

# 2020 TAX PLANNING CONSIDERATIONS

## — FOR BUSINESSES —

It's that time of year again when business owners are considering which tax planning opportunities will best position them for the upcoming tax filing season. But this is definitely a year unlike any other. Between the pandemic and elections, a lot remains uncertain. Here are a few tax planning ideas we're confident you can consider as 2020 comes to a close.



### Impact of Paycheck Protection Program (PPP) Loan Forgiveness

As it currently stands, loan forgiveness is not considered taxable income, but the expenses associated with the loan forgiven are non-deductible.



### Impact of Coronavirus Aid, Relief and Economic Security (CARES) Act

There are several provisions of the CARES Act that may have a large impact, such as net operating loss and bonus depreciation for qualified improvement properties - and more.



### Maryland State and Local Tax (SALT) Workaround

As it stands now, Maryland residents who are owners in a pass-through entity can move certain expenses off of schedule A and on to schedule E to avoid the \$10,000 SALT limitation on itemized deductions. For more information, [see our article](#) covering the topic.



### Accelerate Equipment Purchases

Make a purchase of equipment prior to year-end to take advantage of accelerated depreciation.



### Accounts Receivable

Be diligent in understanding which outstanding receivables are uncollectible.



### Benefits of Cost Segregation

With expanded bonus depreciation rules under the CARES Act, the tax benefits of a cost segregation increase exponentially. For more information on these benefits, visit [our article here](#).



### Defer Income and Accelerate Expenses (or Vice Versa)

Understanding the tax policy of President-elect Biden will help guide this conversation. For more information, see our [tax law comparison one-sheet](#).



### Energy Efficient Updates to Real Estate

Certain credits are still available for energy efficient upgrades.