



Coleman & Associates

Fully Integrated Tax, Accounting & Financial Services

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Important Dates:

June 15

- Second quarter 2026 estimated tax payments are due

How to Pay Your Income Taxes Online

The June 15th deadline to file and pay your individual and business income taxes is fast approaching. While paying taxes is not optional, you do have options when it comes to how to pay your taxes.

These options are available for your balance due and your quarterly estimated taxes, if applicable.

We strongly advise that you remit payments online! This ensures timely and accurate payment.

IRS Options

The Internal Revenue Service offers a variety of payment options. You can find out more and get started at <https://www.irs.gov/payments>

Illinois Options

The Illinois Department of Revenue offers a variety of payment options summarized below. You can find out more and get started at <https://tax.illinois.gov/individuals/pay.html>

Other states will have similar options. Start with a Google search or ask us for help finding the options for additional states.

Time for a Tax Planning Review

With all the complexity in the tax code today, it is easy to put off taking a look at your situation. On the other hand, time is on your side to implement some great tax savings ideas. Here are several strategies to consider during a midyear tax review:

- **Create a midyear sort of tax records.** Good recordkeeping is one of the best ways to protect valuable tax deductions. Maintain documentation for expenses such as charitable donations, childcare costs, medical expenses, business mileage, travel expenses and gambling losses. Establishing a reliable system now can save time and stress later. Also consider taking advantage of the new above the line charitable donation of up to \$2,000 (\$4,000 if married) while there is still plenty of time.
- **Boost retirement savings.** Retirement contribution limits remain generous, giving you an opportunity to increase tax-advantaged savings before year-end. For 2026, eligible taxpayers can contribute up to the annual IRS limit for employer-sponsored retirement plans and IRAs, with additional catch-up contributions available for individuals age 50 and older. Increasing contributions may lower taxable income while helping strengthen long-term financial security.
- **Review education savings options.** If you're saving for a child's education in a regular investment account, consider whether a 529 education savings plan could provide tax advantages. Earnings in these accounts grow tax-deferred, and withdrawals are generally tax-free when used for qualified education expenses. Starting earlier allows more time for potential tax-advantaged growth.
- **Update withholding and estimated taxes.** Major life changes such as marriage, divorce, a new job or changes in income can affect how much tax you should be paying throughout the year. Reviewing your withholding and estimated tax payments now may help you avoid underpayment penalties or an unexpectedly large balance due next spring. At the same time, avoiding overpayment can improve cash flow during the year.

A proactive tax review can help uncover opportunities and minimize costly mistakes. Please call if you would like assistance with year-end tax planning strategies tailored to your situation.

An IRS Notice Does Not Always Mean There was an Error

If you receive a notice from the IRS (or any of the state agencies), do not automatically assume it is correct and submit payment to make it go away. Here are some suggestions for how to handle a letter you may receive from the IRS or other taxing authority:

- ✓ **Stay calm.** Remember, the IRS sends out millions of notices each year. The vast majority of them correct simple oversights or common filing errors.
- ✓ **Open the envelope.** You would be surprised at how often clients are so stressed by receiving a letter from the IRS that they cannot bear to open the envelope. If you fall into this category try to remember that the first step in making the problem go away is to open the correspondence.
- ✓ **Send us the notice.** Send us the notice to review before calling us (we need all pages).
- ✓ **Correct the IRS error.** Once the problem is understood, a clearly written response with copies of documentation will cure most of these IRS correspondence errors. Often the

error is due to the inability of the IRS computers to conduct a simple reporting match. Pointing the information out on your tax return might be all it takes to solve the problem.

- ✓ **Certified mail is best.** Any responses to the IRS should be sent via certified mail or other means with proof of delivery. This will provide evidence of your timely correspondence. Lost mail can lead to delays, penalties, and additional interest on your tax bill. NOTE: You cannot reply online to an IRS notice yet, even if you have an IRS online account setup.
- ✓ **A reply takes a while.** The IRS generally responds in 90 days, but it can take far longer than that.
- ✓ **Don't assume it will go away.** Until a definitive confirmation that the problem has been resolved is received, assume the IRS still thinks you owe the money. If no correspondence confirming the correction is received, a written follow-up will be required.

Receiving a letter from the IRS is never fun. Please call if you have questions or need assistance.

One Homeowners' Policy, Two Very Different Types of Coverage

Homeowners insurance policies have many distinct components of coverage. Two of the biggest are the structure of the home and the belongings inside of it.

Here's a closer look at how these two types of coverage work and how understanding the difference can help you make better-informed coverage decisions.

#1 – Coverage for your house

The physical structure of the home falls under dwelling coverage (often called Coverage A). This includes:

- The walls and roof
- Flooring and cabinets
- Built-in appliances
- Plumbing and electrical systems
- Attached garages

This part of your policy helps pay to repair or rebuild your home after covered damage. The coverage amount is usually based on what it would cost to rebuild the home today, not what you originally paid for it or what it could sell for on the market.

For example, a \$500,000 home may actually need \$700,000 to rebuild after a widespread disaster because of labor shortages, material inflation, and updated building codes.

#2 – Coverage for your belongings

Furniture, clothing, electronics, appliances, and other personal items fall under personal property coverage, also known as Coverage C. Most policies set this limit as a percentage of the home's insured value, commonly 50% to 70%.

For example, a home insured for \$500,000 may only include \$250,000 to \$350,000 in coverage for everything inside it. While that may look like plenty of coverage, you may be surprised how quickly replacement costs can add up after a major loss.

Belongings coverage also works differently than coverage for the structure itself. While the home is often insured at full replacement cost, personal belongings may be reimbursed at actual cash value unless the policy is upgraded. So a TV you purchased for \$1,200 several years ago may only be valued at a fraction of that amount today.

Some belongings also come with strict coverage caps. Jewelry, firearms, collectibles, and similar high-value items may only be covered up to limited amounts unless additional coverage is specifically added to the policy.

What you can do

A few simple steps can help you better understand your coverage and avoid costly surprises after a claim.

- **Review your personal property limit.** Ask your insurance agent how much coverage you actually have for belongings and whether it realistically reflects what it would cost to replace everything you own today.
- **Check whether your belongings are covered at replacement cost or actual cash value.** Upgrading to replacement cost coverage can make a significant difference in what you receive after a loss.
- **Create a home inventory.** Photos, videos, receipts, and a room-by-room inventory can make the claims process smoother and help ensure you are properly insured.
- **Ask about special limits for valuable items.** Jewelry, firearms, collectibles, and expensive electronics may require additional endorsements or scheduled coverage to be fully protected.

Understanding the difference between coverage for your home and coverage for your belongings can help you avoid unexpected gaps and make more confident insurance decisions before a claim ever happens.

Ideas to Help Onboard New Employees

With today's competitive labor market, it's important that your company has an onboarding system ready to go when you get a prospective employee to say "Yes!" to joining your company. Here are some ideas:

- **Engage before day one.** Once a contract is signed or a verbal acceptance given, candidates may still be hearing from other companies that they have interviewed with and could easily rescind their acceptance. So keep your company top of mind until day one by making periodic check-ins to answer any questions and ensure your new employee knows what to bring and do on their first day of work.

- **Immediately schedule one-on-one meetings with the supervisor.** A study by Microsoft Analytics found that employees who got little or no one-on-one time with direct managers were more likely to be disengaged. Similarly in a LinkedIn survey, 72 percent of respondents said that such one-on-one time was the most important part of their onboarding process. Whether these meetings take place in person or virtually, consider scheduling several one-on-one meetings with the new employee's manager throughout the first few months of employment.
- **Schedule meetings with other team members.** In addition to scheduling one-on-one meetings with the new employee's supervisor, consider scheduling meetings with other team members. These meetings will help the new employee further develop more personal connections with people throughout the company.
- **Ensure equipment arrives on time.** With widespread supply chain disruptions still plaguing many industries, double-check with your suppliers that all necessary equipment arrives and is set up and tested prior to your new employee's first day.
- **Develop milestones.** Many new employees are unsure of their performance during the initial months of a new job. To help both the employee understand how they are doing and to give your business an idea of what tasks you want your new employee to be responsible for, consider developing a list of milestones to ensure the new employee is being properly utilized.

As always, contact the office with questions by emailing us at info@colemancpas.com or calling 773-444-3100. We are here to help.

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