

AVOID OVERPAYING U.S. TAX:

What International Businesses
Should Address Before April 15



TODAY'S SESSION

✓ ~45 minutes of content

✓ ~15 minutes for Q&A

✓ Questions via Q&A

✓ Session is being recorded

✓ Slides will be shared

✓ No need to take notes

WHY THIS MATTERS

- ✓ Protect your margins
- ✓ Keep more of what you earn
- ✓ Avoid overpaying U.S. tax before filing

ABOUT LODDER CPA

- U.S. CPA firm focused exclusively on cross-border businesses
- Heavily focused on cross-border tax, bookkeeping, and accounting
- Clean books → better visibility → fewer surprises → lower risk of overpaying
- 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
- Nearly two decades working with international businesses navigating U.S. tax
- 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
- Compliance = filed correctly
- Advisory = optimized
- Fewer surprises
- Lower unnecessary tax
- Better long-term positioning
- More predictable outcomes

WHAT THIS SESSION IS

- ✓ A pre-filing executive discussion
- ✓ Focused on unnecessary tax cost
- ✓ Designed to identify and address what should be acted on before April 15
- ✓ So you don't overpay.
- ✓ So you keep more profit.

TODAY'S INSIGHT

Overpayment is more common than non-compliance

Most foreign-owned businesses are compliant

Many are not optimized

Efficiency erodes quietly over time

WHY THIS HAPPENS

- Businesses grow, expand, and evolve
- Structures and treatments often stay static
- Start operating in the U.S. through a non-U.S. corporation, but as revenue and income grows this can result in tax overpayment
- Cross-border flow of funds or income repatriation isn't revisited
- Compliance continues, but efficiency erodes

STRUCTURAL, NOT OBVIOUS

Overpayment is rarely obvious — it's structural and cumulative.

- No penalties
- No notices
- Cost builds incrementally

HOW IT BUILDS OVER TIME

- ✓ Small inefficiencies compound
- ✓ Income taxed in higher-rate environments
- ✓ Elections carried forward without review
- ✓ Treatment remains unchanged as business changes

WHY FOREIGN-OWNED BUSINESSES ARE ESPECIALLY SUSCEPTIBLE

Multi-jurisdiction complexity

Advisor coordination gaps

Cross-border income flows

Filing focus outweighs
structural review

ENTITY AND OWNERSHIP STRUCTURE

- ✓ Where income is earned
- ✓ Where income is taxed
- ✓ How profits move across borders
- ✓ Whether the structure still reflects business reality

WHY THIS DRIVES OVERPAYMENT

Profit taxed in higher-rate environments than necessary

Inability to access favorable treatments

Misalignment between ownership and tax characterization

ECONOMIC REALITY VS TAX REPORTING

*Where
functions are
performed*

*Where risk is
borne*

*Where decision-
making occurs*

*Where income
ultimately lands*

WHY THIS MATTERS

- ✓ Sourcing affects rate
- ✓ State-level taxation differences
- ✓ Transfer pricing alignment
- ✓ Cross-border allocation logic

CHARACTERIZATION OF INCOME

Service vs. royalty vs. distribution

Branch vs. subsidiary

Withholding implications

Permanent establishment
considerations

WHY THIS DRIVES COST

- ✓ Different treatment = different rate
- ✓ Some structures create double-layer tax
- ✓ Others create cleaner outcomes

HOW MONEY LEAVES THE BUSINESS

Salary

Dividends

Management fees

Intercompany charges

WHY THIS AFFECTS TAX COST

- Timing differences
- Character differences
- Treaty implications
- Interaction with foreign tax systems
- Some payments are subject to withholding taxes, while others are not
- Withholding taxes can apply at various rates

WHEN COMPLIANCE IS HANDLED, BUT OPTIMIZATION IS NOT OWNED



- ✓ U.S. filings handled here
- ✓ Foreign filings handled there
- ✓ No one reviewing global effective rate
- ✓ Foreign accountants, business attorneys (both sides of the border), Immigration attorneys, bankers, and other advisors often operate independently
- ✓ Fragmented advice increases inefficiency
- ✓ Unified strategy reduces overpayment

WHY THIS MATTERS

Structural inefficiencies go unaddressed

No periodic recalibration

Filing becomes process-driven

FILING FINALIZES POSITIONS

Elections are locked in

Characterizations are confirmed

Income allocation is formalized

OPTIONS NARROW AFTER FILING

- Less flexibility
- Fewer clean adjustments
- More administrative complexity later

WHAT CAN STILL BE INFLUENCED

Certain elections

Income characterization
decisions

Intercompany charges (where
appropriate)

Accrual-based deductions

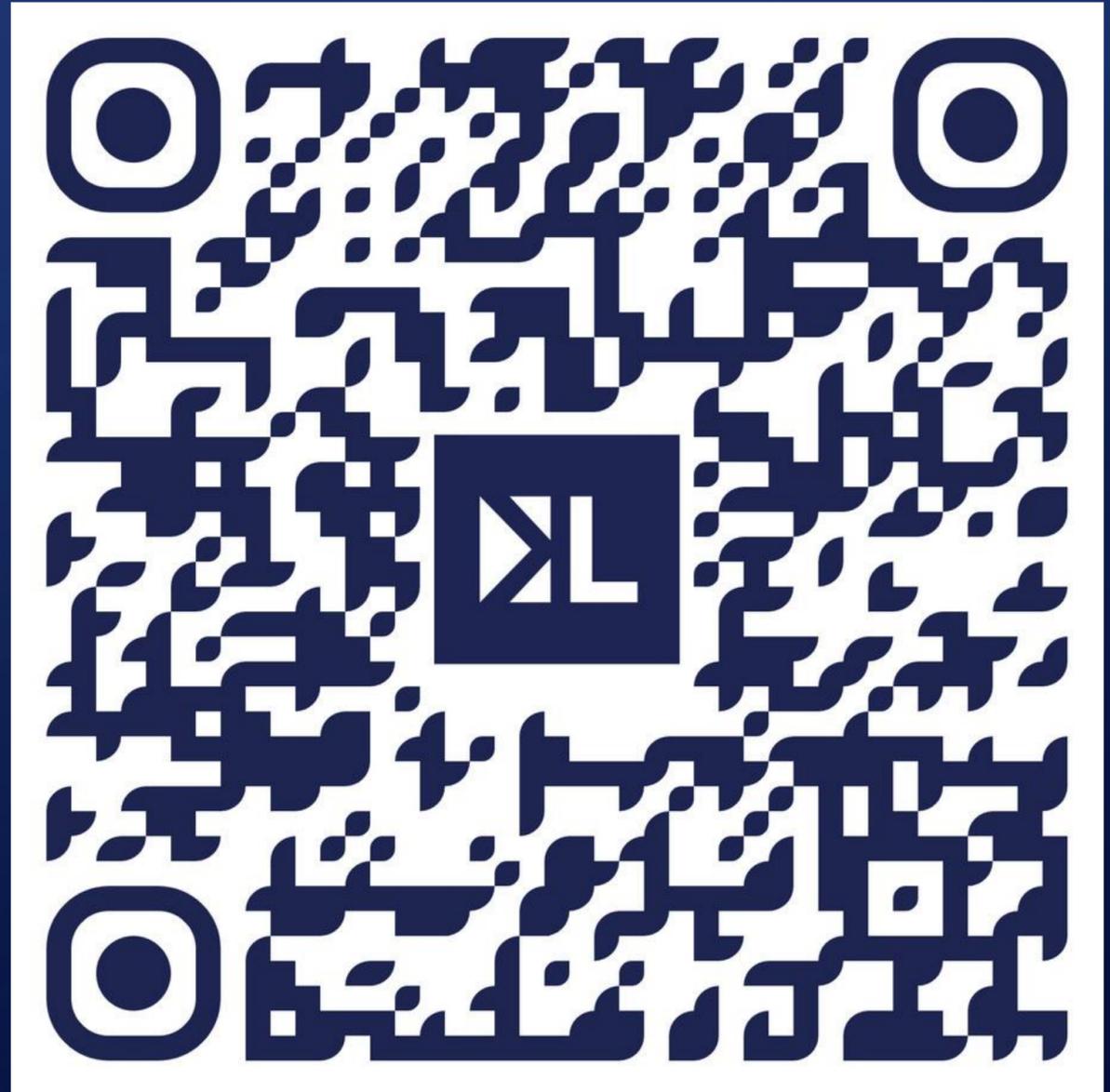
THE RIGHT QUESTION

Not: “Are we compliant?”

But:

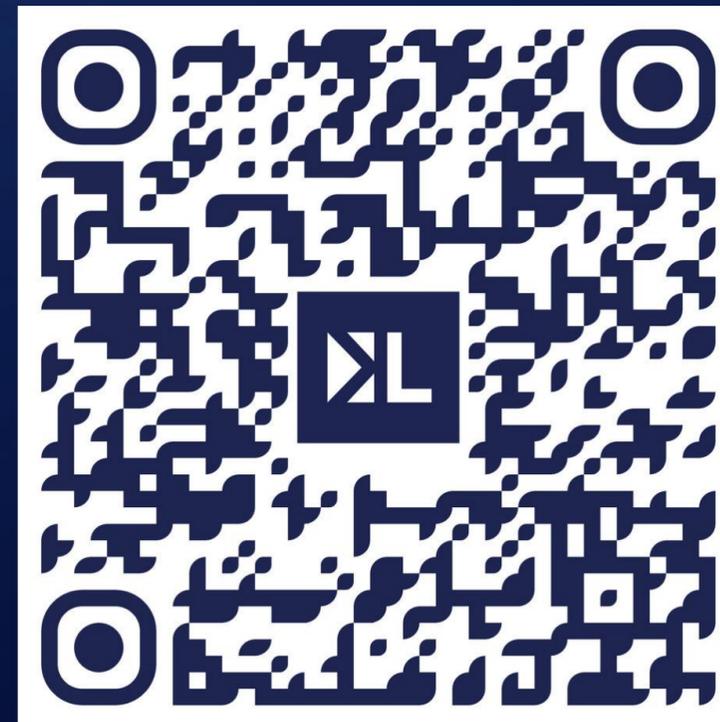
**“Are we confident we’re not
overpaying?”**

CROSS-BORDER U.S. TAX OVERPAYMENT ASSESSMENT



HOW IT WORKS

- ✓ Submit assessment request
- ✓ Focused structural review
- ✓ Identify overpayment opportunities
- ✓ Clear action steps before filing

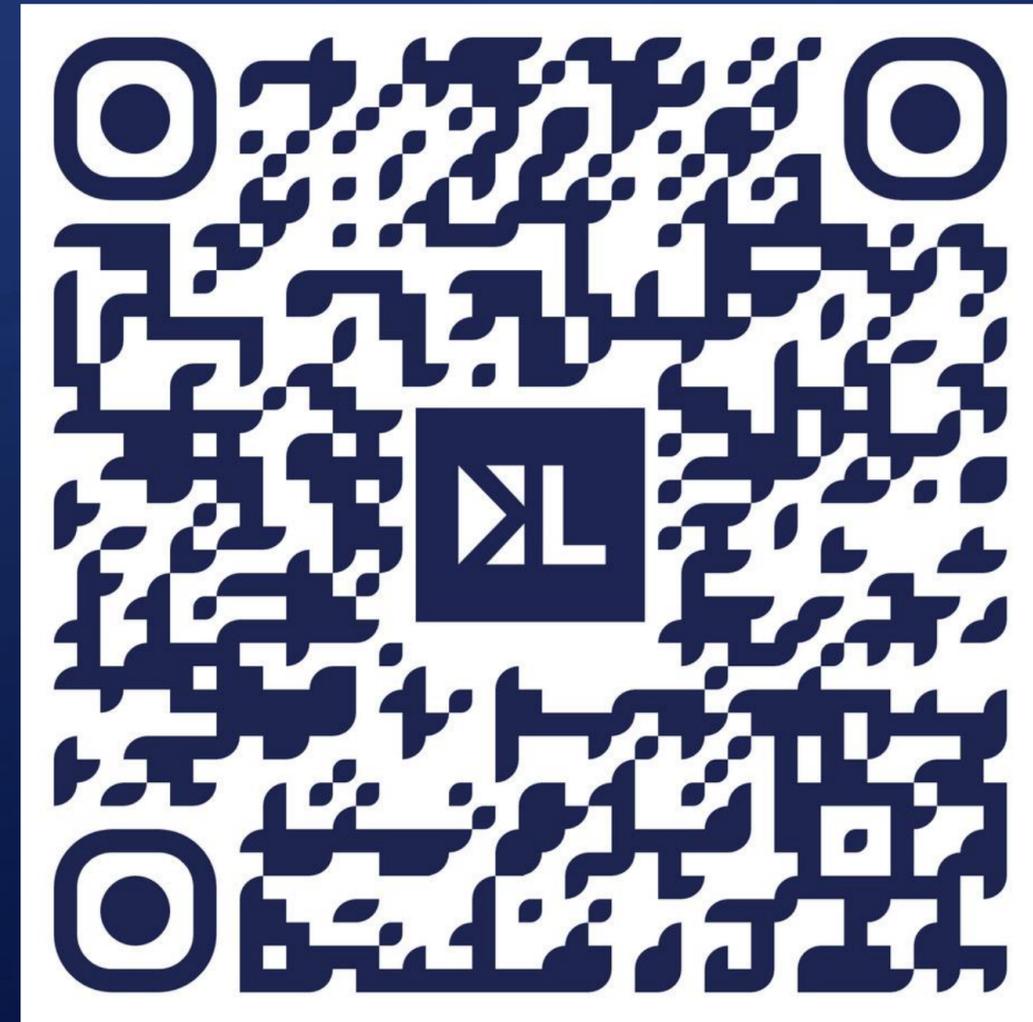


**CROSS-BORDER
U.S. TAX
OVERPAYMENT
ASSESSMENT**

Overpayment is common.
Compliance does not prevent it.
Most savings happen before filing — not after.

If you're confident you're not overpaying, that's valuable clarity.

If you're unsure, *now* is the **time to confirm.**



QUESTIONS & DISCUSSION

THANK YOU!



Follow me on
LinkedIn



(360) 939-3955



kyle@loddercpa.com



www.loddercpa.com



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