



S Corporation Association Update

March 20, 2018

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1. PMSE Letter Submitted to Treasury and IRS

Chris Smith, csmith@mainstreetemployers.org

On behalf of over 40 national trade associations, the Parity for Main Street Employers coalition submitted a comment letter to Treasury and the IRS on the need to permit pass-throughs to aggregate business entities when claiming the new 20 percent tax deduction.

This guidance is necessary because it is common for businesses to separate back office functions like real estate or payroll in different entities from operations. If businesses aren't allowed to group them together to calculate the new tax deduction, it could be severely limited, resulting in tax increases. Aggregation is already allowed when using other parts of the tax code. The U.S. Chamber of Commerce and American Institute of Certified Public Accountants have submitted similar comments.

A copy of the letter can be found [here](#). For more details, please read our most recent [Washington Wire](#).

2. S-Corp in the News

Brian Reardon, breardon@s-corp.org

Bloomberg Politics, No One's Sure Who Qualifies for This \$415 Billion U.S. Tax Deduction:

"We want to make sure that real businesses that are generating real economic activity get to take advantage of the deduction," said Chris Smith, executive director of Parity for Main Street Employers, a new group formed to lobby the IRS and Congress on behalf of pass-through businesses. "You should be able to organize your business for business reasons, and not have to restructure because of quirks in the tax code."

Read the [full article](#).

Bloomberg BNA, Groups Urge IRS to Allow Aggregation for Pass-Through Tax Break:

The 41 organizations signing a March 19 letter are requesting regulations that allow them to group legal entities together in order to get maximum value out of a tax deduction for the owners of partnerships, limited liability companies, and S corporations.

An Internal Revenue Service official said earlier this month that the agency has received questions on this issue and recognizes the need to address it. The IRS hasn't yet issued guidance on the Section 199A deduction, but it is among the priority areas for regulations in the coming months.

Read the [full article](#).

3. S-Corp Member Survey

Brian Reardon, breardon@s-corp.org

Good policy demands good information! If you are an S corporation business, please fill out the new S-Corp Survey. We need to better understand how the bill is affecting your business and your planning. You can access the survey [here](#). Please note that all responses are anonymous and will not be traced to any member or business.

4. S-Corp Monthly Membership Call – Tuesday, March 27, 4:00 p.m. (ET)

Christine Walizer, cwalizer@s-corp.org

Our March Membership WebEx will be next **Tuesday, March 27 at 4:00 p.m. (ET)**. We will discuss the tax law and its implications for S corporations, there will be a question and comment period, and a presentation will be made available to participants. We look forward to hearing from you during the call.

WebEx: If you have not done so already, please [REGISTER HERE](#) by entering your name, email and company. Once your registration is approved, a confirmation email will be sent to you with the call information. A reminder email will be sent 15 minutes prior to the call for you to click the “join the meeting” link.

Conference Line: If you prefer join by phone only, the dial in number is **1-510-338-9438**.

The April Membership WebEx call will be held on April 17 at 4:00 p.m. (ET) so please mark your calendars!

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