



**AFairchild CPA**  
Your Community  
Your CPA  
A Trusted Advisor

## AFAIRCHILD, LLC

**ANNIE FAIRCHILD FOUNDED AFAIRCHILD CPA IN 2009 WITH A GOAL TO HELP INDIVIDUALS and businesses with their tax and accounting needs while having the work flexibility to be present for her four children. Clients quickly took notice of the financial gains—particularly in tax savings—they experienced from working with Fairchild, and her company has grown since then. It now serves nearly 2,000 multi-million-dollar clients in the fields of construction, real estate, manufacturing, and professional services.**

Fairchild attributes the company's growth to its commitment to create success not only for its team members, but for clients as well. The more than 30 professionals at AFairchild, named among the Best Places to Work, go the extra mile for their clients. Internally, the company feels like a family, and the AFairchild team wants their clients to feel like part of the family, too. "Our culture is that everyone, regardless of what position they hold, is critical for success" Fairchild says. "Each staff member has a core area of focus, and we all continue to study and gain knowledge in that area to better serve our clients. We are honored to partner with them and share our knowledge to grow their businesses."

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AFAIRCHILDCPA.COM



*Back Row, Left to right: Donna Jones,  
Ginger Roper, Troy Womack, Wendy Knutson  
Front Row, Left to right: Adam Villarreal,  
Sheri Headrick, Annie Fairchild, Dennis Tapp*



MATTHEW SHELLEY



## Our Company

AFairchild began in 2009. Since then, we have grown to serve almost 2,000 clients in tax, audit, accounting and consulting. Our more than 35 team members partner with our clients to help them grow in their businesses.

# CORE VALUES



**AFairchild, LLC**

Your Community  
Your CPA  
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**C** COMMUNITY  
We make memories and build relationships with our clients, the people we work with and the people at home.

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**R** RESPONSIVENESS  
We are champions for our clients, putting priority on connecting and communicating.

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**E** EXCELLENCE  
We use our knowledge and insight to help others exceed goals and initiatives.

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**A** AUTHENTICITY  
Integrity is a foundational principle for our firm.

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**T** TENACITY  
We are motivated leaders using creativity, education, training and research to excel in our profession.

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**E** ENGAGEMENT  
We are dedicated to intentionally bring significance and impact to our staff, clients and communities.

**CREATING PATHWAYS FOR SUCCESS**



# What's New in the Tax World?

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**Presented by**

**Annie Fairchild CPA and Jasmine Inge**



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# What's New in the Tax World?

**01**

**Texas Comptroller**

**02**

**The Inflation Reduction Act  
& the IRS**

**03**

**ERC Claims**

**04**

**FinCEN**

**05**

**R&D**

**06**

**Q&A**

# 01

## Texas Comptroller

# Texas Comptroller – Franchise Tax



No tax due threshold increased to \$2,470,000



Entities with no tax due do not have to file a no tax due report



Still must file a Public Information Report or Ownership Information Report



Applies to franchise tax reports due on or after 01/01/2024

A low-angle, upward-looking photograph of several modern skyscrapers with glass facades, reaching towards a cloudy sky. The perspective creates a sense of height and architectural scale.

02

Inflation Reduction Act  
& the IRS

“Following the top-to-bottom review of enforcement efforts, the IRS announced on Sept. 8 the start of a sweeping, historic effort to restore fairness in tax compliance by shifting more attention onto high-income earners, partnerships, large corporations and promoters abusing the nation's tax laws.”

—IR-2023-176, 09/30/23



# Inflation Reduction Act & The IRS

- More than 3,700 open IRS positions
- The IRS is seeking “mid-career professionals with specialized experience and education” in the financial services industry -- such as tax accountants, forensic accountants, auditors, controllers and treasurers.
- Salary of about \$125,000 or \$175,000 with benefits.

# 03

## ERC Claims

# ERC Claims

- IRS halted processing any new ERC claims not already received by the Service as of 9/14/23
- For taxpayers who currently have ERC claims in process at the IRS – refunds will be slower.



# Stats on Fraud

**252**  
Investigations

**\$2.8 billion**  
Potential Fraud

**15 of 252**  
Federal Charges

**6 of 15**  
Convictions

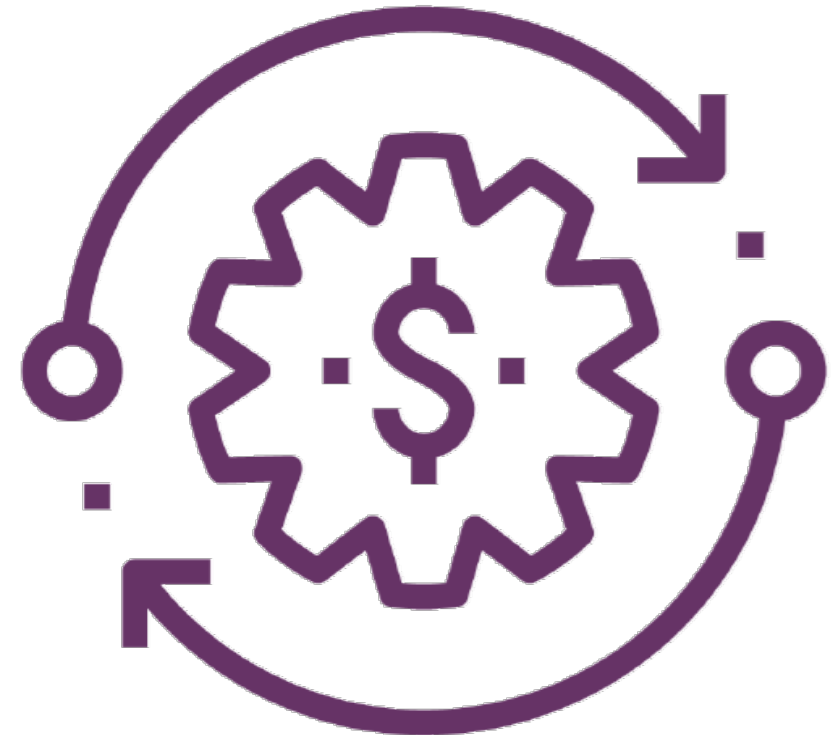
**4**  
Criminal Charges



# Professional Responsibility and ERC

Excerpts from IRS Issue Number 2023-02

- Diligence as to Accuracy
  - "If the practitioner cannot reasonably **conclude** (consistent with the standards discussed in this guidance) that the client is or was eligible to claim the ERC, then **the practitioner should not prepare an original or amended return that claims or perpetuates a potentially improper credit**
  - "Additionally, if a practitioner learns that a current **client did not comply with the ERC requirements in a prior tax year, the practitioner must, under section 10.21, promptly inform the client of the "noncompliance, error, or omission" and any penalty or penalties that may apply."**





**FinCEN**  
**Benefits Ownership**  
**Information Report**

**04**

# Beneficial Ownership Information Report

- Required by FinCEN – Financial Crimes Enforcement Network (US Treasury)
- Identify individuals who directly or indirectly own or control a company
- Reporting requirements to start 01/01/2024 (NOT before)
- Anticipated that 32.6 Million businesses will be required to report



# Filing Requirements

- Company created or registered to do business prior to 01/01/24 will have until 01/01/25 to file its initial beneficial ownership information report.
- A reporting company created or registered on or after January 1, 2024, will have 30 days to file its initial beneficial ownership information report (proposal to extend this to 90 days).



# Entities Exempt

23 types of entities are exempt from reporting the beneficial ownership information report.

Exemption No.	Exemption Short Title
1	Securities reporting issuer
2	Governmental authority
3	Bank
4	Credit union
5	Depository institution holding company
6	Money services business
7	Broker or dealer in securities
8	Securities exchange or clearing agency
9	Other Exchange Act registered entity
10	Investment company or investment adviser
11	Venture capital fund adviser
12	Insurance company
13	State-licensed insurance producer
14	Commodity Exchange Act registered entity
15	Accounting firm
16	Public utility
17	Financial market utility
18	Pooled investment vehicle
19	Tax-exempt entity
20	Entity assisting a tax-exempt entity
21	Large operating company
22	Subsidiary of certain exempt entities
23	Inactive entity

# Who is a beneficial owner of a reporting company?

A beneficial owner is an individual who either directly or indirectly

(1)

Exercises substantial control over the reporting company, or

*or*

(2)

Owns or controls at least 25% of the reporting company's ownership interests

# What is Substantial Control?

**Senior Officer**

**Authority to  
Appoint/  
Remove**

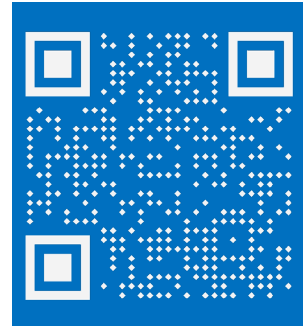
**Decision Maker**

**Substantial  
Control**

# Do I have to file?

Penalties on business of \$500/day  
up to \$10,000 and 2 years of jail  
time if you do not file

More info →



**\$10,000**  
penalties

**2 yrs**  
In Prison

The background is an abstract geometric composition of overlapping triangular and polygonal shapes. The color palette is dominated by various shades of blue, ranging from deep navy to light sky blue, with a bright yellow and white light source in the upper right corner creating a lens flare effect. The shapes are layered, creating a sense of depth and perspective.

# 05

R&D

Credit

# R&D Credit

- Must capitalize R&D Costs (GAAP vs TAX Difference)
- For 2024, NEW Form 6765 – Credit for Increasing Research Activities



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