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Smart Tax Strategies for DPC Business Owners: Protecting Profits, Empowering Growth

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- ▶ Navigate to <https://aafp1.cnf.io/> and tap the session titled "Smart Tax Strategies for DPC Business Owners: Protecting Profits, Empowering Growth"
- ▶ OR just point your phone's camera at the QR code to join directly



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Learning Objectives:

- Identify tax planning considerations relevant to Direct Primary Care (DPC) practices, including entity structure options and qualified business income deductions.
- Apply proactive tax planning strategies to support cash flow management, reduce tax liabilities, and promote long-term financial stability of a DPC practice.
- Evaluate when and how to engage qualified tax professionals to align tax strategies with practice operations and long-term growth goals.



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CONSIDER THIS...



What's my **biggest expense**?



Have I filed my taxes for **2025** yet?



Did I **overpay**?



Did I file an **Extension**, Why?



Am I actually **tax-season ready**?



ASKING THE RIGHT QUESTIONS TODAY CAN SAVE YOU TIME, MONEY, AND STRESS TOMORROW.



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WHAT'S MY BIGGEST EXPENSE

◆ AS A BUSINESS OWNER OR INDIVIDUAL? ◆



PAYROLL

(both Wages and Withholding Taxes)



OVERHEAD

(Rent, Supplies, Malpractice Insurance etc..)



TAXES



KNOWING YOUR BIGGEST EXPENSES IS THE FIRST STEP
TO **KEEPING MORE** OF WHAT YOU EARN.



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LET'S TALK MARGINAL TAX RATE



Do you know what your **Marginal Tax Rate** is?



Do you know **why** it's important?



Do you know **how** it is calculated?



UNDERSTANDING YOUR **MARGINAL TAX RATE**
EMPOWERS BETTER DECISIONS AND BIGGER RESULTS.



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WHAT IS A MARGINAL TAX RATE?

YOUR NEXT DOLLAR. YOUR NEXT TAX RATE.



Your marginal tax rate is the tax rate you pay on your next dollar of income.

It may be higher than your average tax rate.



FOCUS ON YOUR **MARGINAL RATE**.
IT DRIVES YOUR **FUTURE TAX BILL**.

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WHY IT MATTERS: REDUCE TODAY, SAVE TOMORROW



MORE OF YOUR MONEY

Lowering your marginal rate means you keep more of each additional dollar.



STRONGER CASH FLOW

More after-tax dollars available to reinvest in your business or practice.



MORE FLEXIBILITY

Create options for growth, opportunities, and long-term planning.



COMPOUNDING BENEFITS

Today's tax savings can grow into tomorrow's value.



A LOWER MARGINAL TAX RATE CREATES **MORE VALUE**—
NOW AND **LONG TERM**.

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EXAMPLE: THE POWER OF LOWERING YOUR MARGINAL TAX RATE

ASSUMPTIONS: \$200,000 OF INCOME BEFORE TAX STRATEGIES

1. BEFORE TAX STRATEGIES Higher income = Higher rate	2. IMPLEMENT TAX STRATEGIES Reduce income	3. AFTER TAX STRATEGIES Lower rate = Less tax
Taxable Income: \$200,000	Tax Strategies: \$50,000 <small>Examples: Retirement contributions, equipment write-offs, health plan contributions, business deductions, entity structuring, timing strategies, etc.</small>	Taxable Income: \$150,000
Marginal Tax Rate: 32%	Reduced Taxable Income: \$150,000	Marginal Tax Rate: 24%
Tax Owed: \$64,000		Tax Owed: \$36,000
After-Tax Income: \$136,000		After-Tax Income: \$114,000

YOU KEEP
\$22,000
MORE IN YOUR
POCKET

LOWER INCOME. LOWER MARGINAL RATE. LESS TAX OWED. MORE MONEY IN YOUR POCKET.

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THE IMPACT OVER TIME

WHAT YOU KEEP TODAY CAN BUILD YOUR TOMORROW

IF YOU REDUCE YOUR MARGINAL RATE ON AN EXTRA \$100,000 OF INCOME

SAVE \$22,000 TODAY

THAT'S \$22,000 BACK IN YOUR POCKET TODAY

*Example based on assumptions in Section 3.

WHAT COULD YOU DO WITH \$22,000 TODAY?

- INVEST IN YOUR PRACTICE OR BUSINESS**
Hire great people, upgrade technology, or expand services to grow and serve more.
- INVEST THE MONEY FOR RETIREMENT**
Build your future security and enjoy greater peace of mind.
- MAKE MEMORIES AND ENJOY LIFE**
Use your savings to do more of what brings you joy and fulfillment.
- BUILD A FINANCIAL SAFETY NET**
Create a cushion for the unexpected and strengthen your financial foundation.

LOWER TODAY. INVEST TODAY. GROW TOMORROW. MAXIMIZE THE VALUE OF EVERY DOLLAR.

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AM I OVERPAYING IN TAXES? AM I ACTUALLY TAX-SEASON READY?



Most people **overpay** simply due to lack of planning.



Being **tax-season ready** means no surprises, no scrambling, and no panic.



HOW DO I GET READY?



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CROWNE TAX & ACCOUNTING CAN HELP



BUILT AROUND YOU – never one-size-fits-all
• We can even work with your current accountant



40+ YEARS OF COMBINED EXPERIENCE



STRATEGIC, PROACTIVE APPROACH



NATIONAL REACH, PERSONAL RELATIONSHIPS



FOCUSED ON LONG-TERM WEALTH, NOT JUST TAX FILING









**OUR GOAL IS SIMPLE: HELP YOU KEEP MORE TODAY
AND BUILD MORE FOR TOMORROW.**




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OUR PRIORITY: YOU

-  **EDUCATION AND GUIDANCE** — so tax season is stress-free
-  **FULL-SERVICE ACCOUNTING**
-  **ANNUAL STRATEGY MEETINGS**
-  **ACCURATE, TIMELY TAX FILING**
-  **PROACTIVE UPDATES** — no surprises



WE HANDLE THE DETAILS SO YOU CAN FOCUS ON GROWING YOUR BUSINESS AND BUILDING WEALTH.





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OUR PROCESS: PROACTIVE, NOT REACTIVE

Unlike other tax and accounting or CPA firms that are **reactive**, we are **proactive**. We use **specific tax strategies** that apply to you, utilizing **legitimate IRS tax codes** to reduce your overall tax liability—while staying compliant at the same time.

MOST FIRMS ARE REACTIVE

-  Look at the past after the year is over
-  Focus on compliance and tax filing only
-  Discover opportunities too late (or miss them)
-  Result: Higher taxes, lost opportunities, and more stress

OUR PROACTIVE PROCESS

-  **DISCOVER & PLAN** We get to know you, your goals, and your business to build a tax strategy tailored to you.
-  **STRATEGIZE** We identify specific tax strategies using legitimate IRS tax codes that apply to your unique situation.
-  **IMPLEMENT** We proactively implement strategies throughout the year, not just at tax time.
-  **SAVE & OPTIMIZE** We help reduce your overall tax liability, saving you money year over year.
-  **STAY COMPLIANT** We make sure everything is done by the book—so you stay protected and stress-free.



**OUR GOAL IS SIMPLE:
USE TODAY'S IRS CODE TO CREATE LASTING TAX SAVINGS—
LEGALLY, ETHICALLY, AND EFFECTIVELY.**





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THE MOST EFFECTIVE STRATEGIES

TOP STRATEGIES

-  **BUSINESS ENTITY STRUCTURING**
-  **IRS 280A(g) ("AUGUSTA RULE")**
-  **INCOME SHIFTING**
• GIFTING
-  **R&D CREDITS**

OTHER USEFUL STRATEGIES

-  **COST SEGREGATION**
-  **CAPTIVE INSURANCE**
-  **STRUCTURED LOSSES**




EVERY STRATEGY WE USE IS DESIGNED TO LEGALLY REDUCE YOUR TAX LIABILITY AND KEEP MORE OF WHAT YOU EARN.






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BUSINESS ENTITY STRUCTURE



CREATING SEPARATE BUSINESS ENTITIES WITH A SPECIFIC PURPOSE ALLOWS YOU TO USE ADDITIONAL STRATEGIES TO UTILIZE EXPENSES.


WHAT IS NEEDED TO HAVE A BUSINESS ENTITY



PURPOSE


Each entity should be formed with a clear, specific purpose.

3 THINGS:




BANKING

Separate bank accounts keep finances organized and protected.





TAXES

Proper structure helps maximize deductions and tax efficiency.



UTILIZING EXPENSES EFFECTIVELY REDUCES INCOME, LOWERS YOUR MARGINAL RATE, REDUCES YOUR TAX LIABILITY, AND KEEPS MORE OF YOUR HARD EARNED MONEY IN YOUR POCKET.





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TURNING A PASSION INTO A LEGITIMATE BUSINESS

*Hobby today. Legitimate business tomorrow.
Purposeful. Organized. Tax-smart.*



PURPOSE
A genuine business purpose and activity with heart.

BANKING
Separate business bank account. Clean and compliant.

TAXATION
Report income and expenses properly. Keep it legit.

PASSION for Quilting → **LLC PARTNERSHIP** (Quilting Education LLC) → **BUSINESS ENTITY** Legitimate and Compliant Business



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SMALL INCOME & BUSINESS EXPENSES



BUSINESS EXPENSES	
 Augusta Rule (Home Rental)	\$25,000
 Supplies & Materials	\$6,000
 Utilities	\$2,500
 Professional Fees	\$5,000
 Travel	\$5,000

TOTAL EXPENSES
\$43,500



REVENUE (Quilt Sales)
Less than **\$5,000**





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THE AUGUSTA RULE (HOME RENTAL)

*Turn your home into a tax-free
income opportunity.*



Rent your personal home
to your business for up to
14 days per year.



The rental income is completely
tax-free to you and a fully
deductible business expense.



FAIR MARKET VALUE
\$2,000 PER DAY
for rental of the Home



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KEY REQUIREMENTS



Must be a legitimate business meeting



Fair market rental rate (\$2,000 per day)



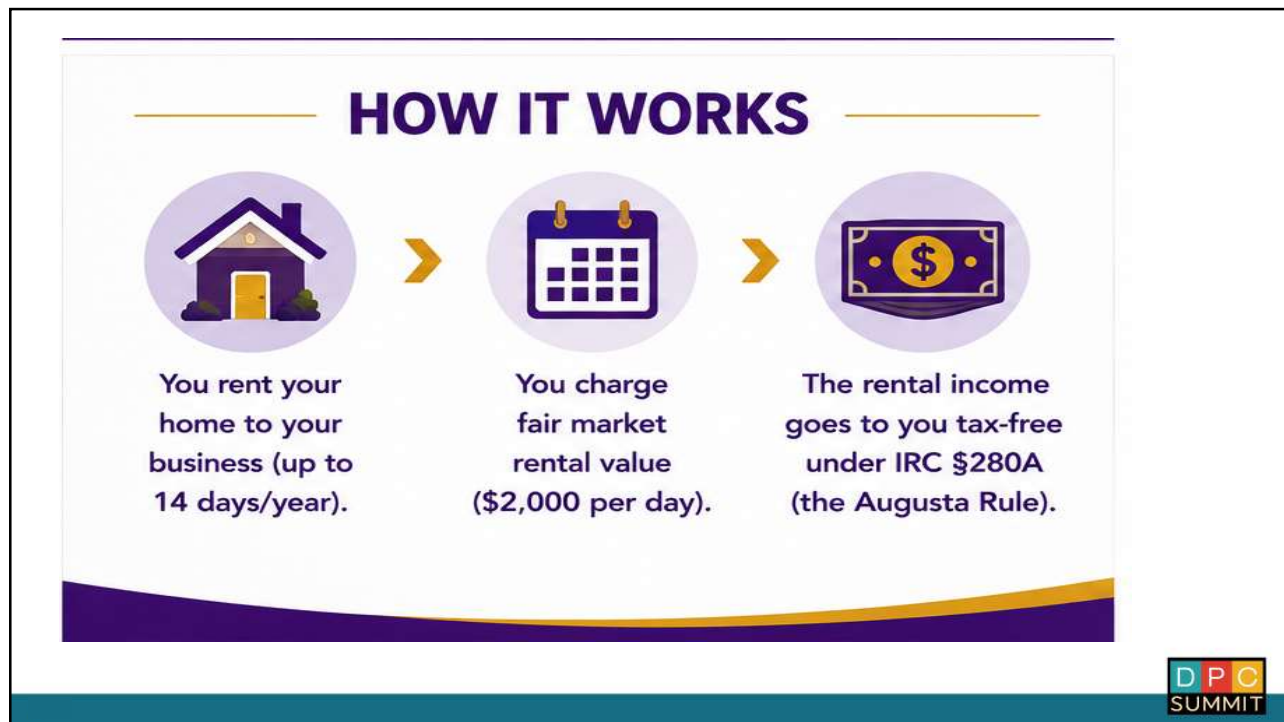
Up to 14 days per year



Proper documentation (agenda, minutes,
attendees, etc.)



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INCOME SHIFTING



? WHAT IS INCOME SHIFTING?


Income shifting is a tax-planning strategy that legally moves income from a **higher marginal tax bracket** to a **lower marginal tax bracket**. By strategically allocating income to family members, entities, or other approved structures, taxpayers can **reduce** their **overall tax liability** while remaining fully compliant with IRS regulations.




REDUCE YOUR MARGINAL TAX RATE.

LOWER YOUR TAX LIABILITY.

KEEP MORE OF YOUR HARD-EARNED MONEY.





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FAMILY LIMITED PARTNERSHIP (FLP) GIFTING STRATEGY OVERVIEW

This strategy allows a qualifying business entity (S-Corp or Partnership) to shift income to an FLP, which then gifts limited partnership interests to a family member (Ella) using the annual gift tax exclusion.



QUALIFYING BUSINESS ENTITY
(S-CORP OR PARTNERSHIP)

→

PAYS
MANAGEMENT
FEE



FAMILY LIMITED PARTNERSHIP (FLP)

→

GIFTS LIMITED
PARTNERSHIP
INTERESTS



ELLA
(LIMITED PARTNER)

THE GOAL

Reduce taxable income at the business level and gradually transfer wealth to the next generation — tax-efficiently.

Each parent may gift up to \$19,000 per year to Ella
\$19,000 from Parent 1 + \$19,000 from Parent 2 = \$38,000 total per year (excluded from gift tax).

Gifts must be made within the tax year claimed.



A powerful way to reduce taxes today and build wealth for tomorrow.



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HOW THE STRATEGY WORKS

The flow of money and value through the structure:








RESULT: Lower taxable income for the business today and future wealth for Ella tomorrow.

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KEY REQUIREMENTS & CONSIDERATIONS

KEY REQUIREMENTS

-  Ella must be a named limited partner in the FLP.
-  Each parent may gift up to \$19,000 per year to Ella (\$38,000 total per year).
-  The qualifying business entity must pay a reasonable management fee to the FLP for legitimate services.
-  Proper documentation is essential (FLP agreement, management agreement, gift letters, minutes).
-  Gifting transactions must occur within the tax year claimed.

ADDITIONAL BENEFITS

-  Shifts future growth and income to the next generation.
-  Removes future appreciation from parent's taxable estate.
-  Provides asset protection benefits through the FLP structure.
-  Encourages family involvement and aligns future ownership.

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POTENTIAL TAX SAVINGS

Example: Qualifying Business Entity pays \$38,000 in management fees to the FLP

DESCRIPTION	WITHOUT STRATEGY (Income taxed to parents)	WITH FLP GIFTING STRATEGY (Income shifted & gifted to Ella)
Management fee paid by business to FLP	\$38,000	\$38,000
Tax treatment at business level	Deductible expense	Deductible expense
Income to parents	\$38,000 (passive pass-through income reported on personal tax return)	\$0
Tax at 30% marginal rate	(\$11,400)	\$0
ANNUAL TAX SAVINGS		\$11,400

ESTIMATED ANNUAL TAX SAVINGS

\$11,400

(\$38,000 × 30% marginal rate)

THE LONG-TERM IMPACT

- ✓ Reduces taxes today.
- ✓ Builds wealth for the next generation.
- ✓ Creates a lasting family legacy.

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THE R&D TAX CREDIT OPPORTUNITY

Research

Innovation

Tax Credit

ESTIMATED FEDERAL TAX CREDIT:

\$121,454

THE PROCESS:

- 1

Calculated in the Business Return
- 2

Passed to the Personal Return
- 3

Credit is taken dollar-for-dollar against tax liability

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WHY IRC §41 R&D TAX CREDIT

IMMEDIATE BENEFITS. STRONGER CASH FLOW.

IRC §41 R&D TAX CREDIT



IMMEDIATE TAX CREDIT

- ✓ Dollar-for-dollar reduction in tax liability
- ✓ No repayment required
- ✓ Improved cash flow today
- ✓ Reinvest in innovation and growth



IMMEDIATE CASH BENEFIT. **MORE INNOVATION. MORE IMPACT.**



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DO I QUALIFY?

FOUR QUALIFICATION TESTS MUST BE MET



PERMITTED PURPOSE

The research aims to develop or improve a product, process, or technique.



ELIMINATION OF UNCERTAINTY

The work seeks to resolve technical uncertainty regarding capability, methodology, or design.



PROCESS OF EXPERIMENTATION

The activities involve a systematic process, such as trial and error or testing.



TECHNOLOGICAL IN NATURE

The research must rely on engineering, physics, chemistry, or computer science principles.



**YOUR ACTIVITIES
MEET ALL
FOUR TESTS.**



RESEARCHING. TESTING. IMPROVING. **BETTERING PATIENT OUTCOMES.**




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QUALIFYING MEDICAL INNOVATION

ADVANCING PATIENT CARE THROUGH RESEARCH


USE OF TECHNOLOGY IN PATIENT CARE




RESEARCHING NEW TREATMENTS OR THERAPIES




IMPLEMENTING OR IMPROVING PROCESSES TO BETTER TREAT PATIENT







TELEMEDICINE





EHR & SYSTEM OPTIMIZATION



STERILIZATION & SAFETY IMPROVEMENTS




 **RESEARCHING. TESTING. IMPROVING. BETTERING PATIENT OUTCOMES.**



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R&D TAX CREDIT CALCULATION

ALTERNATIVE SIMPLIFIED CREDIT (ASC) METHOD




TOTAL QRES FOR 2025
\$1,518,180.36
Wages + Supplies

➔





ASC METHOD
Apply the Alternative Simplified Credit
(14% of current year QREs)

➔



R&D TAX CREDIT FOR 2025
\$121,454
Estimated Federal Tax Credit

 **A DOLLAR-FOR-DOLLAR REDUCTION IN YOUR FEDERAL TAX LIABILITY.**




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HOW THE CREDIT TRANSFERS

FROM BUSINESS TO PERSONAL RETURN


- 1




CALCULATED IN THE BUSINESS RETURN
The R&D Tax Credit is calculated on the business tax return.
- 2



TRANSFERS ON THE K-1
The credit amount passes through to the owner(s) on the K-1.
- 3



APPLIED ON THE PERSONAL RETURN
The credit is reported on the personal return and applied dollar-for-dollar against tax liability.




BUSINESS RETURN

→


K-1

PASS-THROUGH


→



PERSONAL RETURN



ONE CREDIT. TWO RETURNS. ONE POWERFUL BENEFIT.




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THE FINANCIAL IMPACT

REAL SAVINGS. REAL IMPACT.


ESTIMATED FEDERAL TAX CREDIT

\$121,454




REDUCED TAX LIABILITY

Lower your tax bill dollar-for-dollar.




BETTERING PATIENT OUTCOMES

Keep more resources invested in care.




IF YOU DON'T NEED THE CREDIT THIS YEAR

It may be carried over for up to 20 years.



INVEST IN INNOVATION TODAY. BUILD A HEALTHIER TOMORROW.



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THE COST TO YOU: A BETTER VALUE

→ OUR FEES ARE 25% LESS THAN A TRADITIONAL R&D TAX ADVISOR ←

<p>TYPICAL R&D TAX ADVISOR</p>  <p>Typical Fee \$40,000</p>	<p>YOU SAVE 25%</p> <p>← →</p> <p>More value. More money back in your pocket.</p>	<p>OUR FEE</p>  <p>Our Fee \$30,000</p>
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 **SAME POWERFUL RESULTS. LOWER COST. MORE VALUE FOR YOU.**

 Invest in innovation. We'll maximize your tax savings—at a better value.



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HOW THESE STRATEGIES HELP YOU

◆

 **WHETHER YOU ARE A BUSINESS OWNER OR AN EMPLOYEE:**

 <p>PAY LESS IN TAXES OVERALL</p> <p>Utilize proven tax strategies to legally reduce your overall tax liability and keep more of what you earn.</p>	 <p>PREDICTABLE TAX OUTCOMES</p> <p>Plan ahead with confidence and experience more predictable, reliable tax results year after year.</p>	 <p>STRONGER, MORE CONSISTENT CASH FLOW</p> <p>Reduce tax surprises and keep more cash in your business or personal finances throughout the year.</p>	 <p>CONFIDENCE IN FINANCIAL DECISIONS</p> <p>Make smarter financial decisions with clarity, less stress, and a solid tax strategy in place.</p>
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 **SMART TAX STRATEGIES TODAY CREATE MORE MONEY, MORE FREEDOM, AND A STRONGER FUTURE.**




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AN INVESTMENT THAT PAYS FOR ITSELF

Real Tax Savings. Real Results. Real Impact.

AVERAGE CLIENT RESULTS

AVERAGE TAX SAVINGS
\$40,000+

AVERAGE COST
\$12,000

TYPICAL RETURN ON INVESTMENT
More than 3X the investment returned in tax savings

WHAT DOES THAT MEAN FOR YOU?

Instead of sending those dollars to the IRS, our clients have used their savings to:

- Take a once-in-a-lifetime vacation
- Accelerate retirement goals
- Reconnect with family and loved ones
- Invest back into their business
- Build long-term financial security

MORE THAN JUST TAX SAVINGS

- Peace of mind
- Proactive planning
- Reduced tax surprises
- A trusted advisor in your corner
- Strategies that continue saving money year after year

SMART TAX STRATEGIES TODAY CREATE MORE MONEY, MORE FREEDOM, AND A STRONGER FUTURE.

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WHAT IS YOUR WHY?

Whether your goal is:

FINANCIAL FREEDOM

MORE TIME WITH FAMILY

GROWING YOUR BUSINESS

RETIRING EARLIER

BUILDING LASTING WEALTH

We'll help create a plan to GET YOU THERE.

KEEP MORE OF WHAT YOU EARN. INVEST IN YOUR FUTURE.

LET YOUR TAX STRATEGY PAY FOR ITSELF.

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— ◆ —

**“If you fail to plan,
you plan to fail.”**

— ATTRIBUTED TO —
BENJAMIN FRANKLIN

— ◆ —



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Live Content Slide

When playing as a slideshow, this slide will display live content

**Social Q&A for Smart Tax Strategies for DPC
Business Owners: Protecting Profits, Empowering
Growth**



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QUESTIONS?

Contact Information

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WE'LL HELP YOU...



PAY LESS IN TAXES

Keep more of what you earn.



REDUCE SURPRISES

Proactive planning means predictable outcomes.



GROW & PROTECT

Strengthen your cash flow and build lasting wealth.



CREATE PEACE OF MIND

A trusted partner in your corner.



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VISIT US IN PERSON!
BOOTH #20
IN THE EXHIBIT HALL

OR SCAN TO SCHEDULE
A 1-ON-1 APPOINTMENT



*Take control of your taxes.
Rule your wealth.*



**MORE TIME.
MORE FREEDOM.**



**MORE MONEY
IN YOUR POCKET.**



**A STRONGER
FINANCIAL FUTURE.**

DON'T LEAVE MONEY ON THE TABLE. | LET'S CREATE A PLAN THAT WORKS FOR YOU.



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