Your Firm Name, CPAs

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Tax Savings Review

Prepared for Sample Client · August 29, 2026

SUMMARY

We reviewed the tax year 2024 return and related information and identified 6 opportunities we recommend discussing with you, with a combined estimated benefit of about $30,898. Each item below explains what it is, why it may apply to you, and what we suggest as a next step. Figures are estimates and depend on facts we will confirm together.

6	~$30,898	TY2024
opportunities identified	combined estimated benefit	return reviewed

Thank you for letting us take a second look at the 2024 return. Three items can still be captured for that year through an amended return, and three planning moves are worth setting up before the end of this year. Nothing here is urgent this week; we will manage the deadlines with you.

WHAT WE FOUND

Opportunities

1 Self-employed health insurance premiums ($9,000) not deducted ~$2,160

You paid $9,000 out of pocket in 2024 for your own health coverage, and because you are self-employed the law lets you subtract that from your income before tax is figured, without needing to itemize. That deduction was not claimed on the return as filed, so we could file an amended 2024 return to claim it, which may reduce the tax you owed for that year. The main thing we need to confirm is that you were not eligible for a subsidized health plan through any employer during 2024, and whether any marketplace subsidy covered part of the premiums.

SUGGESTED NEXT STEP

Handled on the amended 2024 return once you confirm no employer plan was available to you in 2024.

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2 Section 179 election on the $40,000 of 2024 equipment ~$7,783

You bought $40,000 of computers and office equipment in 2024 and are writing it off a little at a time over five years. The law lets you elect to deduct the full cost in the year you placed it in service, and that election can still be made on an amended 2024 return through April 2028, so we could file one and you may be able to get a refund now instead of waiting years for the same write-off. Keep in mind this pulls future deductions into 2024, so the later years' depreciation goes away.

SUGGESTED NEXT STEP

We prepare the amended 2024 return with the election; you review and sign.

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3 Qualified business income (QBI) deduction on the amended 2024 return ~$7,459

Consulting is normally one of the professions locked out of the 20 percent deduction for business owners, but that lockout only switches on above an income threshold, and this taxpayer's income for 2024 sits below it. We could file an amended 2024 return claiming roughly a $31,000 deduction, which at this income level may reduce federal tax by something in the range of $7,000 to $7,500, and the deadline for that refund claim does not run until April 2028. The trade-off worth watching is that the same deduction shrinks as other deductions are added, and it disappears entirely in a future year if income climbs above the threshold, so we may want to model all the 2024 items together and keep an eye on the line each year going forward.

SUGGESTED NEXT STEP

Computed on the same amended return; we confirm your taxable income for 2024 stayed under the threshold.

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4 Owner-only retirement plan for 2026 onward (solo 401(k), cash-balance overlay later) ~$11,000

We could set up a one-person 401(k) for the consulting business this year, which lets you put in both a personal salary-deferral piece and a much larger business-funded piece, with the business piece fundable as late as next fall when the return goes on extension. On roughly this level of profit, that combination could shelter something in the neighborhood of fifty-seven thousand dollars of income, worth perhaps eleven thousand in federal tax deferred each year, though the money is locked up for retirement and the tax is paid later on withdrawal. If you are on the older side, we could then bring in an actuary the following year to add a second, pension-style plan on top, which for an older owner can shelter far more than the 401(k) alone; that sizing depends on your age, which is not in the file.

SUGGESTED NEXT STEP

We size the plan with you and get the plan document signed before December 31.

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5 Rental loss allowance: bring income under the $150,000 line with plan deductions

~$1,440

Your rental property lost about six thousand dollars, and because your income was too high that loss could not be used this year. It is not gone, though: we could put the rental on an amended return with the right form so the loss is formally parked and tracked, and then in future years size a self-employed retirement plan large enough to bring your income down under the cutoff, which may let that parked loss come off your taxes while it is still parked. Either way the loss stays available, and it would become fully usable in the year you sell the property.

SUGGESTED NEXT STEP

We model your income for this year and confirm how far the retirement and premium deductions move it.

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6 Investment side: loss harvesting against the $15,000 gain, backdoor Roth, HSA if eligible

~$1,056

We could review your brokerage account for holdings worth less than you paid, sell those to bank the losses against investment gains, and immediately reinvest in something similar but not identical so you stay in the market and the loss still counts. If your health plan qualifies as a high-deductible plan, we could open a health savings account, which is the rare account that gives a deduction going in and comes out tax-free for medical costs; and if your retirement plan is set up to receive a rollover, we could clear out any pre-tax IRA money first so a Roth conversion can be done with little or no tax. One thing to set expectations on: the $4,000 of investment advisory fees is not deductible under current law, so the only pre-tax route is to have the portion tied to IRA money billed directly to the IRA going forward.

SUGGESTED NEXT STEP

We review the brokerage positions with you before year end.

Authorities referenced

1 **Self-employed health insurance premiums ($9,000) not deducted**
26 U.S.C. § 162

2 **Section 179 election on the $40,000 of 2024 equipment**
IRB 2019-03

3 **Qualified business income (QBI) deduction on the amended 2024 return**
1 [JOINT; IRB 2018-35; 26 U.S.C. § 163; 26 CFR § 1.199A-1

4 **Owner-only retirement plan for 2026 onward (solo 401(k), cash-balance overlay later)**
IRB 2019-09; General Explanation of Tax Legislation Enacted in the 117th Congress Joint Committee on Taxation 118th Congress, 1st Session H; 26 CFR § 1.199A-1; 26 CFR § 1.199A-3

5 **Rental loss allowance: bring income under the $150,000 line with plan deductions**
26 CFR § 1.469-9; 26 CFR § 1.469-0; Moss v. Commissioner, 135 T.C. 365; Instructions for Schedule E (Supplemental Income and Loss)

6 **Investment side: loss harvesting against the $15,000 gain, backdoor Roth, HSA if eligible**
Cal. Rev. & Tax. Code § 17076; General Explanation of the Tax Provisions of Public Law 119-21 Joint Committee on Taxation 119th Congress, 2nd Session Senate; 1 [JOINT; IRS Publication 15b