



Income Strategies Most Wine Professionals Have Never Heard Of

AT SOMMCON IN Washington, D.C., this spring, I had a conversation I've been having in some form for years—but rarely so openly. A seasoned sommelier pulled me aside and said something like, “I love this industry. I just don’t know if I can afford to stay in it.”

That kind of financial anxiety isn't a personal failing. It's a structural reality, and it's made worse by the fact that most wine professionals with 1099 income are sitting on tools they've never been shown how to use. Whether you're a somm picking up private tasting gigs, a distributor rep doing consulting on the side, a supplier manager moonlighting as a brand educator, or a retail owner juggling multiple income streams—if any of your income arrives as a 1099, these strategies were built for you.

■ **Open a Solo 401(k) and use both contribution buckets.** If you have any self-employment income, even alongside a W-2 job, you may be eligible for a Solo 401(k). Unlike a standard IRA, you contribute as both the employee and the employer, which dramatically raises your ceiling. In 2026, the employee deferral limit is \$24,500. On top of that, you can contribute up to 20% of your net self-employment income as an employer profit-sharing contribution (note: incorporated businesses may use 25% of W-2 compensation, but most sommeliers filing as sole proprietors or single-member LLCs use 20%). A sommelier with \$60,000 in net consulting income could contribute over \$35,000 in a single year between the employee deferral and the employer

contribution. The combined 2026 ceiling is \$72,000 for those under 50.

■ **Take advantage of the SECURE 2.0 “super catch-up” if you're 60-63.** Most people know about the standard catch-up contribution for those 50 and older—an extra \$8,000 in 2026, bringing the employee deferral limit to \$32,500. What far fewer people know is that SECURE 2.0 created an enhanced “super catch-up” for those aged 60–63 specifically. In 2026, that brings the employee deferral limit to \$35,750 and the overall combined ceiling to \$83,250. If you're in that window, this is one of the most powerful retirement accelerators available to you.

Continued on page 60 ►

■ **Establish your Solo 401(k) before December 31—not April 15.** This is the most common and costly mistake self-employed wine professionals make. Unlike an IRA, which can be opened and funded up to the tax filing deadline, a Solo 401(k) must be established by December 31 of the tax year you wish to contribute for. You can fund the contribution later, but the plan must exist by year-end. Missing this deadline means missing the entire contribution window for that year.

■ **Claim the Qualified Business Income (QBI) deduction.** I have found this to be the most underused deduction in the self-employed toolkit—and most somms have never heard of it. Under Section 199A, eligible self-employed individuals may deduct up to 20% of their qualified business income from their taxable income. If you earned \$50,000 in net 1099 income this year, you may be able to deduct \$10,000 before your taxes are even calculated. The deduction was made permanent in 2025 by the One Big Beautiful Bill Act, so this is a strategy you can count on year after year. Income thresholds and phase-outs apply, so consult a tax professional to confirm your eligibility.

■ **Deduct expenses related to continuing education as well as your home office, memberships, and trade publications; also write off wine and spirits purchases used for work.** WSET Exam and CMS tasting fees, study materials, and any courses directly related to your professional work are deductible business expenses on your Schedule C, as are guild dues, registrations for professional events such as SommCon, and trade publication subscriptions; meanwhile, a dedicated workspace used regularly and exclusively for business may allow you to deduct a portion of rent, utilities, or mortgage interest. Bottles purchased for professional tastings, education sessions, or brand ambassador work, not personal consumption, are also a legitimate business expense. Keep receipts and document the professional purpose. A dedicated business credit card makes recordkeeping simple and audit-proof.

■ **Track your mileage.** The 2026 IRS standard mileage rate is 72.5 cents per

mile for business use, the highest rate in recent years. For wine professionals who are constantly on the road, driving to accounts, tastings, industry events, and other professional engagements adds up quickly. A simple mileage log app on your phone is all the documentation you need.

■ **Pay quarterly estimated taxes and avoid the penalty trap.** This isn't glamorous, but it's where many somms with 1099 income get hurt. When no employer is withholding taxes on your behalf, the IRS expects quarterly estimated payments four times a year. Miss those deadlines and you'll face underpayment penalties on top of your April bill. A simple rule of thumb: set aside 25%–30% of every 1099 payment into a separate account and pay it quarterly. It's never a surprise if you planned for it.

The beverage industry rewards passion, resilience, and craft, and the professionals who thrive long-term tend to bring those same qualities to their financial lives. That doesn't mean earning more; it means

Most wine professionals with 1099 income are sitting on tools they've never been shown how to use.



being intentional with respect to what you already earn. If you're doing the side work—the education, the consulting, the private events—you're already most of the way there. The question is whether that income is working as hard as you are.

The headwinds in this industry are real. But so is the opportunity to build something lasting—one intentional decision at a time.

This article is for educational purposes only and does not constitute personalized tax or financial advice. Contribution limits and tax rules are subject to change. Please consult a qualified financial or tax professional regarding your individual situation. 

Joe Stephens, CFP, is a Certified Sommelier and Certified Financial Planner with Associated Financial Planners, where he works alongside a team dedicated to helping wine and spirits professionals build long-term financial security. Stephens offers securities through Cambridge Investment Research, Inc., member FINRA/SIPC, and advisory services through Cambridge Investment Research Advisors, Inc.