



**well-oiled**  
OPERATIONS

30

**TAX SAVING**

**STRATEGIES**



## **DISCLAIMER**

The information provided here is for general informational purposes only and should not be considered as financial advice. This content is not intended to provide, and should not be relied on for, tax, legal, accounting, or investment advice. The financial information presented is without regard to any individual's personal circumstances, financial situation, or investment objectives.

Readers are strongly encouraged to consult with qualified professionals, including Certified Public Accountants (CPAs), financial advisors, attorneys, and/or tax experts before making any financial, investment, or tax-related decisions. Any actions taken based on the information provided here are done so at your own risk and discretion.





# STRATEGIC PLANNING

## 1 Defer Income

For cash-basis businesses, consider delaying invoicing or accepting payments until after December 31st. This pushes the income into the next tax year, potentially lowering your current year's tax bill.

## 2 Accelerate Expenses

Make necessary purchases before year-end to increase deductions. This could include stocking up on supplies or prepaying some expenses for the coming year.

- What monthly subscriptions do you have that you know you'll be keeping for the next 12 months. Can you change the subscription from monthly to annually and pay it off in december.
- Have you signed up for anything on a payment plan and can you call to see if they will charge the remaining balance?
- Are there any purchases you know you'll need in January or Quarter 1, that you want to spend it now versus later.

## 3 Retirement Plan Contributions

Contributions to plans like SEP IRAs or Solo 401(k)s can significantly reduce your taxable income. The limits are often higher for business owners than for employees.

## 4 Health Savings Account (HSA)

If you have a high-deductible health plan, an HSA allows you to save money tax-free for medical expenses. Contributions are tax-deductible and withdrawals for qualified medical expenses are tax-free.

## 5 Section 179 Deduction

This allows you to deduct the full purchase price of qualifying equipment or software purchased or financed during the tax year. There are limits, but they're quite high for most small businesses.

## 6 Bonus Depreciation

This allows businesses to deduct a large percentage of the purchase price of eligible assets in the year they're put into service. It's often used in conjunction with Section 179.



# MAXIMIZE DEDUCTIONS

## 7 Home Office Deduction

This deduction allows you to write off a portion of your home expenses based on the percentage of your home used exclusively for business. Calculate the square footage of your office space and divide it by the total square footage of your home to determine the deductible percentage.

## 8 Vehicle Expenses

You can choose between two methods: the standard mileage rate or actual expenses. Keep a detailed log of business miles driven and all vehicle-related expenses to maximize this deduction.

## 9 Advertising and Marketing

This includes costs for online ads, print materials, business cards, and even sponsorships. Don't forget to include expenses for maintaining your website and social media presence.

## 10 Business Insurance

This covers various types of insurance such as liability, property, workers' compensation, and business interruption insurance. Review your policies annually to ensure you're not overpaying.

## 11 Professional Fees

These deductions can include fees paid to lawyers, accountants, consultants, and other professionals. Keep detailed invoices and receipts for all services rendered.

## 12 Office Supplies and Equipment

This category is broad and can include everything from pens and paper to computers and furniture. Keep all receipts and consider using a business credit card for easy tracking.

## 13 Travel Expenses

Deductible expenses include airfare, hotel stays, car rentals, and even laundry services while traveling. Maintain a travel log and keep all receipts to substantiate your claims.

## 14 Meals

While only 50% deductible, this can still provide significant savings. Keep detailed records of who attended, the business purpose, and the amount spent.

## 15 Education Expenses

This can include courses, workshops, seminars, and even books or subscriptions that help you maintain or improve skills related to your business.

## 16 Subscriptions and Memberships

These can include industry publications, professional organization dues, and even software subscriptions used for business purposes.



# TAX CREDITS AND INCENTIVES

## 17 Qualified Business Income (QBI) Deduction

This deduction allows eligible pass-through businesses to deduct up to 20% of their qualified business income. The rules are complex, so consult with a tax professional to ensure you qualify.

## 18 Work Opportunity Tax Credit (WOTC)

This credit incentivizes hiring from certain groups, such as veterans or long-term unemployed individuals. The credit can be as much as \$9,600 per employee in some cases.

## 19 Small Employer Health Insurance Credit

This credit is available to businesses with fewer than 25 full-time equivalent employees. The maximum credit is 50% of premiums paid for small business employers.

## 20 Clean Energy Credits

These credits can apply to solar installations, wind energy, and other renewable energy investments. The specifics vary, but some credits can be as high as 30% of the cost.



# BUSINESS STRUCTURE AND MANAGEMENT

## 21 Choose the Right Business Structure

Different structures have different tax implications. For example, an S-Corp might allow you to save on self-employment taxes compared to a sole proprietorship.

## 22 Hire Family Members

This can shift income to lower tax brackets and potentially save on payroll taxes. Make sure the work and pay are reasonable and well-documented.

## 23 Use Accountable Plans

These plans allow you to reimburse employees for business expenses without the reimbursement being considered taxable income. This can save both the business and the employee on taxes.

## 24 Charitable Contributions

Donations to qualified organizations can reduce your taxable income. Keep detailed records and get receipts for all donations.

## 25 Energy-Efficient Improvements

Upgrades like energy-efficient lighting or HVAC systems can qualify for tax deductions. These improvements can also lead to long-term savings on utility bills.



# FINANCIAL MANAGEMENT

## 26 Track Expenses Meticulously

Use accounting software or apps to easily categorize and track all business expenses. This ensures you don't miss any deductions and makes tax time much easier.

## 27 Utilize Tax-Advantaged Accounts

HSAs and FSAs allow you to pay for healthcare expenses with pre-tax dollars. This can result in significant savings, especially if you have high medical costs.

## **28** Time Your Income and Expenses

If you expect to be in a lower tax bracket next year, consider deferring income. Conversely, if you expect a higher bracket, you might accelerate income into the current year.

## **29** Write Off Bad Debts

If you've made reasonable attempts to collect a debt and it remains unpaid, you may be able to write it off as a bad debt expense. This can help offset your taxable income.

## **30** Claim Startup Costs

You can deduct up to \$5,000 in startup costs in your first year of business. Additional costs can be amortized over 15 years. Keep detailed records of all expenses incurred before your business officially opens.

**Remember, while these strategies can potentially save you money on taxes, it's crucial to consult with a qualified tax professional to ensure they're appropriate for your specific situation and implemented correctly.**