A EGIC A PLANNING FO CON C ION B INE O NE

As the new year continues to unfold, construction business owners must pivot their focus to a critical task: tax planning. The landscape for 2023 was shaped by legislative updates from the last few years that may still substantially inf uence tax obligations. It is essential for construction business owners to engage in comprehensive discussions with their tax advisors to navigate complex tax laws.

Typically, year-end tax planning provides an opportunity not only to discuss tax matters but also to consider broader f nancial implications stemming from non-tax developments. This is particularly relevant as we enter an election year and as the details of potential legislative changes remain uncertain.

LOOKING AHEAD

Several key provisions of the Tax Cuts and Jobs Act (TCJA) are set to expire or "sunset" after 2025, and business leaders should be cognizant of these timelines. Now is the time to

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The TCJA allowed for 100% bonus depreciation for various construction-related assets, such as heavy machinery, equipment, furniture, and certain vehicles with a recovery period of 20 years or less. In 2023, the bonus depreciation decreased to 80%, and will decline 20% each year after. Therefore, in 2024, the bonus depreciation will be 60%. Capitalizing on these available deductions calls for detailed