PSP ADVISORY · 2026 YEAR-END

Your Business Tax Check-In

Opportunities and deadlines for business owners before December 31

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EQUIPMENT AND VEHICLES

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100% bonus depreciation is back, permanently

100%

of qualifying equipment cost, deducted in year one

- Applies to property acquired after Jan 19, 2025
- Must be **placed in service** by Dec 31 to count for 2026, not just ordered
- No longer phasing down year by year
- Taking it all at once isn't always best; it depends on your income this year and next

What to do: planning a big purchase? Talk to me before you buy.

MORE FLEXIBILITY, MORE CERTAINTY

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Two deductions worth knowing

Section 179 expensing

Deduct up to **$2.56 million** of equipment in 2026, phasing down above $4.09 million in purchases.

Unlike bonus depreciation, you can choose exactly how much to deduct.

QBI deduction, now permanent

Pass-through owners can still deduct up to **20%** of qualified business income, with no end date.

Limits start above $201,750, or $403,500 joint, for 2026.

1099 REPORTING

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Higher thresholds, same rules on income

Paying contractors

For 2026 payments, a 1099-NEC is required at **$2,000** or more, up from $600.

What didn't change

Gross proceeds paid to attorneys (like settlements) still report at $600; attorney fees follow the $2,000 rule. 1099s are still due Jan 31.

Paid by app or card

1099-K is back to **$20,000 and 200 transactions**. No form doesn't mean no tax: all income is reportable.

What to do: collect a W-9 from every contractor now, and track app payments in your books.

A NEW EMPLOYEE BENEFIT

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Employer contributions to Trump Accounts

$2,500

per year, tax-free to the employee, for their account or a dependent's

Requirements:

- A separate written plan
- Can't favor owners or highly paid employees
- Rules are still proposed and may change

What to do: if you have employees with kids, this is worth planning for 2027.

SELF-EMPLOYED WITH NO EMPLOYEES?

Solo 401(k) limits for 2026

$24,500
your “employee” contribution

+ up to 25%
of pay as an “employer” contribution (about 20% of net earnings if self-employed)

$72,000
combined maximum

Age 50+: add $8,000 (ages 60–63: $11,250). Setup and contribution deadlines apply, so ask before year-end.

YOUR CHECKLIST

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Before December 31

Books up to date

Reconciled books now mean better decisions and a faster tax return.

S-corp owner salary

Make sure you've paid yourself a reasonable salary through payroll this year.

W-9s from contractors

Collect them now so 1099s are ready by Jan 31.

January 15 estimate

A strong year may call for a larger fourth-quarter payment.

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NEXT STEP

Book your 15-minute year-end check-in

We'll catch up, talk about your goals for next year, and answer quick questions. If something needs a deeper look, I'll send a short proposal with the scope and fee first.

Link in the email · pspadvisory.com

This video is general information, not tax advice for your specific situation.