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Guide · Taxes for owners 7 min read

The 2026 Year-End Tax Checklist: What to Do Before December 31

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Updated October 13, 2026 · Written for business owners, real estate investors and high earners

The short answer

Most tax moves for 2026 have to happen by December 31: charitable gifts, 401(k) deferrals through payroll, equipment and rental property placed in service, S corp owner salary, and stock sales or gifts. Some can wait: IRA and HSA contributions until April 15, 2027, a SEP-IRA until your return deadline, and a 2027 S corp election until March 15, 2027. Every move below includes when it doesn't apply.

Everyone

Make any charitable gifts you plan to deduct for 2026. Giving appreciated shares you've held more than a year, instead of cash, avoids capital gains tax on those shares. A donor-advised fund lets you give now and choose charities later. Fine print: new for 2026, if you don't itemize you can deduct up to $1,000 of cash gifts to charities ($2,000 married filing jointly), but not gifts to donor-advised funds. If you itemize, only gifts above 0.5% of your income count.

Review gains and losses. Selling investments at a loss can offset gains you've already taken. Fine print: if you buy the same or a substantially identical security within 30 days, the wash-sale rule disallows the loss.

Max out 401(k) deferrals through payroll: $24,500 for 2026, plus $8,000 if you're 50 or older, or $11,250 at ages 60 to 63. Payroll deferrals have to come out of 2026 paychecks.

Check whether you've paid enough tax. The last 2026 estimated payment is due January 15, 2027. Extra withholding from a December paycheck counts as paid evenly through the year, so it can cover a shortfall from

earlier quarters.

Business owners

Equipment, vehicles and software placed in service by December 31 can be deducted in full under 100% bonus depreciation. Fine print: a deduction is a discount, not free money, and in a low-income year it may be worth more spread over later years.

S corp owners: pay yourself a reasonable salary through payroll before year-end, and make sure health insurance premiums are on your W-2.

S corp owners: reimburse home office, phone and mileage under an accountable plan before December 31.

Retirement plans: deadlines differ. A SEP-IRA can be opened and funded until your return deadline, including extensions; 401(k) rules depend on the plan and your entity, so check before December 31.

Collect W-9s from everyone you paid. For payments made in 2026, 1099-NEC forms are required at $2,000 or more and are due February 1, 2027.

Decide whether to elect S corp status for 2027. Form 2553 is due March 15, 2027. Fine print: below roughly $80,000 of steady profit, it rarely pays.

Real estate investors

A rental has to be placed in service, meaning ready and available to rent, by December 31 to start depreciation in 2026.

Bought or renovated a property this year? Ask whether a cost segregation study is worth it. Studies are done by specialist firms; a look-back study can also catch up missed depreciation on property you already own. Fine print: the accelerated deductions are recaptured when you sell.

Keep your hours log current. Real estate professional status needs more than 750 hours and more than half your working time, and short-term rental losses need material participation. A log written in April won't hold up.

Separate repairs from improvements. Repairs are deducted now; improvements are depreciated. The de minimis safe harbor lets you expense items up to $2,500 per invoice or item.

Selling with a 1031 exchange? You have 45 days to identify a replacement and 180 days to close, or your return due date if that comes first. A sale in December can lose part of the 180 days unless you extend your return.

Losses you can't use this year aren't lost. They carry forward and are released when you sell the property.

Tech professionals and high earners

Size your RSU withholding gap. Employers withhold 22% on vesting shares; at higher incomes they're taxed at 32% to 37%. Close the gap before January 15 with extra withholding or an estimated payment.

Exercised incentive stock options this year and still holding the shares? Check the alternative minimum tax before December 31. Selling those shares in the same calendar year removes the AMT adjustment, at the cost of ordinary income treatment.

Washington residents: long-term gains above the annual standard deduction ($278,000 for 2025, adjusted each year) are taxed at 7% by the state, and 9.9% on gains over $1 million. Spreading large sales across tax years can keep more of the gain under the deduction.

Give appreciated shares, or fund a donor-advised fund, instead of giving cash.

If your plan allows after-tax 401(k) contributions with in-plan conversions, check whether there's room left before your final paycheck.

What can wait until 2027

IRA and HSA contributions for 2026: until April 15, 2027.

A SEP-IRA for 2026: until your return due date, including extensions.

An S corp election for 2027: until March 15, 2027.

The Q4 2026 estimated payment: January 15, 2027.

This checklist is general information for 2026 federal taxes, plus Washington's capital gains tax. Whether each move helps depends on your numbers, so run them before you act.

Frequently asked questions

What is the deadline for 2026 year-end tax planning?

December 31, 2026 for most moves: charitable gifts, 401(k) payroll deferrals, equipment and rentals placed in service, S corp owner payroll and stock sales. IRA and HSA contributions can wait until April 15, 2027.

Can I still reduce my 2026 taxes in January?

Some things, yes: IRA, HSA and SEP-IRA contributions, and the S corp election for 2027. But most income, expense and investment moves have to happen by December 31.

General information based on federal law for tax year 2026, not tax advice for your situation. State rules vary.

Want this applied to your situation? Book a free 30-minute call with Akanchya Acharya, CPA at acharyacpa.com/contact or email akansha@acharyacpa.com.

The latest version of this guide: acharyacpa.com/resources/year-end-tax-checklist-2026 · Updated October 13, 2026