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MOVES TO MAKE BEFORE DECEMBER 31

The Year-End Tax Planning Checklist

FOR INDIVIDUALS & BUSINESS OWNERS

The tax year mostly closes on December 31 — and most savings have to be locked in before then, not at filing time. Here's what to review while there's still time to act.

DEC 31	100%	Q4
the deadline for most tax moves	bonus depreciation on qualifying equipment	the window where planning pays off

PREPARED BY
Ronak Bhatt, CPA, MBA — Managing Principal

REVIEW BY
Late Q4 — before year-end

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01 INDIVIDUALS & FAMILIES

Most tax-saving moves must happen **before December 31** — once the calendar turns, the year is largely set. Run through this list now, while there's still room to act. The figures below reflect the 2026 tax year.

- [ ] **Max out retirement contributions**
  Top off your 401(k) by year-end (the 2026 limit is $24,500, plus $8,000 catch-up at 50+) and your IRA by the filing deadline.
- [ ] **Fund your HSA**
  If you have a high-deductible health plan, an HSA is triple-tax-advantaged — one of the best deductions available.
- [ ] **Harvest investment losses**
  Selling losing positions can offset gains and up to $3,000 of ordinary income, with the rest carried forward.
- [ ] **Bunch deductions**
  Concentrating charitable gifts or medical expenses into one year can push you over the 2026 standard deduction ($16,100 single / $32,200 joint).
- [ ] **Give to charity strategically**
  Donating appreciated stock or using a donor-advised fund can multiply the benefit of your giving.
- [ ] **Take your RMDs**
  If you're of age, required minimum distributions must come out by year-end to avoid a steep penalty.
- [ ] **Review withholding & estimates**
  A quick check now prevents an April surprise — and underpayment penalties.
- [ ] **Use the annual gift exclusion**
  You can give up to $19,000 per person in 2026 tax-free; the exclusion resets every January 1 and can't be carried back.

THE ONE THAT TRIPS PEOPLE UP

Most retirement and charitable moves have to clear by December 31 to count for the year — waiting until you file is too late for the big ones. The IRA (with a 2026 limit of $7,500) is one of the few exceptions, with a deadline that runs all the way to filing.

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02 BUSINESS OWNERS

Business owners have the most year-end levers — and the most to lose by waiting. These are the moves worth reviewing before the books close.

- [ ] **Buy needed equipment now**
  100% bonus depreciation and Section 179 (up to $2.56M in 2026) let you fully expense qualifying equipment placed in service by year-end.
- [ ] **Time income and expenses**
  Deferring income to January or prepaying expenses in December can shift tax into the year that helps you most.
- [ ] **Fund a business retirement plan**
  A Solo 401(k), SEP, or other plan can shelter a large share of profit — some must be established before year-end.
- [ ] **Set or revisit your S-corp salary**
  Confirm your reasonable salary and run any final payroll before December 31 so the W-2 is correct.
- [ ] **Pay the CA PTET prepayment**
  If you elect the pass-through entity tax, the timing of payments affects your federal deduction.
- [ ] **Clean up the books**
  Reconcile accounts, write off bad debt, and make sure every deductible expense is captured.
- [ ] **Review estimated taxes**
  Confirm you've paid enough through the year to avoid underpayment penalties on business income.
- [ ] **Document everything**
  Mileage logs, home-office records, and receipts are far easier to assemble now than next April.

> **! EQUIPMENT TIMING IS LITERAL**
> To deduct equipment this year, it has to be **placed in service** by December 31 — ordered isn't enough; it must be in use. For large purchases, give yourself a buffer so a shipping delay doesn't push the deduction into next year.

03 A FEW BIGGER MOVES

Some year-end strategies are worth a dedicated conversation because they can move real money — but they need to be set up correctly and in time.

1 Roth conversions

Converting traditional retirement funds to a Roth in a lower-income year can lock in tax now to avoid more later. Timing against your bracket is everything.

2 Capital gains & loss timing

Pairing gains with harvested losses, and watching the wash-sale rule, can meaningfully cut the tax on a strong investment year.

3 Accelerate or defer a bonus

If you control the timing of income, shifting a bonus or invoice across the December–January line can land it in the better year.

4 Charitable bunching & DAFs

Grouping several years of giving into one — often through a donor-advised fund — can clear the standard deduction and front-load the benefit.

5 Large equipment / vehicle purchases

With 100% bonus depreciation back, a well-timed capital purchase can offset a high-income year. We model it against your numbers first.

6 Family employment & gifting

Putting family on payroll for real work, or using the annual gift exclusion, can shift income and shrink a taxable estate over time.

NOT ONE-SIZE-FITS-ALL

None of these are one-size-fits-all. The right combination depends on your income this year, next year, and your longer-term plan — which is exactly the conversation a year-end review is for.

04 YOUR YEAR-END TIMELINE

A simple rhythm for the final stretch of the year so nothing important slips past a deadline.

OCT

Book your review
Schedule your year-end planning session while there's still time to act on what it surfaces.

NOV

Project the year
We estimate your income and tax so you can see the moves worth making before they expire.

EARLY DEC

Execute the moves
Make purchases, fund retirement accounts, run final payroll, and complete any conversions or gifts.

DEC 31

Final deadline
Most actions must be complete and in effect by today to count for this tax year.

JAN

Wrap up
Issue W-2s and 1099s, finalize books, and confirm Q4 estimates — then on to filing season.

Let's plan before the year closes.

Book a year-end review and we'll find the moves that save you the most — while there's time.

Ronak Bhatt, CPA, MBA — Managing Principal
925.320.0309 | ronak@milestonecpas.com

This checklist is general education, not tax or legal advice, and reflects the 2026 tax year. Contribution limits, depreciation rules, deduction amounts, and deadlines change yearly and depend on your situation; we'll confirm the figures that apply to you. Some deadlines fall on dates other than December 31. Please consult Milestone before acting.