

The Post-Tax Audit Workbook

Six questions to mine your filed return, plus the tax moves behind a quieter April.

HOW TO USE THIS WORKBOOK

Pull up your 2025 return and your books. Set aside one hour. Move through the six questions in order: three on the business side, three on the finances. Each worksheet has space to write the number, the read, and the decision it triggers for next year.

After the worksheets, the tax-planning levers show what to put in place so next April runs on a system, not a scramble. The final pages walk through a worked example using a fictional solo so you can see the framework in action.

EXPERT CONTRIBUTOR

Ryan Page, founder of Backpacket CPA

01 Audit the Business

What your return tells you about the business

The first three questions sit on the business side of your return. Twelve months of deposits hold a clearer pattern than any single quarter feels mid-year.

WORKSHEET 1 · SEASONAL RHYTHM

Which months carried the year, and which were thin?

List your top three months by revenue and your bottom three. Look at last year's calendar against those months: what were you doing, what landed, what fell flat?

Read: launches and outreach belong in the strong months. Rest and admin belong in the thin ones.

WORKSHEET 2 · PRICING + MARGIN

Which engagements held a healthy margin, and which leaked?

Pick your three biggest engagements. For each, write the revenue, your direct cost to deliver, and the gross margin. Flag any below 50%.

Ryan: "For most solo services, gross margin is probably 50 to 80 percent, and net around 30 percent."

WORKSHEET 3 · REVENUE CONCENTRATION

What share of revenue came from your top two clients?

Add the revenue from your top two clients. Divide by total revenue. Write the percentage. Then game out: if one ends in August, what fills the gap?

Read: above 50% from two clients means the business is more fragile than it feels.

02 Audit the finances

What your return tells you about the money

The next three questions sit on the finance side. Profit on paper and cash in the bank are different stories. Pull both apart before the view fades.

WORKSHEET 4 · EXPENSE CREEP

Where is the leak in your expense base?

Group every expense into five lines: labor, G&A, marketing, travel and entertainment, professional services. Run each as a percentage of revenue. The outlier is the leak.

Then ask: which line items doubled since last April without a clear return?

WORKSHEET 5 · CASH FLOW + AR AGING

How long did clients take to pay the average invoice?

Pull your AR aging or invoice history. Calculate average days to pay. Flag any client over 45 days.

Read: above 45 days points at the follow-up system, not at the clients.

WORKSHEET 6 · TAX SEASON DEBRIEF

Was April a scramble, or was it predictable?

Write what made this season hard or easy: receipts, books, quarterlies, surprise bill, IRS underpayment penalty. One sentence each. Then write the one fix that retires that pain next April.

Stat: Ryan finds an IRS underpayment penalty on 70 to 80% of solo returns he reviews.

03 Tax-planning levers

Three moves the pros put in place ahead of the year

Higher revenue means a higher tax bill, and there's nothing to do about it once you're filing. These three levers belong in the calendar before December, not in April.

QUARTERLY CALIBRATION

Calibrate next year's quarterly estimates against this year's actual pace. Pay on time, pay enough. Ryan: 70 to 80% of the solo returns he reviews carry an IRS underpayment penalty. The fix is a rhythm, not a rescue. **Action:** mark April 15, June 15, September 15, January 15 in your calendar now, with a recurring two-hour block the week before each.

S CORP ELECTION

Once consistent revenue clears roughly \$60 to \$70K, a sole prop or LLC stops being the right container. An S Corp election lets you split income between salary and distributions, with self-employment tax only applying to the salary portion. **Action:** 20 minutes with your CPA to run the math on whether the savings beat the added complexity for your situation.

SOLO 401(K)

A solo 401(k) lets a one-person business contribute as both employee and employer. For 2025, the combined cap sits at \$70,000 (under 50). Every dollar in cuts the tax bill and grows tax-deferred. **Action:** open it before December 31 to qualify for the year, even if you fund it later.

None of the above is tax advice. Run the specifics with your CPA before electing or contributing.

04 Worked example

Sarah, freelance brand strategist

The setup. Sarah is a freelance brand strategist in her fourth year solo. 2025 revenue: \$145,000. Two retainer clients, three project clients, a handful of one-off engagements. She filed her return in early April and writes a \$4,200 surprise check, plus a \$310 IRS underpayment penalty. She runs the six questions on a Saturday morning.

WORKSHEET 1 · SEASONAL RHYTHM

Top months: March (\$22K), September (\$19K), November (\$17K). Bottom: January (\$4K), July (\$5K), August (\$6K).

Read: Q1 and Q4 carry the year. The July rebrand launch she ran for one client landed flat because she was the only one paying attention. **Decision:** launches in March and September, an unplugged week in late July.

WORKSHEET 2 · PRICING + MARGIN

Retainer A: \$36K revenue, \$4K direct cost, 89% gross. Retainer B: \$30K revenue, \$9K direct cost (subcontractor), 70% gross. Project work: \$48K revenue, \$6K cost, 88% gross. **Read:** Retainer B is the leak; the subcontractor scope crept past the original brief. **Decision:** tighten the scope on renewal, raise the retainer 15%, or sunset.

WORKSHEET 3 · REVENUE CONCENTRATION

Top two clients: Retainer A + Retainer B = \$66K, or 46% of revenue. **Read:** below the 50% danger line, but close. If Retainer A ends in August, she loses \$15K of remaining 2026 revenue with no replacement in the pipeline. **Decision:** two outbound conversations a week starting in May, targeting one new retainer by Q3.

WORKSHEET 4 · EXPENSE CREEP

Labor (subcontractor): 6%. G&A: 4%. Marketing: 3%. Travel + entertainment: 2%. Professional services: 11%. **Read:** professional services is the outlier, driven by three different bookkeepers and two software trials she forgot to cancel. **Decision:** consolidate to QuickBooks plus one bookkeeper, audit subscriptions in May.

WORKSHEET 5 · CASH FLOW + AR AGING

Average days to pay: 38. One project client averaged 62 days. **Read:** the follow-up system is the gap; she sends the invoice and then waits. **Decision:** move billing to Anchor for automated reminders, set net-15 terms on new contracts.

WORKSHEET 6 · TAX SEASON DEBRIEF

Surprise check: \$4,200, plus \$310 IRS underpayment penalty. Q3 quarterly was paid late. **Read:** her quarterlies were calibrated to 2024's revenue (\$110K), not 2025's (\$145K). **Decision:** recalibrate quarterlies to 2025 actuals, set calendar reminders one week before each due date, open a solo 401(k) before December.

WHAT CHANGES NEXT APRIL

Sarah books one hour a month for bookkeeping, two hours a quarter for the forecast refresh, and one hour a year for this audit. Her 2026 quarterlies are calibrated against 2025's actual pace. Her solo 401(k) cuts \$20K off her taxable income. Anchor pulls cash in 23 days on average instead of 38. Next April: no surprise, no penalty, and the cleanest read of the business she's had since she went solo.