



Gray, Gray & Gray, LLP's News

R&D Capitalization Starts Next Year (Maybe). Are You Ready?



Since 1954 taxpayers have been able to fully deduct research & development (R&D) costs during the tax year in which they occurred, if they chose to do so. The option for an immediate deduction was seen as a way to spur innovation. But that option is coming to an end – maybe. Starting in 2022, R&D costs must be capitalized, with costs deducted over a 5-year period if the R&D activities are performed in the U.S., and over 15 years if the R&D is performed outside of the U.S. Software development is included in this new capitalization requirement.

Why the shift away from the R&D deduction that has been in place for nearly 70 years? And why a change that is in conflict with GAAP (generally accepted accounting practices)

which normally requires immediate expensing of R&D costs? Blame it on the Tax Cuts and Jobs Act of 2017, which reduced corporate tax rates from a top rate of 35% to a flat rate of 21%. The loss of revenue from the tax rate reduction is being made up in multiple areas, including the change in accounting for R&D.

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Family Business

Consider Hosting a Family Meeting about Your Estate Plan

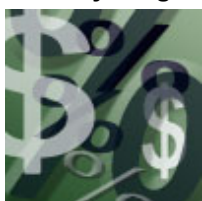


You've spent years building your business and net worth. As you plan your estate, you may want to keep the details private. However, it might be better to share information with family members. You can do this by gathering your heirs together. These meetings are reminiscent of Scottish clan gatherings held hundreds of years ago. This article explains.

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Benefits Administration

Disability Programs: Save Money, Foster Return to Work



You can assist sick or injured employees to get the help they need early on, and in the process, limit lost productivity. Keep reading to find out how an integrated disability management program can help achieve this goal.

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Customer Service: Seven Ways to Lose Business



Good customer service seems easy to provide. Yet at some businesses, customers experience rude or curt treatment. This tends to result in bad word of mouth from unhappy people. This could mean your business loses thousands of dollars in potential sales. Here are seven no-nos that can result in lost business and profits. This article also provides some tips for handling telephone calls.

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