

Year-end tax planning checklist for high-net-worth individuals

*Use this checklist to
plan your tax
strategy*

Year-end tax planning checklist

Review this checklist with your tax advisor

This checklist can help guide your tax strategy and support key goals like reducing taxable income or preparing for the sale of a significant asset.

Tax objective: Reduce your taxable income		Status
☐	1. Use tax-loss harvesting opportunities to offset capital gains. Review your investment portfolio for tax-loss harvesting opportunities to offset capital gains realized during the year. This may also be a good time to discuss whether tax-focused investment strategies, such as direct indexing or tax-aware long/short investments, could enhance your future tax-loss harvesting opportunities.	
☐	2. Reevaluate your tax residency. Review your state residency situation, especially if a business sale, liquidity event, retirement or relocation may be on the horizon. Establishing residency in a lower-tax state before a significant income event can produce substantial state tax savings, but proper documentation and advance planning are critical.	
☐	3. Shift future income and appreciation to descendants. Consider opportunities to shift future income and appreciation to younger generations through gifts of income-producing assets or transfers to trusts . In addition to reducing future estate taxes, these strategies may lower your overall family tax burden by moving income to taxpayers in lower tax brackets.	
☐	4. Leverage your charitable giving. Accelerate your charitable giving into 2026, particularly through gifts of appreciated securities or contributions to a donor-advised fund. Donating appreciated assets can generate a charitable deduction while also allowing you to avoid paying capital gains tax on the appreciation.	
☐	5. Maximize your pretax opportunities. Maximize your pretax opportunities such as 401(k) contributions, cash balance plans, HSAs and other deductible retirement contributions before year-end. For business owners and professionals, cash balance plans can often create substantially larger deductions than traditional retirement plans alone, so consider this option if applicable.	

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Tax objective: Reduce your taxable income (continued)		Status
☐	6. Explore discretionary deductions. Evaluate whether your discretionary deductions can be accelerated into the current year. Such deductions may include business expenses, state taxes (subject to limitations) and certain investment-related costs.	
☐	7. Coordinate tax planning with succession and estate planning. If you own a closely held business, coordinate year-end tax planning with your long-term succession and estate planning goals . Your highest-income years often present the greatest opportunities to combine income tax savings, wealth transfer planning and future estate tax reduction into one unified strategy.	
Tax objective: Prepare for a significant asset sale		
☐	1. Start planning before a buyer is involved. Before you begin talking to a potential buyer, review your asset's tax basis and ownership structure now to identify planning opportunities. Coordinate with legal, tax and valuation advisors early, as many of the most valuable opportunities disappear once a sale becomes imminent.	
☐	2. Make transfers to trusts or family members before selling. If you plan to transfer portions of your asset to trusts or family members, consider doing so before entering into a transaction. For stock that qualifies for qualified small business stock (QSBS) treatment , early gifting (when done as part of an overall estate plan) may create opportunities to leverage multiple Section 1202 gain exclusions and reduce the overall tax burden on a future sale.	
☐	3. Evaluate charitable giving opportunities. Evaluate whether a charitable planning strategy, such as gifting part of your asset to a donor-advised fund or charitable trust before a sale, could reduce or eliminate tax on a portion of the gain.	
☐	4. Consider deferring gains. Explore whether installment sale treatment, Opportunity Zone investments or other gain-deferral strategies may fit your objectives. In addition, coordinate the timing of the transaction with tax-loss harvesting opportunities elsewhere in your investment portfolio to help offset a portion of the gain.	

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Tax objective: Gain tax value from charitable giving		Status
☐	1. Donate securities rather than cash. Donate appreciated securities rather than cash whenever possible. This allows you to receive a charitable deduction while permanently eliminating the built-in capital gain.	
☐	2. Bunch several years' worth of giving into a single year. Consider bunching several years of charitable giving into a donor-advised fund to maximize deductions while maintaining flexibility over future grants. Doing this can help you avoid failing to meet the 0.5% AGI floor for taking charitable deductions.	
☐	3. Make qualified charitable distributions from your IRA. Individuals over age 70½ may benefit from making qualified charitable distributions (QCDs) directly from IRAs, which can satisfy required minimum distributions without increasing taxable income. Married couples can each make QCDs from their own IRAs, effectively doubling the available benefit when both spouses qualify, making this one of the most tax-efficient ways to support charitable causes in retirement.	
☐	4. Name charities as IRA beneficiaries. Review your beneficiary designations and consider naming charities as beneficiaries of traditional IRAs. These are often among the most tax-efficient assets to leave to charity.	
☐	5. Consider estate planning as a part of this process. Align charitable goals with your estate plan to ensure assets are directed in the most tax-efficient manner for both charitable organizations and family beneficiaries.	
Tax objective: Create tax value from an income dip		
☐	1. Make Roth IRA conversions. Consider Roth IRA conversions while your marginal tax rate is lower than normal. A temporary dip in income can create an opportunity to move retirement assets into a tax-free environment at a lower tax cost than may be available in future years.	
☐	2. Recognize long-term capital gains. Evaluate recognizing long-term capital gains during the year, particularly if you may qualify for a lower capital gains tax rate than in future years. In some cases, this can be more tax-efficient than waiting until income increases.	

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Tax objective: Create tax value from an income dip (continued)		Status
☐	3. Accelerate income into the current tax year. Where feasible, accelerate income into the current year, since future tax rates may be higher if income rebounds. Examples may include exercising stock options, accelerating bonus payments, recognizing deferred income, or converting traditional retirement assets to Roth accounts while lower tax brackets are available.	
☐	4. Consider additional IRA distributions. Review whether it makes sense to take additional IRA distributions beyond required minimum distributions while remaining in a favorable tax bracket. Strategic withdrawals today may reduce future required distributions and help smooth taxable income over multiple years.	
☐	5. Claim lower-income tax benefits. Take advantage of tax benefits that phase out as income increases. Lower-income years may create opportunities to benefit from provisions such as the qualified business income (QBI) deduction for specified service businesses, the enhanced deduction available to qualifying seniors, education-related credits, or other tax benefits that may be unavailable in higher-income years.	
☐	6. Defer charitable deductions. Reassess charitable deductions and other itemized deductions as part of your broader tax-bracket strategy. In some situations, it may be advantageous to defer deductions to a future higher-income year when those deductions provide a greater tax benefit.	

How Wipfli can help

We advise high-net-worth individuals on year-end tax planning strategies. Let's talk about your goals and how we can develop a plan to limit your tax liability and strengthen your legacy.

[Contact us to learn more.](#)