2026 · WHAT ISSUES SHOULD I CONSIDER AS A BUSINESS OWNER OR 1099 WORKER?

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LONG-TERM ISSUES	YES	NO
Do you need to review areas where your business may be affecting your personal financial goals? If so, consider the unique aspects of running a business (e.g., fluctuating income, unexpected costs, etc.) that may be negatively impacting your personal finances. Be sure to review your budget regularly, and consider increasing your emergency fund in light of any additional business expenses.	☐	☐
Do you need to review your investment goals or risk tolerance in light of being a business owner? If so, consider the extent to which investments in your business introduce risks (e.g., lack of diversification) to your overall investment and financial planning goals.	☐	☐
Do you need to reassess your life and disability insurance coverage in light of being a business owner? If so, consider making changes to your coverage to address any business-related risks (e.g., disruption to business activity, loss of potentially higher future income, key person/succession issues, buy-sell issues, estate illiquidity, etc.) that your life and disability insurance may fail to adequately cover.	☐	☐
Do you need to review your gifting and/or estate plan in light of being a business owner? If so, consider the impact your business may have on your existing plans for transferring assets to the next generation.	☐	☐
Do you need to begin planning for the sale, disposition, or succession of your business? If so, consider starting this process early on to get ahead of any challenges (e.g., identifying a successor, valuation/marketability issues, gifting issues, etc.) that may disrupt the continuation of your business.	☐	☐

TAX ISSUES	YES	NO
Do you need to review whether you are properly allocating/taking general business expense deductions? If so, consider the allocation between business and personal expenses (including business-use vs. personal-use), and be mindful of what is considered "ordinary and necessary" for your line of business when taking deductions.	☐	☐
Do you need to review whether your quarterly estimated tax payments are appropriate? If so, consider how your business income and expenses (e.g., wages, retirement plan contributions, depreciation, general expenses, etc.) may impact your overall tax liability, and be sure to factor these in when making your quarterly estimated tax payments.	☐	☐
Do you need to review whether to accelerate depreciation or use traditional depreciation on any large business expenses you are incurring? If so, consider the extent to which each method affects your personal tax rate (larger deduction up front vs. spread out), and determine which option might better maximize your deductions at optimal tax margins. If using an accelerated version of depreciation, be mindful of any risks or limitations that may apply (e.g., potential for recapture, flexibility limits, dollar limits, NOL carryforward limits, etc.).	☐	☐
Has your business or 1099 work claimed a loss on your tax return within the last 5 years? If so, consider whether your business may be subject to hobby loss rules (i.e., not profitable for 3 of the last 5 years), and have a plan to address this (i.e., prove you are running a bona fide business) in case the IRS audits your return.	☐	☐
Do you need to review additional ways to increase deductible contributions to your retirement plan? If so, consider the following: ■ If appropriate, consider hiring your spouse for increasing both employee contributions and employer contributions to your retirement plan, but be mindful that your spouse must work as a bona fide employee of your company. (continue on next page)	☐	☐

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TAX ISSUES (CONTINUED)	YES	NO
■ Determine whether it makes sense to expand your retirement plan (such as adding profit sharing or a cash balance plan) in order to make additional employer contributions, but be mindful of any mandatory contributions (including for employees), especially if your business income greatly fluctuates. ■ Be mindful of the interplay between Qualified Business Income (QBI), taxable income, and deductible contributions to retirement plans (which may reduce QBI and taxable income for purposes of calculating the QBI deduction).		
If operating as a C-Corporation, do you need to review ways to minimize the taxation of your income? If so, consider whether you can appropriately leverage the flat corporate tax rate of 21% (in comparison to your personal tax rate) for reinvestments into your business, but be mindful of additional tax issues (e.g., double taxation, accumulated earnings tax, etc.).	☐	☐
If operating as an S-Corporation, do you need to review ways to minimize the taxation of your income? If so, consider whether it's appropriate to shift more income from W-2 wages to K-1 distributions (which have no FICA or self-employment taxes and may be eligible for the QBI deduction, etc.), but be mindful of the "reasonable compensation rules."	☐	☐
If operating as a Partnership, do you need to review whether you are appropriately taking your "distributive share"? If so, consider whether you are correctly tracking your basis (e.g., capital contributions, distributions received, etc.), and be mindful when using "special allocations" to alter the taxation of your "distributive share," as the IRS may scrutinize this if it is not considered to have "substantial economic effect."	☐	☐
Do you need to review any state-specific tax issues that may affect your business? If so, consider whether your state has specific tax rules (e.g., business-specific income tax thresholds, state-specific credits/deductions, etc.) that may affect your situation. Be mindful of any SALT deduction cap workarounds that may be available (depending on your business entity type and state).	☐	☐

OTHER ISSUES	YES	NO
Are you considering hiring an additional employee? If so, consider whether hiring an employee will help your business goals (e.g., increased productivity/profitability) and personal goals (e.g., work-life balance). Furthermore, consider other specific factors (e.g., hiring a family member, W-2 vs. 1099, etc.) that may better complement your financial planning goals.	☐	☐
Are you able to coordinate access to certain employer benefits (e.g., medical insurance) through your spouse's employment? If so, consider whether it makes sense to use your spouse's benefits rather than purchasing benefits through your business (or the Health Insurance Marketplace). Be sure to factor in a cost comparison, as well as any tax deductions/credits you may be eligible for, when making a decision.	☐	☐
Are you concerned about your ability to qualify for financing (e.g., mortgage, loans, etc.) as a business owner? If so, consider ways you might improve your financing options (e.g., larger down payment, improving debt-to-income ratio, pledging assets as collateral, coordinating with your spouse, etc.), especially if your business is young and/or you have inconsistent income. Be mindful that many lenders require a history of earnings in order to qualify.	☐	☐
Do you need to review whether your business entity choice is best suited for your personal financial situation? If so, consider the benefits and drawbacks (e.g., tax implications, needs for raising capital, unlimited vs. limited liability, changes in control/flexibility, etc.) of your current business structure, as well as whether it makes sense to transition to a different structure to better complement your personal financial goals.	☐	☐
Do you need to review any planning opportunities that are specific to your business industry? If so, consider whether there are any specific tax credits/deductions that may uniquely pertain to your business, as well as any insurance that helps mitigate industry-specific risk that may pertain to your situation.	☐	☐

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