

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us



The Tax Blotter is a bite-sized round-up of recent tax issues.

The Inflation Reduction Act (the IRA) targets a 15% minimum tax at corporate giants, but the new law also includes several tax provisions of interest to owners of smaller business operations.

Reconsider stock buybacks.

A last-minute addition to the new law might discourage corporate stock buybacks. Traditionally, a corporation may buy back stock from shareholders, as opposed to issuing dividends. Dividends are currently taxable, while stock buybacks result in capital gains that may go untaxed for years—perhaps forever. But the IRA imposes a 1% excise tax on corporate stock buybacks, beginning in 2023.

Watch out for excess losses.

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

The tax law rewards companies on the cutting edge. For example, a qualified start-up business can choose to use up to \$250,000 of research and development (R&D) credits to offset payroll taxes. The election is available to businesses with annual gross receipts of \$5 million or less. Even better, the IRA increases the \$250,000 cap to \$500,000 after 2021. Note: To qualify, the start-up can't have income prior to the last five years.

[Income Tax](#) • [IRS](#) • [Taxes](#)

CPA Practice Advisor is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors.

© 2024 Firmworks, LLC. All rights reserved