



5 Ways Business Owners Can Save \$10K in Taxes

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01 Elect "S-Corp" Taxation

Best for a business that has annual net income of at least \$50,000

- You must pay 15.3% self-employment tax (SE Tax) on all net income.
- With a valid "S-Corp" election, you divide money into two categories, wages (subject to SE Tax) and distributions (not subject to SE Tax).

Learn More: [Setting a reasonable wage as your business grows](#)

02 Hire Family Members in the Business

Best for owners who have family members in lower income tax brackets

- When a family member does actual work, your business gets a tax-deduction for paying the family member and the family member has earned income.
- Your business can hire your children age 7 and older. When a child has earned income, that child can fund a Roth IRA (up to \$7,000 in 2025).

Learn More: [Teaching your child about work ethic while supercharging retirement](#)

03 Establish an Advisory Board for the Business

Best for owners wanting to grow the business with input from advisors and family

- It helps to have a tribe supporting you in the different aspects of business.
- When an advisory board meets for a business purpose, some travel and meals for the advisory board members are a tax deduction for the business.
- You should keep written minutes of each board meeting.

Learn More: [Growing your business with people you know, like, and trust](#)

04 Invest in Tax Advantaged Accounts

Best for owners who have additional cash flow in a given year

- If you own a business whose only employees are your spouse or children, you can fund a Solo 401(k) with contributions that are either pre-tax (tax deduction now and pay tax later) or Roth (pay tax now and tax-free growth).
- You should also consider Roth IRAs (those with high income can use the two-step back-door contribution method) and health savings accounts.

Learn More: [Using a retirement account with bells and whistles](#)

05 Deduct Charitable Contributions to a Donor Advised Fund

Best for owners who want to support charities while lowering tax liability

- If you fund a Donor Advised Fund before December 31, you get a tax deduction that year, and you can support your preferred charity.
- With high standard deductions, consider funding a few years' worth of charitable gifting in one year (charitable gifts are itemized deductions).

Learn More: [Supporting charities with a turn-key solution](#)

The information is general knowledge and does not create an attorney-client relationship. Tax laws may change. You should always confirm your specific tax situation with your tax professional.