

KEY TAX SEASON RISKS FOR CROSS-BORDER BUSINESSES IN 2026

WHAT OFTEN GETS FINALIZED
WITHOUT BEING REVISITED

TODAY'S SESSION

✓ ~45 minutes of content

✓ ~15 minutes for Q&A

✓ Questions via chat

✓ Session is being recorded

✓ Slides will be shared

✓ No need to take notes

ABOUT LODDER CPA

- U.S. CPA firm focused exclusively on ambitious, growth minded cross-border businesses
- Foreign-owned U.S. entities & international groups
- Ongoing U.S. / non-U.S. advisor coordination



KYLE LODDER, CPA

U.S. Cross-Border Business Tax Strategist



- U.S. CPA specializing in cross-border tax & structuring
- Focus on growing international businesses operating in the U.S.
- Emphasis on avoiding costly structural mistakes



OUR ROLE

- **Advisory, not just compliance**
- **Pressure-testing decisions as businesses evolve**
- **Clarity before complexity**

WHO THIS SESSION IS FOR

This session is relevant if you:

- ✔ Operate across the U.S. and another country
- ✔ Have filed U.S. returns before
- ✔ Have an existing entity structure
- ✔ Have experienced growth or change

WHO THIS SESSION IS **NOT** FOR

This session is not designed to:

- ✘ Teach tax rules
- ✘ Walk through filings
- ✘ Provide step-by-step fixes
- ✘ Replace your advisors

HOW TO USE THIS SESSION

- ✓ The goal is clarity, not answers
- ✓ No decisions required today
- ✓ Value is recognizing where questions may exist

COMMON ASSUMPTIONS

What Most Businesses Believe

“Our accountant handles this”

“We’re compliant”

“We’ve filed before”

“Our structure is correct”

WHY THEY FEEL REASONABLE

Why These Assumptions Persist

- ✓ Filings happened before
- ✓ No penalties
- ✓ Nothing broke
- ✓ Business kept moving

WHAT SHOWS UP EVERY TAX SEASON

Decisions carried forward by default

Workpapers prepared using SALY

Prior-year positions repeated

WHY SALY PERSISTS

Why SALY Becomes The Default

- Junior accountants follow prior workpapers
- Efficiency matters during filing season
- Limited visibility into business changes

GROWTH BREAKS STRUCTURES

What Doesn't Get Revisited as Businesses Grow

- Structures built at \$250k profit still used at \$1M+
- Strategy evolves faster than structure
- New states, markets, revenue streams
- Higher tax brackets

ASSUMPTIONS QUIETLY BREAK

When growth changes everything:

- ✓ Tax laws change
- ✓ Profit levels change
- ✓ Exit possibilities change
- ✓ Structures often don't

FILING FINALIZES DECISIONS

Filing Season Finalizes More Than Returns

Reporting positions

Structural assumptions

Elections

Missed or preserved opportunities

OPPORTUNITIES HIDING

Missed Opportunities Hide in Plain Sight

- Incentives tied to structure
- Where income is taxed
- Alignment with long-term goals

EXAMPLE

HIGH-TAX JURISDICTION

*Income Taxed Where It
Didn't Have To Be*

- All income taxed in one high-tax state
- Approach never pressure-tested
- **Result: materially higher tax**

EXAMPLE

DEPRECIATION

TIMING

Timing Decisions That Backfire

- 100% depreciation every year
- No taxable income early
- Strong growth later
- Sudden jump to top bracket

EXAMPLE

TREATY POSITIONS

*Treaty Positions That
Quietly Expire*

- Initial filings relied on treaty protection
- Activities increased over time
- Contracts concluded in the U.S.
- SALY filings continued

WHY THIS CREATES RISK

- Treaty may no longer apply
- Exposure on U.S. revenue
- Limited deductions on examination
- Risk builds quietly

EXAMPLE

EXIT PLANNING

*Exit Planning Isn't
Obvious*

- Business could qualify for favorable exit treatment
- Current structure disqualifies them
- Discovered too late

ADVISOR GAPS

Coordination Gaps Between Advisors

- U.S. filings here
- Foreign filings there
- No one reviewing the full picture

REPORTING ≠ ADVISING

- Reporting numbers
- Advising on outcomes
- Different roles, different value

HOW RISK ACTUALLY SHOWS UP

Not always penalties

Often quietly higher tax

Structural inefficiency

Compounding cost

WHY **AWARENESS** MATTERS NOW

- ✓ Some adjustments are simple
- ✓ Others are structural
- ✓ Flexibility depends on timing

IDENTIFYING ≠ FIXING

- Not everything should change
- Some items deserve attention
- Timing matters

WHAT WE ARE **NOT** DOING TODAY

- Fixing issues
- Recommending changes
- Saying this applies to everyone

The only question February needs to answer

**“Is there anything here we should
sanity-check before filing?”**

FOR BUSINESSES SEEKING CLARITY

- ✓ Short, focused risk review
- ✓ Confirm whether this applies
- ✓ Not a sales conversation

HOW THE RISK

REVIEW WORKS

- ✓ Request-based
- ✓ Limited availability
- ✓ Clarity, not commitment

WHY THIS HAPPENS BEFORE MARCH

- ✓ February = awareness
- ✓ March = action
- ✓ Clarity comes first

False certainty is expensive.
Clarity is optional — until it isn't.

QUESTIONS & DISCUSSION

RISK REVIEW

REQUEST FORM





THANK YOU!



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