

The Business Owner's Tax Savings Playbook

5 Proven Strategies to Reduce Taxes and Keep More of What You Earn

Introduction

For most business owners, taxes are the single largest expense — bigger than payroll, rent, or even reinvestment. Yet many owners unknowingly overpay because they don't have a proactive strategy.

With the right planning, you can legally reduce your tax burden, free up cash flow, and accelerate wealth creation outside the business.

This playbook highlights **five proven strategies** every entrepreneur should consider.

1 Optimize Your Business Structure

The Problem: Many companies start with the wrong entity structure. Over time, that choice can lead to unnecessary payroll taxes, double taxation, or missed deductions.

The Fix: Review whether your business should operate as:

- **S-Corp** → Avoids self-employment tax on distributions
- C-Corp → Ideal for reinvestment-heavy firms & QSBS eligibility
- LLC → Flexible, but often exposes owners to higher payroll/self-employment taxes
- Impact: Structure optimization can save \$10K-\$100K+ annually.

Align Owner Compensation Strategically

The Problem: Paying yourself "wrong" either risks IRS scrutiny (too little) or triggers excessive payroll taxes (too much).

The Fix: Blend salary + distributions for maximum efficiency.

- Too much salary → Overpaying payroll taxes
- Too little salary → IRS red flags
- lmpact: Strategic compensation can save tens of thousands every year.

🗿 Leverage Advanced Retirement Plans 📈

The Problem: Standard 401(k)s cap out too quickly for high-income entrepreneurs.

The Fix: Upgrade to advanced plans:

- Cash Balance Plans
- Defined Benefit Plans
- Contribute \$100K-\$250K+ per year
- ✓ Large current-year deductions
- Accelerated wealth building outside the business
- 💡 Impact: High-earning owners can shelter six figures annually from taxes.

🖪 Use Smart Deductions & Incentives 💰

The Problem: Many owners underutilize available deductions and credits.

The Fix: Proactively explore:

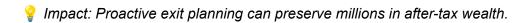
- Section 199A deduction (20% QBI)
- R&D Tax Credit (applies to more industries than you think)
- Bonus Depreciation / Accelerated Write-Offs
- Captive Insurance Arrangements (in select industries)
- Impact: These strategies can offset hundreds of thousands in taxable income.

5 Plan Ahead for Exit & Liquidity Events

The Problem: Too many owners think about taxes *after* the sale or succession — when it's too late.

The Fix: Start planning 3–5 years in advance with tools like:

- QSBS Exclusion (up to \$10M tax-free)
- Charitable Remainder Trusts (CRTs)
- Installment Sales to spread gains across years



Next Steps

Taxes are complex — but the key is **proactivity**. The earlier you plan, the more wealth you keep.

At **Unbound Capital Advisors**, we help \$2M+ business owners:

- Reduce taxes & protect cash flow
- Create liquidity outside the business
- Prepare for a profitable exit
- Pauld generational wealth with purpose

Call to Action

Ready to keep more of what you've earned?