

## Construction Companies Advised to Enjoy Benefits of Tax Act

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In *The Business Tribune's* article "Construction Companies Advised to Enjoy Benefits of Tax Act", Larry Brant shares his insights about provisions in the Tax Cuts and Jobs Act (TCJA), which include exploring the benefits and downsides of the lower federate tax rates for construction companies as well as the complexity of the tax code in general.

Many of the provisions of the TCJA passed in December of 2017, including the federal tax rate significantly reduced from as high as 35% to 21% for construction companies and other firms in the design and construction industries who operate their businesses as C corporations. With the new tax law set to be effective on January 1, 2019, Larry outlines a few advantages that should benefit construction companies of all sizes, including the complete elimination of the corporate alternative minimum tax; reduction of individual tax rate; and the ability to expense the cost of depreciable, tangible personal property used in their businesses without significant limitations, while also noting drawbacks such as business deductions being more limited. He further noted that some provisions of the TCJA may or may not apply at the state or local level.

Larry advises companies to review their corporate structures to make the most out of the new tax rates. Most critically, some provisions of the new law are temporary and will expire in 2025. Given the many moving parts and the fickle nature of tax law, Larry cautions taxpayers to re-evaluate carefully their planning at least on an annual basis.

Read the [full article](#) on *The Business Tribune's* website (subscription required).

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