



TAX UPDATE

“ASK THE ACCOUNTANT”

Saturday, August 27, 2022

Washington Hilton Hotel

Presented by William J. Caldwell, CPA

Facilitated by Lisa S. Curtin, COO

Caldwell CPAs

www.caldwellcpas.com

CALDWELL CPAs
CERTIFIED PUBLIC ACCOUNTANTS

TAX AND TOURISM A PARTNERSHIP

Caldwell CPAs is the tourism industry's partner for accounting, tax planning and tax preparation services.

*Ask The
Accountant*



*The
Accountant
Is In*

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SYTA
ANNUAL
CONFERENCE

WASHINGTON, DC
AUGUST 26-30, 2022

#syta2022

Who We Are

Caldwell CPAs is a certified public accounting firm serving clients in all 50 states. Our Firm is unique among accounting firms in that we have a team dedicated to the specific needs of the tourism industry.

Please stop by our booth (#12) on the showplace floor and say hello. During the conference, in addition to Bill and Lisa, members of our tourism tax team will be in attendance.

The logo for Caldwell CPAs, featuring the name 'CALDWELL' in a bold, sans-serif font, 'CPAs' in a smaller font inside a blue circle, and 'CERTIFIED PUBLIC ACCOUNTANTS' in a smaller font below it.

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SERVICES OFFERED

- Tax Planning
- Tax Return Preparation
- Business Valuations
- IRS and State Notice Representation
- Bookkeeping Services
- Educational Seminars

A graphic showing the words 'TAX' and 'REFUND' spelled out with wooden blocks. A blue suitcase is placed on top of the 'X' block and the 'D' block. The background is a blue keyboard.

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This Presentation Includes

- Key elements of Inflation Reduction Act
- Employee Retention Credit – it's not too late!
- Tax Treatment of Donations from Investment Funds
- Review of Tax Deductions – Don't Leave Money on the Table
- Remote Employees
- And...time for Q&A



Inflation Reduction Act Key Elements That May Affect You

- Lowering Medicare Prescription costs – starting in 2023 - \$35 monthly insulin cap for diabetic Medicare beneficiaries. Slower rollout after this with much anticipated cap of \$2000 on annual drug costs starting in 2025
- New rules for electric vehicle credits – must include VIN number- expanded list of eligible vehicles. (**Contact Caldwell CPAs for a list of eligible vehicles- lcurtin@caldwellcpas.com.**)
- Tax credits for certain “green” home improvement initiatives such as solar panels, heat pumps and wind energy systems.
- **\$80 billion to the IRS with \$45B of those funds dedicated to collection enforcement**

Inflation Reduction Act Don't Worry About...



- 15% AMT on Corporations – only affects those with annual revenues over \$1B
- 1% excise tax on stock buy backs- unless applicable to your business



Myths About the Employee Retention Credit

You can apply for ERC even if you did not run payroll- FALSE

- Only companies that had W2 employees during the eligible period and who processed payrolls are eligible to apply.

You can't apply for ERC if you received money from the Paycheck Protection Program – FALSE

- Companies cannot claim ERC during the time PPP was being used for payroll. However, most companies have quarters after PPP was exhausted or not used, and those quarters are eligible.

You can no longer apply- FALSE

- You can amend up to three years from the original due date of the 941

Employee Retention Credit - Qualifiers



Factors	03/13/20 – 12/31/20	01/01/21 – 09/30/2021 Q1, Q2, Q3
Co-Exist w/PPP Loan	Yes	Yes
Compensation Base	\$10,000/year	\$10,000/quarter
Rate of Credit	50%	70%
Eligibility	Gross receipts drop > 50% from quarter year before	Gross receipts drop > 20% from quarter year before
Small employer (credit for all employees, working or not)	Up to 100 employees	Up to 500 employees
Availability of credit for employers not in existence for part or all of 2019	No	Yes
Group health plan expenses count even if no wages	Retroactively, yes	Yes
Wages count for ERC if not funded by PPP loan	Retroactively, yes	Yes

A big change!

Tax Benefits of Donating Stock



- If the stock has increased in value from the time of purchase, the owner can avoid paying capital gains tax by donating the security to a qualified charitable organization. When an appreciated security held for at least a year is donated to a charitable organization, its fair market value may be itemized as an income tax deduction.
- The resulting tax savings could be factored in to make a larger donation.

How to Make a Charitable Contribution (including to SYF)



- Cash
- Appreciated Securities
- If over 59 ½, directly from your IRA
- Donor-advised funds

Have Remote Staff?



- Do you have a remote work policy? And do employees sign off on the policy?
- If you are moving to a fully remote work staff, are you offering a moving/relocation reimbursement? Some expenses may be tax free to the employee and/or tax deduction for the employer.
- Did you register for payroll accounts in the state in which staff are working?
- Have you notified your Workman's Comp insurance provider?
- Have you considered how to build a culture that is inclusive of remote staff?
- Does your handbook or employment policies consider any state specific employment laws – for example, laws on sick leave?
- If you have a remote staff, you are now subject to income tax in that state. Business needs to file a tax return in the state in which the employee works.

(Contact Caldwell CPAs for a list of state specific requirements – lcurtin@caldwellcpas.com)



Tax Planning = Tax Savings

Remember to maximize the following deductions for your business:

Home office

Automobile Expenses

Meals

Travel

Employing children

Devices and Internet

Self-Rental of your home for staff meetings and parties







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Thank you for joining us today!
Stop by our booth to say hi!