Online Advisor – September 2026

Upcoming dates:

September 15

- Filing deadline for extended 2025 calendar-year S corporation and partnership tax returns
- 3rd quarter installment of 2026 estimated income tax is due for individuals, calendar-year corporations and calendar-year trusts & estates

October 15

- Filing deadline for extended 2025 individual and C corporation tax returns

College and trade schools are investments that can pay dividends for years. The same can be true of a few smart tax habits repeated year after year. In this month's newsletter, we take a closer look at tax breaks for post-secondary education along with practical tax planning moves that can deliver meaningful savings when repeated year after year.

Also in this issue, learn how having relationships with multiple banks could put a little extra money in your pocket, and how to avoid the technology upgrade tax.

As always, feel free to call if you wish a review of your situation and pass this information along to someone who might find it useful.

Lifetime Learning Credit & The American Opportunity Tax Credit

Understanding the differences

With the number of tax breaks available to help manage the cost of education, it can quickly become a bit of a maze. Here are some of the more common with information to help make some sense out of which to use.

Understand the differences

Two of the most popular tax breaks to help pay for college and other post-secondary education programs are the Lifetime Learning Credit (LLC) and the American Opportunity Tax Credit (AOTC). Here's what you need to know about each tax credit:

Both of these credits are available to you, your spouse, and a student you claim as a dependent on your tax return. Here are a couple of other tips to consider:

You may only cover a qualified expense in one program. So if you have a scholarship, you must apply this first and may not use the same expenses to qualify for either an LLC or AOTC.

So which is best for you?

Per family vs per student.

If you have multiple uses for the credit each year pay attention to the per family (LLC) versus the AOTC. Then maximize each's value for you.

One burns out. Note the AOTC is available for a limited time while use of the LLC is unlimited.

There are other options. If you have scholarships, 529 plans or grants, you will want to coordinate all of these options along with the LLC and AOTC.

Coordinate. You can use both programs for different students, but not for the same student in a single year.

Please call if you'd like assistance in determining which educational tax benefits make the most sense for your situation as it can change from year to year.

Small Tax Planning Moves Can Add Up Big

Some of the most effective tax moves are small and can be made year after year, adding up to saving significant money over time. Here are a few tax planning ideas for you to consider:

- **Adjust your tax withholding.** A big refund isn't a bonus. It means too much tax came out of your paychecks all year. Adjust your withholding to match what you owe. This puts cash back in your pocket all year instead of waiting until spring.

  Result: *Increasing your take-home pay by just $50 per month means an additional $3,000 stays in your pocket over five years.*
- **Increase retirement contributions.** Traditional retirement contributions may reduce your current taxable income, so you're building long-term retirement savings while potentially lowering today's tax bill.

  Result: *Contributing an extra $100 per month means you've added $6,000 to your retirement savings after five years, before any investment growth.*

- **Take advantage of HSAs or FSAs.** If your health plan qualifies, an HSA lets you set aside money before taxes for medical costs. Whatever you don't use this year stays in your HSA to use in the future. An FSA works similarly, but generally must be used within the year.

  Result: *Setting aside $150 per month pretax in an HSA or FSA puts $9,000 towards medical costs over five years. You will pay medical expenses with money the IRS never taxed.*

- **Open or fund a 529 college savings plan.** A 529 plan lets your education savings grow tax-free and qualifying withdrawals come out tax-free too. And many states offer a tax deduction for contributions. If your child doesn't need all of it, unused funds can be rolled over into their own Roth IRA.

  Result: *Contributing $100 per month adds $6,000 over five years before any investment growth.*

- **Give to your favorite charity.** Beginning in 2026, you can deduct up to $1,000 in cash donations ($2,000 if married filing jointly) even when you take the standard deduction. So everyday giving can lower your taxes.

  Result: *Donating $40 per month comes to $2,400 over five years of tax deductions that are now deductible even if you take the standard deduction. That's a tax break on giving you may already be doing.*

- **Maximize available tax credits.** Credits reduce your tax bill dollar for dollar so you don't want to overlook them. Child and dependent care tax credits may be available if you have children or care for an aging parent. And if you have a child in college, education tax credits may offset some costs you already have.

  Result: *A childcare credit worth $600 a year while your kids are young adds up to $3,000 over five years and gives you money back for expenses you were paying anyway.*

- **Review life changes annually.** Marriage, a new baby, or a child heading to college can shift what you owe or what you qualify for. The tax implications of these can be easy to miss in a busy year. A quick annual review catches new credits or a needed withholding change while there's still time to act.

  Result: *Catching one missed credit can be worth hundreds or thousands of dollars over the years.*

Small moves like these don't require a complicated strategy. A little attention each year can help ensure valuable tax opportunities don't slip through the cracks.

Make Banks Compete for Your Business

Banks regularly compete for new customers by offering cash bonuses, higher interest rates, and other perks. By periodically reviewing your options, you may be able to earn extra money while gaining access to better products and services. Here are some ideas to make banks compete for your business.

Your paycheck is worth something to a bank

Banks want customers who deposit money regularly, which is why many offer sizable cash bonuses for opening a new account and will often provide higher savings rates for direct depositors. To qualify, you may need to set up direct deposit or keep the account open for a specified period. If your paycheck is already being deposited somewhere every two weeks, redirecting it temporarily can sometimes turn an ordinary banking activity into a few hundred dollars in extra income.

Don’t let your savings work for free

A savings account that pays next to nothing has a hidden cost: the interest you could be earning elsewhere. Move some or all of your savings to a bank willing to pay more for it. Your bank benefits from holding your money. Make sure you benefit, too.

One bank doesn’t have to do everything

There is no rule saying all of your financial life has to live under one roof. One bank might have convenient branches and ATMs, another might offer an attractive checking bonus, and a third might have an excellent high-yield savings account. Maintaining more than one banking relationship lets you pick the best features from each institution rather than accepting one bank’s entire package. A second account can also provide a useful backup if your primary account is temporarily inaccessible because of fraud concerns, technical problems, or a lost debit card.

A $300 bonus can come with homework

An eye-catching bonus for opening a new checking or savings account is only worthwhile if you actually qualify for it and avoid unnecessary fees. Before opening an account, check the monthly fees, minimum balance requirements, direct-deposit rules, deadlines, and how long you must keep the account open. Closing an account too quickly could mean forfeiting the bonus or paying an early-closure fee. And remember that bank bonuses may be taxable income, so keep any tax documents the bank sends you.

Loyalty is nice. Leverage is better.

Your relationship with a bank is ultimately a business relationship. The bank benefits from your deposits, transactions, and continued business, so there is no reason you should feel obligated to stay when a competitor offers significantly more value. So look around. Compare bonuses, rates, fees, ATM access, and customer service.

When banks have to compete for your money, you're in a much better position to make your money work for you.

Avoid Paying the Technology Upgrade Tax

It sometimes feels like technology companies expect us to replace our devices every couple of years while adding another monthly subscription along the way. Fortunately, this isn't the only path. A few thoughtful habits can help you stay secure, get more life out of the technology you already own, and avoid paying the technology upgrade tax.

Know which tech upgrades are actually worth it

Technology companies are very good at turning new into necessary.

If your phone battery dies by lunch or your device no longer supports software you need, upgrading may be money well spent. But paying $1,000 for a slightly better camera may not be.

Don't overlook the middle ground between keeping and replacing. A new battery, more storage, added memory, or a good cleanup can sometimes make an aging device feel surprisingly young again.

Take control of your digital subscriptions

The subscription economy knows that $9.99 doesn't feel like much money. The trouble starts when ten companies have the same idea.

Look at annual costs instead. A forgotten $14.99 subscription is really a $180-a-year expense. Once or twice a year, review your statements and ask: When did I last use this? Would I subscribe today? Am I paying for something I already get elsewhere?

Canceling is low risk. If you actually miss a service, restarting it usually takes minutes.

Replace electronics on your schedule, not the manufacturer's

A new product announcement is a marketing event, not an expiration notice for the device you own.

Create your own replacement test: Does it still do what you need? Is it reliable and reasonably fast? Does it still receive security updates? If so, there may be little reason to replace it.

When replacement is necessary, consider last year's model or manufacturer-certified refurbished equipment. Technology's sweet spot is often the slightly older product whose price has fallen much faster than its usefulness.

Don't ignore software updates

People sometimes spend hundreds replacing old technology while postponing the free updates designed to keep it working.

Software updates do more than add new features. They fix security weaknesses, correct problems, and help your device run reliably. The bigger concern is when a manufacturer stops providing security updates altogether.

Age alone shouldn't determine when technology gets replaced. A five-year-old device that works well and remains supported may have years left. Let usefulness, reliability, security, and cost – not the calendar – decide when it's time to move on.

Technology will always give us new ways to spend money. The good news is that we get to decide which ones are worth it.

Tips to Protect Your Social Security Number

Very few things in life can create a higher degree of stress than having your Social Security number (SSN) stolen. This is because, unlike other forms of identification, your SSN is virtually permanent. Here are some things that you can do to minimize the risk of having your number fall into the hands of the wrong people.

- **Never carry your card.** Place your SSN card in a safe place. That place is never your wallet or purse. Only take the card with you when you need it.
- **Know who needs it.** As identity theft continues to evolve, there are fewer people and organizations who really need to know your SSN. Here is that list:
    - *The government.* Federal and state governments use this number to keep track of your earnings for retirement benefits and to ensure you pay proper taxes.
    - *Your employer.* Your SSN is used to keep track of your wages and withholdings. It is also used to prove citizenship and to contribute to your Social Security and Medicare accounts.
    - *Certain financial institutions.* Your SSN is used by various financial institutions to prove citizenship, open bank accounts, provide loans, establish other forms of credit, track digital payments, report your credit history, or confirm your identity. In no case should you be required to confirm more than the last four digits of your number.
- **Challenge all other requests.** Many other vendors may ask for your SSN, but having it may not be essential. The most common requests come from health care providers and insurance companies, but requests can also come from subscription services when setting up a new

account. When asked on a form for your number, leave it blank. If your supplier really needs it, they will ask you for it. This allows you to challenge their request.

- **Destroy and distort documents.** Shred any documents that have your number listed. When providing copies of your tax return to anyone, distort or cover your SSN. Remember, your number is printed on the top of each page of Form 1040. If the government requests your SSN on a check payment, only place the last four digits on the check, and replace the first five digits with Xs.
- **Keep your scammer alert on high.** Never give out any part of the number over the phone or via email. Do not even confirm your SSN to someone who happens to read it back to you on the phone. If this happens to you, file a police report and report the theft to the IRS and Federal Trade Commission.
- **Proactively check for use.** Periodically check your credit reports for potential use of your SSN. If suspicious activity is found, have the credit agencies place a fraud alert on your account. Remember, everyone is entitled to a free credit report once a year. You can obtain yours on the Annual Credit Report website.

Replacing a stolen SSN is not only hard to do, it can create many problems. Your best defense is to stop the theft before it happens.

4 Numbers Every Small Business Owner Should Know

Revenue and profit are two important numbers every business owner should know. But there's another set of numbers beneath the surface that tells you more about where that revenue and profit came from, and where they may be headed. Here are 4 numbers every business owner should know.

Cost per customer acquisition

You spent $50,000 on advertising, promotions, sales commissions, networking, sponsorships, discounts, and everything else intended to bring people through the door. How many new customers did you actually get compared to the money you spent? That's your customer acquisition cost.

The number to know

Customer Acquisition Cost = Customer Acquisition Spending ÷ New Customers Acquired

If you spent $50,000 to acquire 500 new customers, each new customer cost you $100. Marketing decisions now become easier to evaluate.

If your average new customer produces $40 of profit but you had to spend $100 to acquire each one, the math doesn't work...unless that customer keeps buying from you.

Customer retention

After spending all that money acquiring customers last year, how many came back this year? It’s important to understand this number because getting customers is expensive. Keeping them, though, usually isn't nearly as expensive.

The number to know

Customer Retention Rate = Customers Who Returned ÷ Customers Eligible to Return

Suppose you acquired 500 customers last year and 300 bought from you again. That's a 60% retention rate. The more interesting question is what would happen to your business if you moved that number from 60% to 70%?

You might discover that improving retention is worth considerably more than finding another advertising channel.

Customer reactivation

A customer bought from you then disappeared. Did you ever get them back?

Many businesses classify this customer as lost and move on. But your former customers represent an unusual asset: people who already know who you are, already trusted you once, and already decided to give you money.

The number to know

Customer Reactivation Rate = Lapsed Customers Who Return ÷ Lapsed Customers Targeted for Reactivation

Track how many dormant customers eventually make another purchase and, ideally, what caused them to return. Was it an email? A call from a salesperson? A new product? A special offer? Or did they simply wander back on their own?

This distinction matters because it tells you whether you have a repeatable reactivation strategy or you're just getting lucky. Acquisition tells you whether you can create customers. Retention tells you whether you can keep them. Reactivation tells you whether you can recover them.

Now we need to know what those customers are actually worth.

Customer lifetime value

Imagine two customers. Customer A spends $1,000 on their first purchase. Customer B spends $400. Which one would you rather acquire? You don't have enough information to answer.

If Customer A never returns, they're worth $1,000 in revenue. If Customer B comes back twice a year for five years, they're worth $4,000.

The number to know

Customer Lifetime Value estimates the economic value a customer generates over the course of the relationship.

The numbers on your financial statements tell you the results. The numbers behind them help explain why you got those results. Track them consistently, and you'll have a much clearer picture of what's working, what isn't, and where to focus next.

As always, should you have any questions or concerns regarding your tax situation please feel free to call.