SOLARUS / BUSINESS OWNER SERIES

Beyond Tax Filing

A business owner's guide to proactive tax planning



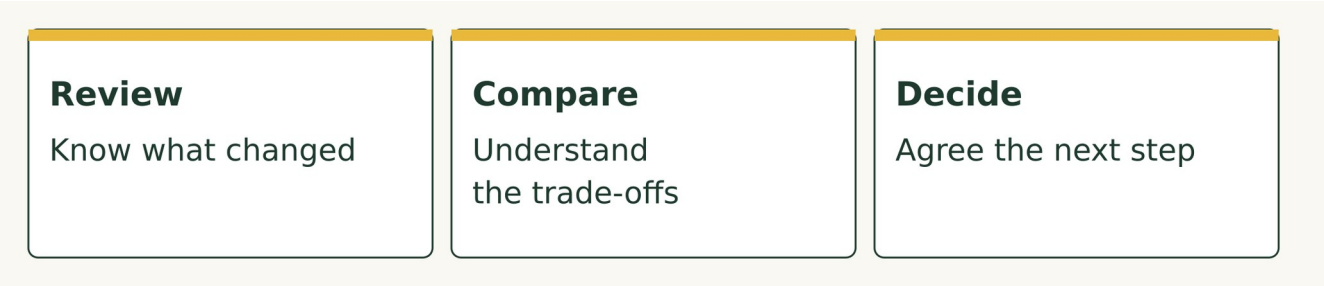
Know what to review before you commit.
Prepare better questions for your CPA and planning team.

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Start before the return is due

Tax filing reports what happened. Tax planning examines decisions that have not yet been made. Both matter, and a good planning conversation builds on your CPA's work rather than replacing it.

If profits are rising, a major purchase is approaching or you are thinking about retirement, it is reasonable to ask whether your current approach still fits. The goal is not simply a smaller tax bill. It is a better business decision after considering taxes, cash needs, costs and obligations.



What this guide helps you do

Identify the changes worth reviewing, understand common planning trade-offs and arrive at your next professional meeting with a focused agenda. You do not need to choose a strategy before that conversation.

Your first step: Write down one decision you expect to make in the next year. Then ask what needs to be understood before you commit.

This guide is for U.S. business owners. It does not establish eligibility, deductions or tax savings and does not evaluate a specific Solarus product.

Five areas worth reviewing

1 Income and tax payments

Ask your CPA to update the year's income projection when profits or circumstances change. Estimated payments may need to change too. Paying the balance at filing does not necessarily avoid an underpayment penalty. Confirm your applicable payment dates rather than assuming every obligation waits until year-end. [1]

2 Spending and documentation

Business expenses generally must be ordinary (common in your trade) and necessary (helpful and appropriate) to qualify for a deduction, but not every purchase is immediately deductible. Business and personal costs must be distinguished, and some costs are recovered over time. Ask about the treatment and timing before buying. Keep supporting records, not just a bank balance. [2, 3]

3 Ownership and compensation

If owners, roles or profits have changed, ask whether the current entity and compensation arrangements still make sense. Have the CPA and attorney explain tax, payroll, legal and administrative consequences before any election or restructuring.

4 Retirement and employee benefits

Retirement plans differ in eligibility, contribution rules, employer obligations and administration. Ask for a comparison that includes employer costs for employee participation and ongoing commitments, not just a potential owner deduction. A plan that looks attractive in a strong year must also be workable later. [4, 5]

5 A sale or major transition

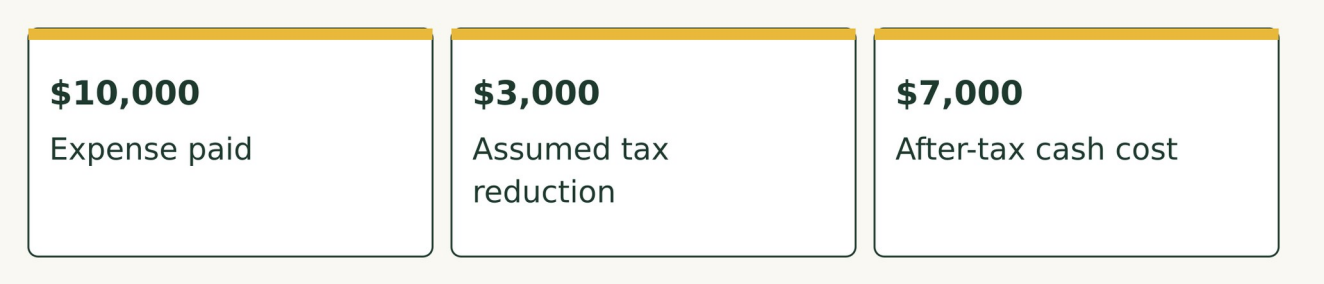
If a sale, ownership transfer or succession decision is possible, involve your tax and legal professionals before signing binding documents. Ask them to compare the after-tax proceeds, timing, restrictions and business consequences of the available options.

A deduction is not free money

A deduction generally reduces taxable income, not the tax bill dollar for dollar. Before spending to obtain a deduction, ask whether the purchase serves a real business purpose and what it will cost after taxes.

A simple illustration

Assume a business spends **$10,000** on a genuinely needed expense. For this illustration only, assume it is fully deductible in the same year and each dollar deducted reduces tax at an assumed **30% marginal rate**.



The business has still spent $7,000 after the assumed tax reduction. An unnecessary purchase does not become worthwhile merely because it is deductible.

Illustration only: This is arithmetic, not an estimate of your savings or a statement that a specific expense qualifies. Actual treatment can depend on entity type, tax rates, limitations, timing and other rules. State and other tax effects are excluded.

Ask what happens later

A proposal might reduce tax, defer tax until later, or shift the timing of cash flows. These are different outcomes. Ask your CPA which one applies and request a comparison over the period you expect to use the strategy, including fees and exit consequences.

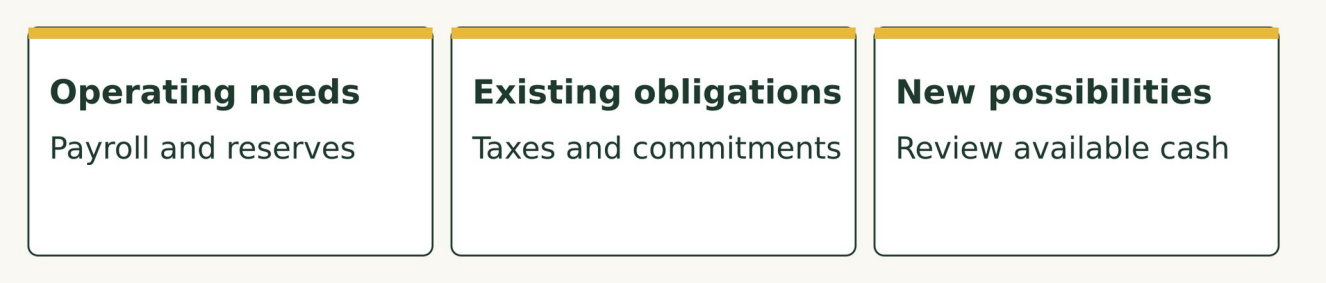
Protect the business while planning

Taxable profit, cash in the bank and cash available for a new commitment are not the same thing. A plan can have attractive tax features and still leave too little money for the business to operate comfortably.

A fictional owner’s decision

Jordan owns a growing professional-services firm. Profits have increased, a key hire is planned and several clients pay slowly. Jordan wants to explore tax planning and put more aside for retirement.

Rather than start with a promised savings figure, Jordan brings current financial statements, payroll information, existing retirement-plan documents and a cash forecast to the CPA and planning professionals.



The questions that improve the decision

- What cash must remain available for payroll, operating needs and taxes?
- Which options create a recurring commitment rather than a one-time cost?
- What changes if revenue falls or customers pay later than expected?
- Who must participate, and what administration will be required?

The next step is a feasibility comparison, not a purchase. Jordan may proceed, choose a simpler option or wait. This fictional example shows a review process, not a client result or tax outcome.

Build one coordinated review

Different professionals see different parts of the picture. A useful meeting assigns responsibility so that an appealing idea does not move forward with unresolved tax, legal or cash-flow questions.

Give each person a clear role

You and your finance team: Explain goals, current commitments, cash needs and upcoming business changes. Supply accurate financial and employee information through appropriate secure channels.

CPA or qualified tax professional: Evaluate tax treatment, eligibility, reporting, documentation and relevant dates. Ask for the assumptions behind any projected benefit.

Attorney: Review legal structure, contracts, ownership and any legal consequences of implementation or exit.

Insurance or retirement-planning professionals: Explain relevant product or plan terms, costs, risks and service responsibilities. Ask Solarus to help organize the insurance and retirement-planning questions that belong in this discussion. Specialized plans may also require an administrator or actuary.

Pause when the explanation is incomplete

Be cautious if a proposal promises guaranteed tax savings before reviewing your circumstances, relies on secrecy, pressures you to sign immediately, or discourages independent review. A product illustration is not a substitute for your CPA's analysis.

Before committing: Ask for the legal basis, required documentation, total costs, funding obligations, risks and exit terms in writing. Make sure each professional confirms the part they are qualified to evaluate.

Your tax planning conversation sheet

Complete this page before your meeting. Keep sensitive details in your own records and share documents only through secure channels agreed with your professionals.

The business decision to review

What is changing, and what decision do I need to make?

_____

_____

The boundaries to protect

What cash must remain available, and what commitments already exist?

_____

_____

The alternatives to compare

What should we compare with the current approach, including doing nothing?

_____

_____

The next agreed action

Action and responsible professional

_____

Verified decision or filing date and who confirmed it

_____

Bring: Recent returns, current financial statements, a cash forecast, payroll summary, existing plan documents and details of the decision under review. Ask your CPA what else is needed.

Turn questions into a clear next step

Bring your completed conversation sheet to your CPA. If insurance or retirement planning is part of the review, ask your Solarus representative to help coordinate those questions with the appropriate professionals.

A useful first meeting should identify what is worth evaluating, what information is missing and who will do what next. It does not need to end with a product decision.

Contact Solarus to discuss your next step

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solarusinsuranceagency.com/ContactUs.htm

Terms worth knowing

Deduction: An allowable amount that reduces taxable income, subject to applicable rules and limits. It is not a dollar-for-dollar refund.

Tax deferral: Moving a tax obligation to a later time under applicable rules. Deferral is not the same as eliminating tax.

Liquidity: Money that can be accessed when needed without unacceptable cost or delay. Consider it alongside any tax benefit.

Educational notes and sources

General educational information only, not financial, tax, legal, investment or insurance advice. No eligibility, deduction or savings is established by this guide. Tax treatment and deadlines depend on your facts and current law. Qualified professionals should review any proposed strategy before implementation.

Primary sources reviewed November 13, 2026. Publication editions and rules can change; verify the version applicable to your tax year.

[1] IRS Estimated taxes

[2] IRS Publication 334 Tax Guide for Small Business — business expenses; primarily Schedule C guidance.

[3] IRS What kind of records should I keep

[4] IRS Publication 560 Retirement Plans for Small Business

[5] U.S. Department of Labor Choosing a Retirement Plan