



CONFIDENTIAL & PROPRIETARY

THE EXECUTIVE BLUEPRINT

The Elite Wealth & *Tax* *Strategy* Guide

A High-Impact Tax Reduction Playbook

An exclusive executive blueprint outlining aggressive, institutional-grade tax mitigation strategies for high-income earners and business owners.

PREPARED BY · VTAX+ ADVISORY GROUP

LEVERAGING ADVANCED IRC FRAMEWORKS & INTERNAL REVENUE CODE BLUEPRINTS



— STRATEGY ONE

The Power of Accelerated Depreciation

One of the most potent wealth-building mechanisms within the Internal Revenue Code is the ability to write off capital expenditures instantly, significantly scaling down adjusted gross income (AGI). For high-net-worth operators, mastering the interplay of Section 179 and Bonus Depreciation is paramount.

→ IRC Section 179 Execution

Section 179 allows businesses to deduct the full purchase price of qualifying equipment, software, and vehicles financed or purchased during the tax year. Instead of capitalizing and depreciating the asset over its standard class life (e.g., 5 or 7 years), you deduct the full expense immediately, up to the statutory annual threshold limit.

→ The Heavy Vehicle Loophole (*The "G-Wagon Strategy"*)

Vehicles with a Gross Vehicle Weight Rating (GVWR) exceeding 6,000 pounds qualify for unique, aggressive write-offs. Because these vehicles are legally classified as heavy equipment rather than passenger luxury automobiles, they bypass standard luxury auto depreciation caps.

- ◆ **First-Year Writing Power:** Up to 100% of the vehicle's business-use value can be accelerated into year one when combining Section 179 limits with prevailing Bonus Depreciation rates.
- ◆ **Qualification Metric:** The vehicle must be utilized more than 50% for legitimate business purposes to trigger any level of accelerated deduction.

VTAX+ ELITE INSIGHT

If you purchase a heavy commercial SUV for **\$120,000** and establish **80%** business use, your depreciable basis is $\$120,000 \times 0.80 = \$96,000$. This full amount can often be utilized as a direct deduction against your business revenues in Year 1, creating immediate five-figure tax cash savings.



STRATEGY TWO

Real Estate Professional Status & Passive Losses

By default, the IRS classifies all rental real estate activities as inherently passive under IRC Section 469, meaning paper losses from depreciation cannot offset active income such as W-2 wages, business distributions, or 1099 consulting fees. REPS fundamentally rewrites this dynamic.

→ Unlocking Unlimited Offsets

If you or your spouse successfully qualify as a Real Estate Professional under the tax code, your rental real estate activities transition from passive to active. Consequently, any paper losses generated via real estate can be used to wipe out ordinary, highly-taxed active income, without limitation.

→ The Two-Step Statutory Test

To secure REPS qualification, you must hit both of the following objective benchmarks annually:

REPS QUALIFICATION - ANNUAL BENCHMARKS

STATUTORY REQUIREMENT	HOURLY THRESHOLD	CORE FOCUS
Test 1 - Material Participation	> 750 hours / yr	Time spent in real property trades or businesses.
Test 2 - Primary Professional Duty	> 51% of work time	Real estate must exceed all other professions combined.

→ The Short-Term Rental (STR) Loophole Alternative

IF A FULL-TIME CAREER BLOCKS THE 51% TEST

The STR Loophole lets you bypass the REPS requirement entirely. If your rental property has an **average guest stay of 7 days or less** and you materially participate (e.g., 100+ hours and more than anyone else), the income is classified as non-passive, immediately unlocking massive paper depreciation deductions to offset ordinary income.



STRATEGY THREE

Entity Optimization & the S-Corporation Pivot

Operating as a standard Sole Proprietor or basic single-member LLC leaves you fully exposed to a heavy 15.3% Self-Employment (SE) tax on every dollar of net operational profit, up to the Social Security wage base limit.

→ The VTAX+ Splitting Strategy

By electing S-Corporation status with the IRS, you split your business net income into two distinct categories:

- ◆ **W-2 Salary:** Subject to standard FICA and self-employment payroll taxes. This salary must be deemed "reasonable" for your industry.
- ◆ **Shareholder Distributions:** Exempt from self-employment taxes entirely. This is where your tax optimization manifests.

→ Comparative Structural Blueprint

SOLE PROPRIETORSHIP / LLC VS. S-CORPORATION - \$150,000 NET INCOME

FINANCIAL METRIC	SOLE PROP / LLC	S-CORP STRUCTURE
Net Business Income	\$150,000	\$150,000
W-2 Reasonable Salary	\$0	\$60,000 (SE-taxed)
Shareholder Distribution	\$150,000	\$90,000 (0 SE tax)
Est. Self-Employment Tax	~\$21,194	~\$9,180
Annual Cash Savings	\$0	+ \$12,014 saved

VTAX+ ELITE INSIGHT

The same split applied to higher net incomes compounds dramatically, a structure we model precisely for each client's "reasonable compensation" profile to keep the strategy **audit-defensible**.



— STRATEGY FOUR

Advanced High-Value Tax Deductions

→ The Augusta Rule (*IRC Section 280A*)

Under IRC Section 280A(g), you can rent your primary residence to your business entity for up to **14 days per calendar year completely tax-free**. Your S-Corporation or LLC takes a legitimate business-expense deduction for the rental amount (reducing its taxable net income), while you receive the rental income personally without reporting a single dollar of it as taxable income.

EXECUTION PROTOCOL

Document the meetings with corporate minutes, establish a legitimate business purpose (board meetings, strategy reviews), and charge market-rate pricing supported by comparable local rental metrics.

→ Maximizing Write-Offs via Everyday Expenses

Convert your personal lifestyle into legitimate, auditable business expenses through strategic tracking:

- ◆ **Business Meals (*IRC Section 274*):** Deduct 50% of dining expenses when discussing business operations, strategy, or client acquisition with partners, prospects, or advisors.
- ◆ **The Home Office Deduction (*IRC Section 280A*):** Deduct a percentage of your mortgage interest, utilities, and internet by designating a specific, exclusive area of your home solely for business management.



ELITE ADVISORY GROUP

YOUR NEXT MOVE

Ready to *automate & execute* these strategies?

Tax laws are highly complex and constantly evolving. This blueprint is designed for informational excellence.

Contact the VTAX+ Advisory elite team to map out a fully customized strategy tailored precisely to your expanding business empire.

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