

# Financial, Legal & Tax Advisory

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Roman A. Basi, President of The Center, is an Attorney, CPA, Real Estate Broker, and Title Insurance Agent. Roman speaks and advises The Center's clientele on such matters as Business Law, Succession, Estate & Tax Planning and Real Estate.



Dr. Bart A. Basi, Senior Advisor of the Center for Financial, Legal & Tax Planning, Inc., is an expert on closely-held companies, an attorney, and CPA. He is a member of the American Bar Association's Tax Committees on Closely-Held Businesses and Business Planning.

## President Trump's Plan for America

Despite its shortcomings, President Obama's administration had been a success for the American economy. His administration started out with a recession that had begun before his first term. The daily news at the end of President Bush's second term included the bankruptcy of Lehman Brothers, an impending financial crisis not seen since the Great Depression, and falling home values.

Recognizing the crisis, the leaders of the country acted fast, lowered key rates, bailed out banks and corporations, and ran the deficit over 9 trillion dollars higher in 8 years. The result was largely a success with 80 consecutive months of job growth and 4.7% unemployment currently. The share of individuals without health insurance is the lowest in American history.

On the other hand, there are problems President Obama could not get to. These issues include: 1) the seeming willingness of corporations to move overseas to avoid the high level of US tax; 2) an overly complex tax code and regulation which tends to be a damper on job growth; 3) the manufacturing sector moving out of the country for the past 25 years.

According to the White House the President proposes to do the following:

<https://www.whitehouse.gov/bringing-back-jobs-and-growth>

The plan starts with pro-growth tax reform to help American workers and businesses keep more of their hard-earned dollars. The President's plan will lower rates for Americans in every tax bracket, simplify the tax code, and reduce the U.S. corporate tax rate, which is one of the highest in the world. Fixing a tax code that is outdated, overly complex, and too onerous will unleash America's economy, creating millions of new jobs and boosting economic growth.

...the President has proposed a moratorium on new federal regulations and is ordering the heads of federal agencies and departments to identify job-killing regulations that should be repealed.

By renegotiating existing trade deals, and taking a tough stance on future ones, we will ensure that trade agreements bring good-paying jobs to our shores and

support American manufacturing, the backbone of our economy. The President plans to show America's trading partners that we mean business by ensuring consequences for countries that engage in illegal or unfair trade practices that hurt American workers.

We have seen one style of presidency in the past 8 years that had to fix an ailing economy and unfortunately, didn't have the time or wherewithal to make everything happen in America's favor. We take our hats off to President Obama for a job well done.

Now it is President Trump's turn and his promises won't come immediately. His version of the path forward will likely come in the form of subtle changes to the current system. We wish him the best of luck and as Americans, pledge him our support going forward.

**Editor's Foresight:** We don't take a political position here at The Center. One President's legacy gives way to another. There are some brilliant tax concepts that had come into place under President Obama that we would like to stay. Among them include the increased Internal Revenue Code § 179 deduction which allows small companies accelerated depreciation of certain equipment, IRC § 1202 which allows for complete exclusion of capital gains in the sale of certain C corporations, and modifications to IRC § 1374 - the reduction of built in gains which potentially result when a company converts from a C corporation to an S corporation.

Under President Trump, we do not expect this to disappear as these were completely pro-business, but rather the corporate rates, as well as personal, will likely go down. Donald Trump has attacked the trade deals such as the Trans Pacific Pact and has threatened to renegotiate the North American Free Trade Agreement. He also vows to cut red tape. He will be able to affect the trade deals to some extent, but the red tape and regulations, in the wake of the Great Recession, are probably here to stay.

We work with the business and tax regulations every day. We also do company valuations and business succession at The Center. If you are concerned about the new laws and the effect they may have on your business and its future or its value, call the professionals at The Center at (618) 997-3436.

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4501 W DeYoung St., Suite 200 | Marion, IL 62959

Phone: (618) 997-3436 | Fax: (618) 997-8370 | [www.taxplanning.com](http://www.taxplanning.com)

CENTER *webinars*



# BUSINESS TAXES

**Tax season is among us! Who better to help explain different aspects of business taxes than The Center for Financial Legal & Tax Planning? Join us on February 22 to gain insider knowledge!**

**WEDNESDAY, FEBRUARY 22,  
2017  
@ 11:00 AM CST**