

# 199A Planning Strategies Put Spotlight on Foreign-Source Income

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Carlton Fields tax attorney Jordan August was featured in an article in *TaxNotes* titled, “199A Planning Strategies Put Spotlight on Foreign-Source Income,” discussing how business owners can structure operations to capitalize on the 20 percent deduction created by the Tax Cuts and Jobs Act.

Currently, taxpayers with foreign-source income wishing to take advantage of the deduction are motivated to concert non-U.S. source income to U.S. source income.

Regardless, August commented that he does not anticipate wholesale changes being made to the business operating structures of owners who could benefit from additional effectively connected income (ECI) to support section 199A benefits, in part because the provision sunsets in 2026.

“It’s foreseeable that businesses will plan for the section 199A benefit on the margins, where the changes don’t materially affect operations.”

## Featuring

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Jordan D. August

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