



PYA 2025 Summer CPE Symposium, Session 3 – Tax Planning in an Uncertain Time

Presented June 19, 2025 by PYA's Joe Engel, Victoria Gentry, and Patrick Birmingham | Part of the PYA 2025 Summer CPE Symposium Webinar Series

<https://www.pyapc.com/insights/summer-symposium-session-3-tax-planning-in-an-uncertain-time/>

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WEBINAR SUMMARY

This presentation covered evolving tax legislation under the Trump administration, with a focus on individual and business tax provisions, sunset Tax Cuts and Jobs Act (TCJA) measures, bonus depreciation, research and development deductions, and the proposed Trump Accounts. The speakers also explored strategic implications for healthcare-related entities navigating uncertainty in fiscal policy.

Key topics include:

- Changes in presidential administrations impact long-term tax policy and planning
- Effects of temporary tax provisions and sunset clauses on strategic decision-making
- Role of budget reconciliation in shaping tax legislation
- Various provisions of pending tax legislation
- Risks and uncertainties businesses and individuals face within politically volatile environments
- Development of adaptable tax strategies that account for legislative reversals and partisan shifts

WEBINAR HIGHLIGHTS AND FREQUENTLY ASKED QUESTIONS

How does the new legislation affect individual tax rates and deductions?

- It seeks to maintain TCJA rates, adjust standard deductions, and phase out some itemized deduction limitations.

What are key changes for business tax planning?

- Immediate R&D expensing, increased 179 limits, expanded bonus depreciation, and updated interest deductibility under Section 163(j).

What is the significance of Trump Accounts?

- They are new savings accounts for children with federal contributions, aimed at long-term investments in education, housing, or small business.

How are opportunity zones evolving?

- Second-round designations include rural emphasis with enhanced basis step-ups for long-term investments.

What's changing for tax-exempt healthcare providers?

- Potential expansion of UBTI triggers, reintroduction of the parking tax, and excise tax adjustments on high executive compensation.



ACTION ITEMS

- Stay informed on the progress of the legislation and be prepared to take advantage of any favorable provisions before potential expiration dates.
- Evaluate the potential benefits of immediately expensing R&D costs versus continuing to capitalize and amortize, and update your accounting method accordingly.
- Assess the impact of the proposed changes to the business interest deduction limitation and the transition from an EBIT to an EBITDA calculation.
- Analyze the impact of the proposed changes to the QBI deduction and consider the best approach for your business.
- Review the proposed changes to the estate and gift tax exemptions and determine if any estate planning updates are needed.

WEBINAR OUTLINE

Introduction to Tax Planning in an Uncertain Time

- Joe Engel introduces himself and his colleagues, Victoria Gentry and Patrick Birmingham, as the presenters.
- Joe discusses the current level of uncertainty due to geopolitical conflicts, economic volatility, and emerging technologies.
- The focus of the webinar is on the impact of recent changes in presidential administrations, budget reconciliation, and tariffs on tax planning.
- Joe explains the differences in tax philosophies between the Trump and Biden administrations, including the TCJA and the Chips and Science Act.

Budget Reconciliation Process and Tax Legislation

- Joe Engel delves into the budget reconciliation process, explaining its purpose and how it bypasses the filibuster threshold in the Senate.
- He discusses the current Senate parliamentarian, Elizabeth McDonough, and the process known as the "bird bath" for removing extraneous matters.
- Joe highlights the expiring provisions of the Tax Cuts and Jobs Act, including lower marginal tax rates, standard deductions, and business-related deductions.
- The first polling question is posed to attendees regarding which expiring provisions they most want to see extended.

Individual Tax Provisions and Senate Differences

- Victoria Gentry begins discussing individual tax provisions, emphasizing the importance of context and potential differences between the House and Senate versions of the bill.
- She explains the impact of not passing a tax bill, including the reversion to 2017 tax rates and the removal of the SALT cap.
- Victoria details the permanent enactment of the qualified business income deduction and estate and gift tax exemptions in both versions of the bill.
- She discusses the elimination of the Pease limitation and the introduction of a charitable deduction in the Senate version.



Business Tax Provisions and Depreciation Rules

- Victoria Gentry continues with business tax provisions, including the elimination of the no tax on tips on overtime and the increase in the senior deduction.
- She explains the new above-the-line deduction for car loan interest and the introduction of the Trump accounts for children.
- Victoria discusses the changes to bonus depreciation and the permanent enactment of the 179 expensing limit in both versions of the bill.
- She emphasizes the importance of cost segregation studies for businesses adding large amounts of assets.

Research and Development Costs and Small Manufacturing Businesses

- Patrick Birmingham focuses on research and development costs, explaining the current law of capitalizing and amortizing these expenses over five years.
- He discusses the new provision allowing for immediate expensing of R&D costs, with the House bill having an expiration date and the Senate bill making it permanent.
- Patrick explains the automatic accounting method change and the ability for small businesses to retroactively apply the provision.
- He covers the changes to the gross receipts threshold for small manufacturing businesses, increasing it from \$25 million to \$80 million.

Charitable Contributions and Opportunity Zones

- Patrick Birmingham discusses the changes to charitable contributions by C corporations, including the addition of a 1% floor and the carryforward of disallowed contributions.
- He explains the provisions related to opportunity zones, including the creation of a second round of opportunity zones and the increased step-up in basis for rural opportunity zones.
- Patrick highlights the differences between the House and Senate versions of the bill regarding the expiration of opportunity zone provisions.
- He discusses the changes to 1099 reporting requirements for third-party settlement organizations.

Green Energy Provisions and Tax-Exempt Entities

- Patrick Birmingham covers the termination of green energy provisions in the House bill and the differences in the Senate bill regarding the expiration of these credits.
- He explains the changes to the clean energy production and investment credit, including the reduction in credit for facilities placed in service closer to the expiration date.
- Patrick discusses the excise tax on excessive compensation for tax-exempt organizations and the increase in unrelated business taxable income.
- He highlights the changes to the excise tax on qualified transportation fringe benefits and the inclusion of income from the sale or licensing of a name or logo.

International Tax Provisions and Tariffs

- Joe Engel briefly covers the international tax provisions, including changes to the foreign derived intangible income, global intangible low-taxed income, and base erosion and anti-abuse tax.



- He explains the differences between the House and Senate Finance Committee versions of the bill regarding these provisions.
- Joe discusses the impact of tariffs on healthcare goods and supplies imported from China and other countries.
- He outlines techniques for mitigating tariffs, including reviewing classification, country of origin, and valuation, and seeking duty drawbacks or exemptions.

Closing Remarks and Next Steps

- Joe Engel thanks the attendees and encourages them to reach out with any questions.