

November 7, 2025

## **Year-End Federal and State Income Tax Planning Letter**

Dear Valued Client,

As 2025 draws to a close, now is an important time to review your Federal and State income tax situation and take proactive steps before year-end to optimize your tax position. Strategic tax planning before December 31st can make a meaningful difference in minimizing taxes and positioning you for financial success in the year ahead.

The goal is to help you take advantage of every opportunity the tax code provides—while also aligning tax strategies with your broader financial objectives.

### **Key Year-End Planning Opportunities**

#### **1. Income and Expense Timing**

Evaluate the timing of income and deductions to manage taxable income effectively. For individuals, consider accelerating deductions such as charitable contributions or deferring income where appropriate. For businesses, review the timing of income recognition, capital purchases, and bonus depreciation opportunities.

#### **2. Investment and Capital Gains Review**

Assess realized and unrealized capital gains or losses in taxable investment accounts. Harvesting losses before year-end can offset gains, and rebalancing portfolios can support both tax efficiency and long-term investment goals.

#### **3. Retirement and Benefit Planning**

Maximize contributions to qualified retirement plans (401(k), IRA, SEP, etc.) and review employer benefits for tax-advantaged savings opportunities, including health savings accounts (HSAs) and flexible spending accounts (FSAs).

#### **4. Real Estate and Mortgage Planning**

With our mortgage brokerage license and financial expertise, we can help you evaluate refinancing, new acquisition financing, or debt restructuring opportunities. Proper structuring can improve cash flow, enhance deductions, and optimize after-tax returns on real estate investments.

#### **5. Estate and Legacy Planning**

Review your estate plan, gifting strategies, and beneficiary designations. Current exemption amounts and annual gift exclusions provide opportunities to transfer wealth efficiently while minimizing estate and gift taxes.

## 6. Business Owner Strategies

For business owners, review entity structure, compensation planning, depreciation schedules, and available credits (e.g., R&D, energy efficiency). Year-end planning may also include analyzing retirement plan funding, shareholder distributions, and succession or exit planning.

## Comprehensive Financial Services Beyond Tax Compliance

While year-end tax planning is essential, it is only one component of your overall financial success. Our firm crafts **innovative solutions for clients' complex financial challenges and opportunities**, utilizing a **full array of professional tools and technologies** to help you:

- **Create Wealth:** Through sound investment, business, and real estate strategies.
- **Preserve and Protect Wealth:** By implementing tax-efficient structures, asset protection, and risk management.
- **Distribute Wealth:** Through legacy and estate planning aligned with your values and long-term goals.
- **Plan for Retirement and Education:** Developing customized plans to fund future needs while minimizing taxes.
- **Finance Real Estate:** With access to mortgage products and financial structuring designed to enhance cash flow and equity growth.

I am committed to **objectively helping clients prudently accomplish their financial goals**, manage assets, minimize taxes, and prepare for both expected and unexpected life events.

## Next Steps

To make the most of 2025 year-end planning opportunities, please contact the office soon to schedule a review. Early preparation ensures time to implement effective strategies before the close of the year.

I appreciate the opportunity to serve as your trusted advisor and look forward to helping you achieve continued financial success.

Warm regards,

**David Scolamiero, CPA**