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ESTATE PLANS ARE NOT SET-AND-FORGET

Most estate plans are prepared during a time of change, such as retirement, the sale of a business, the birth of a grandchild, or the death of a parent or spouse. The documents are signed, placed in a safe deposit box or a desk drawer, and rarely opened again for a decade or more.

Families, assets, and other circumstances might change over the years, while the estate plan made ten or fifteen years ago might no longer properly consider one's current wishes, family dynamics, or current financial situation. In some cases, the documents still technically work, while practical issues quietly accumulate over time and create unnecessary complications when the plan is finally called upon.

Many assume estate planning is primarily about reducing estate taxes. Taxes can be a meaningful consideration for some families, but most estate plans are not primarily tax-driven. The more important goals are usually maintaining family harmony, simplifying administration, planning for incapacity, protecting beneficiaries, and ensuring that assets pass according to one's wishes.

As a general rule, an estate plan should be reviewed every three to five years even when nothing has obviously changed. Certain events warrant a review sooner:

- Marriage, divorce, or remarriage, whether one's own or that of a child
- The birth or adoption of a child or grandchild
- The death or serious illness of a family member, executor, or trustee
- A significant change in assets, including the sale or purchase of a business or real estate
- A move into or out of Louisiana, or any other change of state residency
- Retirement or a substantial change in income
- A child or grandchild reaching adulthood

An estate plan is not a set of documents signed once and forgotten. It should evolve alongside the family, the assets, and the goals it was designed to protect.

We will be happy to discuss existing estate planning arrangements and, when appropriate, coordinate with your legal counsel and other trusted advisors to help ensure that the overall plan is consistent with your current family circumstances, financial objectives, and testamentary wishes.

Next Month: Common Problems Hiding in Older Estate Plans.

GOLD VS. STOCKS: A LONG-TERM PERSPECTIVE

With gold prices near historic highs and stock markets experiencing the kind of volatility that makes headlines, the question of whether gold belongs in a long-term investment portfolio comes up often. Gold is often promoted through television and other media advertising as a “safe” investment, but long-term history has generally favored a broad-based, low-cost equity fund over gold for investors seeking growth, income, and purchasing-power protection over time.

Comparisons of 10-, 20-, and 30-year

investment returns through 2025 show that large-cap U.S. stocks (S&P 500) materially outperformed gold over long holding periods. Most notably, in every 30-year period ending December 2014 through December 2025, stocks produced higher annual compound returns than gold, and with a much tighter range of outcomes. That is an important point. While both gold and stocks can be volatile over short periods, the long-term results for equities have historically been both stronger and more consistent.

	Gold			Large Cap Stocks		
	32 10-Year Periods Ended 12/94 - 12/25	22 20-Year Periods Ended 12/04 - 12/25	12 30-Year Periods Ended 12/14 - 12/25	32 10-Year Periods Ended 12/94 - 12/25	22 20-Year Periods Ended 12/04 - 12/25	12 30-Year Periods Ended 12/14 - 12/25
Mean (Average) Return	5.28%	6.62%	5.13%	10.72%	9.19%	10.41%
Highest Return	19.00%	11.24%	8.38%	19.21%	13.22%	11.33%
Lowest Return	-5.07%	1.76%	3.32%	-1.38%	5.62%	9.64%

Using these mean rates of return over a 30-year period, a \$100,000 investment in large cap stocks would have grown to \$1,950,978, while the same \$100,000 investment in gold would have grown to \$448,539, a more than four times total accumulation for the large cap stocks.

A key reason for this gap is that gold is not a productive asset. It does not pay dividends, earn profits, or grow through innovation and expanding business activity. By contrast, a broad equity fund represents ownership in many operating businesses that can increase earnings, pay dividends, and reinvest for growth, compounding that advantage over time in ways that gold cannot.

The comparison supports the following conclusions:

- Broad-based stocks (S&P 500) beat gold in all of the measured 30-year periods.
- Stocks beat gold in the majority of the measured 10-year and 20-year periods.
- Long-term stock returns were not only higher, but also more consistent.

None of this is to say that stocks never decline or that gold should never be considered. It is, however, a reminder that investors should be wary of marketing built on fear.

Gold might have a limited role for some investors, but it should not be mistaken for long-term wealth-building. Investors should also be cautious about promotional claims that present gold as uniquely “safe.” Price volatility of gold can be substantial, and ownership costs might be higher than market-price comparisons suggest, especially when dealer markups, storage, and insurance are considered. The numbers presented above do not include such ownership costs, which would tend to make gold’s real-world results even less favorable.

History has generally rewarded patient, disciplined ownership of productive businesses far more than ownership of a non-productive metal, and, for most long-term investors, the historical evidence continues to support a simpler approach: a broad-based, low-cost stock mutual fund or ETF, held patiently over many years.

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Tax & Business Alert

JULY 2026

SIMPLE RETIREMENT SOLUTIONS FOR SMALL BUSINESS OWNERS

Offering employees retirement options can be an effective way for small business owners to attract and retain talent. If you're concerned about cost and administrative complexity, you're not alone. Fortunately, several options are available, including a Simplified Employee Pension (SEP) plan.

ESTABLISHING A SEP PLAN

You can set up a SEP plan for a given year by the due date, including extensions, for your business's income tax return for that year. For eligible employers, this is done using IRS Form 5305-SEP, "Simplified Employee Pension—Individual Retirement Accounts Contribution Agreement." The agreement is considered adopted when the form is completed, SEP IRAs are set up for all eligible employees and these employees have been provided with certain required information, including copies of the form. Form 5305-SEP doesn't need to be filed with the IRS.

As the employer, you receive a current income tax deduction for contributions made on behalf of your employees. Employees generally aren't taxed on traditional SEP plan contributions when they're made, but distributions are taxed when they occur, typically at retirement.

Employers with SEP plans may allow employees to have SEP plan contributions made to a Roth IRA (Roth SEP) on an after-tax basis. Contributions are taxed in the year made, but qualified Roth withdrawals may be tax-free. This is optional and relatively new, and not all plans offer it.



For 2026, the maximum deductible contribution you can make to a SEP-IRA — and that can be excluded from employees' income — is the lesser of: 1) 25% of compensation, or 2) \$72,000 per employee. If a business owner doesn't receive a W-2 from the business (for instance, an unincorporated sole proprietor), the calculation for the contribution to be made on the owner's behalf varies slightly.

Your employees can't contribute, but they do control their individual SEP IRAs, including choosing investments (from available options).

ADDITIONAL CONSIDERATIONS

There are other factors to consider when establishing a SEP plan. Essentially, all regular employees who meet eligibility requirements must be included in the plan, and contributions can't favor highly compensated employees.

Additionally, SEP plans generally don't require the detailed records that many other retirement plans, such as 401(k) plans, must maintain. There are also no annual reports to file with the IRS, and much of the required recordkeeping can be handled by the SEP-IRA trustee — such as a bank or brokerage firm.

EVALUATE YOUR OPTIONS

For certain businesses with 100 or fewer employees, Savings Incentive Match Plans for Employees (SIMPLEs) may be an option:

SIMPLE IRA. The employer establishes a SIMPLE IRA for each eligible employee and makes the required matching or 2% nonelective contribution. SIMPLEs are generally subject to fewer and simpler requirements than 401(k)s.

SIMPLE 401(k). This is a SIMPLE structured as a 401(k). If certain rules are met, it isn't subject to the

otherwise complex nondiscrimination rules that normally apply to 401(k)s.

For 2026, employee elective deferrals to SIMPLE IRAs or SIMPLE 401(k)s are generally limited to \$17,000. Employees age 50 and older may also make additional catch-up contributions.

SEEKING GUIDANCE

Choosing the right retirement plan depends on your business size, cash flow and long-term goals. Contact us to discuss your options and determine which best supports your needs. ■

HOW RENTING OUT YOUR VACATION HOME AFFECTS YOUR TAXES

When you're not using your vacation home, renting it out can generate extra income. But it can also affect your taxes, depending on how often you rent and use the property personally.

THE 14-DAY RULE

In some situations, renting out a vacation home can generate tax-free rental income. If it's rented for 14 or fewer days during the year, the rental income typically doesn't need to be reported on your tax return.

However, deductions are limited. You may generally deduct property taxes and qualified mortgage interest if you itemize deductions, but you *can't* deduct operating expenses or depreciation. (The property tax deduction is subject to the state and local tax deduction cap. Mortgage interest is deductible on your principal residence and one other home, subject to certain limits.)

MORE THAN 14 DAYS

If your vacation home is rented for more than 14 days during the year, the rental income generally must be reported as taxable income. But you *can* deduct a portion of operating expenses and depreciation, subject to certain rules.

Expenses must be allocated between personal and rental use. For example, if the home is rented for 90 days and used personally for 30 days, 75% of the total use is rental use (90 out of 120 total days).

In that case, you can allocate 75% of your costs, such as maintenance, utilities and insurance, plus 75% of your depreciation allowance, interest and property taxes to the rental activity. The personal use portion of taxes is separately deductible as an itemized deduction. The personal use portion of interest on a second home may

also be deductible, but only if the personal use exceeds the greater of 14 days or 10% of the rental days and the home mortgage interest deduction rules are met. Depreciation on the personal use portion isn't allowed.

CAN YOU CLAIM A LOSS?



If deductible expenses for your vacation home exceed rental income, you may be able to claim a rental loss. Here's the test: If personal use is more than the greater of 14 days or 10% of rental days, the property is generally treated as a personal residence.

In that case, deductions attributable to rental use generally can't create a loss. Instead, they're limited to rental income, and unused deductions may be carried forward to future years.

If the property *isn't* considered a personal residence based on your personal use, you must still allocate expenses between personal and rental use. But the home will be considered a rental property and, if your rental deductions exceed rental income, you can potentially claim the loss. (However, the loss is "passive" and may be limited under passive loss rules.)

MOVING FORWARD

Vacation home tax rules can be complex. Additional rules may apply if you qualify as a real estate professional or if you own multiple rental properties. We're available if you have questions. ■

REVISIT YOUR EMERGENCY FUND GOALS

An emergency fund is key to long-term financial security. Over time, changes in expenses, income, family needs and financial priorities can affect how much emergency savings you need. Regularly reviewing your reserves can help ensure they're sufficient to support your lifestyle and broader financial strategy.

HOW MUCH IS ENOUGH?

Financial professionals have long recommended maintaining three to six months' worth of living expenses in an easily accessible account. However, the right amount depends on a household's overall financial picture.



Start by recalculating your emergency savings baseline. Focus on essential expenses — the costs required to maintain your household, such as housing, utilities,

food, insurance, transportation and health care. Then compare that total to your current savings. If the gap has widened, a disciplined plan to gradually build up your fund can help restore peace of mind without disrupting your broader financial strategy.

For households with stable employment, multiple income sources or significant nonretirement investment assets, three months of reserves may provide sufficient protection. Others may benefit from maintaining six

months or more. Individuals with variable income, business owners, single-income households and those approaching retirement often choose to maintain larger reserves for additional flexibility.

The goal isn't to accumulate the largest possible cash reserve. Instead, it's to maintain an appropriate level of liquidity that supports both financial stability and long-term financial goals.

PUT CASH TO WORK

It's also worth reviewing where your emergency savings are held. Are you keeping substantial cash balances in traditional savings accounts that earn minimal interest? Alternatives such as high-yield savings accounts, money market accounts or short-term Treasury securities may offer better returns while maintaining a high degree of liquidity and safety.

For those who've moved their emergency savings into higher-yielding accounts, tax efficiency is an important consideration. Interest income from savings and money market accounts is generally taxable, which can erode your net return over time. Depending on your situation, there may be opportunities to position reserves more tax-efficiently without sacrificing accessibility.

STAY PREPARED

An emergency fund is designed to provide stability and flexibility during periods of uncertainty. Regular reviews can help ensure your savings strategy continues to support your lifestyle and long-term financial goals. ■

TAX CALENDAR

July 10

Employees must report June tip income of \$20 or more to employers (Form 4070).

July 31

■ **Employers** must file the second quarter Form 941, "Employer's Quarterly Federal Tax Return." (If your tax liability is less than \$2,500, you can pay it in full with a timely filed return.) If you deposited all taxes for the quarter in full and on time, you have until August 10 to file the return. Also, employers must deposit FUTA taxes owed through June if the liability is more than \$500.

■ **Employers that provide a retirement plan** generally must file a 2025 calendar-year retirement plan report (Form 5500 or Form 5500-EZ) or request an extension.

August 10

Employees must report July tip income of \$20 or more to employers (Form 4070).

September 10

Employees must report August tip income of \$20 or more to employers (Form 4070).

September 15

■ **Individuals** must pay the third installment of 2026 estimated income taxes.

■ **Calendar-year corporations** must pay the third installment of 2026 estimated income taxes.

■ **Calendar-year S corporations on extension** must file a 2025 income tax return (Form 1120-S) and pay any tax, interest and penalties due and, if applicable, make contributions for 2025 to certain employer-sponsored retirement plans.

■ **Calendar-year partnerships on extension** must file a 2025 income tax return (Form 1065 or Form 1065-B).

September 30

Calendar-year trusts and estates on extension must file a 2025 income tax return (Form 1041).

BACKUP WITHHOLDING: WHAT BUSINESSES SHOULD KNOW

Hiring independent contractors can offer flexibility for growing businesses, but it also comes with important tax reporting responsibilities. In most cases, you aren't required to withhold taxes from payments to contractors. However, there are situations in which the "backup withholding" rules apply.



Backup withholding is most commonly required when a contractor fails to provide a correct Taxpayer Identification Number (TIN), such as a Social Security number or Employer Identification Number, or doesn't properly complete Form W-9, "Request for Taxpayer Identification Number and Certification." The IRS may also notify your business that backup withholding is required for a specific payee.

The backup withholding rate is 24%. If required, you must withhold 24% from payments to the contractor and remit those funds to the IRS using Form 945, "Annual Return of Withheld Federal Income Tax."

The withheld amount must also be reported on the appropriate information return, such as:

- Form 1099-NEC for payments to independent contractors and freelancers,
- Form 1099-MISC for certain other payments, such as rents, prizes, awards or medical payments, and
- Form 1099-K, generally issued by third-party payment processors, in limited situations.

Businesses must generally provide Forms 1099 to recipients and file them with the IRS by January 31 of the following year.

If you're unsure whether backup withholding applies or need help navigating the requirements, we can help. Consult us before filing deadlines to stay compliant and avoid potential penalties. ■