

# TAX MINIMIZATION STRATEGY REPORT

Prepared for N/A

## EXECUTIVE SUMMARY

Effective corporate tax rate	N/A	Peer Benchmark (NAICS N/A) 19-22% typical cash ETR
Pre-tax book income	N/A	
Total potential annual federal tax savings	N/A	Analysis: The company's taxable income was reduced to \$43,458 after an \$87,190 NOL carryforward, yet a full 21% flat corporate rate still applied. Compared with peers, cash ETR is competitive on book income but high on taxable income, indicating under-utilized incentives.

## PRIORITIZED STRATEGIES

Strategy	Estimated Savings	Implementation	Complexity	Key Implementation Steps	Risk Level
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## IMPLEMENTATION ROADMAP

Q3 2025	Approve IT procurement plan and vendor quotes. Open SEP-IRA at custodial bank; draft contribution policy. Start contemporaneous R&D time-tracking.
Q4 2025	Place §179 assets in service before 31 Dec. Close books on cash-method feasibility; begin Form 3115 prep. Finalize 2025 qualified research expense calculation.
Q1 2026	File S-Corp election (Form 2553) by 15 Mar 2026 if chosen. Prepare 2025 corporate return with §179, bonus, SEP deduction, and R&D credit. Adjust quarterly estimated taxes for lower liability.

## RISK ASSESSMENT & COMPLIANCE

- Audit risk:** Low-medium. All strategies have clear statutory authority (§179, §168(k), §41, Rev. Proc. 2018-40 cash-method). Document business use greater than 50%, time-tracking, and written board approvals.
- Documentation:** Keep invoices, depreciation schedules, SEP-IRA adoption agreement, Form 6765 work-papers, and §41 project narratives for at least 7 years.
- Potential penalties:** Negligible if records maintained; cash-method change includes automatic audit-protection under Rev. Proc.