

FREE CHECKLIST · USE BEFORE DECEMBER 31

Top 10 Year-End Tax Moves

The moves that cut your 2026 tax bill — every one of them has a December 31 expiration date.

Most tax savings don't happen in April — they happen in November and December, while the year can still be changed. Check off what applies, and bring this list to your year-end planning meeting.

Moves 1–6: money out the door

1. Buy needed equipment — and place it in service — by Dec 31

Section 179 (up to \$2,560,000 in 2026) and 100% bonus depreciation can write off the full cost this year.

"In service" means in use, not on order.

2. Prepay deductible expenses

Cash-basis businesses can deduct up to 12 months of prepaid insurance, rent, subscriptions, and supplies paid before year-end.

3. Time your income

Expecting a lower-tax year next year? Invoice late December so payment lands in January. Expecting higher? Collect aggressively now. Legal either way — it's about when income is received.

4. Open your retirement plan before the deadline

A solo 401(k) must generally exist by Dec 31 to accept this year's employee deferrals (up to \$24,500 for 2026). SEP IRAs can wait until filing — but the 401(k) usually allows bigger contributions at the same income.

5. Put your kids on the payroll — before Dec 31

Wages must actually be paid during 2026 for 2026 deductions. Real work, reasonable pay, real records.

6. True up your S-corp salary

If your reasonable compensation is off, a December payroll run can fix it. After Dec 31, the option is gone.

Moves 7–10: paper, records, and the meeting

7. Submit accountable-plan reimbursements

Home office, mileage, and phone reimbursements from your S-corp must be paid through the plan before year-end — deductible to the company, tax-free to you.

8. Harvest the small stuff

Write off uncollectible invoices (accrual basis), dispose of dead equipment still on the books, and donate before Dec 31 if you itemize.

9. Check your estimated tax position

If 2026 was a big year, your January 15 payment may need a top-up — cheaper than a penalty. If it was slow, don't overpay on autopilot.

10. Close your books and meet your accountant in December — not March

Every move on this list dies on December 31. A one-hour planning meeting while there's still time to act is the highest-ROI hour of your year.

ONE WARNING

The order matters: know your projected profit first (move 10), then pick the moves that fit. Buying equipment you don't need to "save on taxes" spends a dollar to save thirty cents.

BEAT THE DEADLINE

We run year-end planning sessions through mid-December — your numbers, your bracket, and the short list of moves worth making before the 31st. Book at westfinancialservicesllc.com.