



# Berkshire

## DIVIDEND STRATEGY

Berkshire Asset Management  
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"Casual Friday" Commentary

## **Casual Friday: "Un-Wholesaling" + '25 Tax Debate? – November 22<sup>nd</sup>, 2024**

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#TGICasualFriday

Our belief? – Elite advisors leverage fewer, more substantive investment partners to differentiate their practice. So, we likely won't get a "ticket" from you by dropping off glossy fact sheets and donuts. Instead, our stewardship and commitment to excellence beyond investment acumen create more productive, long-lasting partnerships with advisors.

### **Intro Berkshire "Un-wholesaling" Alternative?**

When you hire us, Berkshire will:

- assign you an "on-call" Berkshire portfolio manager with CFA or CFP® designations
- aid in direct client support, creating a discerning service offering
- customize portfolios based on tax consequences (platform restrictions may apply)
- pair Berkshire Dividend Strategy with our practice management expertise to potentially elevate your whole practice
- seek to enhance client communication I.E. leverage "Casual Friday" short missives with clients

If this aligns with you, call 570.406.3300 or email me to set the 2025 plan in motion!

### **2025 Tax Debate?**

What are the tax policy possibilities and impacts on you and your clients?

Kitces breaks the conversation...

### **Important notes:**

- Tax Cuts and Jobs Act (TCJA) set to sunset at end of 2025
  - Estate Tax Exemption currently stands at \$13,610,000, would be reset to ~\$7,000,000 in 2026
  - <https://www.irs.gov/newsroom/tax-cuts-and-jobs-act-a-comparison-for-businesses>
- SALT deduction cap to be revisited
- Corporate tax rate, currently at 21% -- possible reduction
- Itemized Deduction for investment advisor fees reinstated?
- Tax on tips, overtime and Social Security eliminated?

[2024 Election: Evaluating The Impact Of A \(Likely\) Republican Trifecta On The TCJA Sunset And Tax Planning](#) (Source: Kitces.com)

## Potential (And Proposed) TCJA Changes To Watch For In 2025 Tax Legislation

Tax Area	Likelihood of Changes	Possible Changes
Individual Tax Brackets	Low	N/A
Standard Deduction	Low	N/A
SALT Deduction Cap	High	<ul style="list-style-type: none"> <li>• Raise limit</li> <li>• Index to inflation</li> <li>• Double for joint filers</li> <li>• Eliminate entirely*</li> </ul>
Itemized Deductions	Medium	<ul style="list-style-type: none"> <li>• Reintroduce investment fee deduction</li> <li>• Add auto loan interest deduction*</li> </ul>
Child Tax Credit	Medium	<ul style="list-style-type: none"> <li>• Increase maximum credit*</li> <li>• Reduce phaseout threshold</li> </ul>
AMT	Medium	<ul style="list-style-type: none"> <li>• Reduce AMT exemption</li> <li>• Reduce AMT exemption threshold</li> <li>• Tied to SALT cap negotiations</li> </ul>
Sec. 199A Deduction	Medium	<ul style="list-style-type: none"> <li>• Increase deduction percentage of QBI (if corporate tax rates are also reduced)</li> </ul>
Other Business Deductions	Medium	<ul style="list-style-type: none"> <li>• Immediate expensing for R&amp;D expenses*</li> <li>• Reintroduce bonus depreciation*</li> </ul>
Estate Tax	Low	N/A
Other Tax Cuts	Medium	<ul style="list-style-type: none"> <li>• Eliminate tax on tips*</li> <li>• Eliminate tax on overtime pay*</li> <li>• Eliminate Social Security tax*</li> </ul>
Clean Energy Credits	Medium	<ul style="list-style-type: none"> <li>• Reduce/eliminate credits for solar, home efficiency upgrades, and/or vehicles*</li> </ul>

\*Potential changes proposed by Trump campaign and/or Republican lawmakers

## Moore's Law no longer works?

Jensen Huang speaks at AI Summit India:

<https://www.youtube.com/watch?v=JmpBqphgNhc>

Have a great weekend,  
Gerard

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Berkshire Asset Management, LLC

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