

## ACCOUNTING

# TAX PLANNING IN A COMPLEX CLIMATE

2020 has been an extraordinarily complex year and as is often the case, that complexity is reflected in taxpayer's tax situations, whether they are businesses or individuals. Elena Hayes, Certified Public Accountant and Certified Financial Planner professional at **Abare, Kresge & Associates CPAs, LLC** (AKA) is providing information and tax planning services to help individuals and their businesses make sense of this complex and ever-evolving array of U.S. federal tax rules.

Elena specializes in tax and retirement planning for individuals and families. She has been in business since 2003 and has been with AKA for almost 13 years. She is a valuable resource for clients, offering many opportunities to assist them with problem solutions and growth. With the new tax legislation enacted this past year, in response to COVID-19, along with recent Internal Revenue Service (IRS) guidance, Elena is helping clients with tax planning for the upcoming tax season and guiding them through the complexity of the legislative provisions.

"The Consolidated Appropriations Act of 2021 (CAA 2021), the most recent coronavirus stimulus bill that was passed by Congress in December 2020, included significant updates to the

Paycheck Protection Program (PPP), changes to how PPP loans are taxed, tax credit eligibility changes and more," says Elena. "The potential for the deductibility of PPP-funded expenses raises a lot of questions that may affect tax planning. AKA can provide guidance to the clients in this area." Elena explains that the PPP provisions of CAA-2021 are retroactive and apply to tax years ending after the date of enactment of the Coronavirus Aid, Relief, and Economic Security (CARES) Act that was passed in March 2020. Therefore, these rules apply to all taxpayers, even taxpayers who have already applied for or received forgiveness, as well as those who have already filed tax returns reporting expenditures as non-deductible. "AKA can help you analyze the impact of amending returns to claim deductions," she says.

In addition to the CARES Act and CAA-2021 provisions, the November presidential election has had a major impact on tax planning. "There are a few major points, proposed by the Biden Plan that will affect small businesses and individuals," says Elena. "The capital gains tax rate will increase to over 40%, the corporate tax rate will increase from 21% to 28%, there will be partial elimination of qualified business income deduction, and the estate



Elena Hayes, CPA, CFE, CFP®

tax exemption will be reduced by approximately 50%. AKA can analyze each client's specific tax situation and guide you through these and other tax revisions."

In such a complex and changing environment, you may be left feeling overwhelmed. You may be asking yourself - How can I be prepared for the new policy changes? Should I change my legal entity structure this year? What additional planning strategies should I implement? And in general, what things should I do regardless? AKA can help you answer all of these questions. Serving St. Augustine since 1989,

Abare, Kresge & Associates CPAs, LLC has built a reputation of excellence through years, offering expertise in a large range of services and diligently serving their clients. Through all of her years in the industry, Elena has built expertise in tax preparation and planning (individual and business), retirement planning, financial planning, audit, review and other attestation work and forensic accounting and litigation support. Her high-quality work and reputation of excellence has made her a "trusted advisor" for her clients and the person you want on your side to help navigate these changing waters.

## Abare, Kresge & Associates CPAs

1200 Plantation Island Dr. South Unit 230, St. Augustine, FL 32080  
(904) 460-0747 • [www.abarekresgecpa.com](http://www.abarekresgecpa.com)



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