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PODCAST EPISODE #15: RBF EXECUTIVE FORUM AUDIENCE FEEDBACK ON NEW TAX LAW HIGHLIGHTS TRANSCRIPT

Kae Wagner – We've just finished up a session on the new Tax Law, and I have Jeff Groff with me who is the Tax Partner at RBF, Ross Buehler Falk. So Jeff, give me the highlights from this morning and then we're going to get some feedback from some of our attendees.

Jeff Groff – The highlights are pretty obvious that this is not tax simplification. This is making things a lot more complicated overall, and there are a few people who are going to wind up paying more in tax, there will be people paying less in tax, and of course you're going to have the ones that are going to be in the middle. So the bottom line is we have to really plan with our clients and see how it's going to affect their individual situation.

Kae Wagner – So from a business perspective there are some key points: deductions, AMT limits, all of those kinds of things. Just a couple of highlights in those areas:

Jeff Groff – The highlights with the businesses are the expanded depreciation rules. They were made a little bit more consistent. We now know they're going to have an expanded Section 179 and bonus depreciation for several more years, instead of every year waiting till the very end to see if it's going to be extended. AMT for corporations has been eliminated, repealed, so we'll no longer have AMT for corporations, C-Corporations that is. And as far as individuals go, the AMT implications have been greatly reduced by expanding the phase-out limitations and expanding the exemption amounts.

Kae Wagner – Accountants this year have a lot of work to do in working through the maze of what this is, simplification or not. We'll see, right?

Jeff Groff – Absolutely, Kae. We have to stay focused on following the current analysis because there's a lot of things we don't know about the law. This is a major redo of the tax code and we need to meet with our clients and individually see how it affects them and do some planning as necessary because what works for one person is not going to be the same situation for another one.

Kae Wagner – We have some really good feedback from some of the participants who were here today, so we're going to roll into that now. So thanks for your presentation, you and your two partners. It was great. Thank you.

Jeff Groff – Thank you.

Kae Wagner – Okay, Mark Leiden, tell me what you took away from today.

Mark Leiden - I think the single biggest issue is this is not for the faint of heart. That the tax changes that are supposed to be simple have caused a lot of anxiety for small businesses especially, and also for those who are planning to retire and have major changes in their life where their income will change decisively or they're looking at estate planning. So all of this now has to be changed and incorporated in how we look at our clients and our customers.

Kae Wagner – Okay, Chuck Paul, Kreider Farms. Tell us what you learned this morning.

Chuck Paul - Well I think the things that caught my attention, and they interface with each other, are the limitation on the interest deduction, and then also the bonus depreciation, because our company has been expanding rapidly so we've had a lot of construction and new facilities. We also are in a very volatile industry so if you build a whole lot you can depress your income sufficiently to come into play with the interest deduction. So we're going to have to take a look at that as we go forward I think.

Kae Wagner – So it looks like a good thing for you.

Chuck Paul - It may be. We'll see.

Kae Wagner – So we're here with Mike Burkhart and what's your takeaway from this morning?

Mike Burkhart - Well I come from the S-Corp world here so we're looking to do some investments in the near future with regard to increasing some of the plants, build another add-on to our plants. So some of the rules now where you can accelerate that depreciation up to a million dollars, that's definitely going to be beneficial for our company. So that was definitely a takeaway from today.

Kae Wagner – Thanks Mike, appreciate it.

Mike Burkhart - Sure.

Kae Wagner – So we're here with Dave Neslund. Dave what are your takeaways from this morning?

Dave Neslund - Well I can see some areas where it's going to save us some money. It's going to help us with our planning going forward, especially as we think about potential real estate projects. Some of the things I learned today are going to have some impact on us. So I think ultimately it's an understanding. I don't think things have gotten simpler, but we have a different rate environment. It's helpful to understand that. It's also helpful to know about these things when we're planning for our coming year, which our fiscal year ends 4/30 so we're just now getting into our planning process.

Kae Wagner – So I'm here with Brian White. Brian you were in our session this morning. What are your takeaways for today?

Brian White - For me, I'm excited because many of my clients, I think, are really going to benefit from the tax changes. So I'm excited to see what their plans are for how they're going to potentially reinvest some of that excess and hopefully see some continued growth. For me personally, I'll benefit from the tax changes, although it does look like it gets a little more complicated as opposed to simple, but I think economically we're going to be in a better position after the changes, so that excites me.

Kae Wagner – That's it for today folks. Visit rbfco.com, for more information on Accounting that Goes Beyond the Numbers. This is your host, Kae Wagner, for Ross Buehler Falk. Our next episode is coming soon. Don't miss it.