

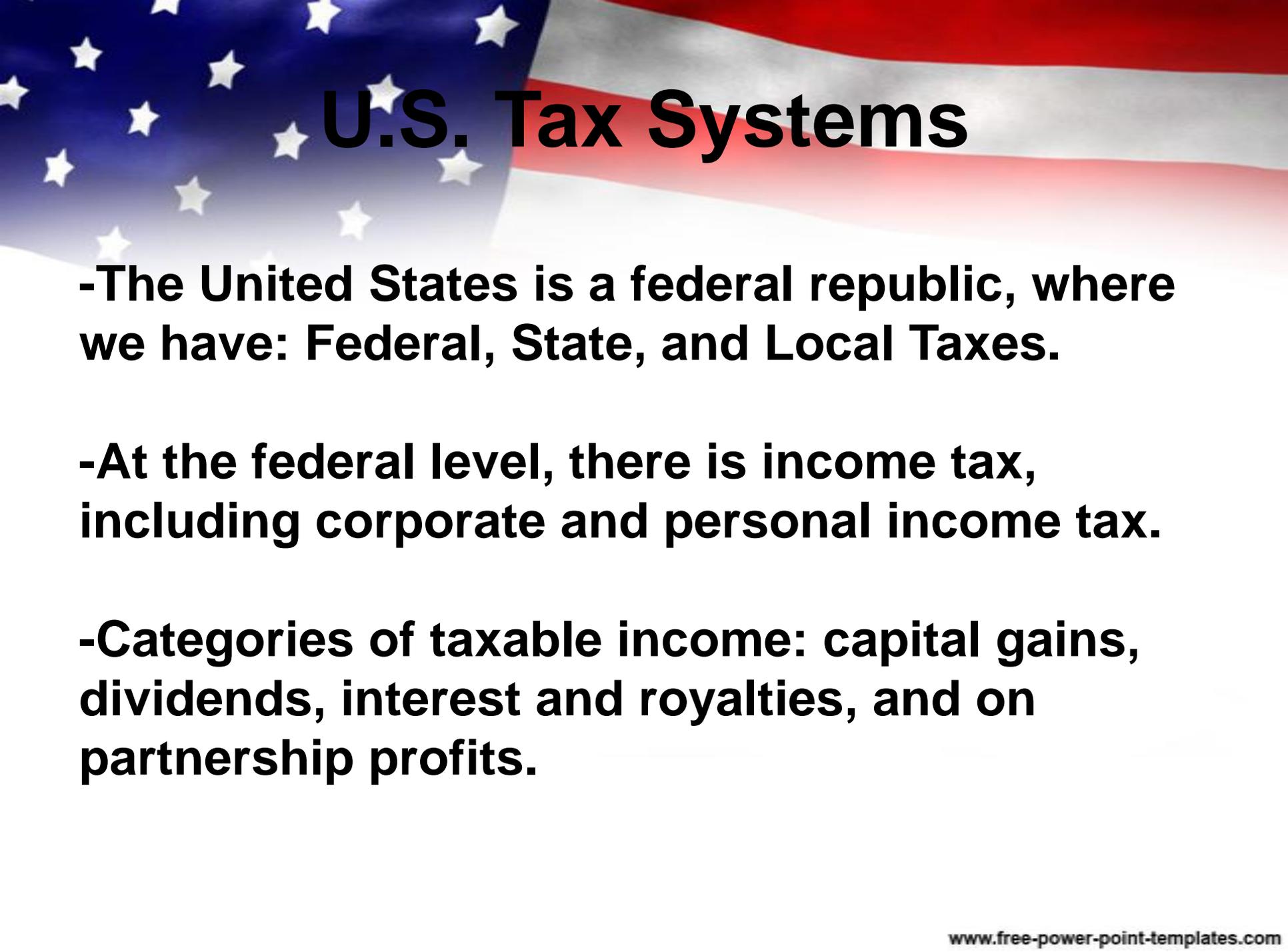


America Made Easy-USA Tax Regime - How best to plan, prepare and be compliant

AMERICAN-HELLENIC CHAMBER OF COMMERCE

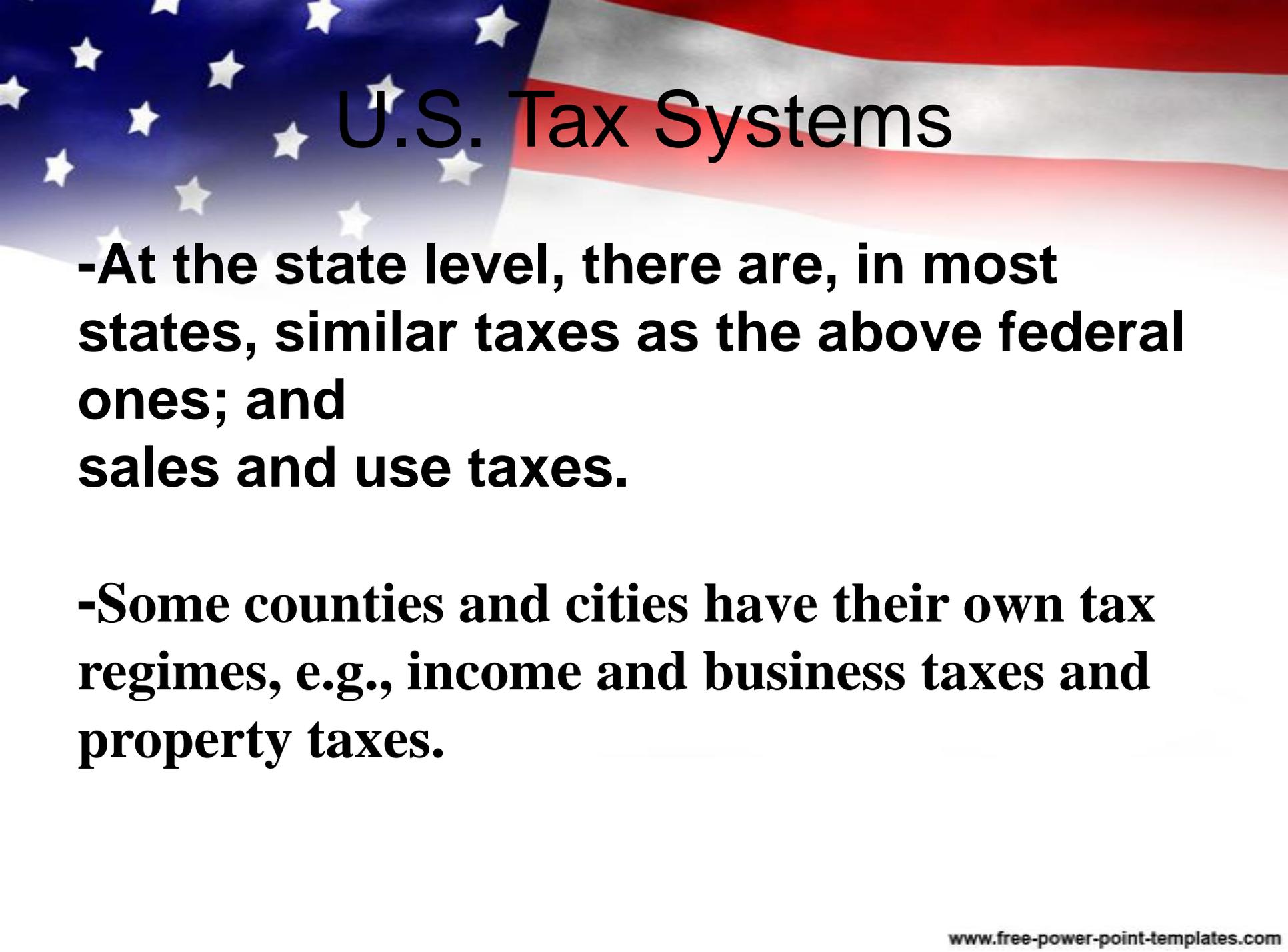
May 2019

Presented by: Dr. Chris Holidis, President,
C & J Global Consultants LLC

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U.S. Tax Systems

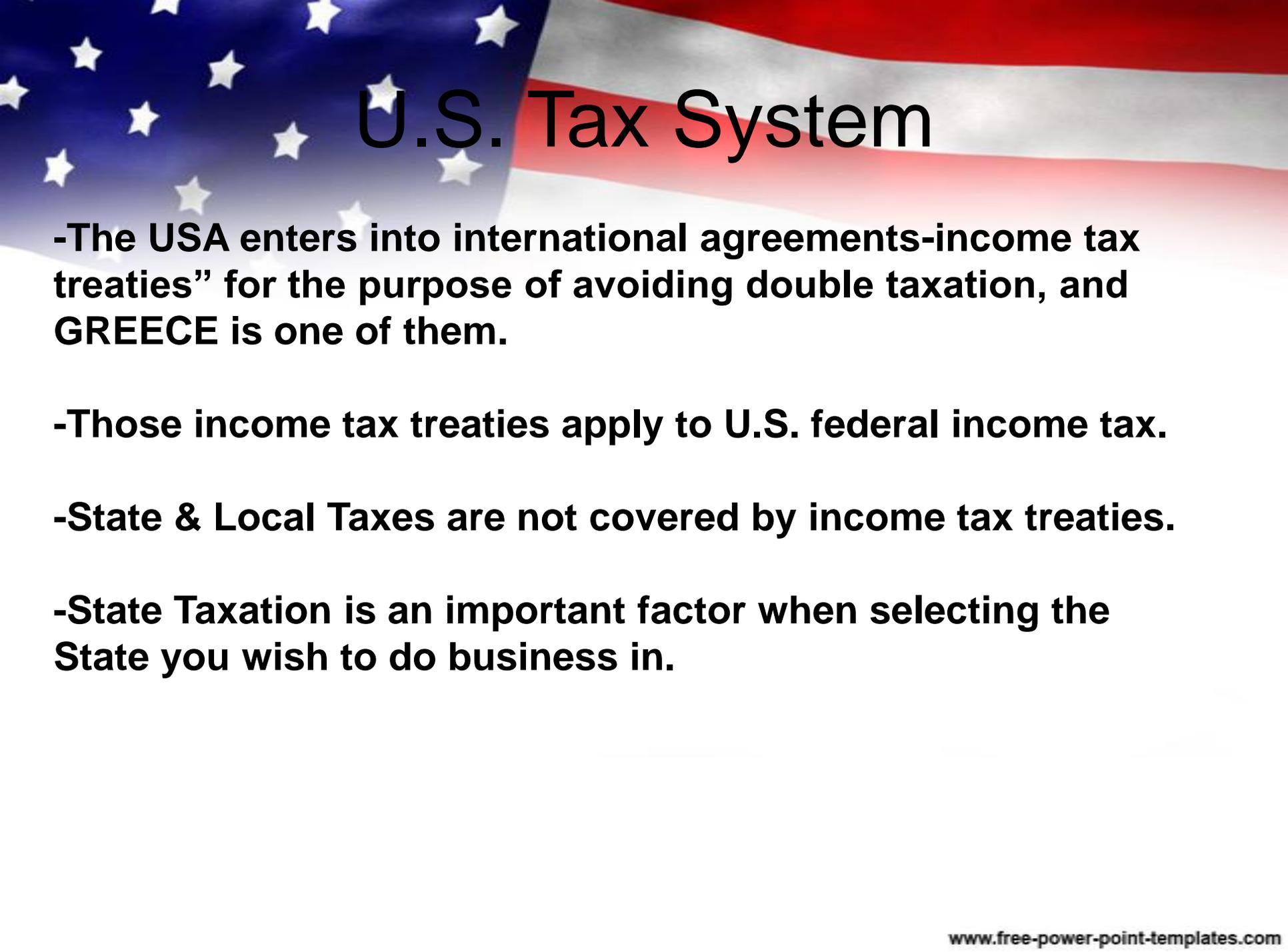
- The United States is a federal republic, where we have: Federal, State, and Local Taxes.**
- At the federal level, there is income tax, including corporate and personal income tax.**
- Categories of taxable income: capital gains, dividends, interest and royalties, and on partnership profits.**

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U.S. Tax Systems

-At the state level, there are, in most states, similar taxes as the above federal ones; and sales and use taxes.

-Some counties and cities have their own tax regimes, e.g., income and business taxes and property taxes.

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U.S. Tax System

- The USA enters into international agreements-income tax treaties” for the purpose of avoiding double taxation, and GREECE is one of them.**
- Those income tax treaties apply to U.S. federal income tax.**
- State & Local Taxes are not covered by income tax treaties.**
- State Taxation is an important factor when selecting the State you wish to do business in.**

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Branch, LLC or Corporation

-When investing in the USA, you need to examine:

a. whether you should function as a U.S. branch of the foreign company, or

b. as a separate U.S. legal entity (like a corporation or LLC) organized in one of the states in the U.S.A.

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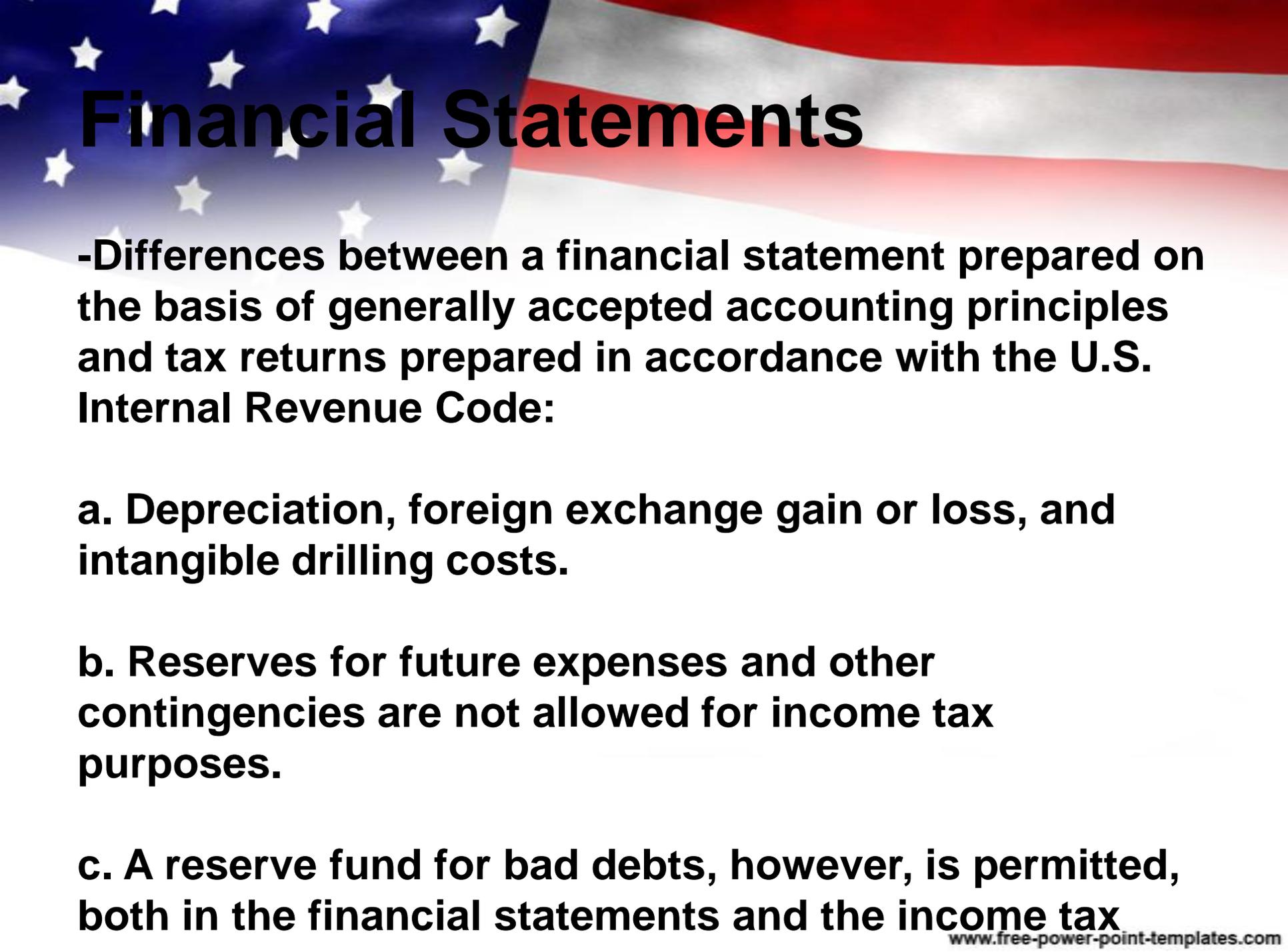
Branch, LLC or Corporation

-If you intend to market your products or services in the United States:

- a. the formation of an American corporation is the best avenue to use for tax purposes**
- b. when operating through a “branch” it is too risky with liabilities attached.**

-LLC is the most common formation used:

- a. it has simpler accounting requirements,**
- b. less costs involved, and**
- c. limited liability to owners.**



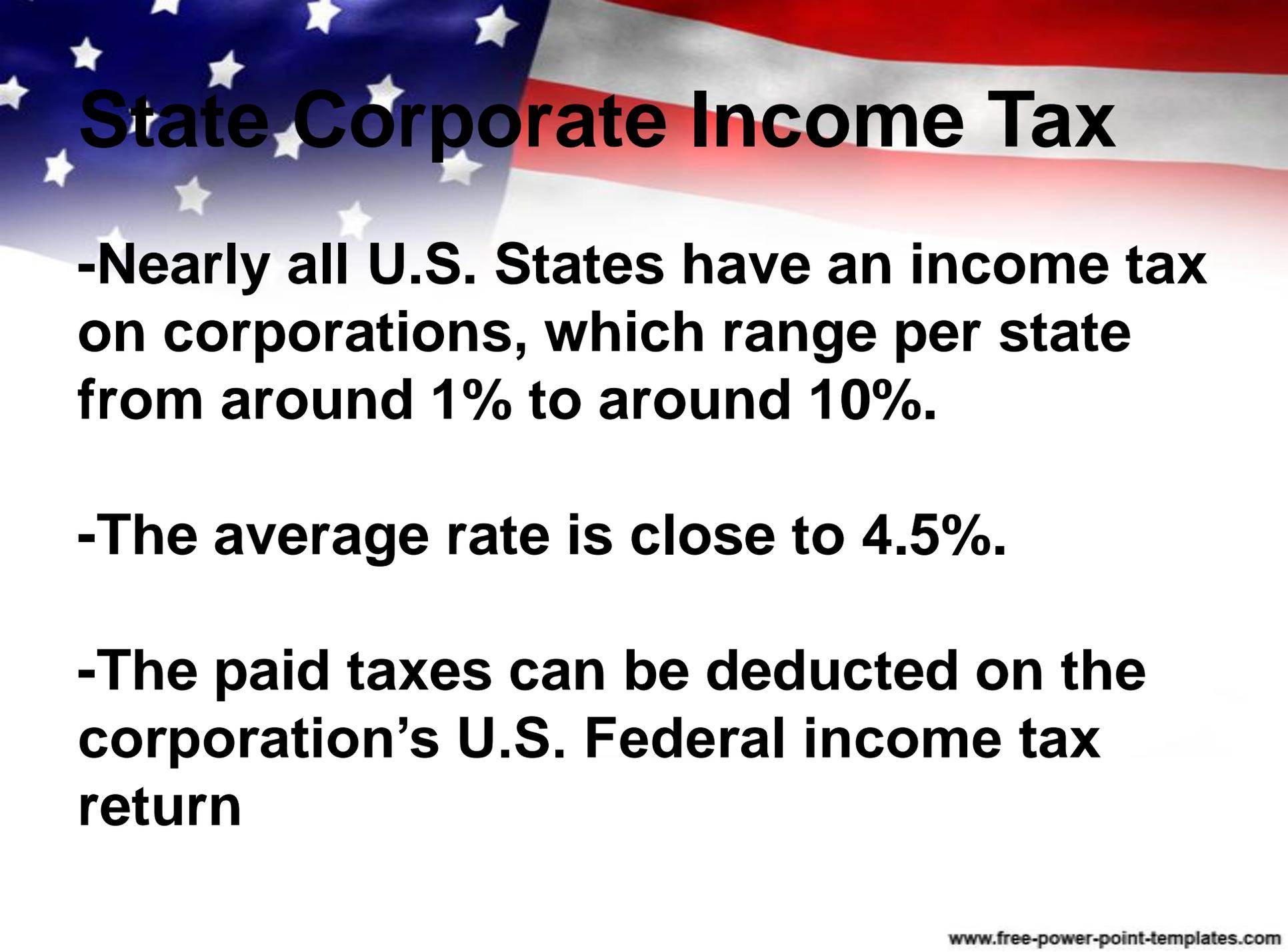
Financial Statements

-Differences between a financial statement prepared on the basis of generally accepted accounting principles and tax returns prepared in accordance with the U.S. Internal Revenue Code:

a. Depreciation, foreign exchange gain or loss, and intangible drilling costs.

b. Reserves for future expenses and other contingencies are not allowed for income tax purposes.

c. A reserve fund for bad debts, however, is permitted, both in the financial statements and the income tax

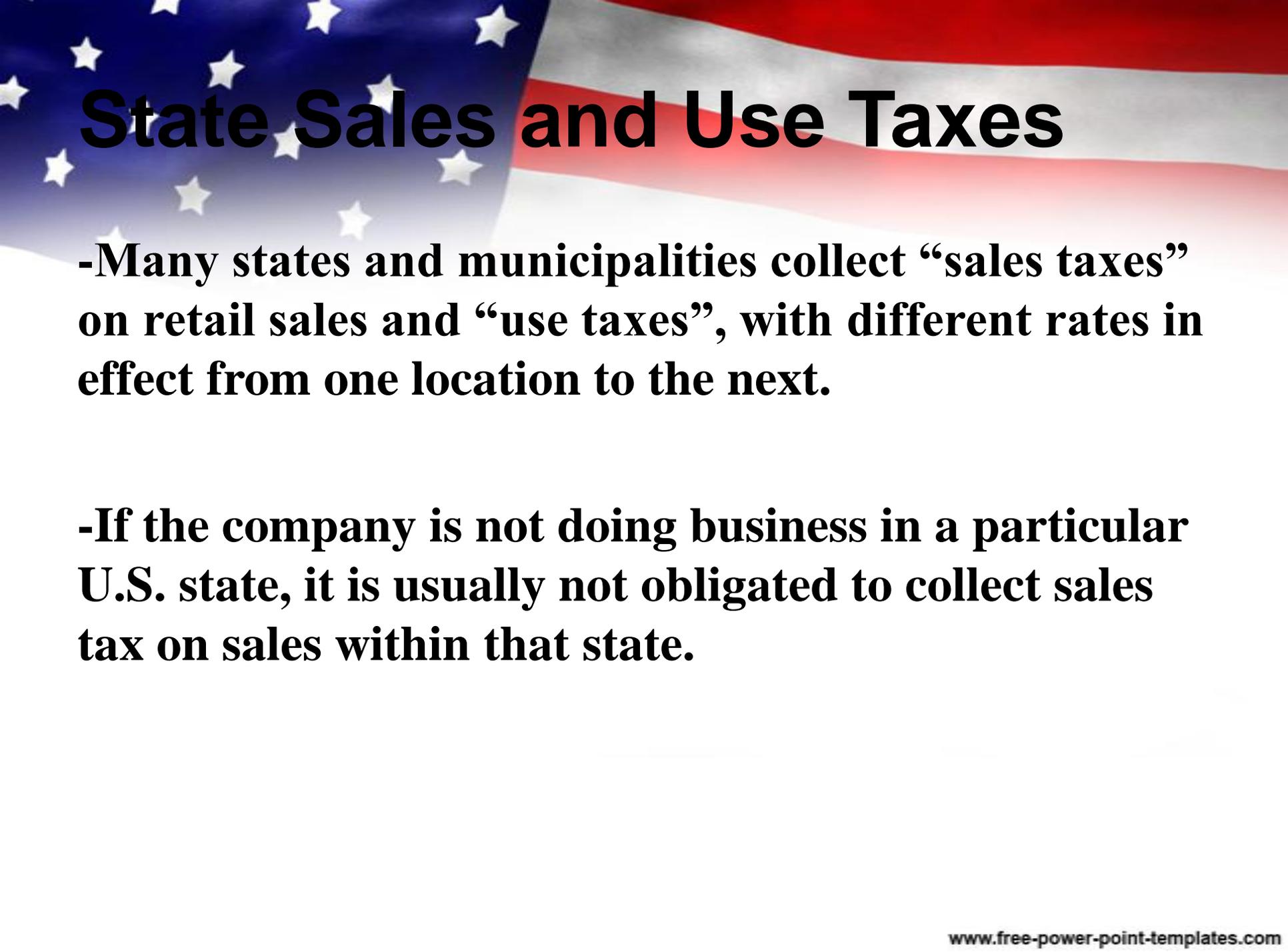


State Corporate Income Tax

-Nearly all U.S. States have an income tax on corporations, which range per state from around 1% to around 10%.

-The average rate is close to 4.5%.

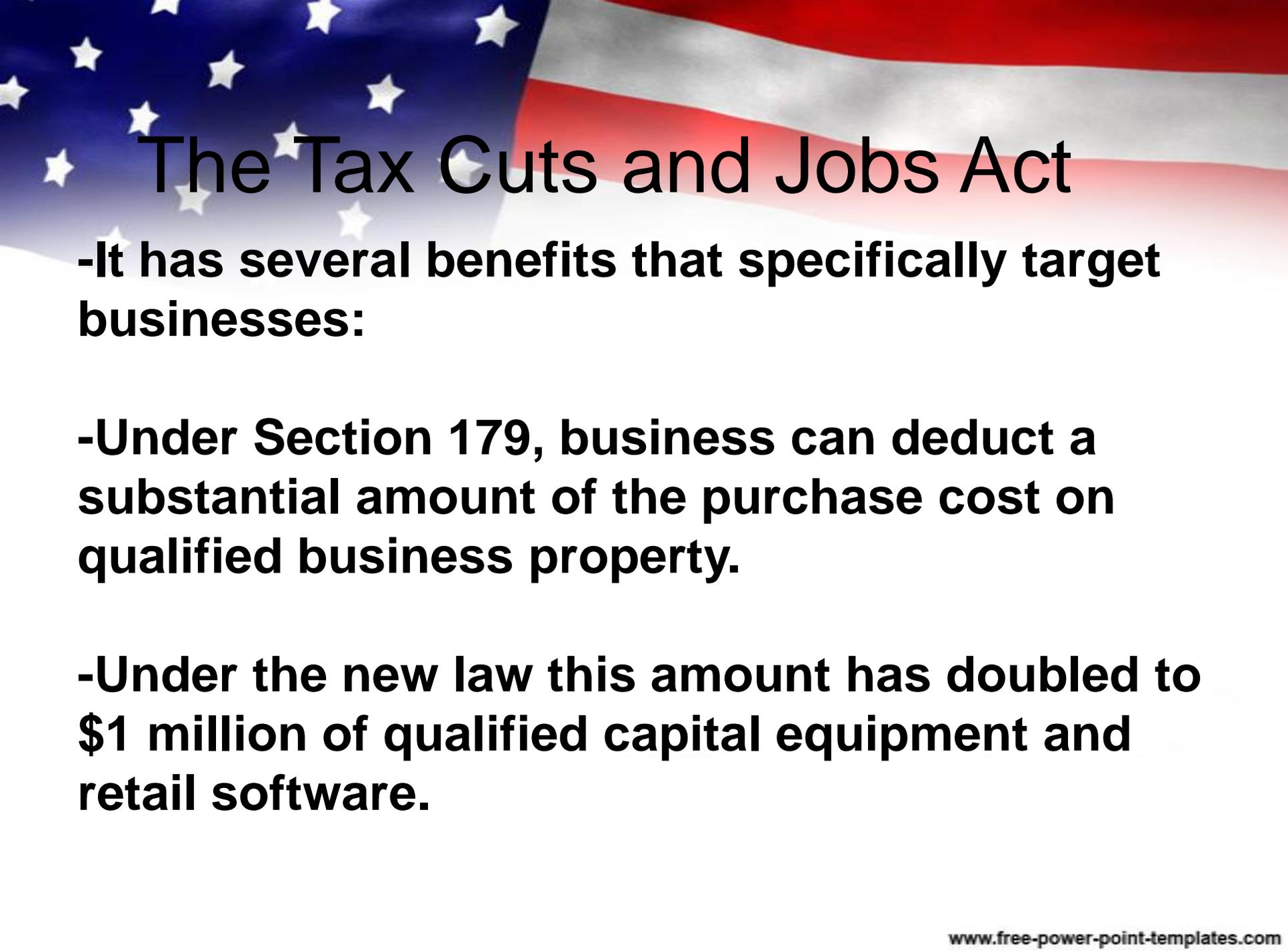
-The paid taxes can be deducted on the corporation's U.S. Federal income tax return

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State Sales and Use Taxes

-Many states and municipalities collect “sales taxes” on retail sales and “use taxes”, with different rates in effect from one location to the next.

-If the company is not doing business in a particular U.S. state, it is usually not obligated to collect sales tax on sales within that state.

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The Tax Cuts and Jobs Act

-It has several benefits that specifically target businesses:

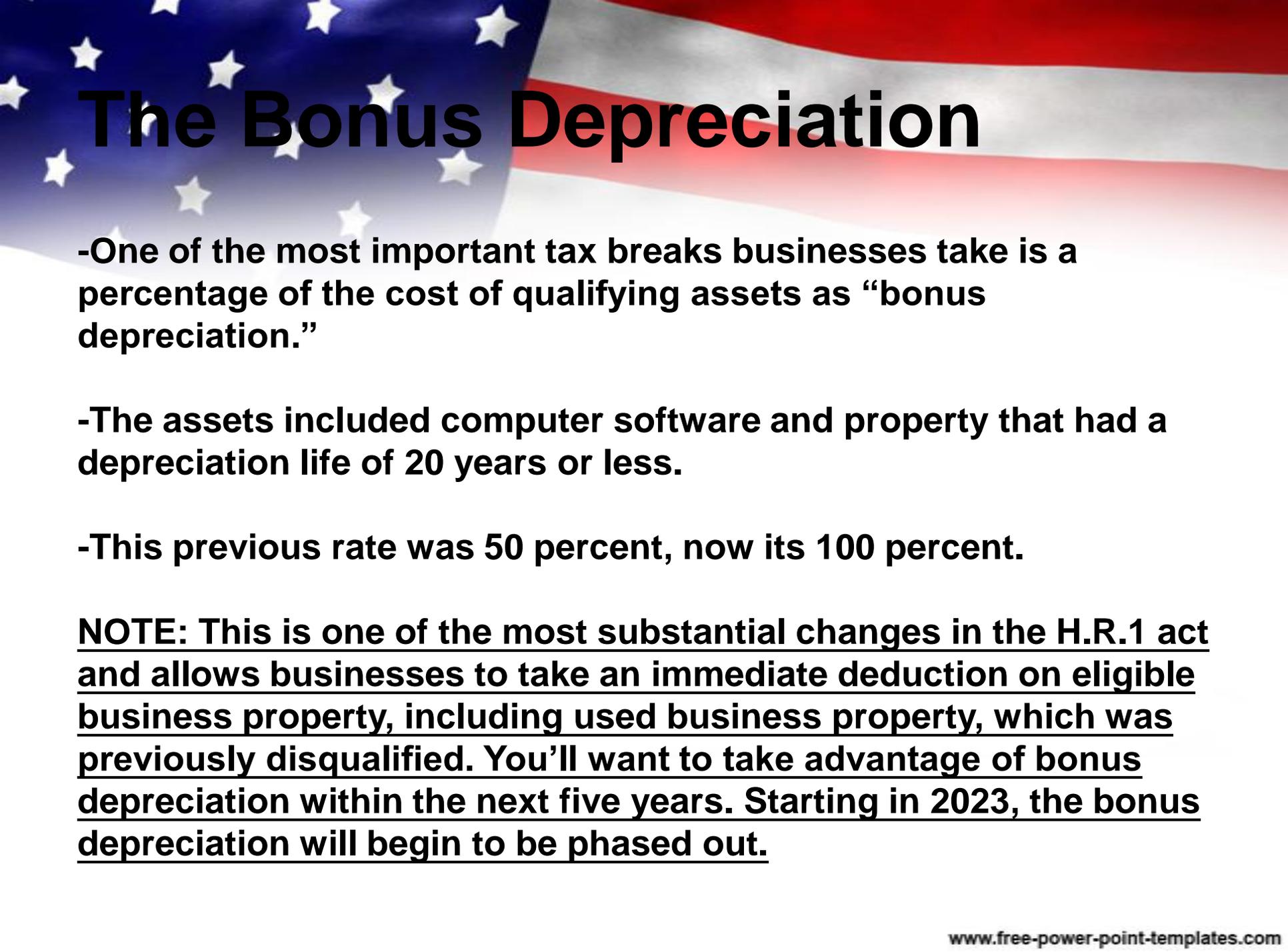
-Under Section 179, business can deduct a substantial amount of the purchase cost on qualified business property.

-Under the new law this amount has doubled to \$1 million of qualified capital equipment and retail software.



New Opportunities for Pass-Through Entities

- **Pass-through entities such as LLC, sole proprietors, and S corporations have an additional deduction of up to 20%, allowing these entities to be taxed at a rate similar to the new corporate rate of 21%.**



The Bonus Depreciation

-One of the most important tax breaks businesses take is a percentage of the cost of qualifying assets as “bonus depreciation.”

-The assets included computer software and property that had a depreciation life of 20 years or less.

-This previous rate was 50 percent, now its 100 percent.

NOTE: This is one of the most substantial changes in the H.R.1 act and allows businesses to take an immediate deduction on eligible business property, including used business property, which was previously disqualified. You'll want to take advantage of bonus depreciation within the next five years. Starting in 2023, the bonus depreciation will begin to be phased out.



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