

The Business Owner Tax-Leak Checklist

For business owners, high earners, and real estate investors — what to review before the next quarter slips by.

Most people find out they overpaid when it is too late to fix. This checklist shows what to review now — work through it, then bring your questions to a pro who sees your taxes, books, and real estate as one picture.

1 - Bookkeeping leaks that hide real deductions

- Separate business and personal accounts — mixed spending buries deductions
- Catch up uncategorized transactions monthly, not at year-end
- Capture recurring software, subscriptions, dues, and fees
- Log business miles as you drive — reconstructed logs are weak
- Claim the home-office share of rent, utilities, and internet if you qualify
- Reimburse owner-paid expenses through the business (accountable plan)
- Keep receipts digital and attached to the transaction

2 - Entity questions to ask before income spikes

- Are you still a sole proprietor by default — on purpose, or by accident?
- At your current profit, would an S-corp election beat self-employment tax?
- If S-corp: is your salary defensible as reasonable compensation?
- Is payroll set up correctly — owner wages, withholding, filings?
- Do new income streams belong in the same entity, or a separate one?

3 - Real estate deductions that need cleaner documentation

- Depreciation schedule reviewed — is every property actually on it?
- Repairs vs. improvements classified correctly (they are taxed differently)
- Travel to properties logged with dates and purpose
- Ask whether a cost-segregation study fits your property
- If selling: 1031 exchange timing planned BEFORE you list, not after

4 - Plan taxes, real estate, and wealth together

- Time property purchases and sales against your tax year, not just the market
- Use retirement contributions (SEP-IRA / Solo 401(k)) to lower this year's bill
- Coordinate big equipment or vehicle purchases with your tax plan
- Make entity, insurance, and estate decisions with one integrated picture

5 · The quarterly checklist most advisors skip

- Reconcile the books every month — 30 minutes beats a January disaster
 - Move a set percentage of every deposit into a separate tax account
 - Compare quarterly estimates to actual income and adjust
 - Flag big wins, big purchases, or a sale BEFORE they happen — that is when strategy works
 - Book a year-end planning session before December, while moves are still possible
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Want these leaks found for you? Book a free tax strategy call — wealthsmartliving.com

This checklist is general educational information only — not tax, legal, or financial advice. What is right for you depends on your income, entity, and state. Talk to a qualified tax professional before making decisions.

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