

# ClientLine®

March 2026

## MARCH MASTERY: ESSENTIAL CHECKLIST FOR SMALL BUSINESS OWNERS

As the last snowflakes melt and cherry blossoms tease the horizon, March arrives like a double-edged sword for small business owners. It's a pivotal point—bridging winter's quiet reflection with spring's explosive growth. Miss the mark here, and you risk a cascade of compliance headaches, financial blind spots, or missed seasonal opportunities. You'll emerge stronger, leaner, and primed for a thriving quarter. Let's break down the must-dos to make this month your launchpad for the second quarter of 2026.

### NAIL THOSE TAX DEADLINES: NO EXTENSIONS, NO EXCUSES

March 15th is a key deadline for partnerships and S-corporations, as it marks the deadline for filing Form 1065 and issuing Schedule K-1s to partners. Unlike C-corporations, which have until April without penalties, these entities need to be precise—late filings can result in penalties that quickly add up into thousands of dollars. If your fiscal year ends on December 31st, use this time to reconcile 1099s and collect W-2s early.

Consult your trusted advisors; tools like QuickBooks or TurboTax Business can make preparation easier, but human oversight captures nuances that algorithms overlook. Remember, accurate filings aren't just about compliance—they provide insights for smarter deductions next year.

### QUARTERLY REVIEWS: UNEARTH HIDDEN INSIGHTS

With Q1 wrapping up, March is an ideal time for performance reviews. Review your P&L statements: What's driving revenue? Where are margins shrinking?

Using dashboard tools makes this painless—track KPIs like customer acquisition cost and inventory turnover. Celebrate successes and analyze failures. These reviews aren't just busywork; they act as your crystal ball, guiding Q2 budgets and adjustments. Dedicate a one-day "finance Friday" to complete this, freeing mental space for growth.

### SPRING CLEAN AND DECLUTTER

Spring signals a business deep clean. Audit your physical space: organize your inventory, purge outdated stock, and refresh your storefront to attract warmer foot traffic. Digitally, scrub your CRM for stale leads, optimize your website for mobile spring searches, and secure backups against cyber threats. This renewal boosts efficiency—think 20% faster operations—and signals professionalism to clients. Bonus: it reignites your passion, combating founder fatigue.

March isn't a sprint; it's your strategic setup. Tackle these tasks with purpose and watch your small business flourish.



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### SPRING CLEAN UP

Many of us think of Spring as a time to refresh our homes, such as decluttering rooms, sorting closets, or deep cleaning neglected areas, but it's also a great time to get your documents and files in order.

### GET ORGANIZED AND ENERGIZED

Create an efficient system for managing your documents and filing. Collect tax-related papers (W-2s, 1099s, receipts) and store them securely for quick access during tax season. Shred outdated documents to cut clutter and protect sensitive information. Use labeled folders or digital scans for bills, warranties, and insurance policies. Dedicate an hour each week to keep everything organized.

A tidy home and organized paperwork reduce stress, prepare you for a productive year, and energize you to enjoy life and focus on what matters most to you and your family.

## CLIENT PROFILE

Miranda works as a waiter at a local pub and is adjusting to the new OBBBA reporting requirements for tipped income. Throughout the year, Miranda reports \$20,000 in tips to her employer on Form 4070. The Form W-2 issued by her employer shows \$200,000 in Box 1 (wages, tips, other compensation)—an amount that exceeds the Social Security wage base—and reports \$15,000 in Box 7 (allocated tips). Miranda finds \$4,000 in unreported tips, reports it on Form 4137, line 4, and includes it as part of her income on Form 1040.



When determining the amount of qualified tips eligible for certain tax benefits, such as potential credits or exclusions, Miranda has options. She may use either the \$15,000 reported in Box 7 of the W-2 or the higher \$20,000 in tips reported to her employer on Form 4070. Additionally, the \$4,000 in unreported tips can be included in the qualified tips total. This approach ensures tipped employees receive fair consideration for all reported and self-disclosed tips when determining applicable benefits. Consult your tax professional about your specific circumstances.

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*Client Profile is based on a hypothetical situation. The solutions discussed may or may not be appropriate for you.*

# INCLUDE HEALTH CARE IN YOUR WEALTH PLAN

Healthcare costs can be hard to predict. While routine care can be expensive, expenses from unexpected health issues can be overwhelming. Now is the time to take action and include healthcare plans in your wealth strategy or review the ones you already have.

## LOSS OF INCOME

What would happen if you or your spouse had an unexpected accident or health problem and couldn't work? Consider whether this loss of income is made worse by another family member needing time off to care for you. Talk with your trusted professional about how to prepare for these kinds of medical events in your wealth strategy. Also, think about whether short- and long-term disability insurance might help your situation.

New data from  
GoodRx shows that  
women consistently  
spend nearly 30%  
more out of pocket  
each year than men.

(2025)

## HEALTH SAVINGS ACCOUNTS (HSAS)

HSAs provide tax advantages: contributions are made with pre-tax dollars, earnings grow tax-free, and withdrawals for qualified medical expenses are also tax-free. If your employer contributes to an HSA for you,

those contributions might be excluded from your gross income. Contributions remain in your account to grow until you use them.

To save in an HSA, you must be enrolled in a high-deductible health plan. Additionally, you cannot currently be enrolled in Medicare or claimed as a dependent on someone else's tax return.

Starting in 2026, bronze and catastrophic marketplace plans become HSA-eligible, and direct primary care fees are qualified expenses. The bill also permanently allows HSA funds to be used for telehealth services without requiring a deductible to be met, effective retroactively for 2025.

## PLAN ON A LONG LIFE

High-net-worth individuals tend to spend more on preventative care and live longer. While including health in your wealth strategy won't prevent a health event, it can help protect you and your loved ones. It's important to consider not only how health can impact your lifestyle but also your future goals, including philanthropic endeavors, discretionary spending, and wealth transfer plans.



# GIVE YOURSELF PEACE WITH A TAX PROFESSIONAL

Navigating the ever-changing tax landscape can be overwhelming, especially with complex rules and potential penalties. The One Big Beautiful Bill Act (OBBA) affects all taxpayers and is accompanied by numerous existing inflation adjustments that influence everything from retirement and estate planning to personal and corporate income-tax brackets. Here are the main reasons to work with a tax professional.

**1. Expertise and Up-to-Date Knowledge:**

Tax laws constantly change. Professionals keep current through ongoing education, ensuring compliance and identifying opportunities you might overlook.

**2. Maximize Deductions and Credits:** They identify lesser-known deductions, credits, and strategies to minimize your tax liability, often saving more than their fee.

**3. Save Valuable Time:** Preparing taxes yourself can take hours or days. A professional handles it efficiently, freeing you to focus on what matters.

**4. Reduce Errors and Audit Risk:** Mistakes trigger penalties or audits. Experts minimize errors and can represent you if issues arise.

**5. Peace of Mind and Year-Round Advice:** Enjoy stress relief knowing it's done correctly, along with proactive planning for long-term financial benefits.

A tax professional collaborates with you on a tax plan tailored to your specific situation. In 2026, amid ongoing regulatory changes, working with a tax professional remains an investment in accuracy and savings.



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What are “Qualified Tips”?

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Qualified tips are voluntary payments, either cash or non-cash, such as credit card tips, received directly from customers or through tip-sharing arrangements in professions that traditionally received tips before 2025, like servers, bartenders, and delivery drivers. Mandatory service charges or automatic gratuities generally do not qualify.

For 2025, Notice 2025-69 provides transition rules. Employees can determine qualified tips by using the reported tips on Form 4070, the allocated tips in W-2 Box 7 (whichever is higher), and any unreported tips from Form 4137. Self-employed workers substantiate with logs or statements.

This helps millions of tipped employees claim the deduction, even without the updated 2025 forms, with separate reporting starting in 2026.

## TRADITIONAL IRA LIMITS

This table shows the income phase-out range for deductible contributions to a traditional IRA for 2025 and 2026.

	Single taxpayers covered by a workplace retirement plan	Married filing jointly where the spouse making the IRA contribution is covered by a workplace retirement plan	Married filing jointly where the spouse contributes to the IRA is not covered by a workplace plan, but the spouse is
2025	\$79,000—\$89,000	\$126,000—\$146,000	\$236,000—\$246,000
2026	\$81,000—\$91,000	\$129,000—\$149,000	\$242,000—\$252,000

# ROTH OR TRADITIONAL: CONSIDERATIONS FOR HIGH EARNERS

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The higher your income, the more complicated the options. Generally, deductible IRA and Roth IRA contributions aren't permitted if you have a 401(k)/403b/457 retirement savings plan at work.

In 2025, individuals with a modified adjusted gross income (MAGI) of \$89,000 or more (\$91,000 in 2026), and married couples filing jointly with a MAGI of \$146,000 or more (\$149,000 in 2026), cannot make deductible contributions to a traditional IRA. Roth IRA contributions ignore workplace retirement plans, but singles and those married filing jointly become ineligible with MAGI of \$165,000 and \$246,000 or more (\$168,000 and \$252,000 in 2026), respectively. However, if your

employer's plan allows you to choose between a traditional or Roth employee retirement savings plan, these contributions aren't subject to any income limitations. So, how do you decide? Here are some factors to consider with your trusted professional.

- ◇ Your current and future tax situation
- ◇ Nonretirement investments
- ◇ A Roth conversion if you're nearing retirement

- ◇ Splitting retirement plan contributions between traditional and Roth accounts
- ◇ Starting this year, high-income retirement plan savers over 50 years old must make any employee deferral catch-up contribution as a Roth contribution

