



TPF TIPS – SEPTEMBER, 2025

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Welcome to TPF TIPS, our monthly newsletter where we apply our over 30 years of experience to cut through the noise, select what is relevant, unpack the jargon, and offer clear, digestible insights on topics important to our clients.

We know your time is precious and your inbox sacred, so we strive to make these emails an easy read (5-7 minutes) and plan to deliver TPF TIPS on or around the 15th of each month (subliminal plug for tax preparation).

If, for some reason, you do not wish to receive the monthly newsletter, please do not unsubscribe. Rather, please reply to the email with the word UNSUBSCRIBE in the subject line. We will ensure you are removed from the newsletter list, but you will remain subscribed to our other emails about important financial deadlines, events, and other critical updates.

After all, it's your money and we want you to keep as much of it as possible!

It's that time.....buckle up and let's get **savvy!!!**

The theme for this month is:

Business Tax Planning Playbook: Seizing Opportunities in Q4 of 2025 . . .

Somehow, it's already the middle of September – how did that even happen?

One minute we were debating whether grilling counts as cooking, and the next we're knee-deep with pumpkin spice everything along with Halloween decorations and candy in every store (not that we mind giant bags of chocolate on sale).

While this edition *leans* towards business owners, entrepreneurs, freelancers, companies and corporations; we always include a little something for individuals. And who knows, maybe next month we will provide a tax playbook *leaning* more toward individuals? We just can't get enough of planning after all.

Why Year-End Tax Planning Matters

Just as time seem to pass too quickly, so do financial deadlines, reminders, and opportunities. For calendar-year taxpayers, December 31 marks the close of your 2025 tax year, meaning decisions made over the next several months can directly influence your taxable income, deductions, and credits.

Delaying planning until January often means missing out, as retroactive adjustments become limited or impossible.

Planning now ensures:

- You squeeze every drop out of deductions still on the table.
- You optimize timing of income and expenses.
- You reduce *surprises* come April 15 (and who needs an IRS surprise!?!?).
- You begin January with confidence.

According to recent analyses, businesses who engage in year-end planning can reduce their effective tax rate by 5-15%, depending on their structure and industry (and their tax accountant...we tend to find reductions at the high end of the scale – just saying).

But the real magic happens when opportunities from the new tax laws are layered in. The OBBBA (One Big Beautiful Bill Act), a sweeping reconciliation bill, builds on the Tax Cuts and Jobs Act (TCJA) by making many of its business-friendly provisions permanent while introducing enhancements

Let's unpack the key business tax benefits and how they tie into Q4 planning.

Business Moves to Consider Before January

Accelerating Expenses (Deductions)

Are there (big) purchases the business needs?

Equipment, computers, furniture, contractors or even a new coffee machine to prevent mutiny in your office? Buy them **now**.

Why? Because under the new OBBB Section 179 expansion, you can expense up to \$1.5 million of qualified property purchases immediately, rather than waiting years to depreciate them.

Translation: tax deductions that that instantly lowers your 2025 tax bill.

Deferring Income

If there is flexibility in when revenue hits the books, consider delaying client invoices or deals so they fall into 2026. Why pay taxes on that income now if you can legally shift it forward? Of course, this only works if your cash flow allows or, if there are business revenue milestones to be achieved.

Insight: never let the "tax tail" wag the "business dog"...unless your tax consultant says so.

Retirement Contributions

Setting up or maxing out contributions to retirement plans like SEP IRAs, Simple IRAs, or 401(k)s helps lower this year's taxable income while building that retirement nest egg.

And thanks to OBBBA, employer contribution limits have been raised—meaning you can stash away even more, and the government has to wait longer to get their piece of your pie.

Employee Bonuses and Perks

Planning to reward your team for a great year? Great news.

Certain employee incentives, like enhanced wellness credits and even portions of training costs, are now deductible in larger amounts.

Thanks to OBBBA's Small Business Workforce Credit, companies can score extra deductions for helping employees improve job skills and well-being. So yes, those knowledge-building seminars and AI-based laptops count as both "great boss" and "smart tax strategy" moves.

New Laws from the One Big Beautiful Bill

Let's break down the several game-changing updates the OBBBA introduced for small and medium-sized businesses:

Expanded Bonus Depreciation

The 100% bonus depreciation window has been extended for qualified purchases made through 2027. That means big capital equipment buys are fully deductible upfront. If you're sitting on the fence about those improvements—Q4 is the time to take action.

Revamped R&D Credit

Previously the research and development credit was a maze of complexity (and IRS second-guessing). Under OBBBA, the rules have been clarified and expanded so more small businesses qualify, including software development, product design, and even process improvements. If you tinkered, innovated, or scribbled on a whiteboard this year (eh...maybe), you might be eligible.

Enhanced Green Business Credit

Good news for eco-friendly businesses: Energy-efficient upgrades to buildings, vehicles, and operations now come with expanded tax benefits. Swap out that old HVAC for something more "green", install solar panels, or upgrade to EVs (electric vehicles) for your fleet, and you'll get both utility savings *and* federal-tax high-fives.

New Start-Up Expense Deduction

Brand new businesses rejoice!

Start-up expenses that were previously capped at \$5,000 can now be deducted up to \$20,000. That includes legal fees, consulting, research, and other pre-opening costs. For side hustlers and gig economy workers, stepping into full entrepreneurship just got easier.

Family Business Flexibility

The OBBBA also sweetened the deal for family-run businesses, with expanded credits for apprenticeships, training, and even succession planning consultations.

That means more help transitioning the family bakery (or construction firm, or tech start-up) to the next generation without the government grabbing too big a slice.

Common Mistakes to Avoid

- **Splurging Without Strategy:** Just because something is deductible doesn't mean you should overdo it...for example, buying five espresso machines for the office. One is tactical; five is just, well....jittery.
- **Waiting Until January:** Many credits and deductions are only valid if you act before December 31. Once the ball has dropped in Times Square and the confetti has fallen, options narrow.
- **DIY'ing the Numbers:** We admire DIY projects, however; your tax liability is not something to take lightly. Mistakes here cost way more than painting an accent wall the wrong color.

Personal Touch to Tax and Accounting

We get it— we can practically hear you groaning from here. "Tax planning....now?"

While tax planning doesn't inspire the same joy as say, an Astros or Texans or Rockets win, it *does* bring in peace of mind, cash flow optimization, and the confidence of knowing you're making smart financial decisions.

Let's make 2025 close out with laughter, confidence, and smart planning that keeps your money where it belongs—fueling your business, rewarding your people, and maybe finally upgrading that office coffee to something drinkable!

Remember:

If you have questions about how to best navigate new tax laws and legislative changes, *please reach out to us*. And, as always, ***we are committed to help you keep as much of your money as possible!***

Final Thoughts. . .

We'd like to close this month's newsletter by honoring the life of Charlie Kirk, whose strong faith and deep love of country guided the way he lived and served others. With grace, purpose, and compassion, he left a legacy of vision, encouragement and service that continue to inspire. Though he is no longer with us, his example shines brightly, reminding us to walk in faith, lead with kindness, and cherish the values that strengthen both our communities and our nation. Our deepest condolences to his wife, family and closest friends.

About The Pierson Firm

Conroe-based The Pierson Firm offers a comprehensive range of tax-related services to individuals and businesses alike; and have been doing so for over 30 years. From Tax Planning, Preparation & Representation to Business Operations, Advisory and Compliance, the firm provides personalized solutions to those around the block or around the globe. Additional company information can be found by visiting www.thepiersonfirm.com.



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