

# BRYAN CAVE THOUGHTS ON PRESIDENT ELECT OBAMA'S POSSIBLE TAX PROPOSALS AFFECTING BUSINESSES

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*A world of insight.<sup>SM</sup>*

# AGENDA

- Opening Remarks – Broderick D. Johnson
- Possible Business Related Tax Proposals  
Philip B. Wright and John P. Barrie
- Q&A

# Opening Remarks

- Congressional Make Up – January 2009
- Agenda Possibilities
  - Stimulus Bills
  - Impact of Increasing Federal Deficits
- Tax Policy Agenda
  - Simplification
  - International
- Timing

# SELECTED POSSIBLE TAX PROPOSALS AFFECTING BUSINESSES

- Generally:
  - Focus on Need for Targeted Stimulus
  - Tax Benefits to Create and Retain Domestic Jobs and Spur Investment
  - Offsets

- **Possible Provisions to Improve Economy**

- Tax Credits for New Domestic Employees
- Elimination of Capital Gain Tax for “Startup” Businesses
- Make R&D Credit Permanent
- Extension of Section 179 Expensing
- NOL Relief (5 Year Carryback; Waiver of AMT 90% Limitation)
- Possible Lower Corporate Tax Rates with Base Broadening (Elimination of Certain “Loopholes”)

- **Energy Provisions**

- Extension and Expansion of Renewable Energy and Conservation Tax Benefits and Tax Credits
- Repeal of Tax Incentives for Oil and Gas Companies
- Possible Windfall Profits tax on Oil Companies



- **Possible Revenue Offsets**

- Codification of Economic Substance Doctrine
- Taxation of Carried Interests
- Limits on Executive Compensation
- Corporate “Loophole” Closers

- **International Tax Issues**

- Address Offshore Activities – Stop Tax Haven Abuse Act



- **Other Possible Offsets**

- Repeal of LIFO Accounting
- Increase in Penalties
- Independent Contractor Classification
- Delay in Implementation of Allocation of Interest on a Worldwide Basis

# Chairman Rangel's "Mother of All Tax Reform" Bill (H.R. 3970)

# Q&A