

Navigating the Tax Landscape Revenue, Reform, Returns, and Yellowstone

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2025 Trends for Telecommunications

1. Revenue: There's no standing still

- 2. **Reform:** Potential changes to tax rules and regulations
- **3. Returns:** Increasing challenges with the IRS
- 4. Yellowstone: Avoid your own TV drama



Revenue | No Standing Still

Are you growing or shrinking?

- Without additional revenue streams your company is devaluing
- Devaluing can have significant negative impacts
 - Owner/operator: wages, dividends
 - Owner/investor: dividends, sales proceeds



Revenue | Customers and Technology

Customer revenues are increasingly king

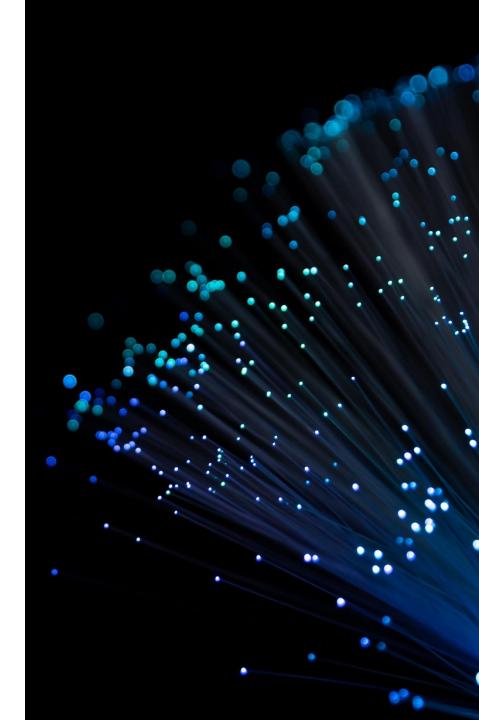
- Expansion into new competitive areas
- Acquisition strategies



Revenue | Acquisitions

Focus M&A on small CLEC operators

- 100% customer revenue
- Customers often welcome your brand and quality of service
- Costs can be low, so risk is low
- May bring talent needed for alternative technology



Revenue | Customers and Technology

Customer revenues are increasingly king

- Expansion into new competitive areas
- Acquisition strategies

Flexibility on technology

Grants may favor lower-cost services



Revenue | Broadband Grants

These billions doesn't come along often!

- Using grants to hedge competition or expand
- Pending legislation



Reform

2025 Tax Reform Outlook

- Budget hurdle has been passed
- Without extending TCJA:

 Pass-through owner's taxes go up 20%
 - Taxes of family of four making \$80k would go up \$1,700



Reform

2025 Tax Reform Outlook

- 100% bonus depreciation
- 20% QBI deduction for pass-through income
- Increase SALT cap to \$25k or \$30k
- Promised items:

No taxes on tips, overtime pay, and social security benefits
Deduction on auto loan interest on American cars



Returns

Working with the IRS

- Politicization of IRS
- Inflation Reduction Act
- Major workforce reductions

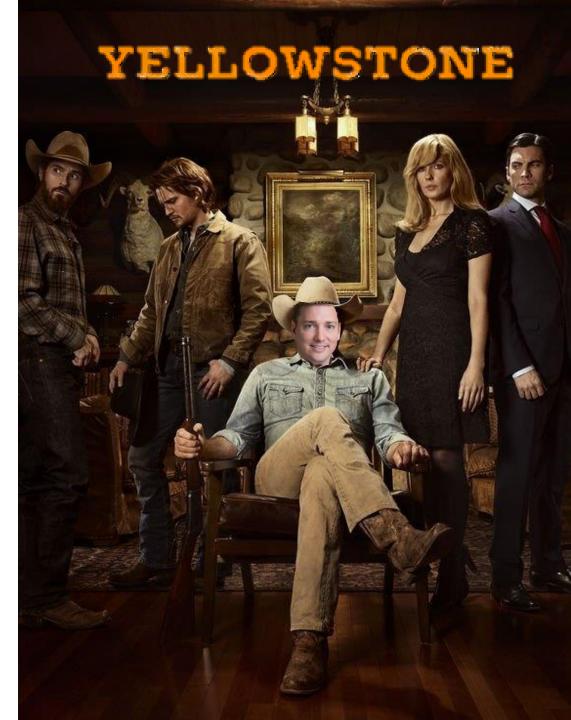


ESTATE TAX

Yellowstone | Estate Tax

Estate Tax: Don't lose your ranch

- Current level \$13,990,000
- Set to rollback to \$7,000,000
- Rumors & discussions
- Decision making constellation
 - Do your heirs want the assets?
 - What is your plan for 5 years, 10 years, and beyond?



Open Q&A

Get the Deck



Contact

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Key Takeaways

1. **Revenue:** Focus on grants and acquisitions and be flexible on technology

2. Reform: Without it, your taxes are going up

- **3. Returns:** Expect challenges dealing with IRS
- 4. Yellowstone: Plan for the Estate Tax







Ryan Johnson, CPA

Partner, Communications and Utilities Aldrich CPAs + Advisors LLP

- Taxation of communications and power companies
- Structure of entities and transactions
- Mergers and acquisitions
- Active in multiple industry associations
- Based in Salem, OR

Aldrich by the Numbers

50+

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14 💼

Aldrich specializes in 14 industries and provides services to clients via three areas of business:

- Aldrich CPA + Advisors LLP
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500+

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INSIDE Public Accounting ranked Aldrich CPAs + Advisors 68th on its list of Top 100 Firms in the US.

Top 10

As one of the 10 largest accounting firms headquartered on the West Coast, we help companies, their owners, and their employees achieve their goals.

Тор 15 🟆

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