



# Wolfe CPA & Advisors

## 2025 Tax Savings Plan

## Who we are

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Certified Public Accounting Firm specializing  
on Businesses Tax Recovery and Tax Savings  
Florida Certified Public Accountant (Lic.  
AD70213)

## What we do

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Business Tax Strategies and IRS Support  
Business Tax Advisory with a CPA

# What's in the plan

- ▶ Disclaimer
- ▶ Your top tax-saving strategies
- ▶ How to get your maximum tax savings
- ▶ More about your strategies

# Disclaimer

All tax planning, strategies, advice and recommendations in this plan are based on the taxpayer's available tax return data, information disclosed to us, and current tax law. Tax laws can and do change frequently. Federal, state, local, payroll, property and other taxes often overlap and involve complexities that rarely yield a single best strategy. Effective tax planning is a lifelong process. It requires regular updates to review the taxpayer's goals, life changes, investments, businesses, changes in income, pre-tax opportunities, retirement planning, state and local taxation, and more.

Tax projections and recommendations include assumptions and should not be viewed as guarantees. The actual results will vary from projections. The actual tax savings will vary from the estimated tax savings. These plans and projections are only a guide, not a promise.

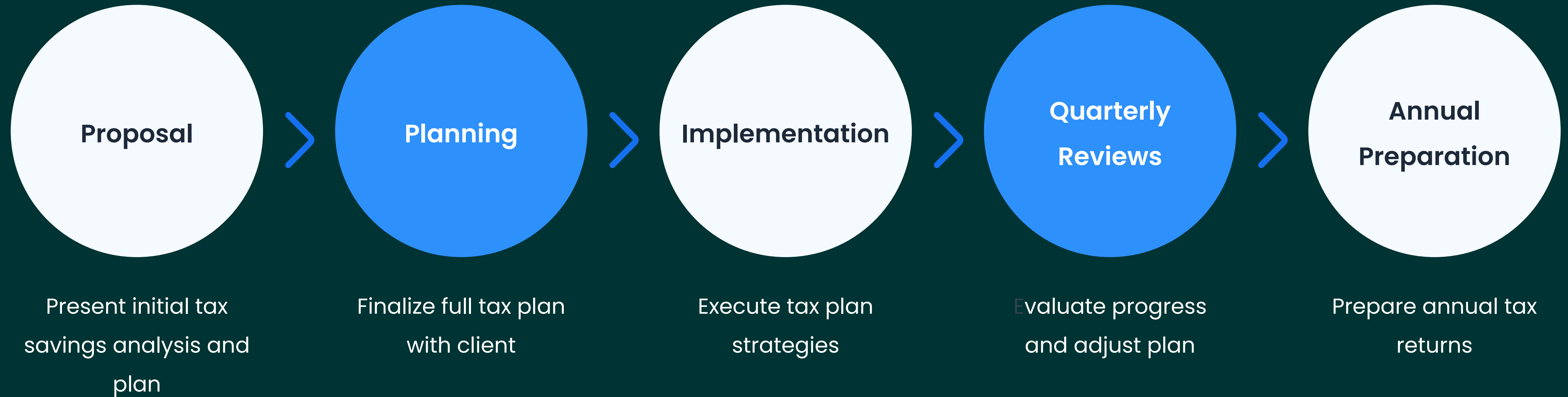
Tax planning is a team exercise. Many of the tax savings estimated in this plan are dependent upon taxpayers completing certain action items. If taxpayers fail to take necessary actions, the tax strategies may not yield the estimated benefit. Success is also dependent upon regular communication about changes in the taxpayer's circumstances to our firm, so we can evaluate the impact of changes on the taxpayer's tax plan.

In addition to the taxpayers and our firm, planning often includes financial planners, insurance agents, and attorneys. We do not assume responsibility for the advice of any additional professionals.

Third-party links provided in the report serve as a convenience and for informational purposes only, we accept no responsibility for the accuracy, legality, or content on these sites.

We have no obligation to update this tax plan.

# Phases



# 2025 projection

## 2025 no action

Total income  
**\$127,168**

Taxable income  
**\$98,736**

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	Total taxes	Balance due
Federal	<b>\$16,634</b>	<b>\$7,463</b>
State*	<b>\$0</b>	<b>\$0</b>

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## 2025 with strategies

Total income  
**\$88,668**

Taxable income  
**\$60,236**

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	Total taxes	Refund
Federal	<b>\$7,164</b>	<b>\$2,093</b>
State*	<b>\$0</b>	<b>\$0</b>

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Strategy tax savings  
**\$19,470**

\* State taxes are subject to change due to tax rule or rate adjustments

# Your personalized tax savings package

2025 Strategy tax savings

**\$19,470**

Your investment in our services

**\$4,700** Phase I Design & Implementation

Projected ROI

**314%**

**\$750**

Monthly Recurring Advisory & Compliance

## Next steps

- ▶ Sign up for our services
- ▶ Schedule your next appointment
- ▶ Discuss strategies and commit to plan

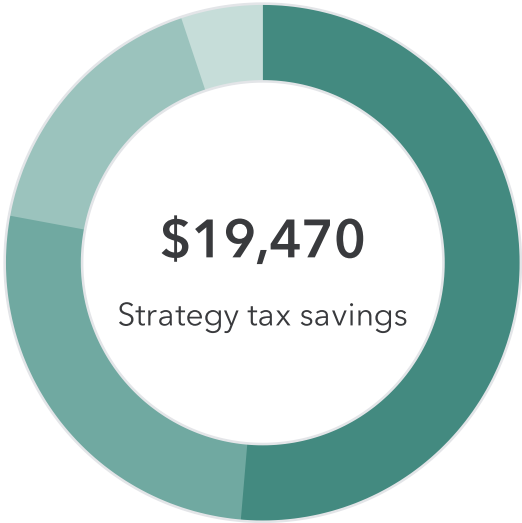
Wolfe CPA & Advisors

<https://cpawolfe.com>

# Your top tax-saving strategies for 2025



<div></div>	Research and development (R&D) credit (T)	NEW	\$10,000
<div></div>	401(k) employee (EE) contributions (T)	NEW	\$5,170
<div></div>	ER 401K Contribution S Corp deduction (T)	NEW	\$3,300
<div></div>	401(k) tax credit for small businesses 1040 Return	NEW	\$1,000
<div></div>	Other strategies		\$0



# Ready to Move Forward?

	Pay Us	Pay IRS	KEEP
No Tax Plan	\$0	\$19,470	\$0
With Tax Plan	\$4,700	\$0	\$14,770



# Your other strategies breakdown



Other strategies

\$0

Employer (ER) accountable reimbursement plan (T)

➤NEW<

\$0

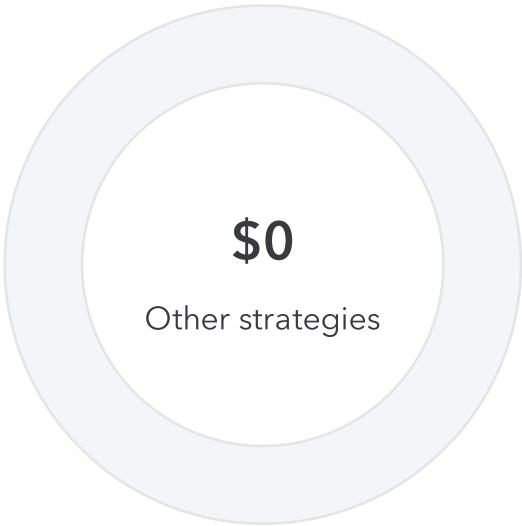
Employee (EE) accountable reimbursement plan (T)

\$0

Traditional individual retirement account (IRA) contributions  
Traditional IRA (T)

➤NEW<

\$0



# How to get your maximum tax savings



Strategy	Strategy change	Net out-of-pocket	Tax savings
Research and development (R&D) credit (T)	\$10,000	\$10,000	\$10,000
401(k) employee (EE) contributions (T)	\$23,500	\$18,330	\$5,170
ER 401K Contribution S Corp deduction (T)	\$15,000	\$11,700	\$3,300
401(k) tax credit for small businesses 1040 Return	\$1,000	\$1,000	\$1,000
Employer (ER) accountable reimbursement plan (T)	\$0	\$0	\$0
Employee (EE) accountable reimbursement plan (T)	\$0* See page 11 for details	\$0	\$0
Traditional individual retirement account (IRA) contributions Traditional IRA (T)	\$0	\$0	\$0

# More about your strategies



# 401(k) employee (EE) contributions

Contributing to employer-sponsored plans like a 401(k) is a triple benefit, including 1) reducing taxable income by the amount of contributions, which reduces income taxes by your marginal rate, 2) the savings grow tax-free until withdrawn and 3) many plans offer employer matching contributions, which is like earning free money just by saving. Employee contributions are reported on W-2, Box 12, code D. Employee pre-tax contributions lower taxable income, and the tax savings are calculated using the applicable federal and state tax rates, unless changed.

## 401(k) contribution limits for 2023, 2024, and 2025

Get to know how much you can save in your 401(k).

## What is the 'super' 401(k) catch-up contribution for older workers?

Employees in their early 60s can contribute several thousand dollars more to their 401(k) retirement plan starting next year thanks to a recent change in tax law.

## How to get started:

- ▶ Adjust 401(k) paycheck deductions through your employer to match your planned contributions.
- ▶ Review and document your plan's details like contribution limits, employer matching offers, Roth and after-tax contribution options, in-plan conversion options, and investment options.

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2025 Strategy tax savings

**\$5,170**

# Employer (ER) accountable reimbursement plan

An accountable reimbursement plan lets employees get paid back for certain job-related expenses and lowers the business's and employee's taxes. These plans are advantageous because employers can deduct many expenses that employees can't, like uniforms, cell phone costs, and per diems. Payments made under an accountable reimbursement plan are excluded from the employee's gross income and aren't reported on Form W-2. By reimbursing expenses and lowering wages, the employer and employee can both save on payroll taxes. Using an accountable reimbursement plan also lowers the employer's taxable income by the deductible amount of expenses incurred.

## THE RIGHT WAY TO RUN AN ACCOUNTABLE PLAN

An accountable plan is an arrangement between employers and employees where the company reimburses employees for specified business expenses.

### Cut taxes by reimbursing expenses with an accountable plan

If you're looking for another way to attract and retain staffers that won't bust your nonprofit's budget, consider offering an accountable plan.

### Accountable Plan: Definition and Taxation on Reimbursements

An accountable plan is a method for reimbursing employees for any business-related out-of-pocket expenses on a non-taxable basis. If the Internal Revenue Service's (IRS) requirements are met, reimbursements for eligible business expenses do not count as income, meaning they are not subject to withholding taxes or W-2 reporting.

## How to get started:

- ▶ Establish an accountable plan.
- ▶ Establish a process for employees to submit reimbursement requests periodically (monthly or quarterly) on an expense report.
- ▶ Consider standardizing on a form or expense application.

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2025 Strategy tax savings

**\$0**

# Employee (EE) accountable reimbursement plan

An accountable reimbursement plan lets employees get paid back for certain job-related expenses and lowers the business's and employee's taxes. These plans are advantageous because employers can deduct many expenses that employees can't, like uniforms, cell phone costs, and per diems. Payments made under an accountable reimbursement plan are excluded from the employee's gross income and aren't reported on Form W-2. By reimbursing expenses and lowering wages, the employer and employee can both save on payroll taxes. Using an accountable reimbursement plan also lowers the employer's taxable income by the deductible amount of expenses incurred.

## Mileage Reimbursement Rules For Employees

As an employee in the US, you might be entitled to receive employee mileage reimbursement from your employer. Find out more about the employee mileage reimbursement rules for your situation.

## How To Deduct Your Cell Phone Bill on Your Taxes

These days, cell phones are pretty much essential for work.

## Accountable Plan: Definition and Taxation on Reimbursements

An accountable plan is a method for reimbursing employees for any business-related out-of-pocket expenses on a non-taxable basis.

## How to get started:

- ▶ Establish an accountable plan.
- ▶ Establish a process for employees to submit reimbursement requests periodically (monthly or quarterly) on an expense report.
- ▶ Consider standardizing on a form or expense application.

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2025 Strategy tax savings

**\$0**

# Traditional individual retirement account (IRA) contributions

Taxpayers with earned income who aren't covered by a retirement plan at work can lower their tax bill by contributing money to a traditional individual retirement account (IRA) by April 15th. Taxpayers whose work offers a retirement plan may also contribute to an IRA, but might not be able to deduct those contributions on their tax return, depending on their income level. Traditional IRAs also allow savings to grow tax-free until withdrawn. IRA withdrawals after age 59 ½ are taxable and subject to required minimum distribution (RMD) rules. Deductible IRA contributions lower taxable income, and the tax savings are calculated using the applicable federal and state tax rates, unless changed.

## Deductions Allowed for Contributions to a Traditional IRA

For most taxpayers, saving for retirement is the best way to lower your taxes and to build a sizable nest egg.

## Roth vs. Traditional IRA: Which Is Better for You?

Which is better for you, a Roth or a traditional IRA? Understanding the differences between a Roth IRA vs. traditional IRA can help you decide.

## How to get started:

- ▶ Open an IRA at a brokerage if you don't already have one.
- ▶ Contribute the planned amount before the due date of your return (usually April 15th).

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2025 Strategy tax savings

**\$0**

# ER 401K Contribution S Corp deduction

25% of salary

How to get started:

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2025 Strategy tax savings

**\$3,300**



# Research and development (R&D) credit

The research and development credit provides much needed cash to hire employees, invest in facilities, increase research and development, and more. Qualifying small businesses can apply up to \$500,000 of your research credit against their payroll tax liability.

## IRS Extends Time to Perfect R&D Tax Credit Claims to 2025

You now have until January 10, 2025 to fix research and development tax credit claims for refund. Here are the details.

## Prepare for Enhanced Documentation: IRS Releases Updated Draft Form 6765 and Instructions for 2025 R&D Tax Credits

The Internal Revenue Service (IRS) is preparing taxpayers to provide more qualitative and costing information with IRC Section 41 Research Credit calculations on an originally filed tax return.

## IRS Extends Transition Period for Perfecting R&D Tax Credit Claims Until January 10, 2025

If you're a business that has claimed research and development (R&D) tax credits or plans to amend your return to do so, here's some important news: The Internal Revenue Service (IRS) has granted an extension for perfecting R&D claims.

## How to get started:

- ▶ Document qualifying research expenditures.
- ▶ Document wages paid, employee or contractor names, percentages of time allocated to qualified qualifying activities.

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2025 Strategy tax savings

**\$10,000**

# 401(k) tax credit for small businesses

401K TAX CREDIT - \$1,000/employee

## How to get started:

▶ Setup 401K

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2025 Strategy tax savings

**\$1,000**

# Congratulations – Next Steps



## **Engagement Letter**

Send out engagement letter to confirm scope of services



## **Onboarding Meeting**

Schedule a kickoff meeting to align on goals and timeline



## **Finalize The Tax Plan**

Work together to finalize the optimal tax planning strategy



## **Implementation**

Execute the agreed upon tax planning techniques