10 Tax Mistakes Your CPA Can't Fix in April

Your CPA is graded on last year. Who is planning for next year?

THE TEN

1. **Tax season is too late for tax planning**
   The moves that save money happen during the year, not on April 14th. Preparation records what happened; planning changes what happens.

2. **Up to 85% of your Social Security benefit can be taxable**
   Depending on your other income, most of the benefit can land on the return as taxable income. Most retirees find out from the bill.

3. **Miss a required distribution and you keep only 75% of it**
   RMDs are not optional and the penalty is real. A calendar reminder is the entire fix.

4. **A big income year can raise your Medicare premium**
   IRMAA runs on a two-year lag, so almost nobody connects the premium to the decision that caused it. Income timing only works in advance.

5. **You may be paying 15.3% self-employment tax you don't owe**
   Entity structure sets the rate, and many owners never revisit it. A strategically timed S-election can save thousands — timing is the operative word.

6. **The deductions are legal and available. Are you taking them?**
   Home office. Vehicle. Health insurance. Retirement contributions. Ordinary provisions, routinely left on the table because nobody tracked the number.

7. **“I probably spent that.”**
   The IRS does not accept probably. A deduction you cannot document is a deduction you do not have.

8. **Your retirement account is a deduction you have to choose**
   SEP-IRA, Solo 401(k), SIMPLE IRA — all allow far more than a traditional IRA. Nothing happens automatically; the plan must be opened and funded.

9. **December 31 is a hard deadline, in most cases**
   Bunching, loss harvesting, retirement contributions, income timing. A few provisions reach into the new year. Most do not.

10. **Your advisors are working in silos, and so is your tax bill**
    CPA, CFP®, bookkeeper, attorney. Do they know each other? The introduction is free and often worth more than any single strategy.

Your year-end action page

FOUR ADVANCED MOVES WORTH ASKING ABOUT

- **One year makes the difference**
  Short-term gains are taxed as ordinary income; hold past a year for the 0%, 15% or 20% rates.
- **Losing positions have value**
  Harvest losses against gains — but buy the position back inside 30 days and the wash-sale rule erases the loss.
- **Death resets the cost basis**
  Heirs generally inherit at today's value, not what you paid decades ago.
- **Give from the IRA, not the checkbook**
  A qualified charitable distribution sends the dollar straight to the charity and never appears as income.

ASK THESE QUESTIONS BEFORE DECEMBER 31

- ☐ 1. Is my entity structure still the right one for this year's income?
- ☐ 2. Which of my year-end moves close on December 31, and which do not?
- ☐ 3. Have I funded a SEP-IRA, Solo 401(k) or SIMPLE IRA this year?
- ☐ 4. Will this year's income affect my Medicare premium two years from now?
- ☐ 5. Do my CPA, planner and bookkeeper talk to each other?

YOUR NUMBERS — FILL THIS IN

Expected taxable income this year	
Retirement contributions made so far	
Retirement contributions still available	
Realized gains (and losses) year to date	
Date of my year-end planning conversation	

Want a look before the year ends?

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Educational summary based on The Tax Playbook class. Not tax, legal, accounting, investment or insurance advice. Tax rules and dollar limits change and individual circumstances vary. Consult your own qualified professionals before acting.