

g³ | Designing & Building Your Future

A Blueprint for Growth & Profitability.

December 2021 Issue

How Does the New Massachusetts Entity-Level Excise Tax Work?

While the 2017 Federal Tax Cuts and Jobs Act lowered corporate tax rates and doubled the standard deduction, it also included a provision that limited annual itemized deductions for state and local taxes to \$10,000. This cap on “SALT” deductions has prompted several states to introduce a “workaround” that allows owners of pass-through businesses to elect to pay their state income tax burdens at the company level via a pass-through entity (PTE) business excise tax. Massachusetts has joined the list of states with a PTE excise tax option.



[READ THE FULL ARTICLE
HERE](#)

2021 Year-End Planning Seminar Recording Available Now!

In case you missed our Year-End Planning Seminar or would like a refresher on the information shared, you can now access the recording online.

During this seminar, we provided crucial information that will help allow you to



take control of your future and move forward with confidence. Gray, Gray & Gray Partners presented a Tax Update, discussing the impact of proposed tax changes. A panel of thought leaders also covered a range of additional topics including newly emergent business opportunities, implications of the new economy on personal wealth, the red-hot M&A market, the new imperative for strategic thinking, and more.

[LEARN MORE & ACCESS THE SEMINAR RECORDING HERE](#)

Last Minute Tax Tips for 2021



As 2021 draws to a close our thoughts all turn to enjoying the holidays. But don't forget that right after the New Year begins, you'll need to pay attention to taxes. The Internal Revenue Service (IRS) has several suggestions about steps you can take before the holiday season to make the tax season simpler and easier.

[READ THE FULL BLOG POST HERE](#)

Reminder - Employee Retention Credits Eliminated

One of the provisions of the recently passed Infrastructure Investments and Jobs Act is the elimination of the Employee Retention Credit (ERC) for Q4 2021. There is an exception for companies founded after February 15, 2020 (known as recovery start up businesses).

The termination of the credit for the fourth quarter payrolls was anticipated based on an August notice from the Internal Revenue Service (IRS) that extended the Employee Tax Credit through Q3 and Q4, but warned that pending legislation – now passed – could impact the credit.



Eligible businesses may still claim the Employee Retention Credit on qualified wages paid from March 13, 2020 through September 30, 2021. Recovery startup businesses may claim the ERC from July 1, 2021 through December 31, 2021, but are only eligible for a maximum of \$50,000 of credit per quarter.

The new maximum credit per employee that a company may claim is now \$26,000 – assuming eligibility for the maximum \$5,000 combined for all quarters of 2020 plus \$7,000 per quarter for Q1, Q2 and Q3 of 2021. Employers who are eligible for the ERC in 2021

should be mindful that their Paycheck Protection Program Round 2 forgiveness applications are due in the coming months. Maximizing the interplay between the ERC and the PPP Round 2 forgiveness can yield a “best of both worlds” result for eligible companies.

Please be sure to contact Gray, Gray & Gray at (781) 407-0300 to assess your eligibility and to help maximize stimulus opportunities available to your organization.

Retirement Contribution Caps Raised

The amount an individual can contribute to a qualified retirement plan in 2022 has been raised to \$20,500, up from a limit of \$19,500 imposed in 2019 and 2020. The new cap applies to 401(k), 403(b), most 457 plans, and the federal Thrift Savings Plan.

However, if a taxpayer or their spouse is covered by a retirement plan at work, the deduction may be reduced, or phased out, until it is eliminated, depending on filing status and income. The phase-out ranges have also been increased.



[READ THE FULL ARTICLE
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Gray, Gray & Gray Sponsors Smart Business Dealmakers Boston Conference



Gray, Gray & Gray, LLP is a co-sponsor of the January Smart Business Dealmakers Boston Conference, a virtual event to be held on January 20, 2022. The Conference connects thousands of local dealmakers, from middle-market CEOs to top investors and lenders to leading M&A advisors. It covers the breadth of the M&A landscape, with sessions ranging from raising capital to buying and selling companies to alternative asset investing.

Registration is now open. Click [here](#) to register.

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