



CASE STUDY · SOLO OPERATOR · VIDEO ENGINEERING

HOW AN S-CORP ELECTION (AND THREE COMPANION MOVES) FOUND MIKE **\$29,000.**

A Tax Strategy Roadmap for a growing solo operator. Six fundamentals, one structural unlock, and a five-year projection of **\$145,000+** back in the business.

Names have been changed for privacy. The numbers, strategies, and findings are exactly as surfaced during the Tax Strategy Roadmap.

CLIENT

Mike
Solo Operator

INDUSTRY

Video Engineering
& Consulting

ENTITY

Single-Member LLC
Sole-Prop Default

ENGAGEMENT

**Tax Strategy
Roadmap**
California

AT A GLANCE

**A \$150K SOLO OPERATOR.
A \$38,000 TAX BILL.
AN LLC DOING NOTHING.**

Mike runs a video engineering and consulting practice in California. \$150K gross, \$100K net, plus a small W-2 he uses as a connection point for side work. He'd already formed an LLC and waited for the tax savings to show up. They didn't. Here's what surfaced when we ran his return through the CLEAR EDGE Framework.

CLIENT SNAPSHOT	
CLIENT	Mike
INDUSTRY	Video Engineering & Consulting
LOCATION	California
GROSS REVENUE	\$150,000
NET INCOME	\$100,000
OUTSIDE W-2	\$20K to \$25K
ENTITY	Single-member LLC (sole-prop default)
BEFORE MTF	\$38,000+ projected liability, no S-Corp election, no strategy

\$29K

TOTAL TAX SAVINGS

Surfaced in a single Tax Strategy Roadmap. Six fundamentals, all written into the code on purpose.

6

CORE STRATEGIES

Three pillars of CLEAR EDGE. Legal structure, deduction optimization, retirement planning.

\$145K+

PROJECTED 5-YEAR IMPACT

Before compounding. A starter home, the first hire, the next phase of the business.

THE PROBLEM IN ONE LINE

AN LLC BY ITSELF DOESN'T CHANGE HOW YOU'RE TAXED.

THE SHIFT IN ONE LINE

SAME INCOME. DIFFERENT STRUCTURE. 29,000 REASONS.

THE CHALLENGE

01 HE FORMED AN LLC AND DIDN'T SEE A SINGLE DOLLAR OF TAX SAVINGS.

Mike is the kind of business owner the tax code is supposed to reward, and almost never does without the right advisor at the table. He runs a video engineering and consulting practice in California, billing roughly \$150,000 gross with a \$100,000 net. The business is his primary source of income. The business *is* the income.



I created this LLC, but I'm not seeing any tax savings.

That's the gap. An LLC by itself doesn't change how you're taxed. A single-member LLC defaults to sole-proprietor treatment, so every dollar of business profit gets hit with self-employment tax on top of regular income tax.

Mike was watching a projected federal and state tax liability of just over \$38,000 roll toward him, and nobody had walked him through the foundational decisions that would actually move the number.

That's the **Happy Historian** at work. They record what already happened, file the form, hand you the bill, and never tell you the entity election alone could've cut a chunk of your tax bill in half.

Mike wasn't asking for advanced strategy. He was asking for the basics. He wasn't getting them either.

THE FOUNDATIONAL GAP

If your advisor formed your LLC and stopped there, you're sitting on a number this big too. Most likely, they just haven't done the math. The Happy Historian approach is reactive, not proactive. They never tee up the next steps you don't even know to take.

MAKE TAXES FAIR · TAX STRATEGY ROADMAP

THE SOLUTION

02 A TAX STRATEGY ROADMAP, RUN THROUGH THE CLEAR EDGE FRAMEWORK.

The MTF team built Mike a Tax Strategy Roadmap. The same diagnostic we run for every prospective client, applied to Mike’s actual return and his actual entity setup. Three pillars rose to the top for an owner at his stage:

<p>PILLAR · 01 LEGAL STRUCTURE</p> <p>The S-Corp election is the structural unlock. It cuts self-employment tax and makes the next three strategies legitimately runnable.</p>	<p>PILLAR · 02 DEDUCTION OPTIMIZATION</p> <p>Tighten every legitimate deduction Mike’s currently leaving on the table because nobody’s been hunting for them.</p>	<p>PILLAR · 03 RETIREMENT PLANNING</p> <p>The right plan, the right contribution levels. The most powerful deduction in the code, and most solo operators are underfunding it.</p>
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THE SIX STRATEGIES SURFACED

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| <p>01 S-CORP ELECTION HERO MOVE</p> <p>Saves Mike north of \$14,000 in self-employment tax alone, and unlocks the next three strategies that depend on real corporate structure underneath them.</p> | <p>02 AUGUSTA RULE</p> <p>Rent the home to the business for up to 14 days a year. Tax-free income to Mike, full deduction to the company.</p> |
| <p>03 ACCOUNTABLE PLAN</p> <p>Reimburse Mike for legitimate business use of phone, home office, vehicle, and equipment refresh. The S-Corp deducts; he pockets it tax-free.</p> | <p>04 BOARD OF DIRECTORS</p> <p>A real, documented board with real meetings. Unlocks legitimate director compensation, travel, and meeting expense deductions.</p> |
| <p>05 DEDUCTION OPTIMIZATION</p> <p>A pillar move under CLEAR EDGE, not a single tactic. Every legitimate deduction tightened, captured, and documented.</p> | <p>06 RETIREMENT PLANNING</p> <p>The right plan, the right structure, the right contribution levels for his bracket and growth trajectory.</p> |

NO ADVANCED TIER NEEDED

Mike isn’t in the bracket where capital-deployed advanced moves make sense yet, and that’s the right call to make on his behalf. Six strategies, all fundamentals, every one of them written into the tax code on purpose.

THE RESULTS

**03 THE SAME INCOME, TAXED DIFFERENTLY.
\$29,000 BACK IN THE BUSINESS.**

METRIC	BEFORE	AFTER CORE STRATEGIES
Combined federal + state tax liability	\$38,000+	\$9,000+
Self-employment tax burden	High (sole-prop default)	Substantially reduced
Tax bracket	22%	22%

HERO MOVE

~\$14K

S-Corp election alone. The structural unlock that cuts self-employment tax and powers the next three strategies.

COMPANION STACK

~\$12K

Augusta Rule + Accountable Plan + Board of Directors stack on top of the S-Corp to take legitimate dollars out of the tax base.

PILLARS

~\$3K

Deduction optimization + retirement planning round out the rest of the \$29,000 total.

THE HERO MOVE · WHY THE S-CORP ELECTION CHANGES EVERYTHING

AUGUSTA RULE

The S-Corp rents Mike’s home for up to 14 days a year for legitimate business meetings. Company deducts the rent; Mike receives the income tax-free.

ACCOUNTABLE PLAN

A formal reimbursement structure for phone, home office, vehicle, and equipment refresh. S-Corp deducts every reimbursement; Mike receives tax-free.

BOARD OF DIRECTORS

A real, documented board with real meetings, minutes, and director compensation. Travel and meeting expenses become legitimate deductions.

The 22% bracket doesn’t move. That’s not the point. The point is that the same income gets taxed differently, with a structurally lower self-employment burden and three layered strategies that take legitimate dollars out of the tax base entirely. Project Mike’s \$29,000 across the next five years and we’re looking at **\$145,000+** added to his net worth, before compounding.



READY TO SEE WHAT YOUR LLC SHOULD'VE BEEN DOING ALL ALONG?

FRIENDS DON'T LET FRIENDS OVERPAY THE GOVERNMENT.

Your roadmap is built specifically for your business, your entity, your income, and your bracket. No checklists, no generic playbooks, no guessing. Just a clear list of legal moves the tax code already wrote for owners exactly like you, and the math to prove it. **Launchpad-tier** owners get a guided DIY path; owners past **\$50,000 in federal taxes** step into full-service strategy work alongside MTF year-round.

YOU'RE A FIT IF

- ✓ You're profitable and growing
- ✓ You want to understand the strategy, not just outsource it
- ✓ You'll do the documentation work to harvest the savings
- ✓ You treat your tax bill like your P&L, a number that should move

NOT A FIT IF

- ✗ You're hunting shortcuts or gray-area loopholes
- ✗ You want a preparer who disappears until next April
- ✗ You won't invest the time to harvest savings we hand you
- ✗ You want someone to file and never explain why

GET MY TAX STRATEGY ROADMAP →

VISIT

maketaxesfair.com

FIRST STEP

A diagnostic built on your actual return, not a template.

THE PROMISE

Friends don't let friends overpay the government.