Earned

Year-End Tax Season Checklist

Run these before the 2026 window closes on December 31. Amounts are 2026 IRS limits – check the ones that fit and bring them to your advisor with your latest Form 1040.

Reconcile & Project

- [ ] **1. Run a year-end tax projection and hit safe harbor**
  2026: pay >90% of this year's or 110% of last year's tax **Deadline: Q4 estimate Jan 15, 2027**
  Confirm you've paid in enough to avoid IRS underpayment penalties; true up in Q4.

- [ ] **2. Reconcile every income source and check multi-state filing**
  2026: W-2s, K-1s, practice, optical & 1099 income **Deadline: before you file**
  Practicing or covering across state lines can trigger multi-state returns – flag it now.

- [ ] **3. Make your pass-through entity (PTE) tax payment**
  2026: entity-level state tax bypasses the SALT cap **Deadline: usually Dec 31, 2026**
  High-tax states: confirm the election is active and the payment is made to count for 2026.

Retirement

- [ ] **4. Max your 401(k) / 403(b)**
  2026: $24,500 (+$8,000 at 50+, +$11,250 at 60–63) **Deadline: payroll by Dec 31, 2026**
  The most reliable way for a high earner to cut taxable income.

- [ ] **5. Reach the full defined-contribution limit**
  2026: $72,000 employee + employer **Deadline: profit sharing by filing + extension**
  Structure match and profit sharing to hit the combined cap.

- [ ] **6. Fund your HSA**
  2026: $4,400 self-only / $8,750 family (+$1,000 at 55+) **Deadline: Apr 15, 2027**
  Don't wait for the deadline – fund monthly and invest the balance for tax-free growth.

- [ ] **7. Open and fund self-employed plans**
  2026: Solo 401(k), SEP-IRA to $72,000, cash balance often $100K+ **Deadline: Solo 401(k) election Dec 31, 2026**
  Practice income unlocks far more room, including a Mega Backdoor Roth where the plan allows.

- [ ] **8. Execute a backdoor Roth – and clear the pro-rata rule**
  2026: up to $7,500 ($8,600 if 50+) **Deadline: roll pre-tax IRAs into a 401(k) by Dec 31, 2026**
  Move traditional, rollover, SIMPLE, or SEP-IRA balances into a 401(k) so the conversion is tax-free.

- [ ] **9. Convert to Roth in low-income years**
  2026: amount that fills your target bracket (no cap) **Deadline: Dec 31, 2026**
  Ideal in a partial year, an equipment, or practice-purchase year, or early retirement.

Gain More From Your Practice Ownership

- [ ] **10. Optimize your S-Corp salary**
  2026: balance salary vs. distributions **Deadline: run payroll by Dec 31, 2026**
  Set reasonable comp to maximize retirement funding while minimizing payroll tax.

- [ ] **11. Put your spouse on payroll**
  2026: opens a second set of retirement contributions **Deadline: by Dec 31, 2026**
  Only for genuine work performed in the practice.

- [ ] **12. Put your children on payroll**
  2026: shifts income to their lower bracket **Deadline: by Dec 31, 2026**
  Wages to a child under 18 are FICA-exempt in an unincorporated business.

- [ ] **13. Use the Augusta Rule (or the home-office deduction)**
  2026: rent your home to your business up to 14 days, tax-free **Deadline: by Dec 31, 2026**
  Sole proprietors: take the home-office deduction for space used exclusively for business.

Equipment, Vehicles, & Real Estate

- [ ] **14. Expense equipment placed in service this year**
  2026: 100% bonus depreciation + Section 179 up to $2.56M **Deadline: in service by Dec 31, 2026**
  A new OCT, imaging, diagnostic, or surgical device can often be written off in year one.

- [ ] **15. Optimize depreciation timing**
  2026: accelerate vs. standard depreciation **Deadline: decide before you file**
  A write-off is worth more in a high-rate year – model it against future income.

- [ ] **16. Time a vehicle purchase**
  2026: ~$20,300 passenger cap / up to $32,000 heavy (6,000+ lbs GVWR) **Deadline: in service by Dec 31, 2026**
  The deduction tracks your actual business-use percentage.

- [ ] **17. Explore real estate strategies**
  2026: cost segregation, practice-building purchase, short-term rental **Deadline: closings by Dec 31, 2026**
  An STR with ≤7-day average stays plus material participation can offset active income.

The QBI Deduction

- [ ] **18. Check whether the QBI deduction is in reach**
  2026: full below ~$403,500 joint / ~$201,800 single; phases out ~$553,500 / ~$276,800
  Deadline: manage income by Dec 31, 2026
  Medicine & optometry are specified service trades – retirement contributions may pull income into range.

Tighten The Tax Portfolio

- [ ] **19. Favor qualified over ordinary dividends**
  2026: qualified dividends taxed at long-term cap-gains rates **Deadline: ongoing**
  Hold positions more than a year and structure the taxable account accordingly.

- [ ] **20. Put excess cash to work**
  2026: taxable interest over $5,000 signals too much cash **Deadline: review year-end statements**
  Invest idle reserves instead of letting them sit in cash.

- [ ] **21. Harvest tax losses with custom indexing**
  2026: offset gains + up to $3,000 of ordinary income **Deadline: trades by Dec 31, 2026**
  Direct indexing captures losses at the security level — a mutual fund or ETF can't.

- [ ] **22. Plan around NIIT and asset location**
  2026: 3.8% net investment income tax **Deadline: before you file**
  Bonds and REITs in tax-deferred accounts; tax-efficient equities in taxable ones.

Give Strategically

- [ ] **23. Bunch giving into a Donor-Advised Fund**
  2026: deduct up to 60% of AGI (cash) / 30% (appreciated stock) **Deadline: fund by Dec 31, 2026**
  A new 0.5% AGI floor and 35% cap hit top earners — bunch gifts and donate appreciated shares.

- [ ] **24. Make a Qualified Charitable Distribution (age 70½+)**
  2026: up to $111,000/person ($222,000/couple) **Deadline: Dec 31, 2026**
  Counts toward your RMD and bypasses the floor and cap — it never enters your AGI.

- [ ] **25. Capture the SALT deduction**
  2026: $40,400 cap, phases down above ~$505K MAGI **Deadline: PTE payment by Dec 31, 2026**
  The durable workaround remains the pass-through entity election.