Business Year-End Tax Checklist

Use this checklist to identify tax, cash-flow, compensation, and reporting items worth reviewing before December 31. Tax rules continue to change in 2026. A year-end review can help business owners identify deductions, credits, elections, and timing decisions while there is still time to act.

Must Do Before Year-End

Task/Review Item	What It Means	Action Step
Bonus Depreciation & Section 179	For 2026, the Section 179 deduction limit is $2.56 million, with the phaseout beginning at $4.09 million of qualifying property placed in service.	If equipment or qualifying property is part of your business plan, review eligibility and make sure required property is placed in service on time.
Domestic R&D Expenses	R&D expenditures may be deducted currently under Section 174A. You may also have capitalization or amortization elections, and prior-year R&D costs can require separate treatment.	Identify and document 2026 research and software-development costs.
Estimated Tax Payments	Changes in income, deductions, credits, depreciation, or ownership distributions can change your expected tax liability.	Run a year-end projection and adjust federal and state estimated payments when appropriate.
Owner Compensation	S corp shareholder-employees need reasonable compensation. Wages, guaranteed payments, distributions, and retirement contributions can affect tax planning.	Review owner pay and distributions before year-end rather than waiting until tax-return preparation.
Retirement Plan Contributions	Contributing to or setting up a 401(k), SIMPLE, or SEP plan before year-end can lower taxable income.	Confirm plan deadlines, contribution amounts, payroll elections, and funding requirements.
Payroll & Information Reporting	Qualified tips and qualified overtime deductions continue to have employer and payor reporting requirements.	Confirm your payroll provider is capturing required 2026 wage, tip, and overtime information and is prepared for year-end reporting.

This checklist is a starting point, not tax advice. Eligibility, timing, phaseouts, elections, and state treatment vary. Review significant year-end decisions with your tax advisor before acting.

Business Year-End Tax Checklist

Optional / Good to Review

Task/Review Item	What It Means	Action Step
QBI Deduction	The 20% pass-through business income deduction is now permanent.	Review projected taxable income, wages, business structure, and other factors that could affect the deduction.
Business Interest Expense	Section 163(j) may limit the deduction for business interest expense.	If your business carries significant debt or has new financing, ask whether the interest limitation affects your 2026 deduction.
Employer-Provided Child Care Credit	The credit can generally equal 40% of qualified child care expenditures, or 50% for eligible small businesses, plus 10% of qualified resource and referral expenses, subject to annual limits.	If you provide or are considering child care benefits, ask whether your costs could qualify for the expanded credit.
Deferred Revenue & Prepaid Expenses	The timing of income and deductible expenses may affect current-year taxable income.	Review significant year-end billing, collections, prepaid expenses, and accounting-method rules before changing timing.
Cash vs. Accrual Method	Some businesses benefit from switching accounting methods.	Review with us if a change could reduce taxes.
Losses & NOLs	Can affect current and future tax years, subject to entity-specific and federal limitations.	Model how losses, carryforwards, and expected future income interact before accelerating deductions or income.

This checklist is a starting point, not tax advice. Eligibility, timing, phaseouts, elections, and state treatment vary. Review significant year-end decisions with your tax advisor before acting.

Business Year-End Tax Checklist

Optional / Good to Review

Task/Review Item	What It Means	Action Step
Opportunity Zones	Rules can provide tax benefits for eligible investments, but investment, timing, and holding requirements apply.	Evaluate the investment on its merits first, then review potential tax treatment with your advisors.
State Tax Considerations	Considerations begin with federal taxable income but applies state-specific additions, subtractions, credits, and other rules. Federal tax treatment does not always produce the same result.	Review state-specific treatment of major federal deductions, credits, business changes, and estimated payments.
State & Local Credits	State and local programs may offer credits or incentives tied to activities such as hiring, investment, training, or qualified research.	Identify 2026 projects and expenditures early enough to confirm eligibility and documentation requirements.
QSBS / Business Ownership Transactions	Rules may provide significant federal tax benefits when detailed eligibility and holding-period requirements are met.	If a stock sale, ownership transition, or capital raise is possible, review QSBS status before the transaction.

This checklist is a starting point, not tax advice. Eligibility, timing, phaseouts, elections, and state treatment vary. Review significant year-end decisions with your tax advisor before acting.

Individual Year-End Tax Checklist

Review deductions, credits, retirement contributions, investments, and family-related tax items before year-end. Year-end tax planning is most useful before December 31, while you may still have time to adjust withholding, make contributions, harvest investment gains or losses, complete gifts, and gather records.

Must Do Before Year-End

Task/Review Item	What It Means	Action Step
Standard vs. Itemized Deductions	For 2026, the standard deduction is $16,100 for single filers and married filing separately, $32,200 for married filing jointly, and $24,150 for heads of household.	Estimate itemized deductions and compare them with your 2026 standard deduction before making year-end giving or payment decisions.
SALT Deduction Cap	For 2026, the federal SALT deduction limit is $40,400, or $20,200 for married filing separately. The limit begins to decrease above specified modified adjusted gross income thresholds.	If you itemize, review state income or sales taxes and property taxes paid, along with the income-based limitation, before year-end.
Retirement Contributions	The employee deferral limit for many 401(k), 403(b), and governmental 457 plans is $24,500. The age-50+ catch-up is $8,000, and the higher catch-up for eligible ages 60-63 is $11,250. The IRA limit is $7,500, or $8,600 if age 50+.	Check year-to-date contributions and plan deadlines. Increase payroll deferrals or plan IRA contributions if appropriate and eligible.
HSA Contributions	The contribution limit is $4,400 for self-only coverage and $8,750 for family coverage. Additional catch-up contributions may apply for eligible individuals age 55+.	Confirm HSA eligibility, year-to-date contributions, employer contributions, and the amount you can still contribute.

This checklist is a starting point, not tax advice. Eligibility, timing, phaseouts, elections, and state treatment vary. Review significant year-end decisions with your tax advisor before acting.

Individual Year-End Tax Checklist

Must Do Before Year-End

Task/Review Item	What It Means	Action Step
Withholding & Estimated Taxes	Income changes, investment gains, bonuses, business income, and new deductions can make prior withholding assumptions inaccurate.	Use a current tax projection to determine whether to adjust withholding or make an estimated payment.
Charitable Giving	Cash, appreciated securities, donor-advised fund contributions, and qualified charitable distributions can have different tax consequences and documentation requirements.	Complete intended gifts by the applicable deadline and retain acknowledgments and supporting records.

This checklist is a starting point, not tax advice. Eligibility, timing, phaseouts, elections, and state treatment vary. Review significant year-end decisions with your tax advisor before acting.

Individual Year-End Tax Checklist

Optional / Good to Review

Task/Review Item	What It Means	Action Step
Child Tax Credit	The Credit is up to $2,200 per qualifying child, subject to eligibility and income rules.	Confirm dependent information and Social Security number requirements and discuss eligibility if family or custody circumstances changed.
Child & Dependent Care Credit	The maximum credit rate increases to 50% of qualifying expenses. Eligible expenses used to calculate the credit remain capped at $3,000 for one qualifying individual or $6,000 for two or more.	Gather provider information and dependent-care records and compare the credit with any employer dependent-care benefits.
Qualified Tips	You may deduct up to $25,000 of qualified tips, subject to occupation, reporting, filing-status, and income requirements.	Keep Forms W-2/1099 and other records showing qualified tips and confirm that reported amounts are complete.
Qualified Overtime	You may deduct up to $12,500 of qualified overtime compensation, or $25,000 for qualifying joint filers, subject to income and other requirements.	Keep payroll records that identify qualified overtime and review eligibility before filing.
Qualified Car Loan Interest	You may deduct up to $10,000 of interest on certain loans for qualifying new personal-use vehicles purchased after December 31, 2024. Income limits and vehicle requirements apply.	Keep lender statements and vehicle information, including the VIN, and confirm the vehicle and loan meet the rules.
Enhanced Deduction for Seniors	Eligible taxpayers age 65+ may claim an additional deduction of up to $6,000 per person, or $12,000 if both spouses qualify and file jointly. The deduction phases out at higher income levels.	Check age, filing-status, Social Security number, and modified adjusted gross income requirements.

This checklist is a starting point, not tax advice. Eligibility, timing, phaseouts, elections, and state treatment vary. Review significant year-end decisions with your tax advisor before acting.

Individual Year-End Tax Checklist

Optional / Good to Review

Task/Review Item	What It Means	Action Step
Capital Gains & Loss Harvesting	Realized capital losses can offset capital gains, and excess net capital losses may offset a limited amount of ordinary income, with remaining losses generally carried forward.	Review taxable investment accounts before year-end, considering taxes, investment goals, and wash-sale rules.
Roth IRA Conversions	Converting traditional retirement assets to Roth accounts generally creates current taxable income but may support longer-term tax planning.	Model the tax impact before converting, including marginal brackets, Medicare-related thresholds, and other income-sensitive items.
Estate & Gift Planning	The federal estate and gift tax basic exclusion amount is $15 million per individual. The annual gift tax exclusion remains $19,000 per recipient.	Review planned gifts, estate documents, beneficiary designations, and larger wealth-transfer strategies with your tax and estate advisors.
529 Plan Contributions	Plans can provide tax-advantaged education savings, and qualified uses have expanded over time. State tax benefits vary.	Review planned contributions and tax treatment before year-end.
Health Coverage / Premium Tax Credit	Changes in household income can affect eligibility for and reconciliation of advance premium tax credits.	Update Marketplace information when appropriate and review expected household income before year-end.
State Tax Considerations	State-specific additions, subtractions, credits, and filing rules that may differ from federal treatment.	Include state tax planning in your year-end projection rather than assuming federal and state results will match.

This checklist is a starting point, not tax advice. Eligibility, timing, phaseouts, elections, and state treatment vary. Review significant year-end decisions with your tax advisor before acting.