Get the MOST out of your Membership



ISCPA strives to curate diverse and relevant content that aligns with the interests and needs of our members while helping to maximize your membership investment. We understand that managing a multitude of responsibilities and demands can make it challenging to prioritize your continued learning. However, you've made the financial investment, now make the personal one - and take advantage of everything ISCPA has to offer you.

Welcome to the 2025 ROI Series
14 Complimentary CPE Credits
For ISCPA Members!

Proudly Sponsored by

Idaho Central CREDIT UNION

BRAYN Consulting LLC

- **Jan 15** **Federal Tax Update - 2024 Tax Developments**
- **Feb 19** **Understanding Employee Values**
- **Mar 19** **How Cyber Security Risk Assessments Can Save Your Business**
- **Apr 23** **Creating and Incorporating AI Policies into Employee Handbooks**
- **May 21** **IDeal – Idaho's 529 Plan Updates and Employer Program**
- **Jun 23** **Normalizing to a New Normal**
- **Jul 16** **2025 Legislative Wrap-up**
- **Aug 20** **Tax Incentives for Energy Efficient Builders, Developers & Designers**
- **Sep 17** **What is the FTC Safeguards Rule and Why is it Important?**
- **Oct 8** **Unlocking Strategic Charitable Giving for Your Clients**
- **Nov 19** **Marketing 101**
- **Dec 17** **Depression in Accounting and How to Improve Your Self-Care & Personal Well Being at Work**

Missed a session? No Problem!

- Links for the recording of each presentation will be posted on the ROI page of our website to ensure you have access to ALL this valuable information!
- Need CPE credit for a session you missed? Check out the on-demand options, exclusively available to ISCPA members!
- Visit www.idcpa.org/roi-series for more details.



Welcome Idaho Society of Certified Public Accountants

Your clients are your passion, and you are ours. You can trust Idaho Central Credit Union to be your business banking expert, especially when it comes to the cash flow of a seasonal business. We provide business service solutions and can serve you, your business, and your clients with financial strength and personalized service. At Idaho Central, you're a partner. Now that's Business Unusual.

- Achieve your business goals with a variety of loan solutions, including **SBA (Small Business Administration).**
- Simplify the management and monitoring of your business's finances with our full suite of **treasury services**.
- Secure your future with our **insured account options** and full **wealth investment services**.
- Earn more with **better rates** and save more with **little-to-no fees**.
- **Access your banking anytime, anywhere**, with 24/7 online banking and branches across Idaho and Spokane, WA to serve you.
- Receive answers to your questions when you need them with a direct line to our **local business team**.

If you have clients that are paying excessive fees, we would love to help them save and achieve financial success too! Call 208.846.7034, or come in today!

Idaho Central CREDIT UNION

WE BELIEVE it's not just business as usual.

ICCU.COM

OUR SERVICE LINES

(888) 773-8356 info@brayn.com www.BRAYN.com

BRAYN Consulting LLC

R&D CREDIT



WHAT IS THE R&D TAX CREDIT?

The R&D tax credit is one of the most powerful tax incentives in the tax code. Due to the broad definition of "qualified research", businesses in nearly every industry can take advantage of the credit.

The R&D tax credit is based on "qualified research expenses" (QREs) - for every dollar spent on QREs, you can earn up to $0.04 to $0.07 in federal tax credits! The R&D tax credit is a federal incentive, but many states also offer their own versions, which means even more opportunities for tax savings.

Permitted Purpose Test	Technologically in Nature	Technical Uncertainty	Process of Experimentation
• New or Improved • Product, process, technique, formula • Purpose: Functionality, durability, quality, reliability	• Engineering, physics, chemistry, biology, or computer science • Existing principles are usable	• Capability • Methodology • Final or appropriate design	• Systematic evaluation of alternatives • Trial and Error

COST SEG.



WHAT IS COST SEGREGATION?

A traditional cost segregation study allows companies and individuals who have constructed, acquired, or renovated real estate to increase cash flow by accelerating depreciating tax deductions.

WHAT IS COST SEGREGATION+ ?

All of BRAYN's studies are led by licensed professional engineers. Our Cost Seg+ studies are a more comprehensive tax strategy for real estate with accelerating depreciation deductions.

Eligible Cost Seg+ Business+
• Businesses in any industry who own their own commercial building • Commercial property owners • Income-producing residential property owners

IRS Circular 230 Disclosure - To ensure compliance with requirements imposed by the IRS, we inform you that any U.S. tax advise contained in this communication is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding tax related penalties under the Internal Revenue Code, or (ii) promoting, marketing, or recommending to another party any transaction or matter addressed herein.

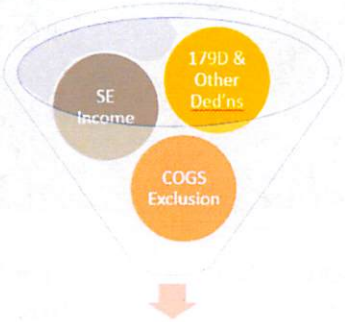
OUR SERVICE LINES

(888) 773-8356 info@brayn.com www.BRAYN.com

BRAYN Consulting LLC

174 R&E – We are helping CPAs provide strategy and options to mitigate risk and potential solutions to offset costs due to the 174 Amortization issue.

Opportunities for Mitigation and Improvement:



Improved 174 Analysis



Jasmine Nouri
Account Manager
310-480-0445

SCAN ME

Identifying Tax Savings Opportunities

Industry	R&D	45L	179D	Cost Seg.	Sec. 48 ITC
Architecture	✓		✓		
Engineering	✓		✓		
Construction	✓		✓		
Multi-Family Developers		✓	✓	✓	✓
Home Builders	✓	✓		✓	✓
Real Estate Owners/Investors		✓	✓	✓	✓
Software/Technology	✓				
Manufacturing	✓		✓	✓	
Distribution & Logistics	✓		✓	✓	
Gov. & Tax-Exempt Bldg. Owners			✓	✓	✓

IRS Circular 230 Disclosure - To ensure compliance with requirements imposed by the IRS, we inform you that any U.S. tax advise contained in this communication is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding tax related penalties under the Internal Revenue Code, or (ii) promoting, marketing, or recommending to another party any transaction or matter addressed herein.



IDEAL – IDAHO'S 529 PLAN UPDATES AND EMPLOYER PROGRAM

NICK THIROS
INSTITUTIONAL RELATIONSHIP MANAGER

ideal IDAHO COLLEGE SAVINGS PROGRAM

1



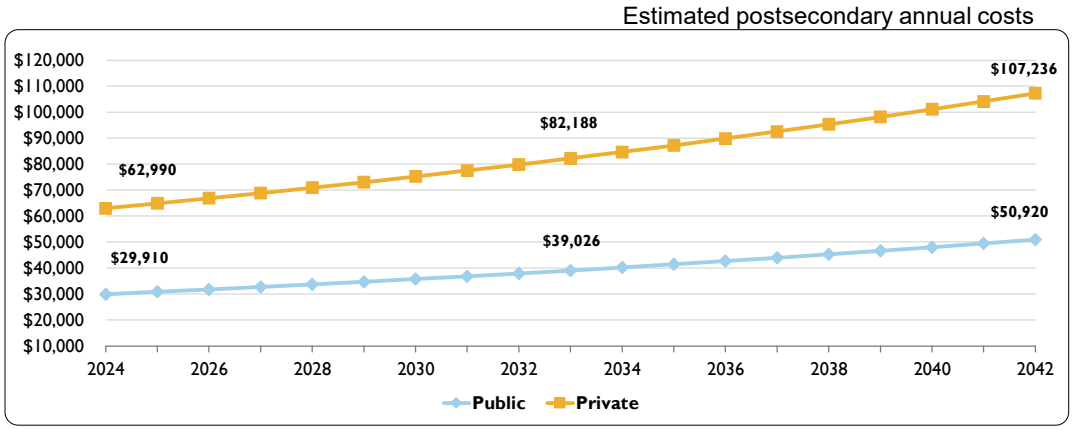
ideal IDAHO COLLEGE SAVINGS PROGRAM

IDEAL 529 OVERVIEW

IDEAL – IDAHO COLLEGE SAVINGS PROGRAM

2

RISING COSTS OF EDUCATION



Source: The College Board, Trends in College Pricing 2024. Average total 4 year college costs include tuition, fees, room and board for the 2024-25 school year increasing at 3% annual inflation rate per year. This chart is for illustrative purposes only. Actual costs will vary

3

LEADERSHIP

Idaho's State College Savings Program Board administers the Program and oversees Program partner deliverables.

State College Savings Program Board

- ASCENSUS
- Vanguard
- SallieMae

4

MISSION

IDeal

- Idaho's State Sponsored 529 college savings program
- Established by the Idaho code in 2000

Purpose:

- To help individuals and families save for education in a tax-advantaged way.



Tenley

5

IDAHO TAX DEDUCTION FOR INDIVIDUALS*

***The only 529 that can offer Idaho tax incentives**

Single Filers:
Deduct up to $6,000 annually on contributed amount.

Married Filing Jointly:
Deduct up to $12,000 annually on contributed amount.


Spittle Family

*Contributions to the IDeal - Idaho College Savings Program are tax deductible from Idaho State income tax, subject to recapture in certain circumstances such as a non-qualified withdrawal or a roll-over to another state's qualified tuition program in the year of the rollover and the prior tax year.

6

NEW! IDAHO EMPLOYER STATE TAX CREDIT



New! Tax benefits for helping their employees save

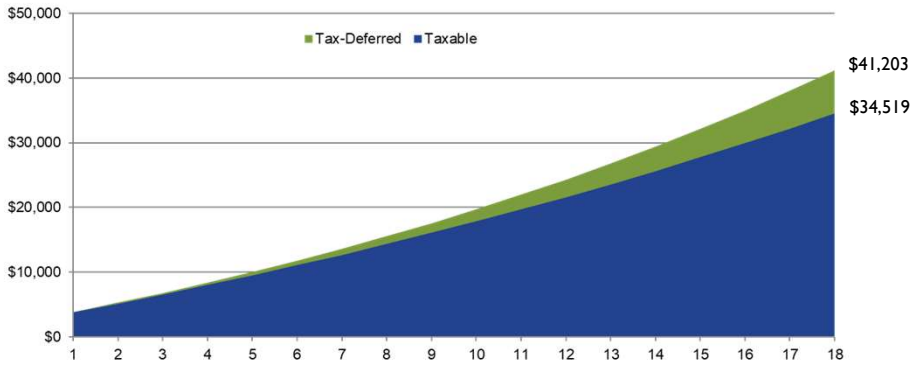
Employers contributing directly to their employees' IDeal 529 accounts can take an Idaho state employer tax credit for doing so!

For every dollar an employer contributes to an employee's IDeal 529 account, the employer receives a 20% tax credit, up to a maximum of $500 per employee per year.

Contribution deadline is Dec 31st for the credit.

7

TAX DEFERRED GROWTH



Assumptions: $2,500 initial investment with subsequent monthly investments of $100 for a period of 18 years; annual rate of return on investment of 5% and no funds withdrawn during the time period specified; taxpayer is in the 32% federal income tax bracket for all options at the time of contributions. This hypothetical is for illustrative purposes only. It does not reflect an actual investment in any particular 529 plan or any taxes or penalties payable/due upon distribution.

8

TAX FREE WITHDRAWALS ON QUALIFIED EXPENSES

Federal and state income tax-free if used for qualified withdrawals to eligible higher education* and related to services to be used by the beneficiary while enrolled.

- Public & private colleges / universities, 2 & 4 year programs, career and technical and foreign schools
- Tuition, fees, certain room & board, books, required supplies
- Computers, peripherals, software, Internet access
- K-12 public, private and religious school **tuition only****
- Apprenticeships registered with the U.S. Depart of Labor
- Some qualified student loans

*Earnings on nonqualified withdrawals may be subject to federal income tax and a 10% federal penalty tax, as well as state and local income taxes. Tax and other benefits are contingent on meeting other requirements and certain withdrawals are subject to federal, state, and local taxes. ** K-12 **tuition** withdrawals allowed as of January 1, 2018 (up to 10K per child, per year only).

9



IDEAL – 529 FEDERAL AND STATE UPDATES

10

529 ROLLOVER TO ROTH IRA

Secure 2.0 act was adopted in 2022 and allows for the 529 account holder to perform a rollover from their 529 directly into a Roth IRA in the name of the beneficiary. This will go into effect on January 1, 2024.

- The 529 account must have existed for at least 15 years
- The lifetime maximum a 529 beneficiary can rollover is $35,000
- The transfers are subject to annual Roth IRA contribution limits
- No contributions or earnings on contributions from the last 5 years can be transferred
- Direct trustee-to-trustee transfer required to Roth IRA FBO Beneficiary

11

15 YEAR RULE

- **The 529 account must have existed for at least 15 years**
- Questions:
  - How will account changes impact eligibility?
    - Account changes will not reset 15-year clock (Industry Recommendation)

CONFIDENTIAL. FOR ASCENSUS INTERNAL PURPOSES ONLY. NOT INTENDED FOR USE WITH OR DISTRIBUTION TO CLIENTS OR THE PUBLIC.

12

$35,000 LIFETIME ROLLOVER LIMIT

- **The lifetime maximum a 529 beneficiary can rollover is $35,000**
- Questions:
  - Do Roth IRA earned income limits apply to the rollover?
    - Beneficiary should not be held to earned income requirements to perform a rollover (industry recommendation)

CONFIDENTIAL. FOR ASCENSUS INTERNAL PURPOSES ONLY. NOT INTENDED FOR USE WITH OR DISTRIBUTION TO CLIENTS OR THE PUBLIC.

13

ANNUAL ROTH IRA LIMITS

- **Transfers are subject to annual Roth IRA contribution limits**
  - Annual Roth IRA contributions limits apply
    - $7,000 for 2025 (under 50)
    - $8,000 for 2025 (over 50)
    - Take 5 years to roll $35,000 with 2025 limits
  - Once yearly contribution limit has been reached, beneficiary is no longer allowed to contribute to a Roth IRA for the year.

CONFIDENTIAL. FOR ASCENSUS INTERNAL PURPOSES ONLY. NOT INTENDED FOR USE WITH OR DISTRIBUTION TO CLIENTS OR THE PUBLIC.

14

5-YEAR RULE

- **No contributions or earnings on contributions from the last 5 years can be transferred**
- Questions:
  - How is the 529 industry proposing to assist with the rule?
    - Industry is proposing a Safe Harbor for this provision
      - Account value 5 years
      - Current account value, if not contributions made in last 5 years

CONFIDENTIAL. FOR ASCENSUS INTERNAL PURPOSES ONLY. NOT INTENDED FOR USE WITH OR DISTRIBUTION TO CLIENTS OR THE PUBLIC.

15

DIRECT TRUSTEE-TO-TRUSTEE

- **Direct trustee-to-trustee transfer required to Roth IRA FBO Beneficiary**
- Questions
  - How will 529 Rollover to Roth transaction be reported on 1099s?
    - Utilize existing trustee-to-trustee checkbox (box 4) – same process for 529-to-529 and 529-to-ABLE Rollovers today
    - 1099-Q to be issued to the 529 beneficiary
  - How will AO initiate the rollover?
    - AO will fill out "Direct Rollover Out to Roth IRA" form to start rollover process

CONFIDENTIAL. FOR ASCENSUS INTERNAL PURPOSES ONLY. NOT INTENDED FOR USE WITH OR DISTRIBUTION TO CLIENTS OR THE PUBLIC.

16

DIRECT TRUSTEE-TO-TRUSTEE

3131 ☐ VOID ☐ CORRECTED

PAYER'S/TRUSTEE'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		1 Gross distribution $	OMB No. 1545-1760 Form **1099-Q** (Rev. April 2025) For calendar year
		2 Earnings $	
PAYER'S/TRUSTEE'S TIN	RECIPIENT'S TIN	3 Basis $	4 Type of transfer: a ☐ Trustee-to-trustee b ☐ QTP to Roth IRA
RECIPIENT'S name		5 Distribution is from: a ☐ Private QTP b ☐ State QTP c ☐ Coverdell ESA	6 Check if the recipient is not the designated beneficiary ☐
Street address (including apt. no.)			
City or town, state or province, country, and ZIP or foreign postal code			
Account number (see instructions)			

Payments From Qualified Education Programs (Under Sections 529 and 530)

Copy A For Internal Revenue Service Center

For filing information, Privacy Act, and Paperwork Reduction Act Notice, see the **General Instructions for Certain Information Returns.**

www.irs.gov/Form1099

Form **1099-Q** (Rev. 4-2025) Cat. No. 32223J www.irs.gov/Form1099Q Department of the Treasury - Internal Revenue Service

Do Not Cut or Separate Forms on This Page — Do Not Cut or Separate Forms on This Page

CONFIDENTIAL. FOR ASCENSUS INTERNAL PURPOSES ONLY. NOT INTENDED FOR USE WITH OR DISTRIBUTION TO CLIENTS OR THE PUBLIC.

17

17



ADDING IDEAL 529 TO YOUR WORKPLACE BENEFITS.

18

18

POLL

What percentage of employees rank 529 and student loan assistance in the top three benefits they prefer?

- ❑ 10%
- ❑ 25%
- ❑ 50%
- ❑ 75%

19

19



13% MOST IMPORTANT

23% 2ND ONLY TO HEALTH CARE

20

https://www.prweb.com/releases/new_study_75_of_americans_say_employers_should_help_pay_for_college/prweb17155332.htm

20

BENEFITING EMPLOYERS FOR HELPING THEIR EMPLOYEES SAVE

ideal IDAHO COLLEGE SAVINGS PROGRAM



Offer	Contribute	Award
Offer IDeal 529 as a payroll direct deposit.	Contribute directly to your employees' accounts & get an Idaho tax credit.	Award community scholarships through IDeal.

12

21



OFFERING PAYROLL DIRECT DEPOSIT

22

22

PAYROLL DIRECT DEPOSIT

> Employees with a 529 payroll direct deposit save 75% more.

ISS MARKET INTELLIGENCE 529 INDUSTRY ANALYSIS, MAY 2019

23

23

EMPLOYER CONTRIBUTIONS AND IDAHO TAX CREDIT

IDAHO STATE TAX CREDIT

20%

For employers contributing to their employees IDeal 529 accounts.

24

24

NEW! IDAHO EMPLOYER STATE TAX CREDIT



New! Tax benefits for helping their employees save

Employers contributing directly to their employees' IDeal 529 accounts can take an Idaho state employer tax credit for doing so!

For every dollar an employer contributes to an employee's IDeal 529 account, the employer receives a 20% tax credit, up to a maximum of $500 per employee per year.

Contribution deadline is Dec 31st for the credit.

25

529 REWARDS AND RECOGNITION AS BENEFITS



Employer contributions could come in many forms such as:

- matched or unmatched contributions
- student loan repayment
- recruitment incentive
- work anniversary celebration
- life event (wedding, baby gift, etc.)
- bonuses

26

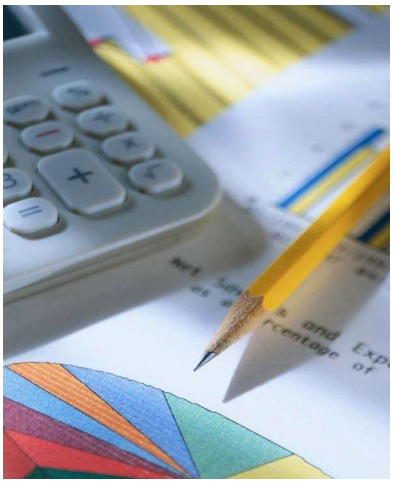
EMPLOYER CONTRIBUTIONS

ideal IDAHO COLLEGE SAVINGS PROGRAM

Easy to manage and fund

- Employers will contribute directly to employees' Idaho College Savings Program accounts by sending funds directly to the Program.
  - Employer Contributions
    - Send funds to IDeal via check, ACH or wire with a letter of instruction.

18



27





HAYDEN BEVERAGE

DIRECT CONTRIBUTIONS: THE "WHY" FOR HAYDEN BEVERAGE

28

28

INVESTING IN EMPLOYEES & THEIR FAMILIES

"As we try to find ways to make our employees' lives better, certainly one of those is helping each generation move a little further in regard to education.

The benefit of the 529 program is keeping overall education moving forward. The more companies in Idaho that embrace this, the better our communities will be served by having a more educated populace."

- Dodds Hayden: CEO, Hayden Beverage



20

Individuals have not received compensation for their testimonial. Testimonials many not be representative of the experience of other customers and there is no guarantee of future performance of success.

29



AWARD COMMUNITY SCHOLARSHIPS THROUGH IDEAL 529

30

30

START PARTICIPATING TODAY!



- Do well by doing good
- Economic development tool
- All organizational sizes can participate in IDeal's Employer Program
- Creates employee loyalty and retention
- Helps increase financial wellness
- Expansion of 529 usage helps employers with creative ways to support employees
- Idaho's 20% employer tax incentive helps mitigate the added costs employers will have when providing a direct contribution

31

31

GET STARTED TODAY!
WWW.IDAHO529.ORG/EMPLOYER



Dawn Hall
Executive Director
dhall@idsaves.Idaho.gov
208.332.2935

Nick Thiros
Institutional Relationship Manager
Nickolas.thiros@idaho529.org
208.488.9879

Mr. Thiros is a registered representative of Ascensus Broker Dealer Services, LLC., 95 Wells Ave Suite 160, Newton MA 02459 (member FINRA/SIPC) and is not employed by the state of Idaho. Ascensus Broker Dealer Services, LLC. serves as Program Manager for the above mentioned plan. Please visit the plan website for more information.

29

32