insighters | business insight you can trust

Year-End Tax Handbook

Simple moves to make before December 31

2026

Presented at the InSighters Fall Picnic | Celebrating Get A Hustle Season 2, sponsored by BBRC

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Birmingham Business Resource Center

WELCOME

Why year-end planning matters

Most tax savings are decided before December 31, not in April. Once the year closes, your income and expenses are locked in, and the best your tax preparer can do is report them. The last three months of the year are your window to shape the outcome.

This handbook covers three simple strategies:

1. **Time your income and expenses** so more deductions land this year and some income lands next year.
2. **Know your numbers** by reviewing your first three quarters and projecting where the year will end.
3. **Make the most of the holiday season** with fourth-quarter moves that save tax and grow your business.

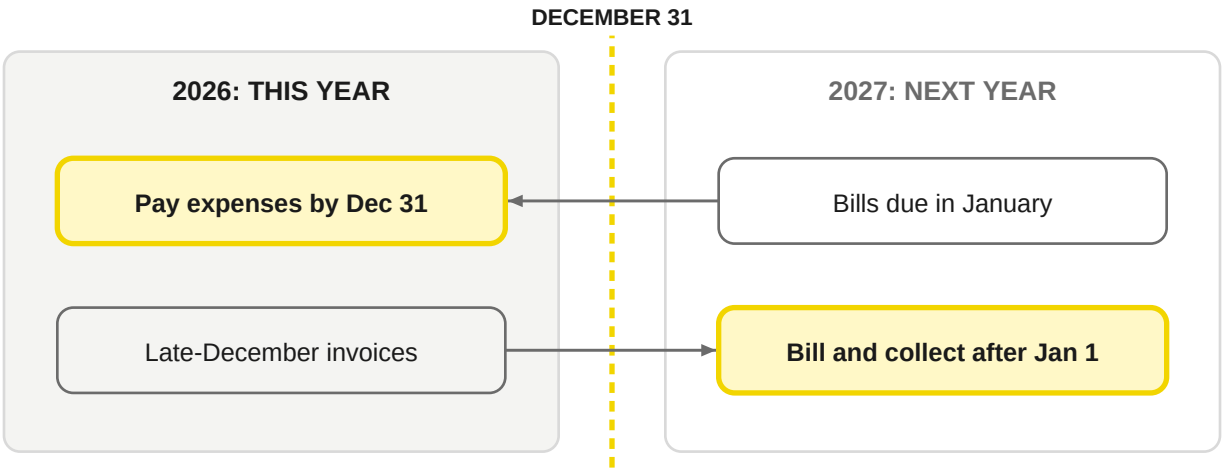
Each strategy fits on a page or two. Read it, check off what applies, and bring your questions to us.

Questions? The InSighters team is here to help. Turn to the inside back cover to book your Year-End Tax Planning session.

STRATEGY 1

Accelerate expenses, delay income

If you run your business on a cash basis, you generally pay tax on income when you receive it and deduct expenses when you pay them. That gives you control over which year they land in.



The goal is simple: lower this year's taxable profit by shifting deductions in and income out, especially large one-time payments.

Move	How it works
Prepay ordinary expenses	Buy supplies, pay vendor invoices, and settle bills before December 31
Buy equipment you need	Vehicles, computers, and machinery placed in service by December 31 may be fully deductible this year
Delay December invoicing	Send late-December invoices in early January so payment arrives next year
Push back large payments	Schedule big contracts or one-time sales to close after January 1
Fund retirement accounts	Contributions to a SEP, Solo 401(k), or IRA reduce taxable income

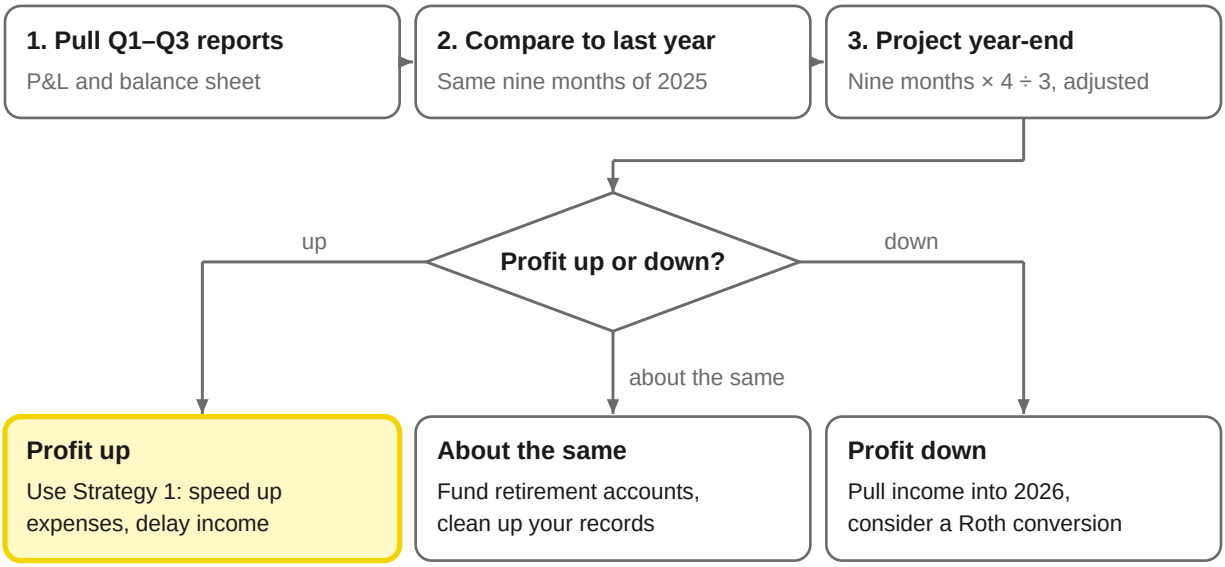
When to do the opposite. If you expect a bigger income year in 2027, or this year was slow, it can pay to bring income in now and delay expenses. Strategy 2 shows how to tell which situation you're in.

A word of caution. Spend money because your business needs it, not just for the deduction. A $1,000 purchase saves only a portion of that in tax.

STRATEGY 2

Know your numbers

You can't plan what you can't see. By October you have nine months of results, which is enough to see where the year is heading.



What to look at. On your income statement (profit and loss), check sales, major expenses, and net profit. On your balance sheet, check cash, money customers owe you, loans, and equipment purchases.

How to project. Divide your nine-month profit by 3 to get a monthly average, multiply by 12, then adjust for anything you know is coming in the fourth quarter, such as a busy holiday season or a large contract.

Your quick worksheet

	2025 (Jan–Sep)	2026 (Jan–Sep)	Change
Sales			
Total expenses			
Net profit			
Cash on hand			
Owed to you by customers			
Projected 2026 net profit			

Bring this page to your InSighters planning session, and we'll turn the numbers into a plan.

STRATEGY 3

Make the most of the holiday season

The fourth quarter is busy for most businesses, and it's also full of tax opportunities. Pick the ones that fit.

Move	Why it helps
Thank your clients with gifts	Business gifts are deductible up to $25 per recipient per year, so keep each gift modest and keep the receipts
Throw a holiday party for your team	A party open to all employees is generally fully deductible
Pay year-end staff bonuses by December 31	Bonuses paid this year are deducted this year and reward your team for a strong season
Hire your kids for the holiday rush	Reasonable wages for real work are deductible, and children under 18 working for a parent's sole proprietorship generally owe no Social Security or Medicare tax
Count and clean up inventory	A December 31 count gives accurate numbers, and damaged or outdated stock may be written down or donated
Give to charity by December 31	Gifts made this year count this year; starting in 2026, people who don't itemize can deduct up to $1,000 in cash gifts ($2,000 for married couples)
Review your investments	Selling investments at a loss can offset gains you've already taken
Collect W-9s now	Getting forms from contractors before the holidays makes the January 1099 deadline painless

Watch the holiday cash rush. If December is your biggest month, the timing moves in Strategy 1 matter even more. A strong December can push you into a higher bracket if you don't plan for it.

QUICK REFERENCE

Key 2026 numbers

Account or rule	2026 limit
401(k) and Solo 401(k) employee contribution	$24,500
401(k) catch-up, age 50 and over	$8,000
401(k) catch-up, ages 60 to 63	$11,250
SEP IRA and total Solo 401(k) contributions	$72,000
SIMPLE IRA contribution	$17,000
Traditional or Roth IRA contribution	$7,500 (plus $1,100 at age 50 and over)
Health savings account (HSA)	$4,400 self-only, $8,750 family
Social Security wage base	$184,500
Business gift deduction	$25 per recipient per year

Limits depend on your income, age, and plan type. Ask us which ones apply to you.

Your year-end checklist

By November 15, 2026

- [ ] Pull your January–September profit and loss and balance sheet
- [ ] Complete the worksheet in Strategy 2
- [ ] Book your year-end planning session with InSighters

By December 31, 2026

- [ ] Pay the expenses and buy the equipment you've planned for
- [ ] Decide which December invoices to send in January
- [ ] Make retirement plan contributions due by year-end
- [ ] Pay staff bonuses and make charitable gifts
- [ ] Count inventory

In January 2027

- [ ] Make your fourth-quarter estimated tax payment by January 15, 2027
- [ ] Send W-2s and 1099s by February 1, 2027
- [ ] Gather your records for tax season

YOUR NEXT STEP

Let InSighters build your year-end plan

Our new Year-End Tax Planning service turns this handbook into a plan made for your business. In one session, we review your numbers, project your 2026 tax, and give you a short list of moves to make before December 31.

Fall Picnic offer: book by November 15, 2026

Year-End Tax Planning Session	Price
Regular price	~~$495~~
InSighters client rate	$325
Picnic price for existing clients	**$295**
Picnic price for new clients	**$395**

Pay to reserve your session

Scan the code that matches you to pay and lock in your picnic price. After you pay, we'll contact you to schedule your session. Offer ends **November 15, 2026**.

EXISTING CLIENTS
Picnic price $295

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NEW CLIENTS
Picnic price $395

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This handbook provides general information, not tax advice for your specific situation. Tax rules change and depend on your circumstances, so talk with a tax professional before acting.