Tax Planning & Opportunities As We Consider Emerging From A Pandemic

PRESENTED BY:
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For questions, please contact Domenique Camacho Moran, Esq., at dmoran@farrellfritz.com
Agenda

- Federal Stimulus Programs: Update
- Tax Relief & Opportunities Emerging From The Pandemic
- Economic Recovery – What to Expect

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Federal Stimulus Programs: Update

• Coronavirus Preparedness and Response Supplemental Appropriations Act
• Families First Coronavirus Response Act
• Coronavirus Aid, Relief and Economic Security ("CARES") Act
• Paycheck Protection Program ("PPP") – second round released this week
  • Permitted expenses, including “payroll costs,” rent, utilities, and certain other items can qualify for PPP loan forgiveness
    • Includes wages, retirement benefits, health insurance, and certain other items paid by the business

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Tax Relief & Opportunities Emerging From The Pandemic

- Temporary relaxation of amendments enacted as part of the Tax Cuts and Jobs Act of 2017 (the “TCJA”)
  - CARES Act’s tax provisions are intended to allow businesses that realized losses during prior years (before 2020) to convert those losses into refunds that will be payable / usable now
  - Permits business owners to use other losses to offset otherwise taxable income, enabling those tax dollars to be applied elsewhere

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Tax Relief & Opportunities Emerging From The Pandemic

• Delay of Tax Payments – July 15th
• NOLs – carrybacks, limitations changes
• Business interest deductions
• Real Estate
  • Bonus depreciation
  • Like-kind exchanges
• Deferring Employment Taxes

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Tax Relief & Opportunities Emerging From The Pandemic

- Executive Compensation
- Incentive Compensation
- Renegotiating Debt
- Renegotiating Leases
- Bad Debts
- Gift & Estate Planning

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Economic Recovery: What To Expect

- Estimated number of unemployment claims filed in the U.S. was approximately 26 million
- The first quarter GDP is expected to show a decline of more than 3%
- Second quarter is expected to register a 25% drop in economic growth
- State and local governments have made significant budget cuts
- States experiencing economic stress as tax revenues have plummeted
  - Reduction in economic activity
  - Deferrals granted to taxpayers for the payment of various taxes

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Where Do We Go From Here?

• Leverage Tax Opportunities
• Planning Ahead
• Improve Efficiencies
• Strengthen Human Capital
• Strategic Business Advantages
• Resiliency

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Additional Questions

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COVID-19 Resource Links with information for non-profit organizations: