

# Business Year-End Tax Checklist (2025)

Staying ahead of tax season doesn't have to be stressful. Here's a year-end checklist to help your business take advantage of the latest updates from the One Big Beautiful Bill Act (OBBBA) and make smart moves before December 31.

## Don't Forget These Basics

- Gather and organize documents now (receipts, donations, payroll, W-2s, 1099s).
- Review your cash flow to decide if income should be shifted into this year or next.

## Must Do Before Year-End

<u>Task/Review Item</u>	<u>What It Means</u>	<u>Action Step</u>
Bonus Depreciation & Section 179	You can permanently deduct 100% of new equipment and property purchases (limits apply).	If buying equipment, put it into service before year-end.
Deduct R&D Costs	R&D expenses can now be written off right away, instead of over several years.	Collect and document all project costs to maximize your deduction.
Payroll Reporting Updates	W-2s must show overtime pay and tips separately.	Confirm your payroll provider's systems are updated
Estimated Tax Payments	Deductions and credits may have shifted your tax liability.	Ask your CPA to run a projection and adjust payments to avoid penalties.
Energy Credits	Some business clean energy credits are being reduced or eliminated.	Wrap up qualifying projects this year to capture the benefit.
Owner Compensation	For S corps and partnerships, "reasonable compensation" rules matter for QBI.	Review salaries, guaranteed payments, and distributions with your CPA.
Retirement Plans	Contributing to or setting up a 401(k), SIMPLE, or SEP plan before year-end can lower taxable income.	Fund or establish plans by the deadline to maximize deductions.

*These checklists are a starting point. Every tax situation is unique, so it's best to review with us or your CPA before making final decisions.*



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## Optional / Good to Review

<b><u>Task/Review Item</u></b>	<b><u>What It Means</u></b>	<b><u>Action Step</u></b>
QBI Deduction	The 20% pass-through business income deduction is now permanent.	Review wages and structure with your CPA to maximize.
Employee Benefits & Credits	Credits for family leave and student loan repayment still apply.	See if your programs qualify for these credits.
QSBS (Startup Stock)	New rules on exclusions and holding periods for stock sales.	Review with your advisor before selling stock.
Opportunity Zones	Permanent program with added perks for rural areas.	Consider investments if aligned with your goals.
International Rules (GILTI, FDII, BEAT, NCTI)	New permanent rules affect companies with overseas income.	Work with your tax advisor if you have international operations.
Loss Carrybacks / NOL Use	How you use losses may affect current and future taxes.	Plan income and deductions for the best benefit.
Deferred Revenue & Prepaid Expenses	Timing income and expenses can smooth out your tax bill.	Discuss if deferring income or prepaying expenses is right for your business.
Cash vs. Accrual Method	Some businesses benefit from switching accounting methods.	Review with your CPA if a change could reduce taxes.
State Conformity	Not all states follow OBBBA rules, e.g., Rhode Island	Double-check your state's rules before filing.
State & Local Credits	States may still offer hiring, training, or R&D credits.	Look for programs your business might qualify for.

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# Individual Year-End Tax Checklist (2025)

As the year winds down, now's the time to double-check your tax situation. The new One Big Beautiful Bill Act (OBBBA) has added deductions and credits that could save you money if you plan ahead.

## Don't Forget These Basics

- Check health savings accounts (HSAs): Contributions reduce taxable income.
- Confirm beneficiary designations on retirement plans and insurance policies.
- Review withholding: If you got a big refund or owed a lot last year, make adjustments now.

## Must Do Before Year-End

<u>Task/Review Item</u>	<u>What It Means</u>	<u>Action Step</u>
Standard vs. Itemized Deductions	The higher standard deduction is permanent (\$15,750 single / \$31,500 married).	Compare your itemized deductions to the standard and use the higher.
SALT Deduction Cap	State & local tax deduction limit increased to \$40,000 (with income phaseouts).	Recalculate if you pay high state or property taxes.
Child Tax Credit	Now \$2,200 per child, with more refundable.	Gather children's SSNs and keep paperwork ready.
Car Loan Interest	Deduct up to \$10,000 of interest on qualifying new car loans.	Keep statements if your loan qualifies.
Overtime & Tips	Overtime pay and tip income may be deductible, within income limits.	Keep detailed records of hours and tips.
Flexible Spending Accounts (FSA) & HSAs	FSAs are "use it or lose it" and HSAs reduce taxable income.	Use up FSA balances and contribute to HSAs before year-end.
Withholding & Estimated Taxes	Avoid surprises at filing time.	Review your W-4 or make an extra payment if needed.

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# Individual Year-End Tax Checklist (2025)

## Optional / Good to Review

<u>Task/Review Item</u>	<u>What It Means</u>	<u>Action Step</u>
Extra Deduction for Seniors	If 65+, you may qualify for an extra deduction (up to \$6,000).	Check eligibility based on your income.
Retirement Contributions	IRA, 401(k), or SEP contributions can reduce taxable income.	Max out contributions and consider catch-up if 50+.
Charitable Giving	Donations of cash or stock reduce taxable income; IRA distributions may also help.	Donate before year-end and save receipts.
Roth IRA Conversions	With tax brackets permanent, converting may make sense.	Review with your CPA to avoid a bracket jump.
Estate & Gift Planning	Gift and estate exemptions remain high.	Review with your estate planner if making large gifts.
Casualty & Disaster Losses	Special deductions for federally declared disasters.	Collect receipts and insurance paperwork if this applies.
Capital Gains & Loss Harvesting	Selling losers can offset taxable gains.	Review your investment portfolio before year-end.
529 Plan Contributions	Many states offer deductions or credits for contributions.	Contribute before December 31 if eligible.
Health Coverage / Premium Tax Credit	ACA credits can be impacted by year-end income.	Recheck eligibility to avoid surprises at filing.
State Conformity	Your state may not follow OBBBA rules, e.g., Rhode Island	Confirm with your state tax advisor.

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