COFFEE & ROUNDTABLE · NOVEMBER 11, 2026

Beat the Buzzer

Year-end tax moves that make financial sense, before the clock runs out on 2026

Philip & Melissa Beck

PMB Accounting · Hilton Garden Inn, Pineville



YOUR HOSTS

Meet Melissa & Phil

Melissa Beck, EA, CTRC

CEO / FOUNDER

- As CFO, grew a construction company $0 → $50M
- Enrolled Agent: represents clients before the IRS
- Certified Tax Representative Consultant (CTRC)
- Leads CFO, controller and bookkeeping work
- 20 years in accounting and business ownership

Phil Beck

COO / CO-FOUNDER

- 20 years in finance at a multi-billion $ company
- Held a ~$400M book of government contracts
- Leads marketing and fractional COO work
- Builds systems that bring order to operations

TODAY'S ROUNDTABLE

Six things to act on before December 31

01

Mileage

Two rates this year, and the log you need

02

Home office

What qualifies, what proof, how to claim

03

S corp owners

Reimburse through an accountable plan

04

Year-end moves

1099s, buying assets, what pays off

05

Personal

New deductions, including charity

06

IRS notices

What to do if one shows up

01 · MILEAGE

2026 has two business mileage rates

Jan 1 – Jun 30

72.5¢

Rate set in December 2025

Jul 1 – Dec 31

76¢

Rare mid-year increase (fuel costs)

Example: 12,000 business miles, half in each period

6,000 × $0.725 = $4,350 + 6,000 × $0.76 = $4,560 → **$8,910**

01 · MILEAGE

No log, no deduction

Every trip needs

- Date
- Where you started and where you went
- Business purpose (who / why)
- Miles driven (app or odometer)
- Logged at the time, not rebuilt in April

Rules to know

- Home → regular office is commuting: not deductible
- Standard rate or actual costs: use standard in year one to keep both options
- Parking and tolls are extra
- W-2 employees can’t deduct it, ask to be reimbursed

Our pick: MileIQ: tracks every drive automatically. Not sponsored; we just like it.

02 · HOME OFFICE

Regular and exclusive: both, every time

It qualifies if…

- Used regularly **and only** for business. No guest bed, no family computer
- It’s your principal place of business, or where you do admin with no other fixed office
- Or you meet clients there, or it’s a separate structure

Keep this proof

- Square footage: office ÷ whole home
- Simple floor plan and dated photos
- Rent or mortgage interest, utilities, insurance, repairs
- Proof there’s no other office you use

⚠ **S corp owners:** your accountable plan needs to be in place **before** you take the reimbursement.

02 · HOME OFFICE

Two ways to claim it

	Simplified	Regular (Form 8829)
How it works	$5 per sq ft	Business % of actual costs
Maximum	300 sq ft = $1,500	No cap (limited by profit)
Depreciation	None, no recapture	Yes, recaptured when you sell
Unused amount	Lost	Carries forward
Best for	Small space, simple records	Larger space, higher costs

Sole props and single-member LLCs claim it on **Schedule C**.

02 · HOME OFFICE

Same office, two answers: $840 or $3,532

THE HOUSE

$425,000 · 2,400 sq ft

Office: 12 × 14 ft = 168 sq ft = **7%**

SIMPLIFIED

$840

168 sq ft × $5 ≈ **$200 less federal tax**

ACTUAL EXPENSES

$3,532

$2,692 more deduction ≈ **$650 less federal tax**

Expense	Per year	Office share
Mortgage interest	$21,000	$1,470
Property tax	$3,400	$238
Homeowners insurance	$2,000	$140
Utilities	$4,200	$294
HOA dues	$600	$42
HVAC repair (whole house → 7%)	$1,800	$126
Paint the office (office only → 100%)	$650	$650
Depreciation (building ÷ 39 yrs)		$572
Total		$3,532

Illustration · estimated costs for a Pineville-area home · 24% bracket · PMB Accounting · 8

03 · S CORP OWNERS

The power of the accountable plan

A written plan listing the expenses you pay personally that the company can reimburse you for, tax free.

What it can cover

- **Mileage** at the IRS rate, from your log
- **Home office** share of your home costs
- Cell phone and internet (business share)
- Travel and business meals
- Supplies bought on a personal card

Three steps

1. Write and approve the accountable plan
2. Submit your receipts to the company
3. The company reimburses you

Done right: tax-free to you, deductible to the S corp

04 · 1099 REPORTING

The 1099 threshold jumps from $600 to $2,000

Form	2025 payments	2026 payments
1099-NEC (contractors)	$600	$2,000
1099-MISC (rent, prizes)	$600	$2,000
1099-K (Venmo, Stripe…)	$20,000 + 200 txns	$20,000 + 200 txns
Royalties	$10	$10

For January 2027

- Due **Feb 1, 2027** (Jan 31 is a Sunday)
- Collect W-9s now
- Backup withholding threshold is also $2,000
- Indexed for inflation from 2027

Receiving side: no form doesn't mean no tax. All income is still reportable.

Source: OBBBA §70433 · IRS Pub. 1099 · PMB Accounting · 10

04 · BUYING ASSETS

Buy in December, decide when to write it off

Example: $50,000 of equipment, in use by Dec 31

Regular (non-bonus)	Bonus depreciation
$7,145	**$50,000**
Year 1 of 7	All in year 1

At a 24% bracket: ~**$12,000 less federal tax**.
You still spent $50,000. Net cost: ~$38,000.

What counts

- Computers, tools, machinery, furniture, trucks
- New **or used**
- Financed is fine: deduct the full price
- Must be **delivered and in use** by Dec 31
- Sell it later → deduction is **recaptured**
- NC adds back 85% and spreads it over 5 years

04 · DOES IT MAKE FINANCIAL SENSE?

Spend $1 to save 24¢, only if you needed it

Year-end move	You spend	Tax saved	Really costs you	Verdict
Equipment planned for 2027, bought now	$50,000	$12,000	$38,000	Smart: same buy, savings sooner
Gear you don’t need	$20,000	$4,800	$15,200 gone	Bad deal: you’re poorer
SEP-IRA / 401(k) contribution	$20,000	$4,800	$0 (still your money)	Smart if cash allows
Pay December bills before Dec 31	$5,000	$1,200	$0 (bill was due)	Smart: cash-basis only

1 Would I buy this anyway?

2 Can I pay without draining my cash cushion?

3 Will 2027 income be higher? Then wait.

Tax saved at a 24% federal bracket · illustration only · PMB Accounting · 12

04 · BUYING ASSETS

The depreciation myth

Depreciation defers your tax. It doesn’t erase it.

Same $50,000 either way

All now: $50,000 in 2026, then $0 in 2027–2032

Spread out: about $7,000 a year for 7 years

Sell it later? Bought for $50,000, sold 2 years later for $30,000 → **$30,000 is taxed as ordinary income** (recapture)

When to spread it out

- Low-income year: a deduction at 12% now beats nothing, but 24% later is worth twice as much
- You expect higher profits next year
- You’ll sell or trade it in soon
- It would wipe out your income or create a loss

You can choose: bonus is optional.

Same $50,000 equipment, two different answers

CASE A

Strong year, steady ahead

32% bracket this year and the years after

Tax saved	Bonus	Regular
In 2026	$16,000	$2,286
Total, all years	$16,000	$16,000

Bonus wins: same total, $13,700 sooner

CASE B

Slow year, growth ahead

12% bracket this year, 24% in the years after

Tax saved	Bonus	Regular
In 2026	$6,000	$857
Total, all years	$6,000	$11,143

Regular wins: $5,100 more in total

04 · CASE B, YEAR BY YEAR

Regular saves more by deducting in the 24% years

Year	Bracket	Bonus deducted	Bonus tax saved	Regular deducted	Regular tax saved
2026	12%	$50,000	$6,000	$7,145	$857
2027	24%	$0	$0	$12,245	$2,939
2028	24%	$0	$0	$8,745	$2,099
2029	24%	$0	$0	$6,245	$1,499
2030	24%	$0	$0	$4,465	$1,072
2031	24%	$0	$0	$4,460	$1,070
2032	24%	$0	$0	$4,465	$1,072
2033	24%	$0	$0	$2,230	$535
Total		$50,000	$6,000	$50,000	$11,143

7-year equipment is deducted over 8 tax years (half year first and last) · federal only · illustration · PMB Accounting · 15

04 · BUYING ASSETS · LONGER-TERM PLAY

The Hornets trick, Main Street version

Team owners write off what they paid for the team. You can do the same when you buy a business.

THE DEAL

Your HVAC company buys a retiring owner's HVAC company for **$1.2M**

10% down · 10-year loan at 9%

Cash in your pocket, year 1

+$186,000

Taxable result, year 1

–$104,000

Year 1: cash vs. taxes

Item	Cash	Taxes
Profit from the new customers	$350,000	$350,000
Loan interest	–$94,000	–$94,000
Loan principal	–$70,000	$0
Vans, tools, equipment: $300K (bonus)	$0	–$300,000
Customer list, goodwill: $900K (15 yrs)	$0	–$60,000
Result	+$186,000	–$104,000

Do it right: buy the assets, not the stock · agree on the price split in the contract

04 · YEAR-END MOVES

What you can still do before December 31

Business owners

- Move planned 2027 purchases into December
- Pay December bills and restock supplies now
- Open a SEP-IRA: fund it until you file
- S corps: submit mileage and home office reimbursements
- S corps: true up your salary in the last payroll

Individuals

- Raise 401(k) from your last paychecks: up to $24,500 ($32,500 at 50+)
- Fill your HSA: $4,400 single / $8,750 family
- Sell losing investments to offset gains
- Use up FSA money
- Age 70½+: give to charity straight from your IRA

05 · PERSONAL

New deductions on your 2026 return

Change	Amount	Watch for
Standard deduction	$16,100 / $32,200 MFJ	Fewer people will itemize
Seniors 65+	+$6,000 each	2025–2028; phases out above $75K / $150K
Tips	Up to $25,000	2025–2028; qualified tips only
Overtime	Up to $12,500 / $25,000 MFJ	2025–2028; the “half” of time-and-a-half
Car loan interest	Up to $10,000	New, US-assembled, personal use

05 · CHARITABLE GIVING

Give without itemizing: new for 2026

Take the standard deduction?

$1,000 / $2,000

- Single / married filing jointly
- No Schedule A needed
- Cash gifts to charities (not goods)
- No carryforward

Itemize?

0.5% floor

- First 0.5% of income isn’t deductible ($200K → first $1,000)
- Top bracket: benefit capped at 35%
- Age 70½+: IRA gifts (QCDs) skip the floor

06 · TAX NOTICES

Notices are going out, and so are levies

A **lien** is the claim. A **levy** is the grab.

339,000

IRS levies (the grab) in FY2025, up 8% in a year

214,000

Federal liens (the claim), up 36% since 2022

3.2 million

“You didn’t file” notices, up from zero in 2023

IT’S NOT JUST THE IRS. THIS FALL, IN OUR OFFICE:

Two clients had bank accounts **frozen and levied by the NC Department of Revenue**. One didn’t even owe the money and still had to wait for the levy to process, then file for a refund, then wait again.

Most calls we get come after the grab, and by then, our options are limited.

Sources: IRS Data Book FY2025; TIGTA Report 2026-3S0-045 · PMB Accounting · 20

06 · TAX RESOLUTION

Got a notice? Get it reviewed. Don’t wait.

Have someone who knows review every notice, immediately.

IRS or state. Even if you think it’s wrong. **Especially** if you think it’s wrong.

Do

- Schedule a notice review with a tax pro
- Note the date: deadlines are short
- Keep the envelope

Don’t

- Ignore it or set it aside
- Pay it before it’s checked
- Assume it’s right (many aren’t)

Can’t pay?

Payment plans and penalty relief exist, but only if you respond.

YOUR YEAR-END CHECKLIST

Before December 31

- **Catch up and reconcile your books**
- Split your mileage log at June 30
- S corps: book 2026 reimbursements
- Collect W-9s for 2027 1099s
- Make gifts and save the receipts
- **Book your planning call by Dec 10**
- Measure and photo your home office
- S corps: true up salary in payroll
- Put needed equipment in service
- Max out retirement contributions

Next deadlines: Q4 estimates Jan 15 · 1099s Feb 1 · S corp returns Mar 15

THANK YOU

Questions?

Book your year-end planning call by **December 10**, so there's still time to act.

PMB Accounting · Philip & Melissa Beck

704-313-1651 · pmbaccounting.net · melissa@pmbcapitalsolutions.com

General information only. Not advice for your situation.

BEFORE YOU GO

Scan or click: two quick links

FOUND THIS HELPFUL?

Leave us a Google review

Mention what helped, like the tax tips or QuickBooks advice. It helps other owners find us.

$150 OFF THROUGH JAN 31

Diagnostic Review

~~$750~~ **$600**