



Designing & Building Your Future

A Blueprint for
Growth & Profitability.

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R&D Deduction Update



The U.S. tax code offers various provisions designed to incentivize business growth and innovation. Among them, Section 174 plays a crucial role by allowing businesses – including many in the architecture, engineering, design, and construction industries – the option to deduct or amortize research and experimental (R&E)

expenses (also known as R&D expenses). This provision has been instrumental in fostering innovation across various sectors and contributing to the country's economic prosperity. However, changes to Section 174 effective 1/1/22 have suspended the ability to immediately deduct research and experimental expenditures in the year the expenses are incurred. This major tax law change has generated uncertainty, cash flow crunches and surprise tax bills for businesses heavily reliant on R&E investments.

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Leveraging Section 179 for Optimal Savings in Construction Companies

In the dynamic and competitive world of construction, good financial management is pivotal. Construction companies have multiple overheads ranging from labor to machinery, all of which can significantly impact their profitability. However, the Internal Revenue Service (IRS) provides some relief in the form of Section 179, an often underutilized gem in the tax code. For construction businesses looking to save money, understanding and strategically using Section 179 can be transformative.



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Best Wishes on Your Retirement! Gray, Gray & Gray Partner Joe Ciccarello to Retire



JOE CICCARELLO
Partner
37 Years of Service

Gray, Gray & Gray has announced the retirement of longtime Partner C. Joseph “Joe” Ciccarello, CPA, MST. Ciccarello joined Gray, Gray & Gray in 1986 and was elected a Partner in 1992. He served as the firm’s Managing Partner (now Leading Partner) from 2008-2017. During his tenure as Managing Partner he spearheaded the acquisition of three accounting firms, helping Gray, Gray & Gray’s annual revenue more than double.

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Recording Available! Gray, Gray & Gray's 2023 Year End Planning Seminar

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

During this seminar, we discussed what challenges business leaders will face in 2024, and how they can prepare to meet them. Learn what lies ahead on the economic front, how to plan for more changes in your corporate and personal taxes, and why the M&A market is set to heat up again. Plus you'll hear directly from successful business owners what strategies they are using to navigate their companies through tumultuous times.



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IRS to Waive Penalty Fees

The Internal Revenue Service (IRS) will waive penalty fees for people who failed to pay back taxes that total less than \$100,000 per year for tax years 2020 and 2021. This is a one-time relief based on the unprecedented interruption caused by the pandemic, according to the IRS.



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