



News & Trending

NEWS

SMITH ANDERSON PARTNER BILL NELSON DISCUSSES TAX REFORM AND ITS POTENTIAL IMPACT ON THE TRIANGLE'S BUSINESS CLIMATE

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By Jennifer Henderson

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In the articles, "[2017's Hottest Stories: Pharma & Health Care](#)" and "[Looking to 2018: How new tax, security rules may impact Triangle businesses](#)," the Triangle Business Journal's Jennifer Henderson asked Smith Anderson Partner [Bill Nelson](#) about the tax reform bill that passed Congress, how it impacts businesses and its potential effects on Triangle businesses.

"I would think that the federal tax bill would be on anyone's short list of the most significant legal developments for business in 2017," Bill said. "It represents the most significant change to the taxation of business in at least a generation in the U.S."

With the passing of the Republican tax bill in December, tax reform may have a significant impact on the local business community, including the possibility of drawing more dollars back into the region and increasing M&A activity, Bill explained. It is estimated U.S. companies are holding \$2.5 trillion abroad to avoid the steep 35 percent corporate tax rate, but repatriation of those funds could be a big boom for the economy, locally and nationally.

"There is an effort to encourage multinational corporations with a lot of earnings that have been parked overseas to get that money back to the U.S.," Bill explained. "If that works, it could create a lot of investment in the U.S. when that money is brought back." Specifically, it could apply to the hub of biotechnology companies based in Research Triangle Park, he added.

In the case of buying the assets of another business, Bill suggested this could "stimulate some M&A activity," on both a local and national level. Further, new limitations on companies' ability to deduct interest expenses have the potential to impact highly leveraged businesses, like real estate companies.

Bill added that Smith Anderson clients are following the legislation changes closely, but taxpayers and advisers will need time to know the full impact of the new, complex rules.

Bill's experience includes tax planning for corporate acquisitions, tax-free reorganizations and divestitures, forming and advising joint ventures and private equity funds, providing tax and business law advice to limited partnerships and limited liability companies, and representing domestic and foreign taxpayers on international tax matters. His principal practice areas are federal and state taxation, mergers and acquisitions, and private equity transactions.

Triangle Business Journal subscribers can read the full articles below:

2017's Hottest Stories: Pharma & Health Care

Looking to 2018: How new tax, security rules may impact Triangle businesses

PROFESSIONALS

William W. Nelson

PRACTICE AREAS

Tax

