

Business Year-End Tax Checklist (2025)

Staying ahead of tax season doesn't have to be stressful. Here's a year-end checklist to help your business take advantage of the latest updates from the One Big Beautiful Bill Act (OBBBA) and make smart moves before December 31.

Don't Forget These Basics

- Gather and organize documents now (receipts, donations, payroll, W-2s, 1099s).
- Review your cash flow to decide if income should be shifted into this year or next.

Must Do Before Year-End

<u>Task/Review Item</u>	<u>What It Means</u>	<u>Action Step</u>
Bonus Depreciation & Section 179	You can permanently deduct 100% of new equipment and property purchases (limits apply).	If buying equipment, put it into service before year-end.
Deduct R&D Costs	R&D expenses can now be written off right away, instead of over several years.	Collect and document all project costs to maximize your deduction.
Payroll Reporting Updates	W-2s must show overtime pay and tips separately.	Confirm your payroll provider's systems are updated
Estimated Tax Payments	Deductions and credits may have shifted your tax liability.	Ask your CPA to run a projection and adjust payments to avoid penalties.
Energy Credits	Some business clean energy credits are being reduced or eliminated.	Wrap up qualifying projects this year to capture the benefit.
Owner Compensation	For S corps and partnerships, "reasonable compensation" rules matter for QBI.	Review salaries, guaranteed payments, and distributions with your CPA.
Retirement Plans	Contributing to or setting up a 401(k), SIMPLE, or SEP plan before year-end can lower taxable income.	Fund or establish plans by the deadline to maximize deductions.

These checklists are a starting point. Every tax situation is unique, so it's best to review with us or your CPA before making final decisions.

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Optional / Good to Review

<u>Task/Review Item</u>	<u>What It Means</u>	<u>Action Step</u>
QBI Deduction	The 20% pass-through business income deduction is now permanent.	Review wages and structure with your CPA to maximize.
Employee Benefits & Credits	Credits for family leave and student loan repayment still apply.	See if your programs qualify for these credits.
QSBS (Startup Stock)	New rules on exclusions and holding periods for stock sales.	Review with your advisor before selling stock.
Opportunity Zones	Permanent program with added perks for rural areas.	Consider investments if aligned with your goals.
International Rules (GILTI, FDII, BEAT, NCTI)	New permanent rules affect companies with overseas income.	Work with your tax advisor if you have international operations.
Loss Carrybacks / NOL Use	How you use losses may affect current and future taxes.	Plan income and deductions for the best benefit.
Deferred Revenue & Prepaid Expenses	Timing income and expenses can smooth out your tax bill.	Discuss if deferring income or prepaying expenses is right for your business.
Cash vs. Accrual Method	Some businesses benefit from switching accounting methods.	Review with your CPA if a change could reduce taxes.
State Conformity	Not all states follow OBBBA rules, e.g. Rhode Island	Double-check your state's rules before filing.
State & Local Credits	States may still offer hiring, training, or R&D credits.	Look for programs your business might qualify for.

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