PSP ADVISORY
ProActive, Skilled & Personal

2026 Year-End Business Checklist

What to do before December 31, and what's due in January

Before December 31

- [ ] **Clean up the books.** Reconcile every bank and credit card account and clear out uncategorized transactions, so your year-end numbers are real.
- [ ] **Project your 2026 profit.** Knowing the number now leaves time to act on it, and to size your January 15 estimated payment.
- [ ] **Time equipment purchases.** Placed in service by Dec 31, qualifying equipment can be fully written off: 100% bonus depreciation is now permanent, and the Section 179 limit is $2,560,000.
- [ ] **Fund your retirement.** A Solo 401(k) allows up to $24,500 in employee deferrals ($72,000 total with employer contributions). Set up the plan before year-end.
- [ ] **S-corp owners:** pay yourself a reasonable salary through payroll, and add owner health insurance to your W-2 before the last payroll.
- [ ] **Finish your mileage log.** 2026 business rate: 72.5¢ per mile Jan–Jun and 76¢ from July 1.
- [ ] **Collect W-9s now** from every contractor you paid, while they still answer.

January – May 2027

- [ ] **Jan 15:** 4th-quarter estimated tax payment.
- [ ] **Jan 31:** W-2s to employees and 1099-NECs to contractors. **New for 2026:** a 1099 is required only at $2,000 or more (was $600).
- [ ] **Jan 31:** Q4 payroll returns (941, 940 and Texas Workforce Commission).
- [ ] **Mar 15:** S-corp and partnership returns (1120-S, 1065).
- [ ] **Apr 15:** individual returns, including Schedule C businesses.
- [ ] **May 15 – Texas franchise tax.** Under $2.65M in revenue you owe no tax, but most LLCs and corporations must still file the Public Information Report.

Behind on the books?

A clean set of books by January is the difference between a quick tax season and a costly one. We offer year-end bookkeeping cleanup.

Free 15-minute year-end check-in

Talk through your year and your questions with an IRS Enrolled Agent before December 31.

Text or call (361) 879-1040
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Pei Pierce, EA · PSP Advisory · Georgetown, TX 78633
Bookkeeping · Payroll · Tax Preparation · Tax Planning

General information based on 2026 IRS and Texas Comptroller figures, not tax advice for your situation. Please talk with us before acting.

NEW BUSINESS IN GEORGETOWN?

Tax-Saving Moves for Your First Years

The decisions you make in year one set your tax bill for years to come. Here's what we walk new owners through.

1 Pick the right structure

Sole proprietor, LLC or S-corp? Once profits grow, an S-corp election can cut self-employment tax, but it has filing deadlines and payroll requirements.

2 Deduct your startup costs

Up to $5,000 of startup costs and $5,000 of organizational costs can be deducted in the first year; the rest is spread over 15 years.

3 Write off equipment right away

100% bonus depreciation is now permanent, and Section 179 allows up to $2,560,000 for 2026: chairs, tools, computers and build-out equipment can be deducted in year one.

4 Track every business mile

76¢ per mile since July 1, 2026. Choose standard mileage in the vehicle's first year to keep the option later.

5 Keep the 20% QBI deduction

Most pass-through owners can deduct up to 20% of qualified business income, and it's now permanent. Entity and wage choices affect how much you get.

6 Start a retirement plan

A Solo 401(k) or SEP lets you save up to $72,000 for 2026 and lower this year's taxable income.

7 Classify workers correctly

Employee or contractor? Booth renters, coaches and techs are a common trap. Getting it wrong means back payroll taxes and penalties.

8 Plan for quarterly taxes

Nobody withholds for you anymore. Set aside a percentage of every deposit and pay estimates to avoid underpayment penalties.

Texas-specific must-dos

No state income tax, but don't miss these: a **sales tax permit** if you sell taxable goods or services, the annual **franchise tax / Public Information Report** each May 15 (even when no tax is due), and **Texas Workforce Commission** registration once you hire.

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Start with clean books and a plan

Bookkeeping setup, payroll, entity and S-corp guidance, and tax preparation from an IRS Enrolled Agent. Book a free 15-minute check-in.

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