RYBD ADVISORS & ACCOUNTANTS

THE BUSINESS OWNER'S

TAX PLANNING PLAYBOOK

A Practical Reference for Growth-Stage Business Owners

2026 EDITION

RYBD ADVISORS & ACCOUNTANTS

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FOREWORD

A Note From Andrew Pourchier, CPA

If you're running a business in the $3 million to $30 million range, you've already proven you can build something. The next phase isn't about whether your business works, it's about whether you're keeping enough of what it earns.

That's what this playbook is for.

What follows is a working reference. Not a textbook. Not a marketing brochure. It's the set of conversations we have with growth-stage business owners every week about entity structure, tax planning calendars, deductions that quietly get missed, compensation strategies, and what to do when things don't go as planned.

Some of it will apply to your business today. Some of it will apply two years from now. The point is to give you a clear picture of the landscape, so you know what questions to ask of yourself, of your accountant, of anyone advising you on your financial decisions.

If after reading this, you'd like to talk through any of it, my contact information is at the back. The first conversation is always on us.

Andrew Pourchier, CPA

Partner, RYBD Advisors & Accountants

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Inside This Playbook

SECTION 01

Your Entity Structure: Is It Still Working for You?

The entity you chose when you started your business may be quietly costing you money today.

An LLC that made sense at $500,000 in revenue looks very different at $8 million. Self-employment tax exposure, pass-through implications, the ability to bring in investors or partners, these factors shift as your business grows. Your structure should evolve with them.

When to revisit your structure

- Revenue has materially increased since the last review
- You're bringing on partners, investors, or family members
- You're starting to think about an exit or succession plan
- Profits and distributions have crept up to the point where owner compensation has become indefensibly low
- Your current CPA hasn't raised the question in two or more years

Scenarios we see often

- The sole proprietor whose self-employment tax burden could drop 30-40% with an S-Corp election
- The LLC paying tax inefficiently because members never made a corporate election
- The ascendent company that has grown so large that it now threatens to cause its owner's total net worth to exceed IRS estate limits, and should be structured within an estate mitigation vehicle such as a Family Limited Partnership or trust
- The family business approaching transition with a structure that wasn't designed for it

> *A 30-minute conversation is usually enough to know whether a structural review is worth pursuing. When it is, the work tends to pay for itself in the first year, every year after that is upside.*

SECTION 02

The Year-Round Tax Planning Calendar

Most business owners think about taxes once a year, in March or April. That's also the most expensive way to do it. Real tax planning happens throughout the year, well in advance of when the bill comes due.

Q1 | January to March

- Review prior-year actuals against projections
- Confirm December's Q4 estimate was sufficient
- Identify open elections (S-Corp, accounting method changes)
- Begin year-ahead tax projection
- Partnership and S-Corp returns due March 15

Q2 | April to June

- Individual and C-Corp returns or extensions due April 15
- Q1 estimated payment due April 15
- Mid-year compensation and distribution review
- Q2 estimated payment due June 15
- Begin retirement plan funding strategy for the year

Q3 | July to September

- Mid-year financial review with CPA
- Project year-end income; adjust strategy accordingly
- Q3 estimated payment due September 15
- Extended S-Corp and partnership returns due September 15
- Review fixed-asset purchases for Section 179 and bonus depreciation

Q4 | October to December

- Year-end tax planning meeting
- Accelerate or defer income and expenses as appropriate
- Final retirement contribution and compensation decisions
- Capital expenditure timing decisions
- Charitable giving executed before December 31
- Extended individual and C-Corp returns due October 15
- Q4 estimated payment due January 15 of the following year

The owners who win this race aren't smarter, they just plan earlier.

SECTION 03

Deductions Business Owners Commonly Miss

The IRS doesn't send a notice when you miss a deduction. You just pay more tax than you needed to. The deductions left on the table most often:

Vehicle expenses

Most owners default to standard mileage. For higher-mileage or higher-cost vehicles, the actual expense method (gas, maintenance, depreciation, insurance) often produces a larger deduction. Run both calculations.

Home office

If you have a dedicated, regularly-used business space in your home, the deduction is real and frequently larger than owners expect when calculated properly.

Section 179 and bonus depreciation

Major equipment, vehicles over 6,000 pounds, and qualifying technology can often be fully expensed in the year of purchase rather than depreciated over years. Timing these purchases against income is a planning opportunity.

Qualified Business Income (QBI) Deduction

The 20% deduction on qualified business income applies to most pass-through entities but is full of nuance. Income thresholds, specified service trade or business rules, and W-2 wage limits all factor in.

Health insurance and HSA contributions

Self-employed health insurance is often deductible above the line. HSA contributions deliver a triple tax benefit: deductible going in, tax-free growth, tax-free for qualified medical expenses.

> *Credits are covered separately in Section 6.*

SECTION 04

Owner Compensation: Getting the Mix Right

If you own an S-Corporation, how you pay yourself directly affects your tax bill.

S-Corp shareholders who actively work in the business must take "reasonable compensation" as W-2 wages before drawing distributions. The IRS watches this closely because salary is subject to 15.3% combined Social Security and Medicare payroll tax, while distributions are not.

Pay yourself too little, you create audit risk. Pay yourself too much, you hand the government payroll tax you didn't have to pay.

What "reasonable" actually means

- What would you pay someone else to do your job?
- What do industry surveys show for similar roles in your geography?
- What is the size and complexity of the business?
- How much time do you actually commit?

A well-documented reasonable compensation analysis, refreshed every two to three years, protects you in an audit and keeps the salary and distribution mix optimized.

Other compensation strategies often left unused

- Employer-paid health insurance (special rules for greater-than-2% S-Corp shareholders)
- Accountable plan reimbursements for legitimate business expenses
- Family employment in age-appropriate, defensible roles
- Qualified retirement plan contributions, which turn compensation dollars into tax-deferred owner wealth (see Section 5)

SECTION 05

Retirement Plans That Build Wealth Faster

For business owners with strong cash flow and a desire to compress taxable income while building personal wealth, retirement plans are one of the most powerful tools available.

SEP-IRA

Simple to set up. Contribution capped at roughly 25% of compensation, up to $70,000 in 2025. Best for sole proprietors or owners with very few employees.

SIMPLE IRA

Lower limits ($16,500 plus a $3,500 catch-up in 2025), but easiest plan to administer once you have employees.

Solo 401(k)

For owner-only businesses (or owner plus spouse). Combines employee deferrals ($23,500 in 2025) with employer contributions, frequently allowing total contributions north of $70,000.

Traditional 401(k) with Safe Harbor

The most flexible plan for businesses with employees. Permits significant owner contributions while delivering an employee benefit and avoiding nondiscrimination testing.

Defined Benefit and Cash Balance Plans

For older owners with significant taxable income, these plans can permit annual contributions of $200,000 or more. Administratively complex, but transformative for owners building retirement wealth in a compressed window.

> *The right plan depends on your age, your cash flow, your employee mix, and your time horizon. A 30-minute conversation usually identifies the right structure.*

SECTION 06

Tax Credits Worth Knowing About

Credits are more valuable than deductions. A deduction reduces taxable income; a credit reduces tax dollar-for-dollar.

The credits most often missed by growth-stage businesses:

R&D Tax Credit
If your business develops or improves products, processes, software, formulas, or techniques, you may qualify. Manufacturing, engineering, technology, and food and beverage businesses often qualify and never claim it.

Work Opportunity Tax Credit (WOTC)
Credit for hiring from targeted groups, including veterans, the long-term unemployed, and others. Up to $9,600 per qualified hire.

Employer-Provided Childcare Credit
Available to businesses that provide on-site childcare facilities or contract for childcare services.

Energy Credits
Federal and state credits exist for solar, EV charging infrastructure, and energy-efficient commercial buildings.

Georgia-Specific Credits
Job creation credit, port activity credit, retraining credit, quality jobs credit, film and TV credit, and the qualified education expense credit for private school scholarship contributions.

> *Credits are documentation-intensive. They require records created contemporaneously with the activity. The time to start documenting is now, not at year-end.*

SECTION 07

Loss Years: Making the Most of a Bad Year

Not every year is a good year. The good news: a loss year doesn't have to be a tax loss too.

The basics

A net operating loss (NOL) occurs when allowable deductions exceed gross income. For tax years after 2020, NOLs generally cannot be carried back to recover prior taxes, but they may be carried forward indefinitely.

For pass-through owners (S-Corp, partnership, LLC, sole proprietor), the excess business loss limitation also applies. For 2026, the threshold is $256,000 for individuals and $512,000 for married filing jointly. Losses above the threshold convert to NOL carryforwards.

The catch: NOL deductions in a future profitable year are generally limited to 80% of taxable income. Even with a large carryforward, you may not fully offset a profitable year.

Strategic considerations for a loss year

- Can income be accelerated into the loss year to fully use the deduction?
- Are there Roth conversion opportunities at a lower marginal rate?
- Do basis, at-risk, or passive activity rules limit the deduction in the current year?
- Can deductions or income recognition be timed to maximize the long-term benefit?

> *A loss year is not the time to file as-is and hope for the best. It's the time to plan carefully.*

SECTION 08

Audit-Ready Documentation

The best defense against an audit is a return you'd be comfortable defending. Most audit problems aren't about the law, they're about documentation.

What to keep

- All tax returns and supporting workpapers (permanently)
- Receipts and supporting documents for income, deductions, and credits (seven years)
- Employment tax records (four years after the due date or payment date)
- Asset purchase records and depreciation schedules (life of asset plus seven years)
- Major transaction documentation (permanently)

How to document

- Contemporaneous records beat reconstructed ones every time
- Digital scans with backups are acceptable and often better than paper
- Maintain a clear separation between personal and business accounts
- Document the business purpose of major expenses and decisions
- Keep meeting minutes and resolutions for major corporate actions

When an IRS notice arrives

- Don't ignore it. Most notices have a 30-day response window.
- Don't panic. Most notices are routine matching issues, not full audits.
- Don't respond before consulting your CPA, as the wrong response can broaden the inquiry.

SECTION 09

Estate and Succession Planning Basics

For most business owners, the business is the largest asset they own. And yet most haven't put serious thought into what happens to it.

Questions every owner should be able to answer

- If something happened to you tomorrow, who would run the business?
- Who would own the business?
- What is the business actually worth, and how was that determined?
- Are there any buy-sell agreements in place? Are they current?
- How would estate taxes be paid?
- What is the transition plan? Next generation, a partner, an outside buyer?

Tools available

- Buy-sell agreements (cross-purchase or entity redemption)
- Life insurance to fund a buy-sell or estate tax liability
- Family limited partnerships and LLCs
- Grantor Retained Annuity Trusts (GRATs)
- Sales to Intentionally Defective Grantor Trusts (IDGTs)
- Installment sales to children or trusts
- Charitable Remainder Trusts
- ESOP structures

> *These tools take time to put in place, and most work best when started years before they're needed. Succession planning isn't a one-conversation event, it's a multi-year process.*

SECTION 10

When to Bring in a CPA

Many business owners delay the conversation with a CPA until tax season. By then, most opportunities have already passed.

The right times to bring in a CPA

- Revenue is approaching a meaningful threshold ($1M, $3M, $10M, $25M)
- You're considering a significant capital expenditure
- You're adding a major new employee or partner
- You're contemplating a sale, acquisition, or merger
- You're starting a new line of business
- You've inherited or are about to inherit significant assets
- You're considering a Roth conversion
- You've had a loss year (or expect one)
- You haven't had a tax planning conversation in over a year (planning, not preparation)
- Your CPA has only ever talked to you about the past year, never the next

> *A good CPA pays for themselves multiple times over each year, but only if you bring them in before the decisions are made, not after.*

ABOUT

About RYBD

RYBD Advisors & Accountants has served businesses, families, and individuals across Georgia and the southeastern United States since 1957. We provide accounting, tax, assurance, and advisory services with a focus on growth-stage businesses, family-owned enterprises, and high-net-worth individuals.

What sets RYBD apart isn't the scope of our services. It's the depth of the relationships we build with our clients. Most of our work comes from referrals from clients we've served for decades, from the attorneys and bankers who know our work, and from the next generation of owners introduced by the last.

Our team includes CPAs, advisors, and accounting professionals with deep specialization in entity strategy, multi-state taxation, succession planning, audit and assurance, and the kinds of complex situations growth-stage businesses encounter.

We are based in Duluth, Georgia, and serve clients throughout Georgia and the southeastern United States.

1957

Serving clients since

$3M-$30M

Core client revenue range

4

Practice areas: tax, accounting, assurance, advisory

NEXT STEPS

The first conversation is always on us.

If anything in this playbook raised a question about your entity, your tax planning, your compensation, your loss year, your succession plan, or anything else, let's talk.

Schedule a complimentary consultation here.

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