

Tax Update Bulletin - October 2026

1099 reporting threshold increased to \$2,000

For tax years beginning after 2025, the 1099-NEC / 1099-MISC reporting threshold increased to \$2,000, with new boxes for cash tips and overtime reporting.

Source: IRS Instructions for Forms 1099-MISC and 1099-NEC (Rev. Dec 2026), irs.gov/pub/irs-pdf/i1099mec.pdf

New deductions on 2026 returns

New deductions include qualified tips, overtime compensation, and qualified passenger vehicle loan interest (up to \$10,000), plus an enhanced senior deduction up to \$6,000 (\$12,000 married filing jointly).

Source: 2026 Form 1040-ES, irs.gov/pub/irs-pdf/f1040es.pdf

Q4 estimated payments due January 15, 2027

The fourth federal estimated tax payment for 2026 is due January 15, 2027. California's fourth payment (30% of required annual estimate) is due the same day.

Sources: 2026 Form 1040-ES (irs.gov) and FTB, ftb.ca.gov/pay/estimated-tax-payments.html

W-2 and 1099-NEC deadline: February 1, 2027

Because January 31, 2027 falls on a Sunday, Forms W-2 are due to employees and the SSA by February 1, 2027; 1099-NEC filings follow the same next-business-day rule.

Sources: General Instructions for Forms W-2 and W-3 (irs.gov/pub/irs-pdf/iw2w3.pdf) and IRS 1099-MISC/NEC instructions.

Business returns due March 15, 2027

Calendar-year partnership (Form 1065) and S-corporation (Form 1120-S) returns for 2026 are due March 15, 2027 (a Monday).

Source: IRS Instructions for Form 1065, irs.gov/pub/irs-pdf/i1065.pdf

2026 individual returns due April 15, 2027

Individual federal income tax returns for tax year 2026 are due April 15, 2027 (a Thursday). California follows the same date.

Source: IRS, irs.gov/filing/individuals/when-to-file

Missed the October 15 extension deadline?

If you missed the October 15, 2026 extended filing deadline, file as soon as possible - the failure-to-file penalty grows each month a return is late.

Source: IRS, irs.gov/payments/failure-to-file-penalty