



Designing & Building Your Future

A Blueprint for
Growth & Profitability.

August 2021 Issue

Gray, Gray & Gray Ranked Among Top 200 Accounting Firms in U.S. for Ninth Consecutive Year

Gray, Gray & Gray, LLP (www.gggllp.com), a certified public accounting and business advisory firm in Canton, MA, has been named one of the country's Top 200 accounting firms by INSIDE Public Accounting magazine. The publication ranked Gray, Gray & Gray as the 165th largest accounting firm in the U.S. (up seven spots since 2020) and fourth largest independent accounting firm in Massachusetts. This is the ninth consecutive year the firm has been ranked among the country's Top 200 firms.



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Could Employee Retention Credit End Early?

Tucked away inside the U.S. Senate's trillion-dollar infrastructure bill is a provision that would shorten the time allowed to claim an important tax credit for employers. The Infrastructure Investment and Jobs Act currently being debated in the Senate would narrow the window in which companies can claim the Employee Retention Tax Credit (ERC) by one quarter, ending with wages paid up to October 1, 2021. This

Employee Retention Credit

Month and year _____

Employee identification number _____

☐ Final return

☐ Adopted during month (not incl...)

Adoption date _____

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If you have questions about the ERC or would like an analysis of your eligibility for the tax credit, please contact Gray, Gray & Gray at (781) 407-0300.

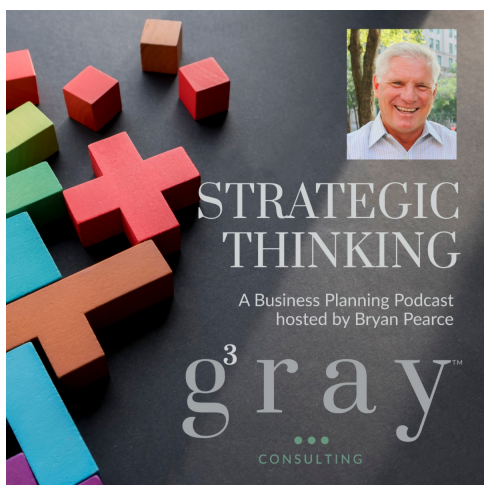
More and more states now offer a way to lessen or eliminate this new tax burden by allowing

qualified pass-through entities (typically including S corps and LLC partnerships) to voluntarily elect to pay an entity-level state income tax at a rate that is typically equal to the individual state income tax rate. The Tax Cuts and Jobs Act did not place a limit on the amount of state tax that can be deducted on the entity's federal tax return. Eligible owners of the pass-through entity then receive a refundable state tax credit equal to (or, in some cases, nearly equal to) their share of the state income tax paid by the business entity. This effectively restores the full benefit of unlimited deduction of state taxes. The IRS has confirmed that this workaround is acceptable.

Not all states allow full credit for the tax paid. For example, Massachusetts passed a new law (H4009) that incorporates this workaround of the deduction limitation, but only offers an individual a credit equal to 90 percent of the corporate excise tax paid to the state at the entity-level. This law change is effective for tax years beginning on January 1, 2021.

Every individual should consult with a qualified tax advisor and consider the full impact of using this method, both on their business and their individual tax returns. If you have questions about deducting state and local taxes, or any other tax issue please contact Gray, Gray & Gray at (781) 407-0300.

Our Strategic Thinking from Gray, Gray & Gray podcast series continues!



In episode 3, host Bryan Pearce interviews John Cerulli, CEO of Acumentrics in Walpole, MA. Acumentrics has been a trusted market leader in critical power solutions used in military and commercial applications since 1994. John has over 25 years of experience in both financial and operational management in both public and private companies and is currently leading the strategic planning refresh for Acumentrics.

Click [here](#) to listen to the latest episode now to hear how John has strategically grown and expanded Acumentrics' business over the years to meet the changing power demands of their customers.

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