



# Designing & Building Your Future

A Blueprint for Growth & Profitability.



July 2023 Issue

## R&D Tax Treatments Still in Limbo

Since the availability of immediate R&D expensing was eviscerated by the Tax Cuts and Jobs Act (TCJA) of 2017, business advocates and many members of Congress have been actively seeking to reverse the changes. The new rules requiring R&D spending to be amortized over five years (15 years for foreign expenditures) are still in place, resulting in higher tax bills and disincentivizing research and experimentation across many industries.



However, there has been some progress made in reversing this change by repealing Section 174 of the TCJA. In June, the House Ways & Means Committee approved the [Build It In America Act](#) (H.R. 3938) which included a provision that would allow taxpayers to deduct qualified R&D expenses in the tax year in which they were incurred. The Act would allow the deduction beginning in the tax years after December 31, 2021, and before January 1, 2026, effectively “backdating” the immediate deduction allowance.

[READ THE FULL ARTICLE](#)



## Buyer Beware: ERC Scams



The Employee Retention Credit (ERC) can be an excellent way for eligible employers to recover as much as \$26,000 per employee for workers they continued to pay during the COVID-19 pandemic. But there are qualifications and restrictions, and eligibility depends on a calculation of multiple factors including payroll

data and declines in gross income during the eligibility period (March 13, 2020 to December 31, 2021). There are also PPP loan interplay calculations to complete to maximize eligible ERC dollars while avoiding “double dipping” in both stimulus programs. A qualified accountant should be able to help you determine eligibility and file an amended tax return to receive the refundable tax credits you have coming to you.

But... there is always someone trying to spoil the fun. The Internal Revenue Service (IRS) has issued repeated warnings about third parties “aggressively promoting ERC schemes on radio and online.”

LEARN MORE

## Beware of Tax Refund Scam in Your Mailbox

The Internal Revenue Service (IRS) has issued a warning about a new scam using old technology – the U.S. mail. Officials are cautioning taxpayers to be alert for a fraudulent letter that includes an official-looking IRS logo and includes wording about “your unclaimed refund.” The letter tells recipients they must supply a photo of their driver’s license, their cell phone number, bank routing information, bank account type, and Social Security number in order to receive the tax refund.



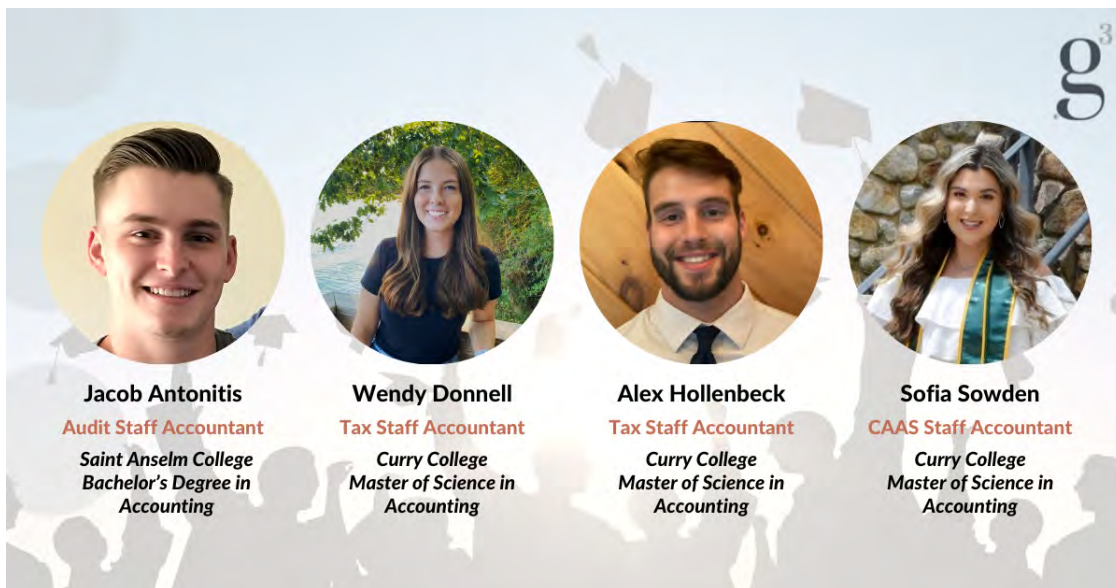
Don’t fall prey to this scam. If you believe you may be due a refund you can check your status on the official IRS [Where’s My Refund](#) page.

The agency also warns that taxpayers should be alert for any notice in which wording is awkward, words are misspelled, or includes other unusual requests. Scammers may use the mail, email, texts, or telephone to try to trick unsuspecting people into giving up sensitive personal or financial information.

For additional information or assistance in filing your tax return, please contact Gray, Gray & Gray at (781) 407-0300.

## Congratulations, Graduates!

We are excited to announce the following Gray, Gray & Gray team member graduations. Congratulations on this important milestone, which we recognize requires an incredible amount of hard work and commitment. We are proud to have Jacob, Wendy, Alex and Sofia on our team and wish them nothing but success in all of their future endeavors!



## It's Not Too Late to Get Your Employee Retention Credit

Eligible businesses that have not applied for the Employee Retention Credit (ERC) still have time to take advantage of this pandemic stimulus program. ERC refunds are available for eligible employers to harvest.

But be careful! The IRS has warned employers to be wary of third parties advising them to claim the ERC when they may not qualify. Some of these service providers are also pressuring curious business owners to file quickly to meet looming deadlines. This false sense of urgency is simply not true.



[LEARN MORE](#)

Do you have a colleague that would like to receive our news?

[SUBSCRIBE HERE](#)

Gray, Gray & Gray, LLP | [www.gggllp.com](http://www.gggllp.com)



Share This Email

The information contained in this communication (including any attachments and/or re-directs to other online sources) is not intended or written to be used, and cannot be used, for the purpose of avoiding penalties under the Internal Revenue Code.

Copyright © 2023. All Rights Reserved.

---