

BALANCE SHEETS & BEYOND

Insight, advice, & guidance on tax news
that matters to you & your business



JOHN A. KNUTSON & CO., PLLP
100 YEARS OF TRUST



Summer Office Hours July 1 - August 31, 2026

Falcon Heights

Monday - Thursday 8:00am - 5:00pm
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Rogers

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Friday Closed

Please use our drop box by our front door at the Falcon Heights location to drop documents off outside of these hours. Or use [this link](#) to securely upload documents.

Half the Year Is Nearly Gone. Is Your Tax Strategy Keeping Up?

Most people think about taxes in April. The business owners and individuals who come out ahead think about taxes in June and July.

Mid-year is a uniquely powerful planning window: you have six months of real financial data to work with, and six months left to do something about it. That combination is rare. Here are a few areas worth reviewing right now:

For Business Owners

- **Review your estimated tax payments.** If your income has shifted significantly from last year — up or down — your quarterly payments may need adjusting. The next estimated payment deadline is September 15.
- **Revisit your QBI deduction.** The 20% pass-through deduction for owners of S corps, LLCs, and partnerships is now permanent under recent tax law changes. If you haven't optimized around it, now is a good time to model your options.
- **Think about equipment and depreciation.** Under current law, 100% bonus depreciation has been reinstated for qualifying property. If you're planning a capital purchase this year — equipment, vehicles, technology — the timing matters.
- **Check your retirement plan contributions.** If you haven't maxed out your contributions, mid-year is a good reminder. Business owners have several powerful options, including SEP IRAs and Solo 401(k)s.

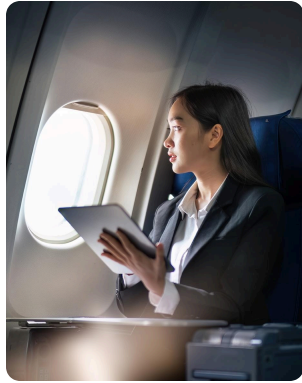
For Individuals

- **Run a mid-year withholding check.** If you've had life changes — a job change, a bonus, a large investment gain — your withholding may be off. A projection now can prevent a surprise in April.
- **Revisit your investment portfolio with taxes in mind.** Mid-year is a good time to look at unrealized losses that might offset gains, and to think about timing on any planned sales.
- **Consider gifting strategies.** Annual exclusion gifts of up to \$19,000 per recipient (\$38,000 for married couples) can be made any time during the year. If reducing your taxable estate is part of

your long-term plan, there's no reason to wait until December.

💡 *A mid-year conversation with your John A. Knutson & Co., PLLP advisor takes 30–45 minutes and can save you meaningful money before year-end.*

If you haven't scheduled yours yet, give us a call 651-641-1099.



ClientLine News: Smart Tips

Combining Business and Personal Travel

✈️ Heading out on a business trip and adding a few vacation days?

A little planning can go a long way when it comes to documenting expenses and understanding what may be deductible.

[Read the article](#)

Also In this Issue:

- [Mid-Year Tax Checkup](#)
- [Estate Strategies With No Apparent Heirs](#)
- [Summer Tax Planning for Small Businesses](#)
- [Tax Saving College Funding Options](#)



JOHN A. KNUTSON & CO., PLLP

John A. Knutson & Co. Authored Articles

[Is Your Accounting Firm Qualified?](#)

by Kyla Hansen, CPA, CVA

[Your Guide to Early Retirement: Steps to Build a Financially Secure Future](#)

by Victor Gilva, MBA

Due Dates to Know

July 31 2026 Q2 Payroll Filings

August 15 2025 MN Property Tax Return

September 15 2026 quarter estimated tax, 2025 extended 1120S, 1065

September 30 2025 extended 1041

October 15 2025 Extended 1040, 1120

October 31 2026 Q3 Payroll Filings

[What's Your Business Worth — And What Happens to It Next?](#)

Here's a statistic worth sitting with: more than half of small business owners in the U.S. are 55 or older, and recent surveys suggest that nearly a third have no formal plan for what happens to their business when they step away.

That's not a judgment — it's extremely common. When you're focused on growing a business and serving clients, thinking about the endgame can feel premature. But the reality is that transitions tend to happen faster than expected, and the owners who fare best are the ones who planned before they had to.

What Does a Succession Plan Actually Include?

At its core, a succession plan addresses three things: who takes over, how ownership transfers, and what the financial and tax implications are. Those three questions are deeply connected — and getting the answers right typically involves your CPA, your attorney, and your financial advisor working together.

Some of the most common pathways include:

- Family transfer — passing ownership to a child, spouse, or other family member. This preserves legacy but requires careful tax and estate planning to structure effectively.
- Management buyout — selling to key employees who know and are invested in the business. Often a smoother cultural transition, though financing can be more complex.




- Third-party sale — selling to an outside buyer or private equity firm. Often generates the highest financial return but requires the business to be well-positioned and properly valued.
- ESOP — creating an Employee Stock Ownership Plan, which allows employees to gradually acquire ownership. Our firm has developed niche expertise in this area and can speak to the unique planning considerations involved.

Know What You're Working With

Before any transition strategy can be evaluated, you need to understand what your business is worth. This is where our calculation and rule-of-thumb engagement work comes in. While we don't perform full valuations, we work with business owners at the calculation and rule-of-thumb level to develop a credible picture of value — one that can inform planning conversations without the cost and complexity of a formal appraisal.

If you're curious about what your business might be worth, or you've been meaning to think more seriously about an eventual transition, this is a good time to start the conversation.

 *Succession planning isn't just about the day you leave — it's about ensuring the business you've built holds its value and finds the right next chapter. The earlier you start, the more options you have.*

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John A. Knutson & Co., PLLP | 1781 Prior Avenue North | Falcon Heights, MN 55113 US

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