

Your Firm Name, CPAs

Your address · Your phone · you@yourfirm.com

October 9, 2026

Sample Client

Re: 2024 Tax Year Review and 2026 Planning, Sample Client

Dear Sample Client,

Please complete this questionnaire before our planning meeting. Your answers let us confirm which items from our review can move forward and how to size the planning moves for next year. If a question does not apply to you, write N/A.

Self-employed health insurance (\$9,000 premiums, tax year 2024)

- Were you eligible, for any month in 2024, to participate in a subsidized health plan through any employer, including your own, a second job, or a spouse's employer? This determines whether the deduction is allowed for each month under section 162(l).
- Was the health insurance policy that cost \$9,000 established under your consulting business, and does it cover you and any dependents? This is a condition for the deduction.
- Did you receive any Premium Tax Credit toward marketplace coverage for 2024? A credit reduces the amount you can deduct.
- Does the \$9,000 include any long-term care insurance premiums, and what is your date of birth? Long-term care premiums carry a separate age-based dollar limit and require a different form.
- Can you confirm your filing status and taxable income as shown on the 2024 return as filed? We need this to verify the tax rate used in our estimate.

Section 179 equipment (\$40,000, tax year 2024)

- What percentage of the \$40,000 of computers and office equipment is used for business purposes? Any personal use reduces the eligible amount.
- Was the equipment purchased from an unrelated party (not a family member or related entity)? This is required for the deduction to apply.
- Do you have records for each item purchased, including who it was bought from and the date it was placed in service? These records are needed to support the election on the return.

Owner-only retirement plan (solo 401(k) and possible cash balance plan, 2026 forward)

- What is your date of birth? Age determines eligibility for catch-up contributions and whether a cash balance plan would be worth adding.
- Does your consulting practice have any common-law employees, leased workers, or other businesses you control? This determines whether the plan can be run as an owner-only plan.

- What is your projected net profit from the consulting business for 2026? This sizes the contribution amount.
- What is your state of residence? State tax treatment of retirement contributions is not covered in our estimates and needs to be confirmed separately.

Qualified business income (QBI) deduction, tax year 2024

- Can you confirm your filing status was single and that you claimed the standard deduction of \$14,600 for 2024? This confirms your taxable income stayed under the threshold that would otherwise limit the deduction.
- Can you provide a breakdown of the items making up your \$185,000 estimated AGI (Schedule C profit, capital gain, rental loss)? The figures as given do not add up on their face and need reconciling.
- What was your actual 2024 self-employment tax, and the deductible half of it? This feeds directly into the QBI computation.
- Was the \$15,000 gain a net capital gain for tax purposes? This affects the cap on the deduction.
- Was your original 2024 return filed on time, or was it filed on extension? This confirms the refund claim deadline of April 15, 2028.
- What is your state of residence, and do you know if that state follows the federal QBI deduction? State treatment is not addressed in our estimates.

Rental property loss

- What percentage of the rental property do you own, and is your interest held as a limited partnership interest? This determines whether the \$25,000 special allowance can ever apply to you.
- Can you provide records showing your management decisions for the rental, such as approving tenants, setting rent, or authorizing repairs? This documents active participation.
- What depreciation did you actually claim on the rental property for 2024? We need this to recompute the loss amount precisely.
- Do you have any other passive activities (other rental properties or limited partnership interests)? This affects how the loss is allocated on the required form.

Investment accounts (loss harvesting, HSA, backdoor Roth, advisory fees)

- Do you currently hold any brokerage positions worth less than what you paid for them? This tells us whether there is a loss to harvest.
- What type of health insurance coverage do you have (high-deductible plan, family or self-only), and as of what date did it start? This determines HSA eligibility.
- What is the December 31 balance of any traditional, SEP, or SIMPLE IRA accounts you hold? A balance in these accounts changes the tax cost of a Roth conversion.
- If a solo 401(k) is set up for you, do you know whether it would accept a rollover of existing IRA funds? We need this to plan a conversion with minimal tax.
- What other accounts do you control, including IRAs, that might hold securities similar to anything we discuss selling for a loss? We need to check these before any sale to avoid disallowing the loss.

- What is your state of residence? Some states do not follow the federal rule disallowing a deduction for investment advisory fees, and this affects the HSA and fee planning as well.

Sincerely,

[Name], [Credential]

Your Firm Name, CPAs

Authorities cited in this letter

26 U.S.C. § 162

• VERIFIED

IRB 2019-03

• VERIFIED

IRB 2019-09

• CPA TO CONFIRM

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• CPA TO CONFIRM

26 CFR § 1.469-9

• CPA TO CONFIRM

Cal. Rev. & Tax. Code § 17076

• CPA TO CONFIRM

Figures are estimates for discussion and depend on facts we will confirm with you. This letter is not a guarantee of any outcome.