# 2022 Year-End Tax Planning

## Tax Planning Strategies & Savings Opportunities: How to Set Your Finances Up for Success in 2023

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# Today's Agenda

1. Welcome & Introductions
2. Individual Tax & Financial Planning
3. Business Tax Planning
4. Corporate Tax Planning
5. R&D Update
6. Q&A and Wrap-Up

# Personal Tax Planning

Presented by Andrew Thompson, Managing Director | SC&H Financial Advisors

# Our First Presenter

## Andrew Thompson

**MANAGING DIRECTOR**

SC&H Financial Advisors

# Impact of Year-End Capital Gain Distributions

## Example #1

- You buy 100 shares ABC Mutual Fund in January @ $100/share
- Today it's worth $85/share (-15% return YTD)
- On December 10th it will distribute a $5/share y/e LTCG capital gain distribution
- You owe tax on the $5/share (30% total)
- Your YTD NET rate of return = -16.5%

# How to Avoid Year-End Capital Gain Distributions

## Know What You're Buying:

- Consider selling the Mutual Fund position prior to Record Date
- Consider an Exchange Traded Fund (ETF)
- Asset location: Own tax inefficient investments in sheltered accounts
- Consider selling at a realized gain if yearend distributions are significant
- Gift shares to a charity/Donor Advised Fund (DAF)

# Borrowing in a High Interest Rate Environment

## Tax-Efficient Strategies

- Margin loans
- Collateralizing securities
- Use cash

# Tax Loss Harvesting: Basics and Mechanics

## Your Approach Should Be Based on Your Current Year and Next Year's Forecasted Tax Bracket

- **Step 1:** Identify positions within a non-retirement account selling below cost
- **Step 2:** Sell position to realize the loss
- **Step 3:** Use the proceeds to buyback equal amount via a similar ETF
- **Step 4:** After 31 days, consider selling the ETF and buying back former security

# Tax-Efficient Giving

- Donor Advised Fund (DAF)
- Qualified Charitable Distribution (QCD)

# Donor Advised Fund (DAF)

Highly Appreciated Securities → Fidelity Charitable DAF *(Deduction up to 30% AGI) → Qualified 501(c)(3)

# Qualified Charitable Distribution (QCD)

Retirement Account

2022 IRA RMD
*(up to $100,000)

Qualified 501(c)(3)
*($0 recognized as taxable income)

# Individual Tax & Financial Planning

Presented by Amanda Wilhelm, Director | SC&H Group

# Our Next Presenter

## Amanda Wilhelm

**DIRECTOR**

SC&H Financial Advisors

# 2022 Tax Legislation

## Inflation Reduction Act (IRA)

- Numerous energy credit enhancements and modifications
- Excise tax on stock repurchases
- New corporate alternative minimum tax (AMT)

# Proposed Tax Legislation

## Lame-Duck Congress

- May have a resurfacing of legislation that targets retirement plans, digital assets and numerous tax extenders (including but not limited to)
  - R&D credit
  - Refundable/enhanced child tax credit
  - Charitable contribution deduction for non-itemizers
  - Favorable formula used to compute business interest expense deduction until IRC §163(j)
- Democrats are arguing for extension of enhanced child tax credit while Republicans are vying for business tax breaks, specifically in the areas of private equity and manufacturing
- House Republicans looking to extend TCJA tax relief provisions (set to expire in 2025)

# Proposed Tax Legislation

## SECURE Act 2.0

- Versions of the Act have been considered and/or passed by Congress but final bill still needs to be crafted
- Some items being considered (not all inclusive):
    - Initial RMD age
    - Lower RMD penalty
    - 401(k) plan participation/mandatory automatic enrollment
    - Catch-up contributions
    - QCD changes

# Retirement Planning Opportunities with Employer Plans

## Employer Retirement Plans

- Max out your employer retirement account contributions
  - Employer plan contributions (401k, 403b) - $20,500 ($26,500 for age 50+). Must fund through payroll before 12/31/2022.
  - SIMPLE IRA - $14,000 ($17,000 for age 50+). Can fund on or before the filing of the 2022 tax return.
  - SEP IRA – For self-employed business owner, funding is approximately 20% of net business income. Can fund on or before the filing of the 2022 tax return. For plans with employees, 25% of compensation or $61,000 (employer-contributions only).
- **If you can't max it, contribute enough to get the employer match, if one is available.**

# Retirement Planning Opportunities with Individual Accounts

## Individual Retirement Accounts

- Max out your individual retirement account contributions Individual Retirement Account (Traditional IRA and Roth IRA) - $6,000 ($7,000 for age 50+). Can fund on or before the filing of the 2022 tax return.
  - IRA Income Limitations:
    - Traditional IRA – No limit if not covered by an employer plan. If covered, limits are Single $68K to $78K phaseout. MFJ $109K to $129K phaseout
    - Nondeductible IRA – No income limitation.
    - Roth IRA – Single $129K to $144K phaseout. MFJ $204K to $214K phaseout.

# Retirement Planning Opportunities with Individual Accounts

## Individual Retirement Accounts

- Max out your retirement account contributions (cont.)
  - Back-door Roth IRA Contribution. Strategy to get around Roth IRA income limitation. First contribute to nondeductible IRA, then convert to a Roth IRA. Be careful of the IRS's pro rata rules surrounding Roth Conversions.
  - Roth Conversion. Take your traditional IRA, pay the tax on it, and convert it to a Roth IRA. Managing your tax bracket is key.

# Retirement Planning Opportunities with Individual Accounts

## Roth IRAs for Children

- Kids need earned income. Can contribute lessor of $6,000 or amount of earned income.

- Tremendous opportunity for business owners to put kids on payroll and shift tax-free wealth to kids.
  - Business gets a tax deduction for payroll reducing owner's taxable income.
  - Child can get the money and pay no income tax due to the standard deduction.
  - Child contributes to a Roth and the money grows tax-free for 60 to 90 years.
  - Children can use the Roth for College or Retirement.

# Income Planning

- Tax rate considerations and optimization
  - Reconsider “deferring income and accelerating deductions” – effective tax rates and value of deductions could mean more in future years
  - Planning considerations
    - Convert investment income taxable at regular rates into qualifying dividend income
    - Accomplish multi-year planning by considering future tax rates and filling low-rate income buckets
    - Capturing capital gains (focus on 0%/15% rate, below NII threshold)
    - Review of current filing status (MFJ v MFS) and current reduced impact of marriage penalty

# Income Planning

- Business and/or Self-employed
  - Ensure best position to take advantage of the Qualified Business Income (QBI) deduction
    - Keep taxable income below the 2022 limits of $170,050/$340,100 for those with a SSTB
    - Make sure adequate wages or assets are in place to qualify for deduction or consider entity conversion
    - Confirm use of most advantageous retirement plan and maximize contributions
- Tried but True
  - Arrange with employer to defer bonus until 2023
  - Dispose of passive activities to release suspended losses
  - Increase withholding to eliminate or reduce estimated tax penalty

# Itemized Deductions

- "Bunching" Strategy
  - Continue being an "occasional itemizer" due to substantially increased standard deduction ($12,950/$25,900 in 2022) by bunching itemized deductions in higher income years
    - Bunch charitable giving
      - Donate every other year (January and December of year 1, 3, 5, etc.)
      - Establish a donor advised fund (DAF) and fund with several years' worth of planned giving
    - Bunch medical expenses
      - Timing of elective surgeries, prescription eyewear, and payment of special education tuition
      - AGI hurdle set at 7.5% for now
- State and Local Taxes
  - Weigh the tax implications of deducting real estate and sales tax in order to reach $10,000 deduction limit to avoid the state addback

# Itemized Deductions

- Charitable Giving
  - Maryland residents - CITC program still valid
- Mortgage Interest
  - Accelerate payoff of all debt incurred that is not home acquisition debt
  - Consider payoff of home acquisition debt for non-itemizer due to higher after-tax cost

# Itemized Deductions

- Miscellaneous Itemized Deductions
  - Determine correct billing and allocation of professional fees (tax, legal)
  - Negotiate employer payment of unreimbursed employee expenses
  - Consider payment of advisory fees from IRA

# Miscellaneous Tax Planning

- 529 College Savings Plan
  - Contributions to your state's plan are eligible for a state tax deduction
  - Earnings grow Federal tax-free and will not be taxed upon withdrawal to pay for qualified education expenses
- Fund HSA, FSA, and Dependent Care FSA
  - **Utilize flexible spending accounts before year end.** Whether for health or dependent care, these are "use it or lose it" plans.
  - **Contribute to Health Savings Account.** $3,650 for single, $7,300 for family. $1,000 catch-up for age 55+. Must be high-deductible health plan. HSA's are triple-tax-free. Contributions are tax-deductible. Growth and earnings are tax-free. Distributions for medical expenses are tax-free.

# State Tax – Maryland

- Maryland continues to follow the new federal tax law with the following modifications:
  - Personal exemptions still in place
  - 2022 standard deduction ($2,400/$4,700)
  - No allowance for QBI deduction
  - Decoupling from increased bonus and Sec 179 depreciation rules
  - Estate tax exemption remains at $5 million (not currently scheduled to change)
- New tax credit for residents at least 65 years old with Federal AGI under $100,000 ($150,000 for MFJ).
  - Credit is $1,000 ($1,750 MFJ)
  - Credit could decrease if Maryland revenues do not hit specific targets.

# Estate and Gift Tax Planning

## Opportunities to Consider

- Outright gifts
  - Take advantage of current annual exclusion and exemptions by making direct gifts when prudent
- Gifting to various trusts (specifically in high interest rate environment)
  - Intentionally Defective Grantor Trusts (IDGT) - provides benefit to family, provides asset protection and prevents inclusion in the beneficiaries' taxable estate. Grantor is responsible for income tax on trust income, thus another outlet to reduce their taxable estate and allows assets to remain in trust to grow tax-free
  - Qualified Personal Residence Trust (QPRT) – grantor transfers their interest in a personal residence to a trust with right to use property for a term of years. The higher the interest rate, the lower the gift value of the remainder interest to the trust
  - Charitable Remainder Annuity Trust (CRAT) – more beneficial with higher interest rates. Value of the annuity payments to the grantor are lower thus creating a higher remainder value to the charity for income tax deduction purposes

# Business Tax Planning

Presented by Lori Burghauser and James Eaton | SC&H Group

# Our Next Presenters

**Lori Burghauser**
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**James Eaton**
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# Inflation Reduction Act

# Clean Vehicle Credit – Post 2022

- Taxpayer must be original owner of the vehicle – through purchase or lease
- Final assembly must take place in North America
  https://afdc.energy.gov/laws/inflation-reduction-act
- Minimum battery capacity of seven kilowatt hours
- Manufacturer's suggested retail price limitation
  - $80,000 for vans, pickup trucks or SUVs
  - $55,000 for other vehicles

# Clean Vehicle Credit – Post-2022 after IRS Guidance

- Amount of Credit (total $7,500)
  - $3,750 for meeting critical minerals component
  - $3,750 for meeting the battery component requirement
- Modified adjusted gross income limitation
  - $300,000 for married filing jointly and surviving spouses
  - $225,000 for heads of household
  - $150,000 for single, married filing separately
- After December 31,2023 can claim the credit through the dealership by transferring the credit to them

# Clean Vehicle Credit – Post-2022 Used Vehicle

- Dealer sale of a qualifying previously-owned clean vehicle for $25,000 or less and first transfer after August 16, 2022 other than the vehicle's original owner
- Model year is at least two years earlier than the calendar year in which the taxpayer acquires the motor vehicle
- Vehicle gross weight is less than 14,000 pounds
- Credit is the lessor of
  - $4,000
  - 30% of the sales price of the vehicle
- Modified adjusted gross income limitation
  - $150,000 for married filing jointly and surviving spouses
  - $112,500 for heads of household
  - $75,000 for single, married filing separately

# New Credit for Qualified Commercial Clean Vehicles

- Qualified Commercial Clean Vehicle – Acquired for use or lease by the taxpayer for use on public streets, roads and highways and placed in service after December 31,2022
- Battery capacity of not less than 15 kilowatt hours (7 kilowatt hours for vehicles weighing less that 14,000 pounds)
- Charged by external electricity source (qualified commercial fuel cell vehicles also eligible)
- Vehicle must be made by qualified manufacturers who have written agreements with the Treasury
- Credit per vehicle is the lessor of
  - 15% of the vehicle's basis (30% of vehicles not powered by gasoline or diesel engine) **or**
  - The incremental cost of the vehicle over the cost of a comparable vehicle powered solely by gasoline or diesel engine
  - Subject to a maximum credit of $7,500 for vehicles with a gross weight rating of less than 14,000 or $40,000 for heavier vehicles

# Energy Efficient Home Improvement Credit

- 30% of the amount paid for residential energy property expenditures during the year before 2033
- Credit is increased for amounts spent for a home energy audit not to exceed $150
- Annual limitation beginning in 2023 (old limit for 2022) of $1,200 per year for residential energy expenditures with annual limits of:
  - $600 for residential energy property expenditures, windows and skylights
  - $250 for any exterior door with a $500 limit for all exterior doors
  - Notwithstanding these limits - $2,000 limit for specified heat pumps, heat pump water heaters and biomass stoves and boilers

# Residential Clean Energy Credit

- 30% of the amount paid for energy efficient improvement property installed during the year before 2033
  - Solar electric property expenditures
  - Solar water heating property expenditures
  - Fuel Cell property expenditures
  - Small wind energy property expenditures
  - Geothermal heat pump property expenditures
  - Biomass fuel property (before 2023)
  - New – qualified battery storage technology expenditures

# New Energy Efficient Home Credit

- Maximum credit of $5,000 to eligible contractors for qualified new energy efficient homes acquired after December 31, 2022 and before January 1, 2033 by a person from an eligible contractor for use as a residence during the tax year
  - Zero-energy ready homes (single family manufactured homes, multi-family homes) - certified as a zero-energy ready home under the zero-energy ready home program of the Department of Energy
  - Meet prevailing wage requirement
  - Lessor credit amounts available

# Increase in Qualified Small Business Payroll Tax Credit for Increasing Research Activities

- Qualified small businesses ("QSB")– corporations, S corporations and partnerships with:
  - Gross receipts of less than $5 million in the tax year **and**
  - No gross receipts for any tax year before the five-year period ending with the tax year
- Also applies to individuals if they meet the above definition for all trades or businesses
- Prior to the IRA QBS allowed to take a payroll tax credit against social security tax for the research credits (Form 6765 calculation and then reported on Form 8974 Qualified Small Business Payroll Tax Credit for Increasing Research Activities) up to $250,000
- IRA allows an additional payroll research tax credit of up to $250,000 against the Medicare Hospital Insurance tax for taxable years beginning after 2022 – unused credits carried forward

# Other Provisions

- A number of credits for clean energy production, building…
- Favorable ARPA Premium Tax Credit for 2023-2025
- Extension of Limitation on Excess Business Losses (IRC 461(l) of Noncorporate Taxpayers through 2029
- IRS Funding to Improve Taxpayer Service and Compliance
  - $45.6 billion for enforcement
  - $3.2 billion for taxpayer services
  - $25.3 billion for operations
  - $4.75 billion for modernization

# Additional Tax Items

# Employee Retention Credit

## A Final Look – Window to File Amended Payroll Tax Returns

- **2020** - Fully refundable payroll tax credit for qualified employers for 50% of qualified wages  up to $10,000 of qualifying wages paid after March 12, 2020 and before January 1, 2021 resulting in a maximum credit of $5,000 per employee

- **2021** - Fully refundable payroll tax credit for qualified employers for **70**% of qualified wages up to $10,000 of qualifying wages **per quarter** paid from January 1, 2021 to September 30, 2021 resulting in a maximum credit of $**21,000** per employee

# Employee Retention Credit

## ARPA – Recovery Startup Business Q3 and Q4 2021

- Business began on or after February 15, 2020
- Average annual gross receipts are less than $1 million
- Not otherwise an eligible employer due to full or partial suspension of operations or a decline in gross receipts
- ERC not to exceed $50,000 for third and fourth quarters of 2021

# Biden-Harris Administration Debt Relief Plan

## Supreme Court Will Hear Case – Expected to Rule Summer 2023

- Loan forgiveness of up to $20,000 for Pell grant recipients, $10,000 for non-Pell grant recipients
- Borrowers eligible for relief – individual income is $125,000 or less or $250,000 for households based on the lower of 2020 and 2021 income
- Loan required payments paused until December 31,2022 – extended to August 2023
- Third part of plan – make student loan system more manageable
  - Require borrowers to pay no more than 5% of discretionary income
  - Raise the amount of income considered non-discretionary
  - Forgive loan balance after 10 years of payments
  - Cover the borrower’s unpaid monthly interest (balance will not grow as long as make required monthly payments even if $0 due to low income)

# Our Next Presenter

**James Eaton**

**DIRECTOR | TAX**

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# Recent Changes

## No News is Good News?

- Few tax law changes for tax year-end 2022
- Most COVID era incentives and programs seem to have come to an end
- Standard tax planning strategies are as applicable now as ever
- States "PTE" deduction programs continue to expand
  - At the cost of increased complexity

# Few Tax Law Changes for 2022

- What hasn't changed much:
  - Tax rates - no change / Tax brackets - slight adjustments for inflation
  - Accelerated depreciation (Sec. 179 / Bonus depreciation) - slight adjustments for inflation
  - TCJA provisions (QBID, depreciation, loss & interest expense limits) – sunset 12/31/2025
- COVID Era Programs
  - PPP - No impact on 2022 / 2023
  - Employee Retention Credit (ERC) - Still available if you haven't yet applied
    - Many refunds delayed
    - Amended 2020 and / or 2021 tax returns may be required
  - 163(j) interest deduction limitations – Return to more restrictive Pre-Covid 30% income limit

# Year-End Tax Strategies

- Cash basis taxpayers
  - Cash basis taxpayer can identify expenses to be accelerated at year end
    - Ex: Rent, utilities, salaries / bonuses, commissions
    - "Mailbox Rule"
  - Slow cash collections
    - Great idea in concept, tricky in practice
- Accrual basis taxpayers and deductible accruals
  - Recurring item Exemption- Some accrued expenses may be deductible if paid within 8½ (or 2½) months
    - All Events test
    - Amount Certain
    - Economic Performance

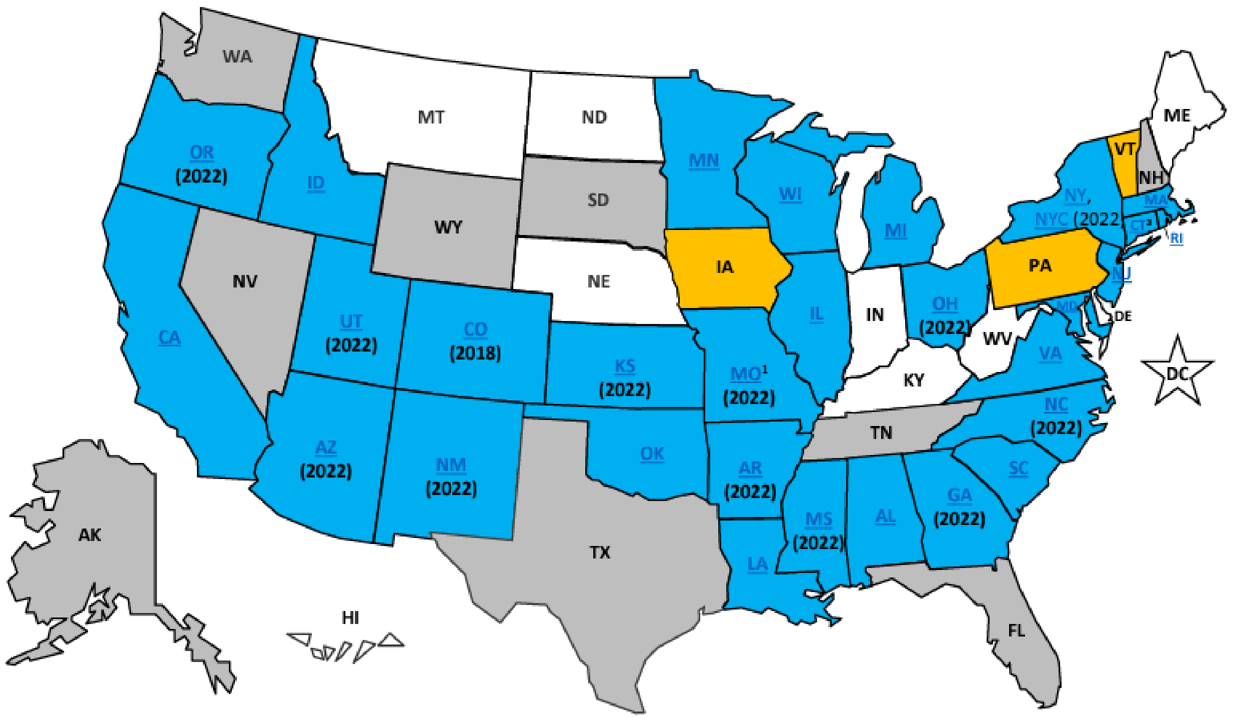
# Year-End Tax Strategies

- Asset Acquisitions / Accelerated Depreciation
  - Assets acquired and put into service by year-end may be eligible for immediate expensing
    - Section 179 depreciation or Section 168 bonus depreciation
    - FYI: Many states "decouple" from these provisions, so benefits may only be at the federal level
  - Benefits are available even if acquisitions are financed, so this can be cashflow positive in the short / intermediate term

# Pass Through Entity Tax Election

## States with Enacted or Proposed Pass-Through Entity (PTE) Level Tax

As of August 31, 2022




29 states (& 1 locality) that enacted a PTE tax since TCJA SALT deduction limitation, effective for 2021 (or earlier) unless noted:

AL, AR[1], AZ[1], CA, CO[2], CT[3], GA[1], ID, IL, KS[1], LA, MA, MI, MD, MN, MO[1], MS[1], NC[1], NJ, NM[1], NY, OH[1], OK, OR[1], RI, SC, UT[1], VA, WI, and NYC[1]

[1] Effective in 2022 or later – on map (2022) or (2023)
[2] Retroactive to 2018
[3] Mandatory

3 states with proposed PTE tax bills:
IA - HF 2087, session over, not enacted
PA – HB 1709, in committee
VT - H 0527 , session over, not enacted

9 states with no owner-level personal income tax on PTE income:

AK, FL, NH, NV, SD, TN, TX, WA, WY

10 states with an owner-level personal income tax on PTE income that have not yet proposed or enacted PTE taxes:

DE, HI, IN, KY, ME, MT, NE, ND, VT, WV

AICPA

*32 States have or are in the process of implementing entity level taxation for pass throughs*

# Pass Through Entity Tax Election

- What is the purpose?
  - No state tax benefit (states generally require the deduction to be added back to state income)
  - The IRS allows the deduction at the federal level
- Factors to consider
  - Not all states work well with other states' credits
    - Some states allow credit for "substantially similar" taxes
    - Some states only recognize credits for S Corporation owners
    - Some states only recognize credits passed through from partnerships
  - Some states don't have the programs fully implemented
- Payment must be made by 12/31/2022 (even on Accrual Basis)
- Generally, does not apply to investment income or to corporate partners

# Changes to Section 174 (Research & Experimental Costs)

Presented by Angelo Poletis | SC&H Group

# Our Next Presenter

## Angelo Poletis

**PRINCIPAL | TAX**

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# Research & Experimental Expenditures

- Section 174 costs – research or experimental and software development costs.
- Previously able to deduct currently → starting in 2022, must be capitalized and amortized .
- This change was a revenue raiser to offset taxpayer-favorable aspects of the Tax Cuts & Jobs Act (TCJA) passed in 2017.
- Talks of legislation to defer the capitalization requirement another year or until 2026, but nothing has materialized yet.

# Section 174 – Definition

- Section 174 costs are research or experimental expenditures and specifically include all software development costs.

- Definition of R&E: expenditures which represent research and development costs in the experimental or laboratory sense, i.e. for activities intended to discover information that would eliminate uncertainty concerning the development or improvement of a product.

- Section 174 costs include:
  - Salaries & wages of employees developing the product/process/software
  - Amounts paid to others for R&E (contractor costs)
  - Supplies and materials used in design, fabrication or testing
  - Overhead expenses
  - Allowances for depreciation of property used in connection with research
  - Costs of obtaining a patent
- Section 174 costs encompasses more expenses than “qualified research expenses” under Section 41 for purposes of the R&D credit.

# Section 174 – Prior Law

- Effective for Section 174 expenditures paid or incurred in tax years beginning before 1/1/2022:
  - Default method to treat as deductible expense in the year paid or incurred
  - Election allowed to capitalize and amortize over 60 months from the month the taxpayer first realizes benefit from such expenditures
  - Alternative election allowed under Section 59(e) to amortize over 10 years (no requirement to first realize benefit from expenditures)
- For software development costs, Rev. Proc. 2000-50 allows:
  - Deductible expense in the year paid or incurred
  - Amortized over 60 months from the date development is completed
  - Amortized over 36 months from the date the software is placed in service

# Section 174 – Current Law

- Expenditures paid or incurred in tax years beginning on or after 1/1/2022 must be capitalized and amortized (can no longer be currently deducted).
- Software development costs are specifically included in the definition of an R&E expenditure under Section 174 (Rev. Proc. 2000-50 no longer available for software development costs).
- Amortized over a period of 5 years if conducted in the U.S. and 15 years if outside the U.S. Half-year amortization first and last years.
- Cannot recover costs earlier than the end of the required amortization period even if the related property is sold or abandoned.

# Section 174 – Impact on R&D Credit

- The changes to the recovery of Section 174 costs will not directly impact the research credit.
- The TCJA made a conforming amendment to Section 41 to ensure the research credit will still be available for qualifying Section 174 costs, even if capitalized, provided the other three parts of the four-part test are met.
- Under 280C, the research credit reduces otherwise allocable Section 174 expenditures unless an election is made to reduce the credit by the applicable tax rate.
  - Consider whether it is beneficial to *not* make the election for the reduced credit. Reducing the 174 expenditures = less to capitalize. Consider state tax consequences though.

# Tax Planning for Section 174 Change

- Identify/break-out costs in G/L now:
  - Costs currently deductible under Section 162 vs. capitalized and amortized under Section 174. (Before, it didn't matter as much since both could be currently deducted.)
  - Overhead, G&A, and depreciation/amortization costs that are incident to the research activities.
  - Location foreign vs. domestic including identifying where contract research is performed. Don't assume costs are in the U.S. because your client is based in the U.S.! I've heard some surprising answers!
- Consider changing contracts to have more costs incurred domestically.
- Evaluate whether any assets currently developed in-house could be purchased (purchased software is amortizable over 3 years and eligible for bonus/179).

# Change of Accounting Method

- If no legislation is passed to extend R&D expensing, there will be a change of accounting method for 2022:
  - Change will be on a cut-off basis and will likely require a 3115 under the automatic method change procedures
  - On Sept 20th, an official with the IRS LB&I division said that the Treasury Dept is "actively working on" guidance regarding change of accounting method for Section 174.

# Corporate Tax Planning

Presented by Michael Bondi | SC&H Group

# Our Final Presenter

**Michael Bondi**

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# Federal Corporate Tax Updates

## Inflation Reduction Act ("IRA")of 2022

- Corporate alternative minimum tax (CAMT)
- Applies to “applicable corporations” with average Annual Adjusted Financial Statement Income ("AFSI") over a three-year period in excess of $1 billion
- A tentative minimum tax equal to 15% of the excess of the corporation’s ("AFSI") over the CAMT foreign tax credit (CAMT FTC) for the tax year

# Federal Corporate Tax Updates

## Inflation Reduction Act ("IRA")of 2022

- Nondeductible 1% excise tax on corporate stock buybacks for publicly traded US corporations
- Covered under new IRC Section 4501
- Effective for repurchases of stock after December 31, 2022.
- FMV of stock repurchased by the company during the year, reduced by the value of any stock issued by the corporation

# Federal Corporate Tax Updates

## Current Issues

- Mergers and Acquisitions
- Bonus depreciation
- Business interest expense limitation
- Employee Retention Tax Credit
- PA Corporate Income Tax Rate

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