



Newsletter

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The Great Transition: Why the Coming Wave of Boomer Retirements Is the Opportunity of a Lifetime

Every few decades, there's a shift so big that economists, journalists, and business thinkers can't stop writing about it. Right now, that shift is happening in real time — and it's being driven by one generation.

Baby Boomers are retiring at record speed.

By 2030, every Boomer will be 65 or older.
More than half of all small businesses in America are owned by Boomers.
And trillions — yes, trillions — of dollars in assets are beginning to change hands.

This isn't a slow drip.
It's a tidal wave.
And for the generations coming behind them, it's the opportunity of a lifetime.

Not doom.
Not decline.
Not "the economy is scary."

A moment to step in, step up, and shape the future you want.

The Largest Business Transfer in American History Is Already Underway

Boomers own businesses that power their communities — manufacturing shops, dental practices, landscaping companies, IT firms, restaurants, construction businesses, professional services, retail storefronts, logistics companies, and everything in between.

Many have spent 30 or 40 years building something real. And now?

A huge percentage of these owners don't have a succession plan.

They're ready to retire.
They want to hand off their businesses.
And they're looking for people who will take the torch and keep those businesses alive.

This moment has become so notable that publications like Forbes, The Wall Street Journal, and The New York Times have been covering it extensively:

- The surge in business-for-sale listings
- The rise of entrepreneurship through acquisition (ETA)
- Millennials stepping into ownership roles
- Gen Z entering small business earlier than any generation before them
- The wealth transfer projected to exceed **\$84 trillion** over the next two decades

Opportunity isn't disappearing — it's expanding.

If You've Ever Dreamed of Owning a Business... This Is Your Window

Maybe you've thought about starting something of your own — a practice, a shop, a service business, a brand. Maybe the idea felt too big, too risky, or too complicated.

But here's the secret that doesn't get talked about enough:

Buying an existing business is often easier, safer, and more profitable than starting from scratch.

Existing businesses come with:

- Cash flow
- Customers
- Reputation
- Infrastructure
- Staff
- Systems
- Community roots

And Boomers are motivated sellers. Many care deeply about keeping their legacy going. They want the right person to carry on what they built.

For Gen X, Millennials, and Gen Z, this may be the moment to step into entrepreneurship — not through a 5-year startup grind, but through a baton pass.

If You're a Boomer: This Is Your Time to Shape Your Legacy

If you're the owner preparing to retire, this moment is just as powerful — but in a different way.

You've built something meaningful.

You've worked hard for decades.

And now you have a chance to transition your business on your terms:

- Sell to a family member
- Sell to a loyal employee
- Sell to a rising entrepreneur in your community
- Merge or partner with another business
- Create a gradual handoff to protect your income
- Build a retirement plan that supports your lifestyle and legacy

This isn't the end of something.

It's the beginning of your next chapter — and a chance to help launch someone else's.

This Isn't About Age — It's About Momentum

There is a narrative out there that economic uncertainty means everyone should "wait and see."

But look around.

People aren't waiting.

Millennials are buying businesses at the fastest rate in decades.

Gen Z is stepping into small business ownership earlier than anyone predicted.

Boomers are launching encore careers, selling companies, and transitioning wealth.

The energy right now isn't cautious — it's creative.

The question isn't "Should I do something?"

It's **"What's the smartest next move?"**

Where a Financial Professional Fits Into the Opportunity

Whether you're stepping out of a business or stepping into one, strategy matters. A lot.

That's where your financial professional becomes a critical part of the process. They can help you:

If you're buying a business:

- Analyze financials to make sure the deal is sound
- Understand cash flow, margins, and profitability
- Structure the entity the right way
- Create tax-efficient purchase strategies
- Model best-case and worst-case scenarios
- Build a plan for the first 12 months of ownership

If you're selling a business:

- Prepare financials for valuation
- Strengthen profitability before listing
- Minimize tax on the sale
- Structure payouts for long-term stability
- Create a retirement income strategy
- Build the legacy you want to leave

No one should make a life-changing financial decision alone. But with the right partner, the path becomes clear.

This Is Your Moment — No Matter What Generation You're In

Boomers built the foundation.

Gen X is ready to scale it.

Millennials are redefining it.

Gen Z is stepping into it earlier than anyone expected.

The great transition isn't a threat.
It's a chance.

A chance to own something.

A chance to sell something.

A chance to build something.

A chance to hand something down.

A chance to shape the next decade of your financial life with intention.

And that's something worth getting excited about.

Ready to Explore What This Opportunity Means for You?

Whether you're considering selling a business, buying one, or planning your next chapter, our firm can help you evaluate your options and build a plan that supports your future.

Reach out to us — let's talk about what's possible.

Beware of Social Media Tax Advice: The Risks and Consequences

Article Highlights:

- The Rising Trend of Social Media Tax Advice
- Common Misinformation Schemes

- Classic Example
- The Real Consequences
- Delayed or Denied Refunds
- Penalties and Fines
- Legal Action
- Identity Theft Risk
- Long-Term Financial Implications
- Taking Proactive Measures

In today's digital age, social media serves as a hub of information on almost every topic imaginable, from cooking recipes to financial advice, including taxes. However, as accessible as these platforms are, they pose a significant risk when used as a source for tax advice. Misleading or just plain wrong tax advice on social media can result in serious consequences for taxpayers. Here's how to navigate these pitfalls and avoid detrimental impacts on your finances.

The Rising Trend of Social Media Tax Advice - Social media platforms like Twitter, TikTok, and Instagram have seen a rise in influencers and self-proclaimed experts sharing tax tips and strategies. While many do this with good intentions, mistakes and outright false information are rampant. This misinformation often arises because users oversimplify complex tax issues, leading to a proliferation of errors.

Common Misinformation Schemes - Recent trends have seen a variety of tax-related misinformation spreading across social media, including incorrect advice on tax credits like the Fuel Tax Credit and the Sick and Family Leave Credit. These credits are often touted as easily accessible by everyone, which is not the case. For example, the Fuel Tax Credit is specifically intended for off-highway business use and is not applicable to most taxpayers, while the Sick and Family Leave Credit refers to a tax credit that's only available to eligible employers that pay wages to qualifying employees who are on paid family and medical leave — again not a credit most individuals can claim. Such misconceptions lead to incorrect claims, with hefty penalties for those who claim them without eligibility.

Another popular scheme involves false use of Forms W-2 and 1099. Social media posts may suggest fabricating income figures to increase refund amounts, further complicating the taxpayer's situation with the IRS.

Classic Example — A classic example is recent and still an ongoing problem relating to the Employee Retention Credit (ERC) and not understanding the tax provision and relying on advice from media and online promoters. The ERC was a refundable tax credit to incentivize employers to retain employees on their payroll during the economic hardships caused by the COVID-19 pandemic. But it has since become a tax and financial quagmire for those who were led to believe they were eligible for the credit by misleading promotions both online and on television. Promoters aggressively advertised the ERC as an easy way to obtain financial relief, often taking substantial fees upfront from business owners under the guise of filing their claims. However, many of these promoters presented fraudulent claims or inaccurately represented the eligibility of businesses, leading to inflated or wrongful claims filed with the IRS. Once their fees were collected, these promoters frequently disappeared, leaving business owners in a perilous situation—faced with IRS audits, penalties, and the daunting task of proving their claims' legitimacy or repaying improperly received funds. Consequently, many small business owners, initially enticed by the promise of government aid and assurance from these promoters, found themselves entangled in legal and financial struggles, illustrating the profound impact that misinformation and fraud can have when disseminated by untrustworthy sources.

The Real Consequences - Relying on false tax information can have dire outcomes. When taxpayers claim credits or deductions without basis, it can lead to severe financial and legal repercussions. Here are some potential dangers:

- 1. Delayed or Denied Refunds:** The IRS closely scrutinizes refund claims that appear suspicious. If a claim seems inflated or unsubstantiated, it can lead to delays and potential denial of the refund.
- 2. Penalties and Fines:** When taxpayers act on bad, incomplete, or fraudulent tax advice from social media, they expose themselves to a range of penalties that underscore the importance of accurate and responsible tax filing. For instance, the **Excessive Claim Penalty** imposes a charge of 20% on the excessive amount claimed if it exceeds what is allowable, potentially leading to thousands in additional costs if false claims are made. Furthermore, if the IRS determines that fraudulent intent was involved in the misrepresentation, the penalties can be even more severe—fraud penalties can reach a staggering 75% of the unpaid tax due to fraud. There is also the possibility of a 20% penalty for negligence or tax underpayment related to inaccuracies, which can quickly add up to significant financial burdens. Such punitive measures highlight how critical it is to base tax decisions on thoroughly vetted advice, avoiding the pitfalls of misleading social media recommendations.
- 3. Legal Action:** Persistent misuse can lead to audits and even criminal prosecution. If found guilty, individuals may face imprisonment.
- 4. Identity Theft Risk:** Engaging with providers of dubious tax advice puts taxpayers at risk of identity theft and fraud, as they might inadvertently share or use their private information online in unsecured ways.
- 5. Long-Term Financial Implications:** Incorrect filings can impact financial health, cause future audits and make it harder to receive tax credits and refunds in subsequent years.

Taking Proactive Measures - Given these potential risks, it is crucial to approach social media tax advice with skepticism. Here are some strategies to protect yourself:

- **Verify Before You Trust:** Always cross-check social media advice with reliable sources. The official IRS website and licensed tax professionals offer dependable guidance.
- **Stay Informed About Common Scams:** Keep an eye on the IRS' "Dirty Dozen" list, an annual compilation of prevalent tax scams, to stay updated on the methods scammers use.
- **Report Fraud:** If you encounter fraudulent promotions, report them using Form 14242 on the IRS website. By doing so, you help prevent more fraud and protect others from falling victim.

Dealing with preparing and filing your tax returns is stressful enough without the additional complication of misinformation. While social media can be informative, it is essential to critically evaluate what advice you choose to follow. Misguided tactics not only affect your refund but could also lead to severe financial and legal consequences.

Make informed decisions by leveraging the appropriate resources, such as IRS guidelines and professional help. Confidence in tax filing comes from knowledge, and by steering clear of dubious advice and embracing legitimate information, you ensure a smooth and secure tax process. Protect your financial health and future by sidestepping the alluring yet treacherous path of social media tax advice.

For personalized tax advice and to explore legitimate tax benefits that can help you minimize your tax liability, contact this office for experienced professional guidance to assist you with accuracy and integrity.

Tax Alert: Prepare for the New 1099-DA Crypto Reporting

Article Highlights:

- The Purpose and Impact of Form 1099-DA
- Who Must Issue Form 1099-DA?
- Who Will Receive Form 1099-DA?
- What Information is Included on Form 1099-DA?
- Understanding the Cost Basis Challenge for 2025
- Special Reporting Rules for Stablecoins and Non-Fungible Token (NFTs)
- How Form 1099-DA is Used to File Taxes
- Best Practices for Crypto Investors
- Answering the IRS Question about Digital Assets

Form 1099-DA, "Digital Asset Proceeds from Broker Transactions," is a new Internal Revenue Service (IRS) tax form that certain brokers must use to report digital asset transactions. It is designed to enhance transparency and compliance in the rapidly evolving digital asset space, requiring information on transactions involving cryptocurrencies, non-fungible tokens (NFTs), and other digital assets.

The reporting requirements for Form 1099-DA officially take effect for the 2025 tax year, with brokers sending the forms to taxpayers and the IRS in early 2026. Before this change, reporting digital asset transactions was largely dependent on self-reported data, which often led to inconsistencies and underreporting.

The Purpose and Impact of Form 1099-DA: Form 1099-DA aims to increase tax compliance and improve reporting accuracy in the digital asset space by requiring brokers to report transactions. This standardizes reporting and can simplify tax filing for some investors but also necessitates diligent record-keeping to ensure accurate reporting.

Who Must Issue Form 1099-DA? The reporting obligation for Form 1099-DA falls on "brokers" who facilitate the sale or exchange of digital assets. The IRS's definition of a broker is broad and includes digital asset trading platforms, payment processors, and hosted wallet providers. However, decentralized finance (DeFi) platforms and non-custodial wallets are not generally required to issue this form.

Who Will Receive Form 1099-DA? U.S. taxpayers who sell, trade, or dispose of digital assets through a qualifying broker should expect to receive a Form 1099-DA in early 2026 (for 2025 transactions). This includes individuals and businesses involved in buying, selling, trading, mining, or staking digital assets. Real estate reporting entities must also report if digital assets are used in real estate transactions.

What Information is Included on Form 1099-DA? Form 1099-DA requires brokers to report detailed information about each digital asset transaction, including:

- Payer and Recipient Identification.
- Transaction details like asset name, quantity, date, time, and gross proceeds.
- Cost basis (mandatory for "covered securities" acquired after January 1, 2026). Broker reporting of basis is voluntary for the 2025 tax year.

- Holding period.
- Transaction type.
- Fair Market Value (FMV).
- Transaction fees.
- Wash sales for tokenized securities.

The information reported on Form 1099-DA varies depending on the tax year.

- **2025 Tax Year (forms sent in early 2026)** - For 2025 transactions, brokers are required to report the gross proceeds from the sale, exchange, or other disposition of a digital asset. Reporting of the cost basis is voluntary for brokers in 2025.
- **2026 Tax Year and beyond (forms sent in early 2027 and later)** - Starting with the 2026 tax year, brokers will be required to report more comprehensive information, including gross proceeds, cost basis (for "covered securities"), acquisition and disposition dates, holding period, and transaction details like the type and quantity of the digital asset.

Understanding the Cost Basis Challenge for 2025: A significant point for the 2025 tax year is the voluntary cost basis reporting by brokers. If the cost basis is not reported on Form 1099-DA, the IRS may assume it's zero, which could lead to tax notices for underreported income. To prevent this, taxpayers must keep detailed personal records of their digital asset transactions, including acquisition dates and costs, fees, disposition dates, and sales proceeds. These records are necessary for accurately completing Forms 8949 and Schedule D.

Special Reporting Rules for Stablecoins and Non-Fungible Token (NFTs): There are specific reporting rules for certain digital asset types.

- **Qualifying Stablecoins:** For 2025 and later, brokers can report qualifying stablecoin transactions in aggregate if they exceed \$10,000 annually.
- **Specified NFTs:** Starting in 2025, if total sales of specified NFTs exceed \$600 for the year, brokers must report them, potentially in aggregate.

How Form 1099-DA is Used File Taxes: The information on Form 1099-DA is used when preparing tax returns similar to the way stock transactions reported on Form 1099-B are transferred to Form 8949 and Schedule D. This involves reconciling the 1099-DA with a taxpayer's records, calculating capital gains or losses, and reporting the final amount on Form 1040.

Best Practices for Crypto Investors: Given these changes, digital asset investors should maintain detailed records of all transactions, consider using crypto tax software for tracking and calculations, and be aware of potential limitations in broker reporting, especially regarding cost basis in 2025. It is also important to remember that transactions not reported on a 1099-DA must still be reported. Staying informed and consulting a tax professional can help navigate this evolving landscape.

Answering the IRS Question about Digital Assets: For the last several years, a "yes"/"no" question on Form 1040 has been: "At any time during [return year], did you: (a) receive (as a reward, award, or payment for property or services); or (b) sell, exchange, or otherwise dispose of a digital asset (or a financial interest in a digital asset)?" Now that brokers will be issuing Form 1099-DA for the sale or exchange of digital assets, the IRS will be able to verify how taxpayers answer the question in light of the Form 1099-DA that was filed by the broker. When signing the tax return, the taxpayer signs under penalty of perjury that the information in the return is true, correct and complete. Care needs to be taken to correctly answer the IRS' question.

Contact this office with questions and assistance in properly including your crypto transactions on your return.

What To Do When You Get an IRS Notice (And Why You Don't Need to Panic)

There's nothing quite like opening the mailbox, seeing an envelope with "Internal Revenue Service" printed on it, and feeling your stomach drop. Even people who are perfectly organized — even people who've done everything right — feel the same jolt of panic when they receive an IRS notice.

But here's the truth:

Most IRS notices are **not emergencies**.

Many are routine.

And almost all can be resolved calmly and cleanly once you know what you're dealing with.

So before you lose sleep, take a breath. Then take the next right steps.

Why the IRS Sends Notices in the First Place

The IRS sends millions of notices every year, and most fall into just a few categories:

- **Something didn't match**

This is the most common scenario. The IRS receives a form (like a 1099 or W-2) that doesn't match what was on your return. This triggers an automatic letter — not an accusation.

- **They need more information**

Sometimes a number wasn't clear. A form didn't show up. A math error correction triggered a follow-up. It's often small.

- **A payment was short, delayed, or misapplied**

Your payment might have gone to the wrong tax year, posted late, or not matched the number on your return.

- **They're adjusting something on their end**

This could be a refund recalculation or an update to a credit or deduction.

- **They're confirming identity**

Identity-theft protections are much stronger now, and sometimes the IRS asks you to verify you're... you.

In most cases, the notice is informational — not a threat.

The Most Important Thing: Don't Respond Alone

The biggest mistake people make is replying to the IRS too fast or without guidance.

You may be tempted to:

- Pay whatever number the letter shows
- Call the IRS immediately
- Send documents without context
- Ignore it and hope it goes away

Those reactions almost always make things harder.

The IRS letter is talking to you — but **you should talk to your financial professional first**.

They'll help you understand:

- Whether the notice is accurate
- Whether you actually owe anything
- Whether the IRS made an error
- Whether this is a simple fix or needs representation
- What documentation (if any) needs to be provided
- Whether you should respond at all

You are not meant to navigate this alone.

What Your Notice Actually Means

Every notice has a code (such as CP2000, CP14, or CP75). Those codes help identify the issue quickly.

Here's a quick guide to the most common ones:

CP2000 — Underreported Income

This is the big one. It means the IRS thinks your income was higher than what you filed. This does not mean you did something wrong. Often, a vendor filed a form late or incorrectly.

CP14 — Balance Due

This shows a balance the IRS thinks you owe. It could be accurate... or it could be the result of a timing issue.

CP75 — Audit Documentation Request

The IRS wants proof related to a credit or deduction. Again, not a panic situation — just a request.

Letter 5071C — Identity Verification

This is part of fraud prevention. It's not about your return being "wrong."

Notice of Intent to Levy (LT11/CP504)

This is more serious and requires prompt action — but still not panic. Professionals resolve these daily.

Whatever the code, context matters more. And that's where guidance helps.

What NOT To Do When You Receive an IRS Notice

A calm, correct response almost always leads to a clean resolution. But these common mistakes make things significantly worse:

Don't ignore the notice. Deadlines matter.

Don't call the IRS before reviewing the notice with a professional. You may accidentally agree to something you shouldn't.

Don't pay the amount automatically. The number may be wrong — sometimes by a lot.

Don't send documents without explanation. The IRS reads what you send literally. Context is everything.

Don't assume this means you're being audited. Most notices have nothing to do with audits.

How the Process Usually Goes

Here's what a calm, correct resolution typically looks like:

1. You contact your financial professional and share the notice.
2. They review your return and the IRS data to see what triggered the letter.
3. They determine whether the IRS is correct or incorrect.
4. They prepare the appropriate response — or advise that no response is needed.
5. If money is owed, they ensure the amount is accurate and the payment is sent to the correct tax year.
6. If the IRS is mistaken, they prepare a clear explanation and supporting documents.

Most cases resolve with a single letter. Some take a few rounds. But almost all are manageable.

Why Having Professional Support Makes a Huge Difference

IRS notices feel intimidating, but a professional sees these all the time. They know:

- How to interpret the codes
- How to match the notice to your return
- Where IRS errors commonly happen
- How to fix misapplied payments
- How to communicate with the IRS clearly and effectively
- When to escalate an issue
- When not to respond at all

And most importantly... they know how to keep you calm and protected through the process.

If You Got a Notice, You Don't Have to Solve It Alone

The most important thing you can do is reach out sooner rather than later.

If you've received an IRS notice — whether it's confusing, alarming, or just unexpected — contact our firm. We'll review it with you, explain what it means, and help you resolve it the right way.

No panic.

No guesswork.

Just clarity, support, and a clean path forward.

Thank you for selecting our firm for your tax and accounting needs. We appreciate the confidence you have shown in us, and we remain ready to assist you at any time.

The contents of this newsletter are intended to convey general information only and not to provide accounting or tax advice or opinions. The content should not be construed as, and should not be relied upon for, accounting or tax advice in any particular circumstance or fact situation. We recommend you contact us to discuss the application to any specific situation.

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