The Business Owner's Guide to Potentially Reducing Taxes by $100,000+ Annually

A premium advisory resource from **Oakwood Summit** — built for successful business owners who are serious about protecting and growing long-term wealth.

OAKWOOD SUMMIT

What We'll Cover

Your Roadmap to Tax Efficiency

This guide walks you through the most impactful tax strategies available to business owners earning $500,000 or more annually — from identifying inefficiencies to unlocking advanced planning opportunities.

01

Why High Earners Overpay

Understanding the structural gap between tax preparation and tax planning

02

Overlooked Strategies

Advanced tools most CPAs never discuss with business owners

03

Wealth & Exit Planning

Retirement, succession, and the long-term impact of tax efficiency

04

Your Next Step

Complimentary Tax Savings Assessment with Oakwood Summit

Why Successful Business Owners Often Overpay Taxes

High income doesn't automatically mean smart tax strategy. Most business owners earning $500K+ are unknowingly leaving six figures on the table every year — not through negligence, but because their advisors are focused on compliance rather than optimization.

The Core Problem

Preparation vs. Planning: A Critical Distinction

Tax Preparation

A backward-looking exercise. Your CPA records what happened last year and files accordingly. It's essential — but it changes nothing.

- Focused on compliance and accuracy
- Captures history, not opportunity
- Typically completed after the tax year ends

Tax Planning

A forward-looking strategy. Your advisor designs structures and decisions throughout the year to legally minimize your tax burden before it's due.

- Proactive and ongoing — not annual
- Identifies strategies months in advance
- Can yield \$50,000–\$200,000+ in annual savings

Most business owners only have a tax preparer. Very few have a true tax strategist.

Where the Money Goes

Common Tax Inefficiencies at the $500K+ Level

Wrong Business Entity Structure

Operating as the wrong entity type — often a standard S-Corp or sole proprietorship — can result in tens of thousands in unnecessary self-employment and income taxes annually.

Missed Deductions & Timing

Accelerating deductions, deferring income, and leveraging depreciation rules like Section 179 and bonus depreciation are consistently underutilized by high-income owners.

No Retirement Plan Optimization

Relying solely on a SEP-IRA or basic 401(k) while ignoring defined benefit plans, cash balance plans, and profit-sharing structures leaves massive deductions unclaimed.

Compensation Structure Imbalance

The ratio of salary to distributions for owner-operators is frequently miscalibrated, creating unnecessary FICA exposure and missed planning leverage.

Most business owners don't have a tax problem. They have a strategy problem.

The tax code is 70,000+ pages long — written largely to reward those who plan. Oakwood Summit exists to ensure you're on the right side of it.

Advanced Strategies

What High-Performing Owners Frequently Overlook

Captive Insurance

A privately owned insurance company that covers your business risks while generating substantial tax deductions and building tax-advantaged reserves.

Real Estate Strategies

Cost segregation studies, short-term rental elections, and real estate professional status can unlock powerful passive loss deductions against active income.

Charitable Structures

Donor-Advised Funds, Charitable Remainder Trusts, and private foundations allow owners to give strategically while generating immediate, significant deductions.

Family Office Techniques

Shifting income to lower-bracket family members through FLPs, FLLCs, and management companies is a legal, time-tested strategy used by the ultra-wealthy.

The Long View

How Tax Efficiency Compounds Into Lasting Wealth

The Compounding Effect

Every dollar saved in taxes today is a dollar reinvested, compounded, and grown over time. For a business owner saving $100,000 annually in taxes, the 15-year wealth differential can exceed **$4 million** — assuming a conservative 7% annual return on reinvested savings.

Tax efficiency is not just about saving money today. It is your most powerful wealth-building lever.

Retirement Planning

Beyond the Traditional 401(k)

Business owners have access to powerful retirement vehicles that most employees will never see — tools that can shelter hundreds of thousands of dollars per year from taxation.

Cash Balance Plans

Defined benefit plan allowing contributions of \$100,000–\$300,000+ annually, dramatically reducing taxable income for high-earning owners.

Mega Backdoor Roth

A strategy enabling after-tax 401(k) contributions up to \$72,000 annually, converting to Roth for decades of tax-free compounding.

Profit Sharing Layering

Stacking profit-sharing contributions atop existing plans to maximize pre-tax sheltering while maintaining flexibility for the business.

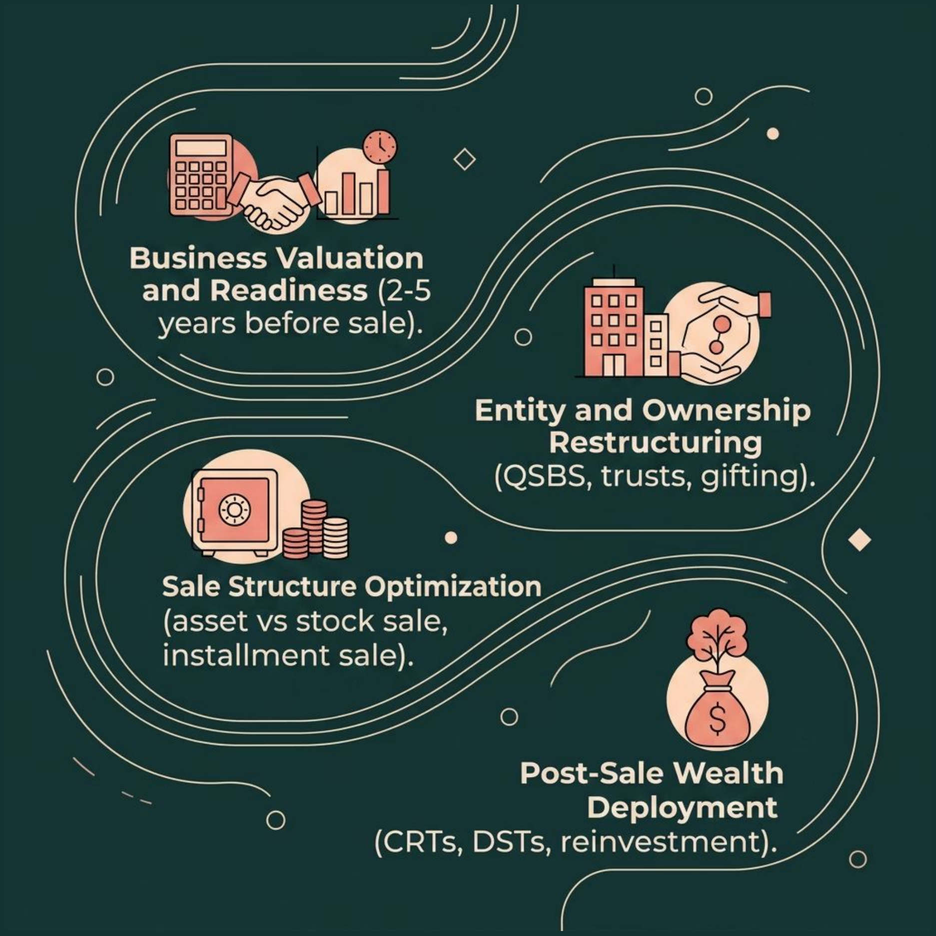
Exit Planning

The Most Expensive Transaction of Your Life — Plan Accordingly

For most business owners, the eventual sale of their company is their single largest taxable event. Without a proactive exit strategy in place years before a sale, a significant portion of generational wealth can evaporate in a single transaction.

Exit Strategy Framework

Key Considerations Before You Sell



Why Timing Is Everything

Strategies like **Qualified Small Business Stock (QSBS)** exemptions, installment sales, and charitable remainder trusts must be structured well in advance of any transaction to be effective.

A business sold for $5 million without exit planning can cost $1.5–$2 million in combined federal and state taxes. With strategic planning, that liability can often be reduced by 50% or more.

⚠ Waiting until a buyer is at the table is too late. Exit planning begins years before the sale.

Real Results

Case Study Examples

1

Manufacturing Owner, $1.2M Net Income

Challenge: Paying $480K in taxes annually with no retirement plan beyond a basic SEP-IRA.

Solution: Implemented a cash balance plan, restructured entity, and added a captive insurance layer.

Result: Tax savings of $187,000 in Year 1.

2

Medical Practice Owner, $750K Income

Challenge: Significant self-employment tax burden and no deferred compensation strategy.

Solution: Converted to S-Corp structure, implemented profit sharing, and utilized real estate cost segregation.

Result: Annual savings of $112,000.

3

Tech Services Firm, Pre-Sale Planning

Challenge: Pending $8M business sale with no exit structure in place.

Solution: Restructured ownership using QSBS qualification and a CRT to receive sale proceeds.

Result: Over $1.9M in tax savings on the transaction.

Self-Assessment

Tax Savings Opportunity Checklist

If you answer **no** or **unsure** to three or more of these, your tax strategy deserves a thorough review.

- ☐ My business entity structure has been reviewed for tax efficiency in the past 12 months
- ☐ I have a proactive tax planning relationship — not just a tax preparer
- ☐ I am maximizing a retirement plan beyond a standard 401(k) or SEP-IRA
- ☐ My owner compensation ratio (salary vs. distributions) has been optimized
- ☐ I am leveraging depreciation strategies including Section 179 or bonus depreciation
- ☐ I have explored real estate strategies to offset active income
- ☐ I have a written exit strategy and have discussed its tax implications
- ☐ My estate plan and business ownership structure are aligned
- ☐ I have reviewed charitable giving vehicles for strategic deductions
- ☐ I have received a formal tax savings analysis in the last 12 months

The Oakwood Summit Difference

What Sets Strategic Advisory Apart

Proactive, Not Reactive

We build your tax strategy throughout the year — not in April. Every decision is made with your full financial picture in mind.

Integrated Team Approach

Tax, legal, investment, and estate planning work in concert. Siloed advisors miss the connections that drive the biggest savings.

Fully Compliant Strategies

Every strategy we deploy is defensible, documented, and built on established tax law — never aggressive schemes that create future liability.

Results-Oriented Engagement

Our clients typically see tax savings that far exceed advisory fees. We align our success with yours.

Request Your Complimentary Tax Savings Assessment

There is no obligation — only clarity. In a focused 60-minute session, our advisors will review your current tax position, identify your highest-impact opportunities, and outline a personalized strategy roadmap.

Step 1

Schedule your complimentary assessment with an Oakwood Summit advisor

Step 2

Receive a personalized tax opportunity analysis with estimated savings

Step 3

Implement a proactive strategy designed for your specific business and goals

Reserved exclusively for business owners with $500,000+ in annual income. Spots are limited each quarter. **Contact Oakwood Summit today.**

Book a Strategy Call