

# Anchin Alert

**Anchin, Block & Anchin LLP**  
**Accountants and Advisors**

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## 2014 Financial Services Year-End Tax Planning Alert

The November 4 midterm elections resulted in a shake-up on Capitol Hill that will put Republicans in charge of both the House and the Senate when 114th Congress convenes in January 2015. In the meantime, tax reform and tax extender discussions have taken a back seat to the election of party leaders in the House and Senate as well as leadership changes to the various tax-writing committees. The 2014 lame duck session of Congress returned to work November 12th in order to “take action” on the unfinished legislation of 2014 that will close out the 113th Congress. The most pressing tax issues facing lawmakers in this session is legislation addressing the future of the research credit, bonus depreciation and many other temporary tax deductions, credits and incentives that expired at the end of 2013. Odds are they will kick the can down the road and approve a two-year extension (through December 31, 2015, retroactive to the end of 2013) of most – but not all – of the expired tax provisions. This would then give Congress additional time to evaluate each provision and to determine whether it should be extended permanently or deleted from the tax code as part of a future tax reform effort. Another option, reportedly being advanced by some, calls for Congress to retroactively extend all expired provisions for only one year (through December 31, 2014) during the lame duck session and address the issue for the long term in 2015 when the GOP controls both Houses of Congress and would have greater leverage in crafting a deal.

Political wrangling aside, tax rates for 2014 and 2015 are scheduled to remain the same as in 2013. Right now is the perfect time to meet with your accountants, attorneys and other advisors to make portfolio adjustments with the goal of minimizing your 2014 income tax liability and to position yourselves and your businesses for the future. Of course, economic considerations should be weighed and thoroughly discussed before any tax-motivated planning.

As year-end approaches, you should consider the following opportunities as you review your tax picture. However, be wary of quick answers and simple advice. Before taking action with any of these suggested planning ideas and opportunities, taxpayers should completely analyze the proposed transaction(s) and alternative outcomes.

Click [here](#) to read this year’s tax planning alert. Please contact your Anchin Relationship Partner or George Teixeira at 212.840.3456 should you have any questions on year-end tax planning.

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