

The Successful Dentist™

Dental Tax and Finance

Deadlines & Misc.



ESTIMATED TAX

4th Quarter Estimated Tax
Payments are due by January
15th

2025 EVENTS

December 4th & 5th
A-Dec Day of Experts

REMINDERS

Equipment needs to be placed
in service (installed) before
year-end to be tax-deductible

**Income tax payments need
to be made online. The IRS is
no longer accepting checks.**



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Helping Dentists Make Smart Decisions about Money

In this issue:

- Year-End Tax Planning Reminders
- OBBB Updates for Deductible Meals
- Real Tax Talk
- Cyber Security News
- The New ADCPA Podcast
- Planning for Your Success in 2026

As we enter the holiday season, we wish you good health, wealth & happiness! In the spirit of the season, we would like to express our gratitude for all of your support and vote of confidence in our team. Thank you for trusting DAG with your tax, accounting & advisory needs! We look forward to serving your business needs for many years to come.

Discover the Official Podcast of the Academy of Dental CPAs:

As a proud member of the Academy of Dental CPAs (ADCPA), Dental Accounting Group is committed to bringing you the best insights and resources in the dental industry. Together with ADCPA and Art Wiederman, we stand among the top thought leaders shaping the future of dental practice management and financial success.

We're excited to share a valuable resource for dentists who want to strengthen their financial and business strategies. **"The Art of Dental Finance and Management with Art Wiederman, CPA" is now the official podcast of the Academy of Dental CPAs!**

Hosted by industry expert Art Wiederman, this podcast dives into topics that matter most to dental professionals, including:

- Smart budgeting and planning for your practice
- Metrics that drive profitability
- Strategies for growth and efficiency
- Insights from leading voices in dentistry and finance

You can find the podcast on popular platforms like Apple Podcasts, Spotify, YouTube, and more. Make it part of your routine and take your practice to the next level!

Start listening today: <https://adcpa.org/podcasts/>

New Washington Tax Law Changes

Washington State implemented new sales tax rules in October. One impact is that advertising services are now subject to sales tax. This includes “all digital and nondigital services related to the creation, preparation, production, or dissemination of advertisements.”

When you receive an invoice for services like website development, logo design, acquisition of advertising space, search engine optimization, or advice on advertising methods, be sure that the vendor is charging you sales tax. If not, you need to pay use tax on these services and report it on your combined excise tax returns.

There are some exceptions, such as radio and television ads, newspapers, and fixed signage such as billboards or street furniture. Note that direct mailings are not included in the exceptions, so those are subject to sales tax.

REMINDER

INCOME TAX PAYMENTS NEED TO BE MADE ONLINE.
THE IRS IS NO LONGER ACCEPTING CHECKS.

Estimated Tax

Fourth Quarter Estimated Tax Payments
are **due by January 15th!**



New 2026 Tax Law Changes

Charitable Giving Rules Are Changing! Here's What Dentists Need to Know



The recent federal megabill introduces several updates to charitable giving rules beginning in 2026. Although these changes are not effective yet, many donors may want to adjust their giving strategies for 2025.

Starting in 2026, non-itemizers will be able to deduct up to \$1,000 for single filers or \$2,000 for joint filers for cash donations to qualified charities. These gifts must be cash contributions, not stock or property, and they cannot go to donor-advised funds or supporting organizations. Due to this change, non-itemizers may choose to delay their 2025 cash gifts until 2026 to qualify for the new deduction.

Larger donors may choose the opposite approach. **Beginning in 2026, itemizers will lose part of their charitable deduction equal to 0.5 percent of their adjusted gross income (AGI).** For example, a couple with \$400,000 of AGI will lose a \$2,000 deduction no matter how much they donate.

For donors who want a full tax deduction now but aren't ready to decide which organizations to support, a donor-advised fund may be the perfect tool. By contributing to a DAF this year, you can secure your deduction immediately and choose your charities later.

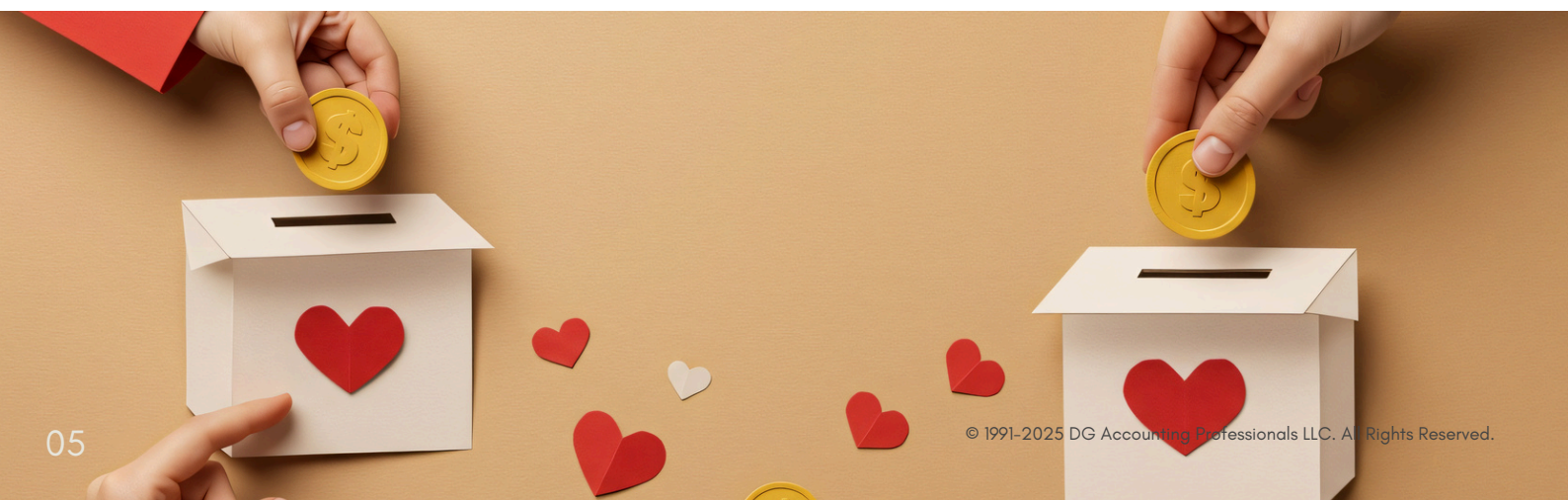
New 2026 Tax Law Changes

Another factor to keep in mind: beginning next year, high-income taxpayers will see their deduction value drop from 37% to 35%. For top earners, this change reduces the benefit of charitable deductions by roughly 5.4%, making DAFs an even more strategic option for locking in current-year deductions.

None of these changes affect qualified charitable distributions. For donors age 70 and a half or older with traditional IRAs, making gifts through QCDs often remains the most tax efficient way to support charitable causes.

If you are a high-income earner, itemize and expect to make charitable gifts, it is generally advantageous to accelerate giving into 2025 before:

1. The 0.5% AGI reduction cuts into your deduction in 2026
2. The lower 35 percent deduction value takes effect
3. Charitable planning becomes more limited



Year-End Tax Planning Reminders

Maximize Retirement Plan Contributions

For dental practice owners, retirement plans remain the single best tax shelter available. If your practice doesn't currently have a retirement plan, or if you're not maximizing contributions, consult with your financial advisor about implementing or optimizing a plan in 2026. The long-term tax advantages of deductible contributions and decades of tax deferral significantly outweigh the costs when key employees receive at least 70% of annual contributions.

Changes to the Retirement Plan Limits for 2026

Plan Feature	2026 Limit	2025 Limit
Maximum annual elective deferrals (401(k) for employees under age 50)	\$24,500	\$23,500
401(k) Catch-up contribution (age 50+)	\$8,000	\$7,500
Special catch-up (age 60-63)	\$11,250	\$11,250
Maximum annual addition (profit-sharing, under age 50)	\$72,000	\$70,000
Maximum annual addition (age 50+)	\$80,000	\$77,500
Maximum annual addition (age 60-63)	\$83,250	\$81,250
SIMPLE IRA (employees under age 50)	\$17,000	\$16,500
SIMPLE IRA (age 50+)	\$21,000	\$20,000
SIMPLE IRA (age 60-63)	\$22,250	\$21,750

Year-End Tax Planning Reminders

New 2026 Tax Law Changes

Strategic Income and Expense Timing

Since tax rates aren't expected to change in 2026, minimize your tax bill by:

- Delaying billing of your year-end clinical production until early 2026
- Pre-paying expenses in 2025 (up to 12 months allowed under IRS safe harbor rules)
- Pre-pay office and vehicle leases, business insurance, and malpractice insurance premiums due in early 2026

2026 ALERT: Employer Deduction Eliminated for Office Snacks

Understanding What's 100% vs. 0% Deductible in 2026:

Starting January 1, 2026, the OBBBA **fully eliminates the federal tax deduction** for most employer-provided snacks, coffee, and meals that were previously 50% deductible. This means these expenses will be **0% deductible** for your practice.

Important Notes:

- These items remain non-taxable to employees (no change to employee treatment)
- Plan your 2025 vs. 2026 meal and snack purchases accordingly (i.e., pre-buy Diet Coke or coffee for the office in 2025)
- Holiday, birthday, or other work celebrations remain 100% deductible



Cyber Security & IT News

Reminder to review your coverage

- All small businesses are recommended to have a separate cybersecurity policy that will cover a breach and mitigate the costs of patient notifications
- Work with your IT professional and insurance broker to determine the adequate amount of coverage needed to cover your risk exposure
- Document a Standard Operating Procedure and educate staff on what to do in case of a technology breach

How to protect your business:

- Work with a qualified and experience IT professional
- Best practices include:
 - Individual secure passwords with two-factor (don't share a common password or leave it on a sticky note in the office!)
 - Adequate firewall protection on your server
 - Daily server backups of company data
 - No personal browsing during work hours on your network
 - ANNUAL CYBER SECURITY TRAINING FOR YOUR STAFF



REAL TAX TALK



Fact or Myth

“I heard that I can claim the R&D Tax Credit if I have a CEREC milling machine”

Ask a Dental CPA:

“We continue to see tax credit consultants push this narrative again now that ERC is over. In our view, this position is extremely aggressive and leaves the taxpayer open to risk of audit with penalties and interest on the claim. The purpose of the R&D tax credit was to onshore labor and incentivize high-tech research & development. These consultants are taking an aggressive position of the program claiming dentists can qualify through learning and using new technology in the delivery of routine dental procedures. This approach to claiming the R&D credit is beyond aggressive and unsupported by the Internal Revenue Code, Regulations and Court Cases. We advise against pursuing this aggressive tax position.”

PLANNING FOR YOUR SUCCESS IN 2026

As we approach the end of the year, we recommend that practice owners schedule time to review progress made during the year, celebrate milestones, and plan for the year ahead. We recommend owners set aside a weekend to “work on the business” and approach 2026 with a clear plan for personal & professional success.

Tax Planning Note: Consider this a corporate planning retreat. Schedule a weekend trip away from the office with your spouse. Keep meeting notes. With proper documentation, this can be a business expense!

Annual Planning:

- Review Your Written Business Plan
 - Practice Vision
 - Marketing Strategy
 - Financial Budget
 - Personal Financial Goals
- Create a 12-month calendar with:
 - Production Goals
 - Annual, Monthly & Daily Targets
 - Broken down by doctors & hygienists
 - Be realistic (compared to 2025 actual)
- Communicate your 2026 initiatives with key stakeholders (staff, spouse, professional team) ahead of the new year. Overcommunication is key to success.
 - New patient in-flow goals
 - New Marketing Campaign
 - Addition of New Technology & Clinical Procedures
 - Standard Operating Procedures
 - Production goals, etc.

Quarterly Accountability Review:

- Review your plans and progress on goals with your team

DAG FINANCIAL & WAGE SURVEY

As a reminder our 2025 DAG Financial & Wage Survey is complete! You can access it here: [Click here to view the 2025 DAG Survey](#)

2025 DAG Annual Survey

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 Dental Accounting Group
THE NEW STANDARD OF CARE FOR YOUR DENTAL PRACTICE

WE ARE ACCEPTING NEW CLIENTS!

Do you know any colleagues that could benefit from working with an expert dental accounting team? Please send them our way! Referrals are greatly appreciated.

Send all new client inquiries to Kevin Bray:
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<https://dentalaccountingpros.com/contact/>

