Regenerate Neighborhood

newtopia now

Money Talks, We Translate: Tax & Financial Clarity for Your Brand

Sponsored by withum ADVISORY TAX AUDIT

Money Talks, We Translate: Tax & Financial Clarity for Your Brand

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Presented by Derek White

MONEY TALKS, WE TRANSLATE: TAX AND FINANCIAL CLARITY FOR YOUR BRAND

POWER IN THE PLUS™

Meet Your Presenter

Derek White, Principal

+ 16 years public accounting
+ 4 years private industry
+ Consumer Products, Restaurants, Food & Beverage, Manufacturing
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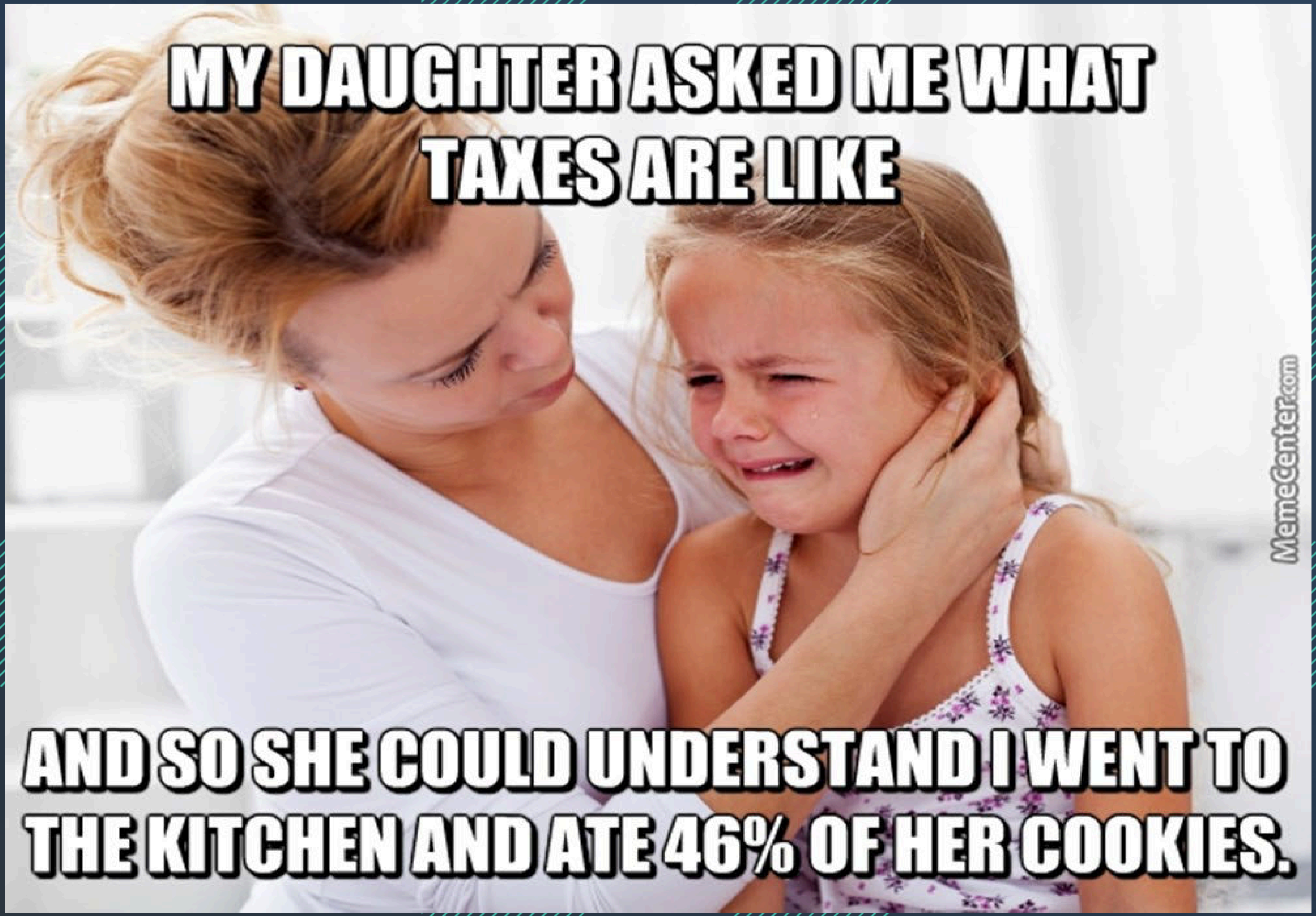
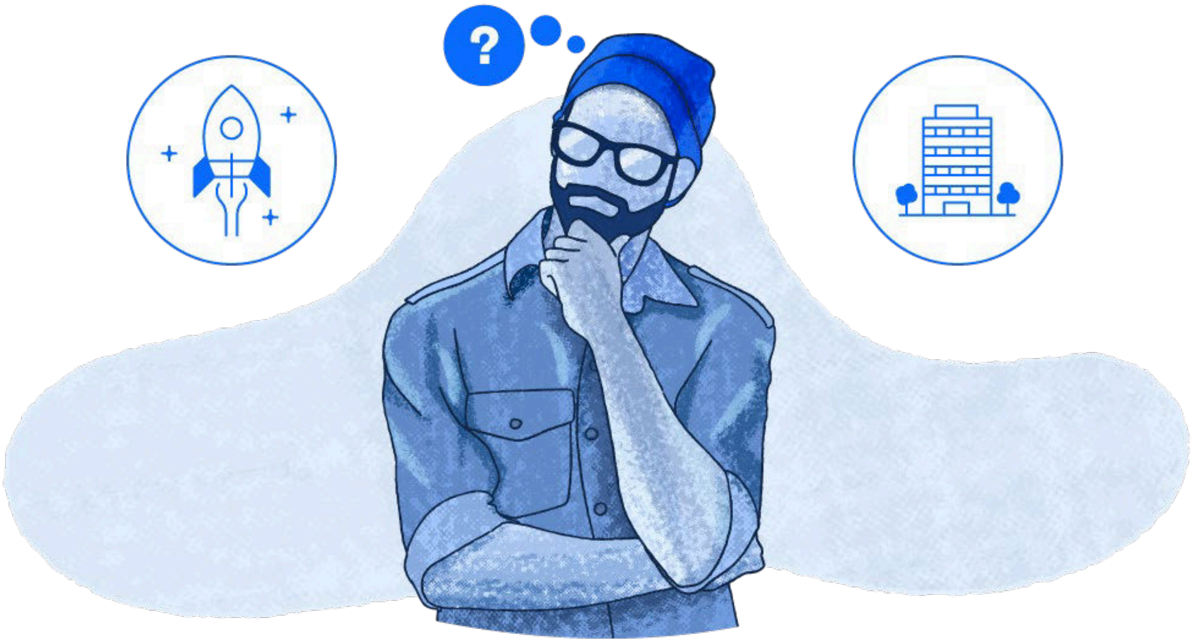

MY DAUGHTER ASKED ME WHAT TAXES ARE LIKE
AND SO SHE COULD UNDERSTAND I WENT TO THE KITCHEN AND ATE 46% OF HER COOKIES.
MemeCenter.com

Business Is A Maze

How do you navigate tax and accounting issues?

Which One Are You?

+ Start up?
+ Maturing company?
+ Contemplating a new business?
+ Ready to exit?



Entity Structure Matters

Sole Proprietor (least administrative)

Limited Liability Company (most flexible)

S Corporation (good tax savings, restrictive)

C Corporation (flexible but potential double tax)

One Big Beautiful Bill Act

- ✓ Advising on new provisions of the bill
- ✓ Qualified Small Business Stock
- ✓ Benefits S Corps and LLCs
- ✓ Tips/Overtime Reporting
- ✓ Research Expenses
- ✓ Bonus Depreciation

Right Advisors Matters

- Accounting: Complex accounting issues around debt vs. equity
- Accounting: Are your books ready for an audit/review?
- Tax: Who gets taxed and when on profits/losses
- Tax: What happens when you want to exit?

Financing

- Friends/Family
- Informal Debt Arrangements
- Convertible Debt/SAFE
- Lease or Finance Capital Improvements?

Monetizing Tax Incentives

- Work Opportunity Tax Credits
- Social Security Wages Tip Credits (mainly companies with tips)
- State-Level Credits
- R&D Credits (potential to monetize R&D credits as payroll tax credits)

Start-Up Company Issues

- Accounting issues may not be basic
- What accounting system do you use?
- Accounting for debt or equity can be complex
- Generally not ready for an audited or reviewed financial statement

Other Tax Considerations

- Warehouse in a new state?
- Employees in a new state?
- Selling into a new state?
- Tax Considerations:
  - Payroll Taxes
  - Income Taxes
  - Sales Tax (this is easy a top 5 way to kill a future sale)

Maturing Company

Moving employees or selling into a foreign country?

U.S. filing requirements for foreign activity

Foreign filing requirements

Maturing Company

Going from losses to profits

Entity structure matters

Advice on managing prior year losses:

- C Corporation might have prior losses. Can you use them against future income? (aka 382 limitations)
- LLC or S Corp? if so, how do your prior losses affect future income?

Maturing Company

Audited or reviewed financial statements may be necessary

Requires getting your books audit ready

Audits/Reviews are expensive but may be required:

- Investor
- Bank

Maturing Company

Acquiring another business?

- Complex acquisition accounting

- Due diligence
  - Financials
  - Accounting
  - Tax
- Valuations

You would never buy a house without at least one inspection!

Due Diligence may seem expensive but not doing it could be far more expensive in the future

Exit

- Selling your business?
- All past decisions will impact your sale
- Asset sale
  - Selling a portion or all of your business assets, Any gain on the sale is an entity level gain, C Corporations: can you offset your gain with prior losses (382 limitations)
- Stock sale
  - Investor/shareholder-level gain
  - C Corporation: Qualified Small Business Stock?

Thank you! Questions?

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