

ATTORNEY EMILY BEHN HAS JOINED O'NEIL CANNON

Attorney Emily Behn, a *cum laude* graduate of the University of Wisconsin Law School, has joined O'Neil Cannon. Emily is a member of the firm's Litigation Practice Group, where she assists clients in a wide variety of both personal and commercial litigation matters ranging from inheritance and contract disputes to business shareholder disputes, property disputes, and renovation and construction disputes. Prior to law school, Emily studied journalism and worked in public relations telling the stories of both public and private sector clients in the health care, food and beverage, agriculture, and gaming industries. She now leverages her communications experience in her legal advocacy. We are very pleased to welcome Emily to O'Neil Cannon.

O'Neil Cannon, founded in Milwaukee in 1973, is a full-service law firm that focuses on meeting the many needs of businesses and their owners. Our experienced attorneys work with businesses and their owners at all stages of the business life cycle, helping them start, grow, and transition their businesses. We also assist business owners with their personal legal needs, including tax and estate planning and family law. For more information about the services we provide, please visit our [website](#).

WELCOME BACK, GLENN "DOC" RIVERS

In the summer of 1982, when Glenn "Doc" Rivers was a student-athlete at Marquette University, he was a messenger at our firm, running errands and playing on the firm's softball team (he pretty much covered the entire outfield). Likely due to the tremendous training and experience he received from our firm, Doc has had great success since then. He played in the NBA for 14 years; has been a head coach in the NBA for 25 years; won an NBA championship; was named Coach of the Year in the NBA; and is now the head coach of the Milwaukee Bucks. Welcome back to Milwaukee, Doc. It was clear to us way back in 1982 that Doc was destined for great things.



THE WILAW QUARTERLY NEWSLETTER

Newsletter Article Highlights:

- Navigating the Corporate Transparency Act: A Must-Read for Every Business Owner
- IRS Announces Changes to Estate and Gift Tax Exemptions for 2024
- Important Update for PayPal and Venmo Users: IRS Postpones 1099-K Reporting Requirement!

Firm News:

- Super Lawyers Recognizes 28 O’Neil Cannon Attorneys
- Firm Prevails in Three Cases in the Wisconsin Court of Appeals in a 45-Day Time Span
- Tax Reform Bill Passes with Advocacy from Britany Morrison and Nancy Wilson
- O’Neil Cannon Ranked in 2024 “Best Law Firms”

Click the image below to read more.



FIRM PREVAILS IN THREE CASES IN THE WISCONSIN COURT OF APPEALS IN A 45-DAY TIME SPAN

Dean Laing of our firm recently won three cases in the Wisconsin Court of Appeals in a time span of 45 days. In the first case, *Sims v. Jerusalem Missionary Baptist Church, Inc.*, Appeal No. 2022AP1590, 2023 WL 7138521 (Oct. 31, 2023), the Court of Appeals affirmed the decision of the trial court in Milwaukee County on issues dealing with whether members or directors have the authority to adopt and amend corporate by-laws. A copy of the decision can be found [here](#).

In the second case, *Tikalsky v. Tikalsky*, Appeal No. 2020AP1345, 2023 WL 8447227 (Dec. 6, 2023), the Court of Appeals affirmed the decision of the trial court in Waukesha County on issues dealing with claims of undue influence in a will contest case and the authority of a trial court to sanction a litigant for misconduct. A copy of the decision can be found [here](#).

In the third case, *Keyes v. Schmidt*, 2023AP323, 2023 WL 8613909 (Dec. 13, 2023), the Court of Appeals affirmed the decision of the trial court in Washington County on issues dealing with alleged oppression of a minority shareholder and the ability of shareholders to

contractually circumvent the laws on derivative actions. A copy of the decision can be found [here](#).

It is a rare feat to obtain a trifecta of wins from an appellate court in a 45-day time span. Congratulations to Dean on this accomplishment.

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!”

HARMONY OF LEGACY: A 12-DAY ESTATE PLANNING CELEBRATION (DAYS 9 TO 12)

To continue our holiday series “Harmony of Legacy: A 12-Day Estate Planning Celebration,” we share with you the last days of Christmas. In case you missed the previous days you can find them here in [part 1](#) and [part 2](#).

Day 9: Nine Ladies Dancing = Gracefully Transferring Your Real Property at Death

Similar to the elegant and harmonious nine dancing ladies, retitling your home into the name of your Revocable Trust ensures the smooth and graceful transition of your real property to your intended beneficiaries after your death. Your Trustee will have the ability to maintain, manage, and/or sell your home upon your death. If you fail to direct the transfer of your real property during your lifetime, or even at death, the property will likely pass through a probate proceeding before making it into your Revocable Trust. If you own real property outside of Wisconsin, you also risk needing an “ancillary probate” in that particular state in order to pass the property into your Revocable Trust. Failing to retitle your real estate can be a costly “misstep” in your overall estate plan.

Day 10: Ten Lords-a-Leaping = Succession Planning for Your Business

Just as these lords leap into action, our business owners too must plan for the continuity of their business entity. More than likely, a business owner desires to transfer their business to their children. Although some business owners may not believe any planning is required, creating a [succession plan](#) for your business ensures a smooth transition of leadership, protection of business assets, and securing the prosperity of your business entity to the next generation. Effective planning now prevents potential disastrous results or depletion of assets after you have passed.

Day 11: Eleven Pipers Piping = Harmonizing Your Estate Plan with Estate Tax Avoidance Strategies

Harmonize your estate plan with effective tax strategies to minimize your tax liabilities and leave more wealth for your beneficiaries and for future generations. Starting in 2024, the gift and estate tax exemptions will increase to \$13,610,000 (\$27,220,000 for married couples). This allows an individual or married couple to transfer significant assets during their lifetime or at death while potentially avoiding gift or estate tax. In addition, annual tax-free gifts to individuals will increase to \$18,000 per recipient from an individual (or \$36,000 from a married couple). Embrace the melody and stay in tune with these high exemption levels in your 2024 gift planning. Find out more in our article [Changes to Estate and Gift Tax Exemptions for 2024](#).

Day 12: Twelve Drummers Drumming = Celebrate and Review Your Estate Plan

On the twelfth and final day of our “12 Days of Christmas” estate planning series, we encourage you to celebrate with the beat of a drum the completion of your comprehensive estate and succession plan. Take the time to review your estate plan regularly, ensuring it still aligns with your current wishes, as well as your current circumstances. Always try to communicate with your loved ones about your goals and wishes. Celebrate the peace of mind that comes from knowing your legacy is secure and make adjustments as needed to keep your plan in harmony with the rhythm of your life.

Happy Holidays from your Estate and Business Succession Planning team here at O’Neil Cannon. We wish you and your loved ones a safe and peaceful holiday season!

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.

IMPORTANT UPDATE FOR PAYPAL AND VENMO USERS: IRS POSTPONES 1099-K REPORTING REQUIREMENT!

The IRS recently made a significant decision that could impact users of platforms like

PayPal's Venmo and Etsy. It has chosen to delay a requirement set by a 2021 law, which mandates companies to send tax forms (1099-K) to customers involved in business transactions surpassing \$600.

Key Takeaways from the Delay

This delay for the 2024 filing season brings a sigh of relief for casual sellers, as they will not be receiving the 1099-K form for now, which usually contains information about gross payments made on these platforms. However, keep in mind that taxpayers are still responsible for reporting their income from these transactions on their tax returns.

Changes in Reporting Thresholds

For the upcoming filing season, the IRS is sticking to the old reporting threshold. This requires e-commerce companies to report transactions exceeding \$20,000 in gross payments and more than 200 transactions. However, there is a significant change in the pipeline! Starting in tax year 2024, the IRS plans to transition to a new rule, gradually increasing the reporting threshold from \$600 to \$5,000.

Steering Clear of Confusion

One reason behind this delay is the confusion among taxpayers about which transactions are reportable under the new law. For instance, sales between friends and family or selling personal items like used clothing, furniture, or other household goods at a loss might trigger a 1099-K, even though they don't result in tax liabilities. On the flip side, sales by small businesses generating profit could be taxable.

Congress' Response

Lawmakers are actively proposing various thresholds—\$5,000, \$10,000, and \$20,000—to simplify things for taxpayers. Meanwhile, the IRS is proceeding cautiously, working to implement the law while legislators explore potential solutions.

Your Input Matters: Seeking Feedback

The IRS wants your input! It is open to suggestions about the \$5,000 threshold for 2024 and strategies to streamline reporting for taxable transactions. Tax professionals and anyone affected by these changes are encouraged to share their thoughts.

What to Expect Next

To sum up, personal transactions like splitting bills won't fall under the reporting requirements. But keep in mind, there's a \$5,000 threshold planned for 2024. The IRS aims to

simplify the reporting process for taxpayers and tax pros amidst these changes.

Bottom Line

The IRS has hit pause and is transitioning to a \$5,000 threshold for 2024, all in an effort to strike a balance between compliance and reducing confusion for taxpayers. As the IRS continues to navigate these changes, your feedback remains critical in shaping a more manageable way to report taxable transactions.

HARMONY OF LEGACY: A 12-DAY ESTATE PLANNING CELEBRATION (DAYS 5 TO 8)

To continue our holiday series “Harmony of Legacy: A 12-Day Estate Planning Celebration,” we share with you four more days. In case you missed our first few verses, you can find them [here](#).

Day 5: Five Golden Rings = Jewelry and Prized Possessions

On the fifth day of Christmas, our attention turns to our favorite things. How to divvy up jewelry and other valuable possessions can lead to disputes among family members and beneficiaries. Wisconsin law permits you to have a separate, signed, and dated document in conjunction with your will or trust through which you leave particular items to specific individuals. But remember – Wisconsin does not permit [holographic wills](#), so do not try to leave things via this method without a complete estate plan.

Day 6: Six Geese-a-Laying = Conserving Your Family’s Legacy

Six geese-a-laying bring forth the theme of legacy preservation on our sixth day. If you strategically lay the groundwork today, you can ensure a lasting impact on your family’s prosperity and values. To preserve your wealth for future generations, consider creating a dynasty trust, which allows for the precise distribution of wealth. The “generation-skipping transfer tax” or “GSTT” can devour a large portion of your wealth before reaching your grandchildren or great-grandchildren. A dynasty trust helps you avoid estate taxes by skipping generations when transferring assets. You can provide your grandchildren, and even great-grandchildren, with the assets necessary to achieve their dreams.

Day 7: Seven Swans a Swimming = Durable Financial Powers of Attorney

Keep your financial affairs afloat with a Durable Financial Power of Attorney. This document provides protection during your lifetime if you are incapacitated and unable to make financial decisions. In a Durable Financial Power of Attorney, you appoint someone to be your agent to manage your financial affairs and act on your behalf. If you become incapacitated without a Durable Financial Power of Attorney, your family would have to go to court to have someone appointed to handle your affairs. Read more about the importance of a [Durable Financial Power of Attorney](#).

Day 8: Eight Maids-a-Milking = A Moo-ving Guide to Health Care Powers of Attorney

As we explore the theme of giving on the eighth day, your Health Care Power of Attorney can play a vital role in ensuring your medical wishes are carried out, even if you cannot speak for yourself. Your HCPOA is an often overlooked yet crucial document. An HCPOA is a legal document in which you appoint a trusted individual as your “health care agent” to make medical decisions on your behalf if you are unable to do so. Your health care agent can ensure your medical wishes are heard and respected. HCPOAs are also important for your young-adult family members.

Stay tuned for more valuable insights in the upcoming days as we continue our “12 Days of Christmas” estate planning series!

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.