADVISORS IN A DIGITAL WORLD

The financial landscape is rapidly changing due to cryptocurrency (digital or virtual currency) and blockchain technology, a decentralized digital ledger system that securely records transactions across many computers, so that the recorded transactions cannot be altered retroactively. This technology underpins cryptocurrencies like Bitcoin, but its applications extend far beyond digital currencies. With advanced cryptographic methods, cryptocurrency is reshaping the way we think about transactions and introducing a new era in finance through networks and smart contracts.



KEY INSIGHTS

Cory Campbell, PhD, CPA, led a discussion on the webinar Digital assets & cryptocurrency, exploring the implications these technologies have for financial reporting, auditing and regulatory compliance. Attendees gained valuable insights into how cryptocurrency could reshape the future of finance.

The potential of blockchain

Blockchain technology offers numerous advantages. Here are some of its key applications:

- Immutable records and traceable audit trails
- Authentication of transactions
- Tracking ownership of assets
- Development of smart contracts
- Registry and inventory system for any asset, ranging from raw materials to intellectual property

Understanding blockchain

To grasp the implications of blockchain further, it's essential to recognize its features:

- Deterministic in nature
- No singular "the blockchain"
- Functions as an append-only technology, significantly reducing the potential for errors when reconciling complex and disparate information from multiple sources
- Accounting records are not alterable once committed, even by the owners of the accounting system
- Every transaction is recorded and verified, ensuring the integrity of financial records

The role of cryptocurrency

When discussing cryptocurrency, Bitcoin (BTC) often takes center stage. Viewed as both an asset and a network, BTC is increasingly recognized as portable wealth. Its scarcity and difficulty of production have earned it the title of "digital gold," signifying its growing importance as a store of value.

Supply chain applications

One of the fascinating applications of blockchain is in supply chain management. Smart contracts, which operate on if/then conditions, can ensure that transactions are only completed when specific criteria are met. Moreover, blockchain serves as a digital representation of physical assets, enhancing transparency and efficiency.

GOING FORWARD

In this evolving digital world, professionals who embrace technology will be better equipped to provide valuable insights and guidance, ensuring they remain at the forefront of the financial landscape.

Interested in hearing more takeaways from the webinar?
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TURNING COMPLEXITY INTO CALM

The top IRS issues for small businesses in 2025 underscore the importance of expert guidance. Topics such as S corporation reasonable compensation and employee vs. independent contractor classifications highlight the critical role accountants play as trusted advisors.



KEY INSIGHTS

During the webinar, *Navigating the top 10 IRS issues for small business*, led by Susan Harper, certified fraud examiner, accountants discussed the most common IRS audit issues for small businesses and how to guide clients through them.

TOP 10 IRS AUDIT ISSUES

1. Unreported income: One of the top concerns during audits is unreported income. To help clients prepare, consider the following best practices:

- Reconcile bank deposits to client's records, including personal accounts
- Reconcile income to IRS's income records
- Reconcile books to return
- Prepare a Cash-Tracking document
- Be prepared to explain discrepancies

2. IRC 183 hobby loss: Understanding what constitutes an "activity not engaged in for profit" is vital. Nine factors under Internal Revenue Code (IRC) 183 determine this, including the manner in which the taxpayer carries on activity and their history of income or losses with respect to the activity. Ensure clients understand the requirements outlined in IRC 183 to avoid costly penalties.

3. S corporation reasonable compensation: Assessing the compensation paid to S corporation shareholders is essential. Evaluate:

- The compensation (Form W-2) relative to the amount of distributions
- Determine if "compensation" is disguised as a loan
- Prepare salary comparisons, as the IRS will

4. S corporation losses > basis: When advising on S corporation losses, clarify the limitations that affect the deductibility of losses. Remind clients that receiving a Schedule K-1 showing a loss does not automatically grant the right to deduct it against other income.

5. Construction industry: Accountants should be aware of the unique challenges faced by clients in the construction sector. Income and expense issues can be complex. Help clients navigate issues such as advance payments, improper contract computations and the correct treatment of per diem expenses.

6. Employee vs. independent contractor: The IRS remains vigilant in scrutinizing worker classifications. Tax professionals should advise clients on the Voluntary Classification Settlement Program (VCSP), which can provide relief from federal employment taxes if they successfully reclassify workers for future periods. Ensure proper agreements are in place to protect clients.

7. Form 1099-K: The rise of e-commerce has added complexity to Form 1099-K requirements. Accountants should proactively:

- Understand e-commerce activities
- Reconcile gross receipts
- Assess whether the reported gross income per return is sufficient to support the known standard of living

8. Form 1099 noncompliance: Help clients avoid penalties by:

- Filing information returns and providing payee statements before the due date
- Preparing returns and payee statements with correct information (secure Forms W-9 as early as possible)
- Filing a waiver from electronic filing of information returns
- Applying for an extension on time, filing information returns and providing payee statements before the extended due date

9. IRS package audit: IRS compliance employees must ensure that all required returns have been filed, including related returns and those for prior and subsequent years. This includes:

- All returns open by statute
- Related returns such as Individual, Business, and Information Returns
 - Specialty Tax (Employment, Excise, Estate & Gift, Pension, etc.)
- Owners, shareholders, partners

10. Penalties: Penalties can have a significant impact on small businesses. By helping clients file tax returns accurately and on time, as well as providing timely information returns, accountants can help mitigate potential penalties. Educating clients on the impact of mistakes and the importance of compliance should be a priority.

GOING FORWARD

It's essential to keep clients informed and prepared for potential IRS audits. Regularly attending webinars and continuing education will enable you to provide consistent and valuable guidance, turning complexity into calm.

Interested in hearing more takeaways from the webinar?
You can [register and replay](#) anytime.



KEEP LEARNING. KEEP LEADING.

The insights that shaped 2025 are paving the way for 2026 — a year where accountants continue to lead through clarity, technology and trust.

Stay inspired, stay connected and explore everything the Accountant Connect Resource Center has to offer.

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