



## **Post-Election Power Moves: What's Next for your Business?**

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# Welcome

## Your Speakers

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# IRS Strategic Operating Plan

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- The Inflation Reduction Act
  - \$80B in additional appropriations over 10 years, with about
  - \$20B then rescinded in March 2023
- Updated strategic plan
  - Enhance enforcement and compliance activities,
  - modernize its foundational technology
  - Improve tools available to IRS employees assisting taxpayers

# Expiring TCJA Provisions

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# Expiring TCJA Provisions

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	Current Law	After TCJA
Top ordinary income tax rate	37%	39.6%
Qualified Business Income Deduction	In effect	Eliminated
Bonus depreciation	Decreases 20% per year from 2023 until completely phased out.	
Excess Business Loss Limitation	Applies to tax years before 1/1/2029	Eliminated for tax years after 12/31/2028
Charitable deduction	Cash gifts to public charity offset 60% of adjusted gross income (AGI)	Cash gifts to public charity offset 50% of adjusted gross income (AGI)
Limit on SALT deduction	\$10,000	None



# Expiring TCJA Provisions (cont.)

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	Current Law	After TCJA
Mortgage limitation	\$750,000 acquisition indebtedness	\$1M acquisition indebtedness + \$100,000 home equity
Miscellaneous deductions subject to the 2% floor	Eliminated	Reinstated
PEASE limitation	Eliminated	Reinstated
Standard deduction	2024 - \$14,600 single filers 2025 - \$15,000 single filers	\$6,500 for single
Personal exemption	Eliminated	\$4,150 when phased out
Lifetime Exclusion Amount	2024 - \$13,610,000; 2025 - \$13,990,000	\$5,490,000

# Estate Planning

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# Estate Planning

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Year	Rate	Basic Exclusion Amount (Estate/Gift)
2026	Returns to 2017 amount	
2025	40%	\$13,990,000
2024	40%	\$13,610,000
2023	40%	\$12,920,000
2022	40%	\$12,060,000
2021	40%	\$11,700,000
2020	40%	\$11,580,000
2019	40%	\$11,400,000
2018	40%	\$11,180,000
2017	40%	\$5,490,000





# A Note on Donor's Remorse

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- Don't let the tax tail wag the dog!
- Consider overall net worth and types of assets held.
- Acquaint yourself with the risks of your intended transfer
- Involve tax, legal, and valuation advisors early!

# President Trump's Tax Proposals

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# Business tax

Tax Rates		
	Current Law	Trump
Corporate tax rate	21%	Decrease to 20% (15% for companies that make products in U.S.)
Treatment of income		
	Preferential capital gains treatment (exp. 12/31/25)	Extend preferential capital gains treatment
Other provisions		
	Energy preferences	Repeal certain energy credits and other IRA incentives. Retain fossil fuel preferences
Deductions		
	Current Law	Trump
Deduction for qualified business income	20% deduction for qualified business income (exp. 12/31/25)	Extend deduction
R&D expensing	Costs must be capitalized and amortized over 5 years (U.S. research) or 15 years (outside U.S.)	Restoration of immediate expensing
Bonus depreciation	60% for 2024; 40% for 2025; 20% for 2026;	100% bonus depreciation

# Individuals Tax: Rates and Deductions

Tax Rates		
	Current Law	Trump
	10%, 12%, 22%, 24%, 32%, 35%, and 37% (exp. 12/31/25)	Make TCJA cuts permanent
Tax Deductions		
	Current Law (exp 12/31/25)	Trump
Standard deductions and personal exemptions	For 2024, standard deduction of \$14,600 (single) and no personal exemptions	Extend TCJA increased standard deduction and elimination of personal exemptions
Exemptions from and phase-outs of alternative minimum tax	For 2024, exemption of \$85,700 (single) and exemption phase-out starts at \$609,350 (single)	Extend TCJA increases in exemption amounts and income at which exemptions start to phase out
Itemized deductions	No overall limitation and no deduction for misc. itemized deductions, certain casualty and theft losses, and moving expenses	Extend TCJA suspension of overall limitation and deductions for misc. itemized deductions, certain casualty and theft losses, and moving expenses
State and local taxes	\$10,000 cap on state and local tax (SALT) deductions	Eliminate the SALT cap
Home mortgage interest	Limited to interest on \$750,000 mortgage on primary and secondary home; no deduction for interest related to home equity debt	Extend TCJA limitations
Car loan interest	Not deductible	Deductible

# Tariffs

- May institute within first 10 days in office.
  - 10-20% on most imported goods
  - 60%+ on imports from China
  - 100% tariffs on goods from countries that break from the US dollar for trade
- Understand what and where you are paying
- Consider acceleration of purchases or alternative suppliers

# The Importance of Meeting With Your Advisors

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Share your goals and objectives for the upcoming tax year



Strengthen the relationship



Involve your advisors in important planning discussions



Hear perspectives with respect to recent developments



Work together in achieving your goals and objectives



QUESTIONS?



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