ClearSky
CPA
Build. Grow. Exit. Minimize Taxes.



CASE STUDY |

STRATEGIC TAX PLANNING & BUSINESS STRUCTURE

Multiple Businesses. Multiple Investments. One Coordinated Tax Strategy.

How ClearSky CPA helped two business owners bring clarity to a complex financial picture and make more strategic tax decisions.

www.clearskycpa.com

1. The Decision

Two successful business owners had built substantial wealth through operating businesses, real estate, and private investments.

Over time, their financial picture had become increasingly complex. Multiple LLCs, rental properties, business income, and investments all flowed into their personal tax return, each with different tax implications.

They weren't starting from scratch. They had businesses, investments, and professional advisors already in place.

What they needed was someone to connect all the pieces and help them understand how one decision could affect everything else.

2. What Was at Stake

The owners faced several decisions that couldn't be evaluated independently.

Should both businesses elect S corporation taxation? How should the rental properties be organized? Were transactions between related entities properly documented? Which investment losses could offset other income?

Some activities generated income from active involvement. Others were passive investments, subject to different tax rules.

Meanwhile, a significant investment distribution created an unexpected potential capital gain, affecting decisions about retirement accounts and other year-end strategies.

A decision that saved taxes in one area could create unnecessary costs or missed opportunities elsewhere.

3. The ClearSky Approach

ClearSky reviewed the owners' business activities, ownership structures, real estate holdings, and investment income to develop a coordinated strategy.

We worked with the owners to:

- Establish a holding-company structure and separate LLCs for their real estate properties.
- Coordinate accounting, banking, and financial reporting across the entities.
- Formalize and account for rental arrangements between related businesses.
- Evaluate S corporation elections individually, recommending that one owner defer the election until 2027 based on projected income and other deductions.
- Analyze passive and nonpassive income, investment distributions, and year-end tax opportunities together.

The goal wasn't to implement every available tax strategy.

It was to determine which decisions made financial sense, when to implement them, and how they would affect the owners' overall tax position.

4. The Outcome

The owners established their new holding-company and property LLC structure, completed the related legal documentation, and began aligning their banking and accounting systems.

An existing self-rental agreement was incorporated into their financial reporting, while additional management arrangements and tax elections were prioritized for future implementation.

With a coordinated tax projection, the owners could evaluate business income, rental activities, investment gains, and potential retirement-account decisions together.

Rather than making isolated tax decisions, they now had a clearer structure and a year-round planning process to guide their next steps.

5. The Bigger Lesson

As financial success grows, tax planning becomes less about individual deductions and more about how everything works together.

An election that benefits one business may not benefit another. An investment distribution can change the timing of a retirement strategy. A new property can affect the entire tax picture.

At ClearSky CPA, we help business owners connect these decisions across their businesses, investments, and personal finances.

Because the best tax strategy isn't necessarily the one that saves the most in a single year. It's the one that supports better decisions across the entire financial picture.



These case studies illustrate specific client circumstances and outcomes. Results vary based on individual facts, timing, and applicable tax laws. Past results do not guarantee similar outcomes. This information is for educational purposes and is not individualized tax, legal, or investment advice.



ClearSky CPA

Build. Grow. Exit. Minimize Taxes.

www.clearskycpa.com