The 10 Most Overlooked Tax Strategies for Business Owners

Simple Planning Opportunities That Could Help You Keep More of What You Earn

OAKWOOD SUMMIT

Are You Leaving Money on the Table?

Most business owners are exceptional at growing revenue — yet few take time to evaluate whether their tax and wealth strategies are working as hard as they are. The result: unnecessary tax liability, missed deductions, and wealth that quietly slips away year after year.

> "It's not just what you earn that builds wealth — it's what you keep."

This guide walks through ten of the most commonly overlooked planning opportunities available to business owners generating $500,000 or more in annual revenue. Each one is practical, actionable, and worth reviewing with your advisory team today.

Strategies 1–5: Structure, Retirement & Deductions

1. Review Your Business Entity

Why it matters: The wrong entity type can cost you thousands annually in self-employment taxes and limit liability protection.
Missed opportunity: Many owners formed an LLC at startup and never revisited it.
Action: Ask your CPA if an S-Corp election or restructuring could reduce your tax burden today.

2. Maximize Retirement Plan Opportunities

Why it matters: Business owners can contribute significantly more than W-2 employees — often $60,000–$100,000+ per year.
Missed opportunity: Defaulting to a SEP-IRA when a Solo 401(k) or Defined Benefit Plan may shelter far more income.
Action: Compare plan types for your income level before year-end.

3. Plan Before Year-End

Why it matters: Many strategies must be implemented before December 31 — not during tax season.
Missed opportunity: Waiting until April when the window has already closed.
Action: Schedule a Q4 planning meeting every year — not just a tax filing review.

4. Review Owner Compensation

Why it matters: How you pay yourself — salary vs. distributions — directly affects payroll tax liability.
Missed opportunity: Setting salary too high (or too low) without IRS "reasonable compensation" benchmarking.
Action: Conduct a compensation review with your CPA annually.

5. Capture Every Business Deduction

Why it matters: Deductions for home office, vehicle use, meals, and equipment are often underclaimed or poorly documented.
Missed opportunity: Informal recordkeeping that fails under audit scrutiny.
Action: Implement a simple tracking system and review deductions quarterly.

Strategies 6–10: Investment, Protection & Legacy

6. Coordinate Tax & Investment Planning

Why it matters: Investment decisions made without tax context can erode returns significantly.
Missed opportunity: Tax-loss harvesting, asset location strategy, and Roth conversions are rarely coordinated.
Action: Ensure your financial advisor and CPA are communicating — not working in silos.

7. Protect Your Assets

Why it matters: Business owners face higher liability exposure than most — and personal assets are often at risk.
Missed opportunity: Relying solely on business insurance without legal entity or trust-level protection.
Action: Review entity structure, umbrella coverage, and any trust arrangements with legal counsel.

8. Plan Your Business Exit Early

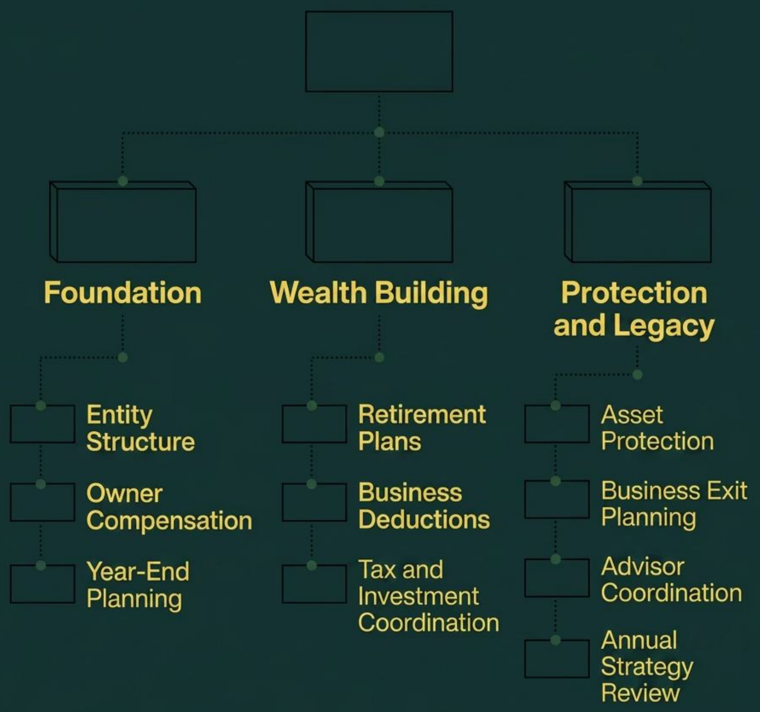
Why it matters: The biggest tax event of your life may be selling your business — yet most owners plan too late.
Missed opportunity: Missing QSBS exclusions, installment sales, or charitable structures that require years of setup.
Action: Begin exit planning at least 3–5 years before any anticipated transition.

9. Coordinate Your Advisors

Why it matters: Your CPA, attorney, and financial advisor each hold a piece of the puzzle — but rarely compare notes.
Missed opportunity: Strategies fall through the gaps when advisors work independently.
Action: Host an annual "advisor roundtable" or use a lead advisor to drive coordination.

10. Review Your Strategy Every Year

Why it matters: Tax law changes, business growth, and life events regularly create new planning opportunities — and close old ones.
Missed opportunity: Treating tax planning as a once-a-decade event instead of an annual discipline.
Action: Schedule a formal annual strategy review — not just a tax return preparation meeting.



A Holistic Framework

These ten strategies aren't isolated tactics — they form an integrated planning system. The most effective approach addresses all three layers:

Most business owners have addressed one or two layers — but rarely all three simultaneously.

Foundation

Structure your business and compensation correctly from the start.

Wealth Building

Maximize what you shelter, invest, and keep after taxes.

Protection & Legacy

Defend your assets and plan your ultimate transition.

Quick Self-Assessment

Answer honestly. Each "No" or "I don't know" represents a potential planning gap — and an opportunity.

Business Owner Tax Readiness Checklist

Strategy & Structure

- [ ] My business entity type has been reviewed in the past 3 years.
- [ ] My owner compensation has been benchmarked for IRS reasonableness.
- [ ] I have a year-end tax planning meeting before December 31.
- [ ] My tax return is reviewed for missed deductions before filing.
- [ ] I understand how my entity type affects my self-employment tax.

Retirement & Investments

- [ ] My retirement plan is designed for my current income level.
- [ ] I am contributing the maximum allowed to my retirement accounts.
- [ ] My investment decisions are reviewed with tax impact in mind.
- [ ] I have explored Roth conversion opportunities.
- [ ] My financial advisor and CPA communicate regularly.

Protection & Exit

- [ ] My personal assets are protected from business liability.
- [ ] I have a written succession or exit plan in place.
- [ ] I understand the tax implications of selling my business.
- [ ] My advisors (CPA, attorney, financial advisor) coordinate with each other.
- [ ] My overall financial strategy is reviewed at least once per year.

Scoring Guide:
13–15 Yes: Strong foundation — focus on optimization.
9–12 Yes: Good progress — several gaps worth closing.
5–8 Yes: Meaningful opportunities available — act soon.
0–4 Yes: Significant planning gaps — schedule a review today.

How Many Opportunities Are You Missing?

If your checklist revealed gaps, you're not alone — and you don't have to figure it out on your own.

Tax Planning

Identify deductions, credits, and timing strategies specific to your business.

Retirement Strategies

Determine the right plan design to maximize tax-deferred savings.

Business Structure

Ensure your entity is optimized for tax efficiency and liability protection.

Wealth Building

Align investments with your tax situation to accelerate net worth growth.

Succession Planning

Prepare for a tax-efficient exit — on your terms and your timeline.

Advisor Coordination

Ensure your full advisory team is integrated and working toward the same goals.

Schedule Your Business Owner Tax Savings Assessment

Oakwood Summit — Helping Business Owners Keep More, Grow More, and Plan with Confidence.