

SEASON OF GIVING

The spirit of the holiday season is upon us once again and the attorneys and staff at O'Neil Cannon wanted to do something special for our community. For our annual holiday donation drive, we collected items and monetary donations to be given to [Kathy's House](#). Kathy's House is a non-profit Hospital Guest House that provides lodging and a supportive environment to families who are experiencing personal illness or the serious illness of a loved one. The Family Program for Patients and Caregivers at Kathy's House ensures that every family facing a medical crisis, including those in financial hardship, can access needed health care and stay together during medical treatments.



From all of us at O'Neil Cannon:

"Best wishes for a wonderful holiday and a very Happy New Year!"

O'NEIL CANNON SERVES AS LEGAL ADVISOR TO GUETZKE AND ASSOCIATES IN ITS SALE TO RYAN FIREPROTECTION, INC.

O'Neil Cannon advised Guetzke and Associates in its recent sale to Ryan Fireprotection, Inc. Established in 1977, Guetzke and Associates is the premier provider of fire alarm and

detection systems in Southeast Wisconsin. Its services include engineering, design, installation, service, inspections, and monitoring. Ryan Fireprotection is one of the largest fire protection companies in the Midwest providing a full range of high-quality, custom fire protection systems. As Ryan Fireprotection stated, “We can’t wait to combine our efforts to Protect. Prevent. Preserve!”

The O’Neil Cannon deal team was led by Chad Richter with assistance provided by Britany Morrison, Sam Nelson, Erica Reib, and Kelly Kuglitsch.

NAVIGATING THE CORPORATE TRANSPARENCY ACT: A MUST-READ FOR EVERY BUSINESS OWNER

Effective January 1, 2024, the Corporate Transparency Act will apply to a significant number of United States business entities and owners. This pivotal legislation is not just another regulatory hurdle; it marks a significant shift in how businesses operate in terms of transparency and accountability. Every business owner needs to understand the CTA and its implications for their business. In this article, we delve into the requirements under the CTA, equipping you with much of what you need to know to stay compliant.

1. What is the Corporate Transparency Act?

- At its core, the CTA introduces new reporting requirements for businesses, a move aimed at enhancing transparency.
- The CTA mandates that all reporting companies disclose specific details about their “beneficial owners” and “applicants” (described below) to the U.S. Treasury Department’s Financial Crimes and Enforcement Network.

2. Compliance Timeline: A Closer Look

- *For Existing Entities:* If a business entity was formed prior to January 1, 2024, the business has a one-year window to submit a beneficial owner information report.
- *For New Entities:* If a business entity was formed on or after January 1, 2024, the business has 90 days after its formation to submit a beneficial owner information report.

3. What Information Must be Reported?

- Each beneficial owner and applicant is required to provide comprehensive personal information, including their full legal name, date of birth, current residential or business address, and a photocopy of a passport or driver’s license.

4. Identifying “Beneficial Owners” and “Applicants”

- A “beneficial owner” is a person who either (1) owns 25% or more of an entity, or (2) exercises substantial control over the entity (e.g., any senior officer or director). In particular, the degree of control over an entity that constitutes substantial control is a heavily fact-based determination and often requires familiarity with the intricacies of a business entity’s organization and structure.
- An “applicant” is a person who files an application to form or register a business by filing a document with the secretary of state or similar office.

5. The Need for Amendments: Keeping Information Up to Date

- **STAY VIGILANT:** Any changes in the reported information must be amended within 30 days, even if they seem minor.

6. Who are the “Reporting Companies”?

- A “reporting company” includes all entities formed or registered to do business in the U.S. through a filing with a secretary of state or similar office—including corporations, LLCs, LLPs, etc.—unless an exemption applies.
- Entities not created through such state filings, such as most trusts, are not subject to the CTA.

7. What Entities are Exempt from the Reporting Requirements?

- The CTA lists 23 exemptions, including:
 - “Large operating companies,” defined as entities with (1) over 20 full-time U.S. employees; (2) more than \$5 million in revenue, and (3) a physical presence in the U.S.
 - Nonprofit entities, political organizations, and certain tax-exempt trusts.
 - Public companies, insurance companies, banks, registered investment companies, and other entities already subject to sufficient regulatory oversight.
 - Inactive entities no longer engaged in active business.
 - Subsidiaries wholly owned by the above exempt entities.
- Entities that are exempt for any of these purposes, or pursuant to any of the other exemptions listed in the CTA, do not need to take further action under the CTA.

8. Will the Reported Information be Publicly Available?

- No, beneficial ownership information reports and the information contained therein will not be publicly available.
- The information may be disclosed legally only to law enforcement agencies in specified circumstances and, with the reporting company’s permission, to banks for their Know-Your-Customer obligations.

9. What are the Penalties for Noncompliance?

- The penalties can be significant, with fines up to \$10,000 and potential imprisonment. Additionally, these penalties do not only apply to the company: individuals in key positions may also be held accountable.

10. The Broader Impact: Why the CTA Matters?

- Most states do not require information about the beneficial owners of business entities, which can sometimes allow bad actors to conduct illicit activity through corporate structures and evade detection.
- The CTA seeks to enable law enforcement efforts to counter money laundering, tax fraud, human and drug trafficking, the financing of terrorism, and other illicit activity.

The CTA represents a significant shift in the corporate regulatory environment. Understanding and adapting to it is not optional, but essential. At O'Neil Cannon, we're dedicated to helping our clients navigate the complexities of the CTA and ensure compliance. If you have any questions or need assistance with CTA compliance, please do not hesitate to contact us.

TAX AND WEALTH ADVISOR ALERT-IRS ANNOUNCES CHANGES TO ESTATE AND GIFT TAX EXEMPTIONS FOR 2024

The IRS allowed amounts of the federal gift, estate, and generation-skipping transfer tax exemptions will materially increase in 2024. With exemptions reaching historically high levels, this presents a golden opportunity for strategic and tax-free gifting. In this post, we'll explore the key changes and opportunities you should consider for your financial planning.

Exemption Amount Increase:

Starting in 2024, the gift and estate tax exemptions will increase to \$13,610,000, allowing individuals to transfer significant assets during their lifetime or at death without incurring gift or estate tax. For married couples, the combined exemption rises to \$27,220,000. If you have already maximized your lifetime gifts under current limits, additional tax-free gifts of up to \$690,000 per individual or \$1,380,000 per married couple can be made in 2024.

GST Tax Exemption Boost:

The GST tax exemption is also set to increase to \$13,610,000 (\$27,220,000 per married couple) in 2024. This opens doors for strategic gifts to trusts, benefiting grandchildren or more remote descendants, and leveraging the increased GST exemption.

Annual Exclusion Amount Rise:

In addition to the significant increases in exemption amounts, the annual exclusion amount is climbing to \$18,000 per recipient (or \$36,000 for married couples splitting gifts) in 2024. This means tax-free gifts can be made to an unlimited number of recipients. Furthermore, the special annual exclusion from gift tax on gifts to a non-U.S. citizen spouse will see an increase to \$185,000 in 2024.

Maximizing Gifts in 2024:

The year 2024 presents exceptional opportunities for gift planning, considering the increased exemptions and the potential for depressed asset values in certain sectors. As the current exemptions are scheduled to be halved at the end of 2025 without further congressional action, there's a limited window to take advantage of these higher limits.

Action Steps for 2023:

As the end of the year approaches, don't forget that the 2023 annual exclusion amount is \$17,000 per recipient. Make sure you make your annual exclusion gifts before December 31, 2023.

To navigate these changes and make informed decisions about your gift and estate planning, reach out to our [Tax and Estate Planning Team](#). We can provide personalized insights into how these changes may impact you.

SUPER LAWYERS RECOGNIZES 28 O'NEIL CANNON ATTORNEYS

Each year, *Super Lawyers* surveys the State of Wisconsin's 15,000 attorneys and judges, seeking the State's top attorneys. Recently, *Super Lawyers* published its lists for 2023, which include the Top 10 Attorneys in Wisconsin, Top 50 Attorneys in Wisconsin, Top 25 Attorneys in Milwaukee, Super Lawyers (consisting of the top 5% of attorneys in Wisconsin), and Rising Stars (consisting of attorneys who are 40 years old or younger or who have been in practice for 10 years or less).

Twenty-nine of our attorneys were recognized by *Super Lawyers*, which has referred to the firm as "the Milwaukee mid-sized powerhouse." Those attorneys are the following:

- Nick Chmurski:
 - Rising Star
- Doug Dehler:

- Super Lawyer
- Jim DeJong:
 - Super Lawyer
- Seth Dizard:
 - Top 50 Attorneys in Wisconsin
 - Top 25 Attorneys in Milwaukee
 - Super Lawyer
- Pete Faust:
 - Super Lawyer
- John Gehringer:
 - Super Lawyer
- Joseph Gumina:
 - Super Lawyer
- Jessica Haskell:
 - Rising Star
- Mike Kennedy:
 - Rising Star
- Grant Killoran:
 - Super Lawyer
- Dean Laing:
 - Top 10 Attorneys in Wisconsin
 - Top 50 Attorneys in Wisconsin
 - Top 25 Attorneys in Milwaukee
 - Super Lawyer
- Trevor Lippman:
 - Rising Star
- Greg Lyons:
 - Super Lawyer
- Patrick McBride:
 - Super Lawyer
- Britany Morrison:
 - Rising Star
- Joe Newbold:
 - Super Lawyer
- Erica Reib:
 - Rising Star
- Chad Richter:
 - Super Lawyer
- Ryan Riebe
 - Rising Star
- John Schreiber:
 - Super Lawyer
- Jason Scoby:
 - Super Lawyer
- Steve Slawinski:
 - Super Lawyer
- Kelly Spott:

- Rising Star
- Christa Wittenberg:
 - Rising Star

Super Lawyers is a national rating service that rates attorneys in all 50 states. The selection process utilized by *Super Lawyers* is multi-phased and includes independent research, peer nominations, and peer evaluations. One court recently had this to say about *Super Lawyers*:

“[T]he selection procedures employed by [*Super Lawyers*] are very sophisticated, comprehensive and complex. It is abundantly clear . . . that [*Super Lawyers* does] not permit a lawyer to buy one’s way onto the list, nor is there any requirement for the purchase of any product for inclusion in the lists or any quid pro quo of any kind or nature associated with the evaluation and listing of an attorney or in the subsequent advertising of one’s inclusion in the lists.”

We are proud to be one of the few firms in Wisconsin that had more than 50% of its attorneys receive recognition by *Super Lawyers*.

O’NEIL CANNON RANKED BY BEST LAW FIRMS® IN 2024

O’Neil Cannon has been recognized in the 2024 edition of Best Law Firms, ranked by *Best Lawyers*, regionally in 16 practice areas:

- Bankruptcy and Creditor Debtor Rights / Insolvency and Reorganization Law
- Business Organizations (including LLCs and Partnerships)
- Commercial Litigation
- Construction Law
- Corporate Law
- Employment Law – Management
- Litigation – Bankruptcy
- Litigation – Insurance
- Litigation – Labor and Employment
- Mergers and Acquisitions Law
- Personal Injury Litigation – Plaintiffs
- Product Liability Litigation – Defendants
- Real Estate Law
- Securities / Capital Markets Law

- Tax Law
- Trusts and Estates Law

Firms included in the 2024 Best Law Firms list are recognized for professional excellence based on ratings from clients and peers.

TAX REFORM BILL PASSES WITH ADVOCACY FROM BRITANY MORRISON AND NANCY WILSON

Britany Morrison and Nancy Wilson, as directors of the Wisconsin State Bar's Taxation Law Section Board, advocated for the inclusion of the Internal Revenue Code Section 1202 stock provisions in Assembly Bill 406, now 2023 Wisconsin Act 36. The Taxation Law Section Board collaborated with its government liaison and lobbyist, who then successfully championed the proposed change. Act 36 rectifies Wisconsin's tax statute, bringing it in line with the federal guidelines regarding the retroactive date for the 100% capital gain exclusion under IRC Section 1202.

The revised legislation aligns Wisconsin's statutes with the federal rules concerning the exclusion of capital gains from the sale of shares of qualified small businesses, commonly known as 1202 Stock. It allows for a 50% exclusion rate upon sale for stock acquired after August 10, 1993, and before February 17, 2009; a 75% exclusion rate for stock acquired after February 17, 2009, and on or before September 27, 2010; and a full 100% exclusion for stock acquired after September 27, 2010. This marks a significant departure from Wisconsin's previous limitation of a maximum 50% exclusion.

Thanks to the entire Section Board for helping to shape the future of taxation in Wisconsin.

THE WILAW QUARTERLY NEWSLETTER

Newsletter Article Highlights:

- An Introduction to Earnouts for the Seller of a Registered Investment Advisor
- Understanding the "Step-Up in Tax Basis": A Summary of IRC Section 1014 and Double Stepped-Up Basis for Marital Property in Wisconsin
- Dust Off Those Handbooks-The NLRB Has Changed Its Rules (Again)
- Ex-Attorney Convicted of Stealing More Than \$800,000 from Elderly Victim with

Dementia

Firm News:

- 19 O’Neil Cannon Lawyers Selected as 2024 Best Lawyers; Another 4 Named Best Lawyers: Ones to Watch
- Christa Wittenberg Featured on State Bar Podcast

Click the image below to read more.



CHRISTA WITTENBERG FEATURED ON STATE BAR PODCAST

Christa Wittenberg, a shareholder and board member at O’Neil Cannon, was recently a guest on *Bottom Up*, a podcast through the State Bar of Wisconsin focused on the challenges, interests, and opportunities available to lawyers. The podcast is intended to be a resource for attorneys establishing their practice in Wisconsin and beyond. In the podcast episode, Wittenberg discusses her career path, her new role as a director at the firm, the positive work environment and culture at O’Neil Cannon, and her involvement in the community. Listen and enjoy the full podcast [here](#).

19 O’NEIL CANNON LAWYERS SELECTED AS 2024 BEST LAWYERS; ANOTHER 4 NAMED BEST LAWYERS: ONES TO WATCH

We are pleased to announce 19 of our lawyers have been included in the 2024 Edition of *The Best Lawyers in America*, and an additional four have been selected as 2024 *Best Lawyers: Ones to Watch*.

The following are the O’Neil Cannon lawyers named to the 2024 lists:

Best Lawyers in America

- Douglas P. Dehler – Litigation – Insurance
- James G. DeJong – Corporate Law, Mergers and Acquisitions Law, and Securities / Capital Markets Law
- Seth E. Dizard – Bankruptcy and Creditor Debtor Rights / Insolvency and Reorganization Law and Litigation – Bankruptcy
- Peter J. Faust – Corporate Law and Mergers and Acquisitions Law
- John G. Gehringer – Commercial Litigation, Construction Law, Corporate Law, and Real Estate Law
- Joseph E. Gumina – Employment Law – Management and Litigation – Labor and Employment
- Dennis W. Hollman – Corporate Law and Trusts and Estates
- Grant C. Killoran – Commercial Litigation and Litigation – Health Care
- JB Koenings – Corporate Law
- Dean P. Laing – Commercial Litigation, Personal Injury Litigation – Plaintiffs, and Product Liability Litigation – Defendants
- Gregory W. Lyons – Commercial Litigation and Litigation – Insurance
- Patrick G. McBride – Commercial Litigation
- Joseph D. Newbold – Commercial Litigation
- Chad J. Richter – Business Organizations (including LLCs and Partnerships) and Corporate Law
- John R. Schreiber – Bankruptcy and Creditor Debtor Rights / Insolvency and Reorganization Law and Litigation – Bankruptcy
- Jason R. Scoby – Corporate Law
- Steven J. Slawinski – Construction Law

Best Lawyers: Ones to Watch

- Trevor C. Lippman – Litigation – Trusts and Estates
- Erica N. Reib – Labor and Employment Law – Management and Litigation – Labor and Employment
- Kelly M. Spott – Trusts and Estates
- Christa D. Wittenberg – Commercial Litigation

About Best Lawyers

Best Lawyers has published their list for over three decades, earning the respect of the profession, the media, and the public as the most reliable, unbiased source of legal referrals.

Best Lawyers: Ones to Watch recognizes associates and other lawyers who are earlier in their careers for their outstanding professional excellence in private practice in the United States.

Lawyers on *The Best Lawyers in America* and *Best Lawyers: Ones to Watch* lists are divided by geographic region and practice areas. They are reviewed by their peers on the basis of professional expertise, and they undergo an authentication process to make sure they are in current practice and in good standing.