

# 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**

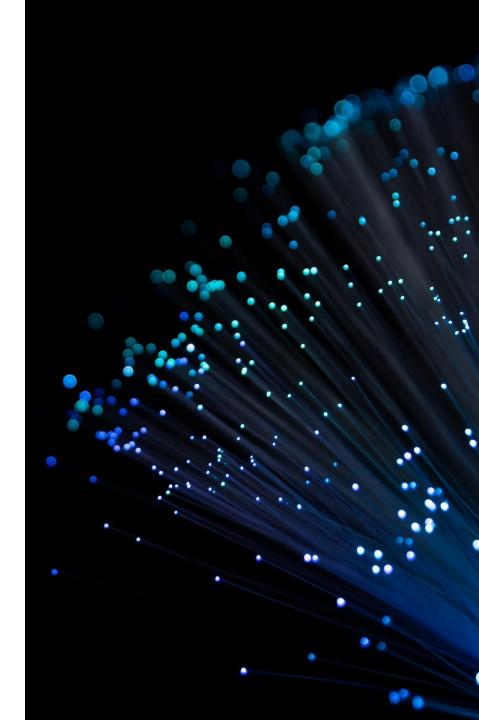
- Expansion into new competitive areas
- Acquisition strategies



# 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

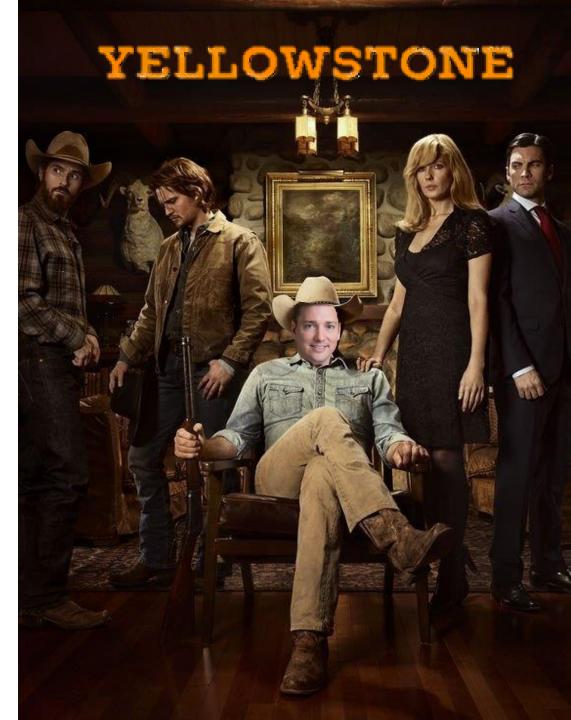


# ESTATE TAX

# 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

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50+

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14 💼

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# 500+

We are a growing firm with more than 500 employees along with 40+ partners and offices across the western US. Тор 70 🙊

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Top 10

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Тор 15 🟆

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