



Creator Tax Review

Prepared for Jordan, a fictional creator · Report date: October 8, 2026

Sample report. This shows the written report you get from a Creator Tax Review. The creator, the numbers, and the IRS records are made up. Figures follow 2026 federal tax rules as of October 2026 and are rounded. Nothing here is tax advice for your situation.

Prepared for: Jordan, a food and recipe creator (fictional). Single, no children, rents an apartment, and lives in Florida, which has no state income tax. Earns from YouTube ads, brand deals, affiliate links, and paid memberships as a sole proprietor, with no LLC or S corporation. Has about \$40,000 in savings for taxes and hasn't made any 2026 estimated payments.

Records reviewed: platform payout reports and bank and card statements for January 1 to September 30, 2026; the 2025 federal return and Form 1095-A; IRS account and wage and income transcripts for 2020 through 2025; and IRS return transcripts for 2022 through 2024.

What to fix first

You're in good shape overall: every return is filed, no year has a balance due, and you've already saved for taxes. The gaps are timing, one missed deduction, and one income difference to check. Here they are in the order I'd handle them.

1. **Pay \$26,120 toward your 2026 federal estimated tax now.** The April, June, and September payments were missed, and this covers all three so the penalty stops growing.
2. **Pay \$8,710 by January 15, 2027.** That completes the safe harbor amount for 2026.
3. **Set aside 25% of every payout in a separate savings account,** starting with your next one, through December. That covers January and the roughly \$21,120 due in April. We'll set your 2027 amount in January.
4. **Check the \$3,200 difference on your 2024 return.** The IRS has \$3,200 more in 2024 income on file than your return shows. The first step is matching it to your records to rule out a duplicate or a timing difference. If income was missed, amending would cost about \$1,000 plus interest and get ahead of an IRS notice.
5. **Amend your 2025 return to deduct your health insurance.** You paid \$5,400 in premiums that weren't deducted, likely worth about \$950 back.
6. **Decide on a Solo 401(k) before December 31.** It's the biggest tax saver available to you this year.

Income and expenses so far this year

Your business brought in \$210,000 and kept \$156,000 in profit from January through September. Fourth quarter usually brings higher ad rates and holiday brand deals, so I project \$288,000 in income and \$218,000 in profit for the full year.

	Jan to Sep 2026	Projected full year
INCOME		
YouTube ads	\$96,000	\$136,000
Brand deals	\$84,000	\$108,000
Affiliate links	\$18,000	\$28,000
Paid memberships	\$12,000	\$16,000
Total income	\$210,000	\$288,000
EXPENSES		
Video editor (contractor)	\$30,000	\$40,000
Camera and lighting equipment	\$9,000	\$10,500
Ingredients and props	\$6,000	\$8,000
Travel for brand shoots	\$4,000	\$5,000
Software and subscriptions	\$3,000	\$4,000
Platform and payment fees	\$2,000	\$2,500
Total expenses	\$54,000	\$70,000
Profit	\$156,000	\$218,000

Two notes on these numbers. Most equipment placed in service this year can be deducted in full for 2026, for the share used in the business. And because you've paid your editor \$2,000 or more by bank transfer, you'll likely need to send them a Form 1099-NEC by February 1, 2027. Collect their Form W-9 now; if it shows a corporation, no form is needed.

What you'll likely owe for 2026

My estimate is about \$56,000 in federal tax for 2026. Florida has no personal income tax, so there's nothing to add for the state. That's about 26% of your profit, or 19% of everything you're paid.

	Estimate
Self-employment tax and Additional Medicare Tax	\$28,750
Income tax	\$27,200
Total federal tax	\$55,950

This uses your projected \$218,000 profit, the \$16,100 standard deduction, a deduction for your \$7,200 in health insurance premiums, and the 20% qualified business income deduction (about \$36,100). If your profit comes in \$10,000 higher or lower than projected, your tax moves by about \$2,200.

What to set aside and what to pay

Set aside 25% of every payout through December for your 2026 taxes. Because your 2025 adjusted gross income was under \$150,000, you're protected from further penalties if your 2026 payments add up to your total 2025 tax of \$34,823, paid in four parts.

When	Pay	What it covers
Now	\$26,120	The missed April, June, and September payments
By January 15, 2027	\$8,710	The fourth 2026 payment
By April 15, 2027	About \$21,120	The rest of your 2026 tax, paid with your return

After today's payment, about \$13,900 of your \$40,000 stays in savings. Setting aside 25% of your projected \$78,000 in fourth-quarter payouts adds about \$19,500. Together that covers January and April and leaves about \$3,500, enough for the late-payment penalty and a possible 2024 amendment.

To pay, use IRS Direct Pay or your IRS Online Account and choose Estimated Tax, Form 1040-ES, tax year 2026. Expect a penalty of about \$500 for the three late payments if you pay this week, more if you wait. Paying stops it from growing but doesn't erase what has already built up.

Planning for 2027. Your first 2027 estimated payment is also due April 15, 2027. Because your 2026 adjusted gross income will likely top \$150,000, the safe harbor for 2027 rises to 110% of your 2026 tax, about \$15,400 a quarter. That's more than 20% of a typical quarter's payouts, so we'd set your 2027 plan in January. Paying based on what you actually earn each quarter may lower the early payments, and a large Solo 401(k) contribution could bring 2026 income under \$150,000, which drops the safe harbor back to 100%.

Look-back: your 2025 return

Your 2025 return was accurate on income but missed one deduction worth amending for.

- **Health insurance premiums: missed.** You paid \$5,400 for marketplace coverage in 2025. Self-employed people who can't get subsidized coverage through an employer can deduct those premiums. I ran Form 8962 using your 1095-A, including how the credit and this deduction affect each other. At your 2025 income, no premium tax credit is allowed, so amending would put about \$950 back in your pocket.
- **Home office: not claimed.** If part of your apartment is used only and regularly for filming or editing, you may qualify. An amended return has to use your actual costs, such as a share of rent and utilities, so I'd figure the amount if you do.
- **Income: matches IRS records.** Every 1099 on your 2025 transcript is on your return.
- **Retirement contributions: none.** Your return was filed in April without an extension, so the deadline to contribute for 2025 has passed. This one moves to 2026.

Your IRS account, 2020 to 2025

All six years are filed with no balance due, but the IRS has \$3,200 more in 2024 income on file than your return shows.

Tax year	Filed	Balance owed	Notices	What the transcripts show
2025	Yes	\$0	None	Matches
2024	Yes	\$0	None yet	1099s total \$3,200 more than the business income on your return
2023	Yes	\$0	None	Matches
2022	Yes	\$0	None	Matches
2021	Yes	\$0	None	No mismatch adjustments on your account
2020	Yes	\$0	None	No mismatch adjustments on your account

Your 2024 return transcript shows \$3,200 less business income than the 1099s on file, including one from a brand agency. That alone doesn't prove income was missed: a duplicate 1099, a form issued in error, or a payment recorded in a different year can cause the same gap. The first step is matching each 1099 to your 2024 records. The IRS matches every 1099 against your return and usually sends a notice (CP2000) for a gap like this, often a year or two later. If income was missed, amending would mean about \$1,000 in added tax plus interest, based on your 2024 return, and the interest stops once it's paid. Doing it before the IRS contacts you generally avoids an accuracy penalty on that amount. If it was missed, I'm required to tell you and explain what it could mean for you. Whether to amend is your decision.

Your 2025 account also shows a \$1,020 penalty for skipped estimated payments, already paid with your return. The payment plan above keeps the 2026 penalty much smaller.

Ways to lower your tax: a first look

A Solo 401(k) is your biggest opportunity for 2026, and an S corporation is worth a closer look for 2027. These are options to explore, not recommendations yet, since each depends on your full situation.

Option	Possible federal tax savings	Timing
Solo 401(k)	About \$1,900 for every \$10,000 you contribute, up to about \$12,200 at the maximum	Best opened by December 31, 2026
S corporation	Roughly \$3,000 to \$9,500 for a full year after added costs, illustrated with 2026 figures	Cleanest start: January 1, 2027
Home office	About \$340 a year with the simplified method (300 square feet used only for work), possibly more using actual costs	Your 2026 return

Solo 401(k). You can contribute up to about \$65,200 for 2026: \$24,500 as the employee plus about \$40,700 as the employer. That's the most allowed, not a target. How much fits depends on what's left after taxes and living costs, which we'd work out together before December. These figures assume traditional (pre-tax) contributions, no other retirement plan, and that you're under 50. Each \$10,000 also lowers your April balance by about \$1,900. The money stays yours, invested for retirement.

S corporation. You'd form an LLC, elect S corporation status, and pay yourself a reasonable salary through payroll. Only the salary is subject to Social Security and Medicare tax. The range is an illustration using 2026 tax rules and your 2026 numbers, so 2027 figures will differ. It assumes a salary between \$80,000 and \$115,000 and includes the effect on your income tax and QBI deduction. Where you land depends on what salary would hold up if the IRS asks. Added costs run about \$2,700 a year for payroll, a separate business return, and unemployment taxes. Your health insurance would also run through payroll, and your 401(k) room would shrink, so these savings don't simply add to the Solo 401(k) savings. January 1, 2027 is the cleanest start. An LLC formed in late 2026 could elect right away, but two months of savings likely wouldn't cover the setup and an extra 2026 return. The election can't reach back to January 2026, since there was no LLC to elect.

Something to watch. Your 20% qualified business income deduction can start to shrink once taxable income passes \$201,750. Above that line, it depends on wages paid to employees, and brand-deal income can count as a "specified service," which limits it further. You're about \$21,000 under that line for 2026. If your income keeps growing, we'd plan around it.

Your Full-Service quote and next steps

In a real report, this section lists your monthly fee and a separate quote for any catch-up work. For Jordan, the Full-Service Plan would cover:

- Monthly books for one checking account, one credit card, and PayPal, with income from YouTube, two affiliate programs, a membership platform, and brand deals
- Quarterly estimated tax amounts, year-round tax planning, and your 2026 federal return
- Catch-up work, quoted separately: books for January through September 2026, the 2025 amendment, and a 2024 amendment if the \$3,200 difference turns out to be missed income

If you sign up within 30 days of this report, the full \$850 review fee is credited toward your Full-Service Plan.

This report is yours to keep, whether or not you continue. If you'd like to talk it through, we can have an optional 30-minute call, or I can answer questions in writing.

Winnie

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Estimates are based on the information available on the report date and current tax law. Your actual tax may differ, and no specific savings or result is guaranteed.