The New Tax Law Hot Issues You Should Know

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Tax Reform: A Panel Discussion of H.R. 1 f/k/a <u>The Tax Cuts and Jobs Act</u>

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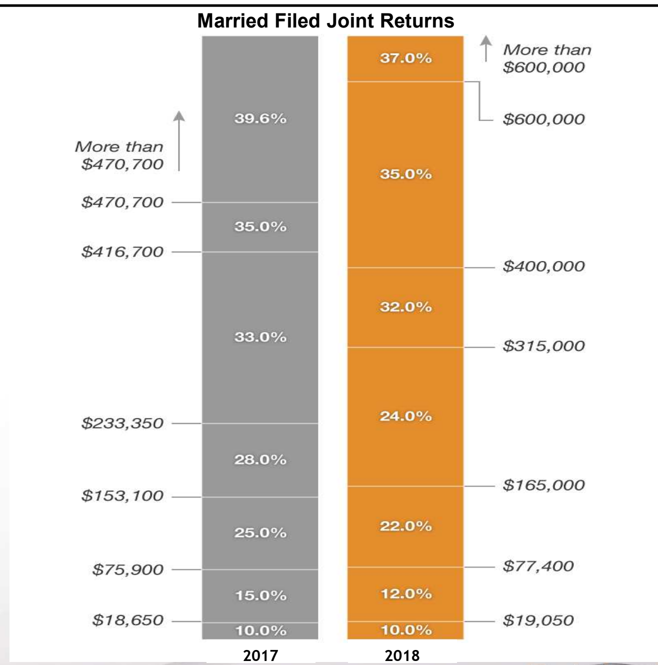
New Tax Rates

- The new law retains the current tax rate structure of seven tax brackets, but temporarily modifies the rates to 10%, 12%, 22%, 24%, 32%, 35%, and 37%. The new rate structure is not applicable after December 31, 2025.



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New Tax Rates (cont.)

- The top rate for long-term capital gains and qualified dividends remains at 20% (23.8% with the net investment income tax).

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The Standard Deduction

- The new law temporarily increases the standard deduction to $12,000 for individuals ($24,000 for married filed jointly) from $6,350 and $12,700, respectively.
- The standard deduction is indexed for inflation for taxable years beginning after December 31, 2018, and reverts back to current levels in 2026.
- Approximately 85% of all taxpayers will not itemize.

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The Personal Exemption and Child Care

- Suspends the deduction for personal exemptions until tax years beginning after December 31, 2025 (but see the child tax credit).
- Temporarily increases the child tax credit from $1,000 to $2,000 (partially refundable) per qualifying child and $500 nonrefundable credit for non-child dependents.
- There is a phase-out of the child credit at certain adjusted gross income (AGI) levels. (Phase-out begins at $400,000 as opposed to $110,000). The credit goes back to current levels for tax years beginning after December 31, 2025.

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Itemized Deductions, State and Local Tax Deductions

- Temporarily suspends the deduction for most miscellaneous itemized deductions. The suspension does not apply in 2026 or thereafter.
- Temporarily limits the combined deduction for nonbusiness state and local income tax, sales tax, and property tax deductions to $10,000 ($5,000 for married taxpayers filing separately).
- The new rules applies to taxable years beginning after December 31, 2017, and beginning before January 1, 2026.
- Note: State and local taxes are still deductible when paid or incurred in carry on a trade or business or an activity engaged in the for the production of income.

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Home Mortgage Interest and Home Equity Loans

- Retains the deduction for mortgage interest expense, but for taxable years beginning after December 31, 2017, and beginning before January 1, 2026 (*i.e.*, 2018 to 2025) a taxpayer may only deduct the interest on no more than $750,000 of "acquisition indebtedness" ($375,000 in the case of married taxpayers filing separately).
- In the case of acquisition indebtedness incurred before December 15, 2017, the limitation is $1 million ($500,000 in the case of married taxpayers filing separately.

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Home Mortgage Interest and Home Equity Loans (cont.)

- For taxable years beginning after December 31, 2025, a taxpayer may treat up to $1 million ($500,000 in the case of married taxpayers filing separately) of indebtedness as acquisition indebtedness, regardless of when the indebtedness was incurred.
- The new law suspends the deduction for interest on home equity indebtedness for years 2018 to 2025.

Charitable Giving

- The percentage limitation and charitable contribution deduction is increased to 60% of AGI for years 2018 to 2025 (meant to mitigate the fact that an increased standard deduction will reduce charitable giving).
- No deduction is allowed for a payment to a college or university in exchange for the right to purchase tickets or seating for an athletic event.

Get Lumpy

- With itemized deductions having less value, consider a "lumping" strategy
  - Some deductions that can be itemized such as charitable donations, mortgage interest and up to $10,000 for state and local taxes, but only if the total exceeds the new, higher Standard Deduction.
  - Taxpayers may wish to consider a lumping strategy, where they maximize their itemized deduction every other year to exceed the Standard Deduction.
  - This lumping strategy can be done through charitable donations (consider a large payment to a donor advised fund), and paying mortgage interest by year-end.

The Individual AMT

- The individual AMT exemption amounts and phase-out thresholds are increased, such that the AMT will apply to far fewer taxpayers
- The new law increases both the exemption amount and the phase-out thresholds for the individual alternative minimum tax.

The Individual AMT (cont.)

- For years 2018 to 2025 the AMT exemption amount is increased to \$109,400 for married taxpayers filing a joint return (half this amount for married taxpayers filing a separate return), and \$70,300 for all other taxpayers (other than estates and trusts).
- The phase-out thresholds are increased to \$1 million for married taxpayers filing a joint return and \$500,000 for all other taxpayers (other than estates and trusts).
- These amounts are indexed for inflation.

The Estate Tax and GST

- The estate, gift and GST taxes are retained, but the exemption amount is doubled from \$5 million to \$10 million, indexed for inflation based on 2011 dollars (*i.e.*, 11.2 million is the current exemption).
- The provision is effective for estates of decedents dying and gifts made after December 31, 2017, and before January 1, 2026.
- Planning for charitable giving has become more critical.
- The expected number of taxable estates will decline from 5,500 to 1,700.
- Gift property before 2026.

State Inheritance or Estate Tax – A Trap for the Unwary

- 17 states and Washington, D.C., impose some type of estate or inheritance tax (Maryland has both).
- The exclusion amounts in many of these states are far less generous than the federal limit of $11,200,000 per person. Further, spousal portability which effectively transfers a decedent's unused exclusion amount to the surviving spouse is not available at the state level.
- Therefore, to minimize or avoid potential state estate or inheritance taxes, some planning that may include trusts and lifetime gifts should still be considered.
- Also, remember that the exclusion amounts will revert back to $5,200,000 (adjusted for inflation) in 2026.

Trap for the Unwary

- Do not assume that the states will follow the lead of the Federal Government and make similar changes.
- Wisconsin legislators are currently analyzing how the new law should apply to Wisconsin tax system.

Education Provisions

- Changes to Section 529 plans
  - Distributions of up to $10,000 may be used for "qualified expenses" for K to 12 schooling.
- Student Loan Forgiveness
  - Forgiveness of debt due to the student's death is not taxable income to the student's estate in 2018.

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Roth IRA Rollovers

- Roth conversion still in play.
- Roth recharacterization (*i.e.*, being able to unwind a Roth conversion no longer works after 2017).

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Alimony

- For divorce or separation instruments executed in 2019, alimony is not deductible by the payor and is not includible in gross income by the recipient.
- A "Fun" planning opportunity just disappeared.

Businesses

Corporate Tax

- C-Corps. Flat 21% rate replaces graduated rates of 15% to 35%.
  - Unlike individual rate changes, reduction is "permanent"
  - Applies to "Personal Service Corporations"

  Comment: Notwithstanding favorable changes to the taxation of business income of "flow-through" entities, this significant reduction in corporate tax rate will likely re-shape many choice of entity decisions.
- Bonus Depreciation. 100% first year deduction for qualified new and used property investments. Phased out after 2022.
- Corp. AMT. Repealed (existing AMT credits can offset regular tax liabilities and are partially refundable).

Corporate Tax (cont.)

- Net business interest expense disallowed in excess of 30% of "adjusted taxable income".
  - Small business (less than $25.0 million revenues) exemption
  - Can carryover excess
- NOL changes.
  - No two year carryback
  - Deduction limited to 80% of taxable income
- No deduction for settlements or payouts relating to sexual harassment if subject to a nondisclosure agreement.

Corporate Tax (cont.)

- 20% Qualified Business Income Deduction
  - Generally applies to Schedule C and Pass-Through (S-Corporation and Partnership) income from business conducted in the U.S.
    - 20% deduction for QBI–Maximum tax rate of 29.6% (37% x .8)
    - No phase outs or applicable limits for taxpayers (MJ) with taxable income under $315,000.
  - Many restrictions, limits and phase outs
    - Specified service businesses (excludes engineers and architects)
      - Phase out between $315k and $415k (MJ)
    - 50% of wages or (if greater) 25% of wages plus 2.5% of "unadjusted basis" in qualified property
    - QBI is limited to taxable income in excess of capital gains and dividends (*e.g.*, deductions reduce QBI first)
    - Must pay reasonable compensation

Partnerships

- 3 year hold period for "carried interests"
- Repeal "technical termination"
- Foreign taxes and charitable contributions are subject to partnership basis limits
- Expanded "duplicate loss prevention" in partnership interest sale transactions

Section 1031 Exchanges

- Limited to real property after 2017
- No personal property exchanges (*i.e.*, trade-ins)
  - Gain might be partially offset by bonus depreciation on replacement property
  - Could be a significant issue for equipment that holds its value (*e.g.*, aircraft)

Contributions to Capital

- Under prior law, certain government grants to a "corporation" were not taxed under Code Section 118.
- New law changes Section 118:
  - Government grants taxable unless shares issued
  - Eliminates S corporation "TIF" structuring
- Effective for grants after December 22, 2017. "Master Development Plans" approved before such data are grandfathered.

Entertainment Expenses

- Section 274 is amended to provide the general rule that no deduction is allowed "[w]ith respect to an activity which is generally considered to constitute entertainment, amusement or recreation."
- Limited exceptions exist (*i.e.*, expenses that are treated as income to employees or business meetings of employees, stockholders, agents or directors).
- Issue: What is "entertainment, amusement or recreation"?
  What is a "business meeting"?

Tax-Exempt Organizations

- UBIT computed separately for each "trade or business." Not allowed to offset losses against income.
- 21% tax on certain executive compensation over $1 mm
- Certain Private College and University endowments subject to 1.4% excise tax on investment income

Executive Compensation

- 409A survived!
- 162(m) limitation has been expanded
  - Performance-based compensation exception was repealed (subject to limited grandfathering)
  - CFOs are again subject to 162(m)
- Limited ability to defer income on stock options and RSUs
  - Applies to private companies
  - At least 80% of employees must be granted awards

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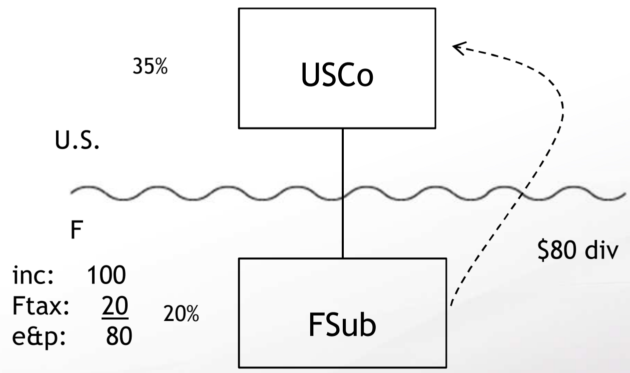
Participation Exemption Only Applies to C Corporations



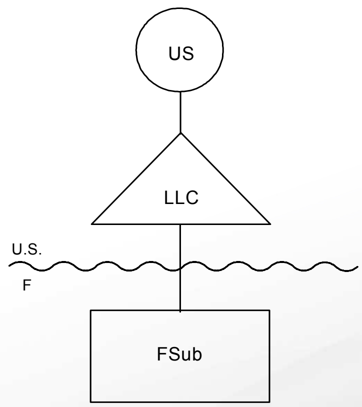
pre-2018	
div:	80
gross up:	20
inc:	100
pre-cr U.S. tax:	35
902 FTC:	20
U.S. Tax	15

2018
0 U.S. tax

Participation Exemption Requirements

1. Foreign-Source Dividends only
2. 366-Day Holding Period
3. Not Available to Hybrid Dividends (Deduction in Foreign Country) or dividends received from a PFIC that is not also a CFC
4. No Foreign Tax Credits—deemed or for withholding. Is Checking-the-Box An Option?

No Participation Exemption for Flow-Throughs or Their Owners



inc: 100
Ftax: 20
e&p: 80

pre-2018	
dividend:	80
pre-cr U.S. tax:	16
FTC:	0
U.S. Tax	16

2018	
dividend:	80
pre-cr U.S. tax:	16
FTC:	0
U.S. Tax	16

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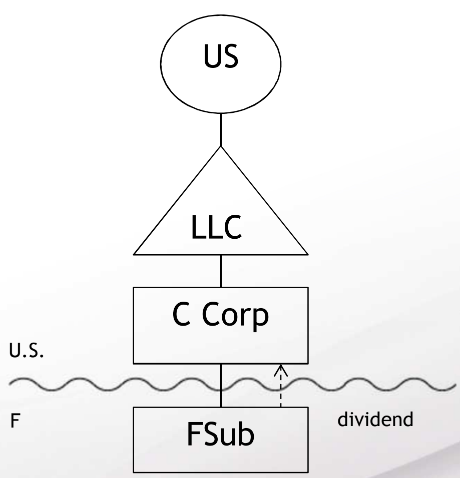
Strategy: Repatriate to the U.S. Business (Not the U.S. Individual) by Contributing FSub to a C Corp



inc 100
Ftax 20
e&p 80

Before C Corp	
dividend:	80
pre-cr U.S. tax:	16
FTC:	0
U.S. Tax	16

After C Corp

Dividend 80
Exempt from C Corp tax

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Tax Rate on Deemed Repatriation For All U.S. Owners of Specified Foreign Corporation Included as Subpart F Income

E & P to the extent of cash and cash equivalents	15.5%
Remaining E & P	8%

Effective for the last taxable year beginning before January 1, 2018

Deemed Repatriation

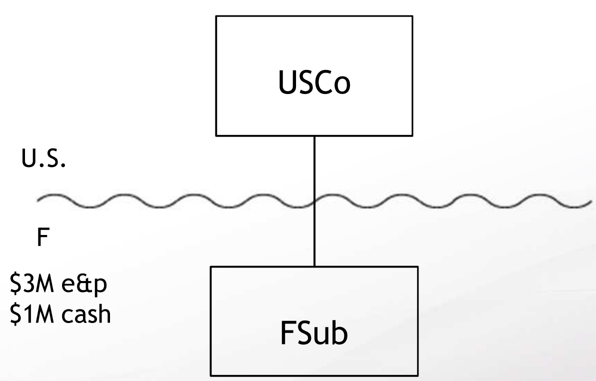
1. The greater post-1986 accumulated e&p amount on either November 2, 2017 or December 31, 2017 – excludes ECI and PTI
2. Cash or cash equivalents is the greater on either December 31, 2017 or half of December 31,2015 and half of December 31, 2016
   a) Net accounts payable against receivables
   b) FMV of marketable securities
3. CFCs and other foreign corporations with 10% C Corporation shareholders
4. Can a 10% minority U.S. Shareholder obtain this information?
5. Treated as PTI when ultimately distributed (Notice 2018-7)

When Deemed Repatriation Tax Paid

1. Installment of Tax over 8 years.
    a) 8% for each of first 5 years
    b) 15% for 6th year
    c) 20% for 7th year
    d) 25% for 8th year

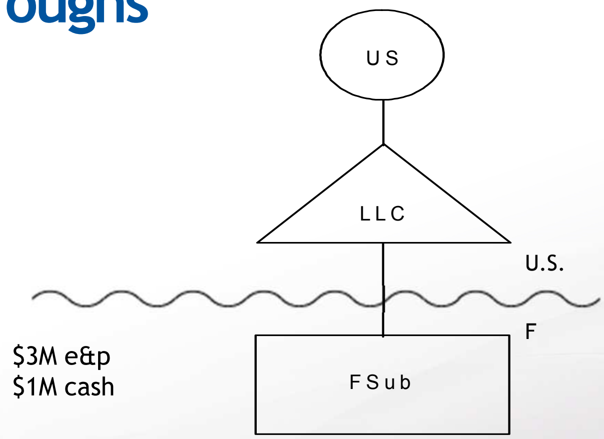
    but watch out for triggering events.
2. S corporations can defer indefinitely but watch out for triggering events.
3. No interest due on deferrals
4. Statute of limitations is 6 years after each return is filed.

Deemed Repatriation of Old E & P for All U.S. Owners



$1M cash at 15.5% = $155,000
$2M remaining at 8% = $160,000
Deemed Paid FTCs percentage = $\frac{\$1M}{\$3M}$ X .557 + $\frac{\$2M}{\$3M}$ X .771
= 70%

Deemed Repatriation of Old E&P for Owners of Flow-Throughs



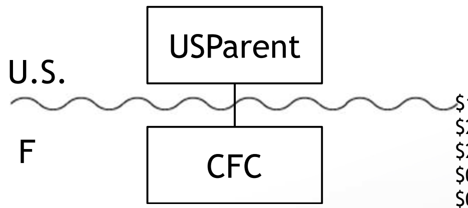
$1M cash at 15.5% = $155,000
$2M remaining at 20% = $160,000
Strategy: Convert LLCs to S Corporations to defer taxation until sold

Policy of Taxing Intangibles in the United States

Both assume that a return above 10% of basis of gross assets is attributable to intangibles.

1. Deduction for Foreign-Derived Intangible Income ("FDII") taxes Foreign Sales and Foreign Services at 13.125%. The carrot.
2. Global Intangible Low-Taxed Income ("GILTI") of a CFC taxed as Subpart F income at 10.5%. The stick.
   a. Discourages moving low-basis intangibles to foreign countries.
   b. Incentivizes moving high-basis manufacturing assets to foreign countries.

GILTI will be Subpart F Income to all U.S. Shareholders taxed with a 50% deduction for C Corporations Only



$10M QBAI Basis of Tangibles
$2M Net Income
$200,000 F taxes
$0 Interest Income
$0 Interest Expense

GILTI = Net Income – [10% of QBAI]

GILTI = $2M – (10% of $10M)

GILTI = $1M

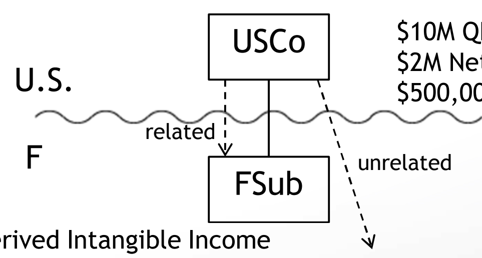
$$\text{FTC} = \frac{\text{GILTI}}{\text{Net Income}} \text{ X F taxes X } 80\%$$

$$\text{FTC} = \frac{\$1\text{M}}{\$2\text{M}} \text{ X } \$200{,}000 \text{ X } 80\%$$

FTC = $80,000 (Even though FTC of $80,000, gross-up inclusion of $100,000)

With Foreign Tax Credits, the C corporation will not incur GILTI tax if the effective foreign tax rate is 15.1% or higher.

37.5% Deduction for FDII of a C Corporation Only (taxed at 13.125%)



$10M QBAI Quarterly Average
$2M Net Inc
$500,000 f sales inc (related & unrelated)

37.5% of Foreign-Derived Intangible Income

$$37.5\% \text{ of Deemed Intangible Income X } \frac{\text{Foreign-Derived Deduction Eligible Income}}{\text{Deduction Eligible Income}}$$

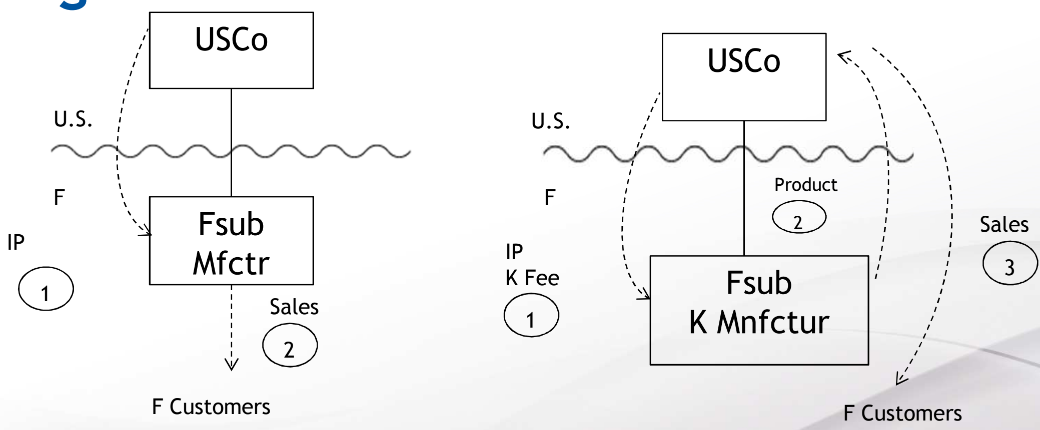
$$37.5\% \text{ of (Net Inc – 10\% of U.S. QBAI) X } \frac{\text{F sales inc + F Services Inc}}{\text{Net Inc}}$$

$$37.5\% \text{ of (\$2M – 10\% of \$10M) X } \frac{\$500{,}000}{\$2\text{M}}$$

$93,750 deduction

Effective rate of 13.125% on exports or foreign services of a C corporation

Which Produces More Foreign Derived Intangible Income of USCo?



- Need to rethink supply chain management

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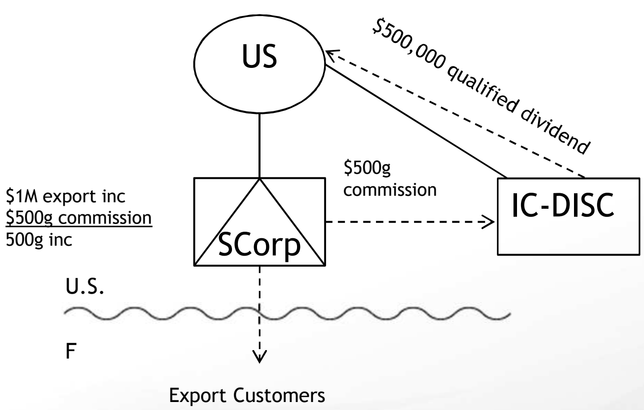
Classic IC-DISC Survives



<u>Total Tax with 37% Rate</u>
$500g @ 37% = $185g
$500g @ 20% = <u>$100g</u>
$285g

w/o IC-DISC: $370g

<u>Total Tax with 29.6% Rate</u>
$500g @ 29.6% = $148g
$500g @ 20% = <u>$100g</u>
$248g

w/o IC-DISC: $296g

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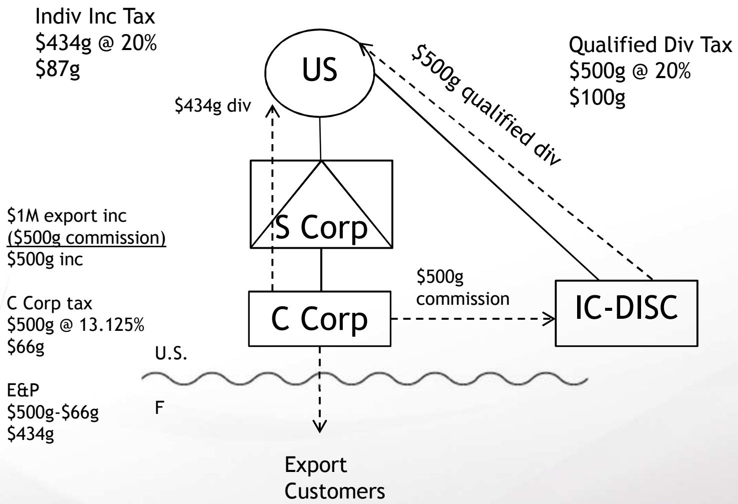
Super-Charged IC-DISC Combines an IC-DISC with a C Corporation's Foreign-Derived Intangible Income



Total Tax	
C Corp Tax:	$66g
Indiv Inc Tax:	$87g
Qualified Div Tax:	$100g
	$253g

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Foreign Tax Credit is Limited by the U.S. Tax on Foreign Source-Income

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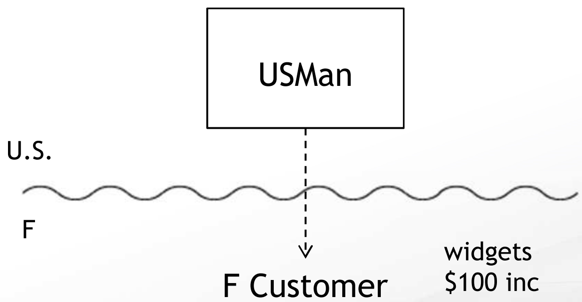
Source Income from Sales of Manufacturing Income Where Manufactured

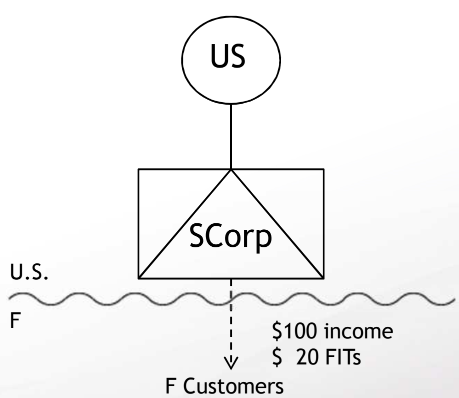


2017
$50 USSI & 50 FSI
or
$100 USSI, depending on where title passes

2018
$100 USSI + 0 FSI

No Foreign Tax Credits!

Higher Tax on U.S. Exporters That Pay Foreign Income Taxes

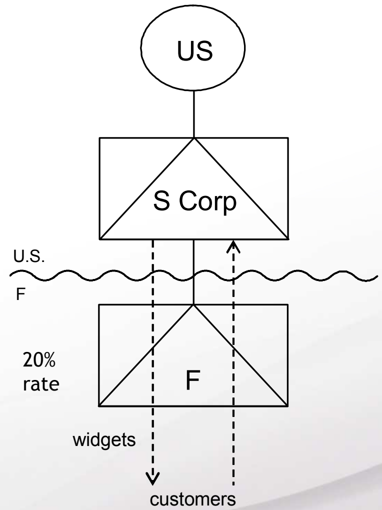


	2017
FITs:	$20
FTC Limit:	40% of $50 $20
FTC:	$20
U.S. Tax:	(40% of $100) - $20 $20
Total Tax:	$20 + $20 $40

	2018
FITs:	$20
FTC Limit:	30% of $0 $0
FTC:	$0
U.S. Tax:	30% of $100 $30
Total Tax:	$30 + $20 $50

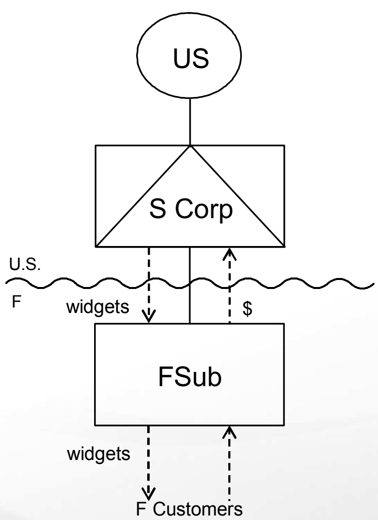
Old Strategy of Checking-The-Box To Disregard Foreign Corporation Fails

	2017
FITs:	$20
FTC Limit:	40% of $50
	$20
FTC:	$20
U.S. Tax:	(40% of $100) - $20
	$20
Total Tax:	$20 + $20
	$40



	2018
FITs:	$20
FTC Limit:	30% of $0
	$0
FTC:	$0
U.S. Tax:	30% of $100
	$30
Total Tax:	$30 + $20
	$50

Strategy: Re-Check Foreign Disregarded Entities as Foreign Corporations



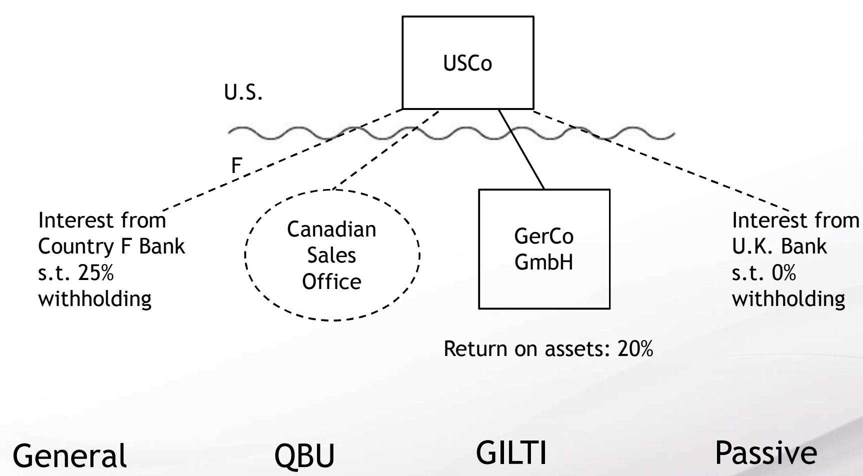
- Use transfer pricing to minimize FSub's resale income subject to foreign tax
- S Corp's sales income to FSub won't be subject to foreign tax
- Could even contribute FSub to a C Corp to get the 13.125% rate on exports

Foreign Tax Credit Baskets

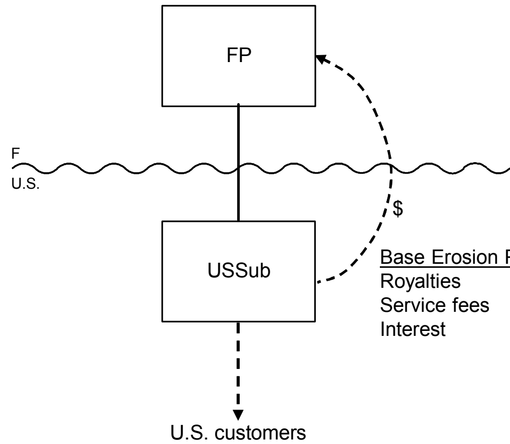
- Passive
- General – all the exceptions to the passive basket
- Global Intangible Low-Taxed Income (no carrybacks or carryforwards and passive basket has priority)
- Foreign Branch Income – Qualified Business Units (separate trade or business and separate books & records)

Creation of Foreign Branch Income basket prevents cross-crediting in the General Basket of lightly-taxed income from a CFC under the look-through rule

The Four Baskets

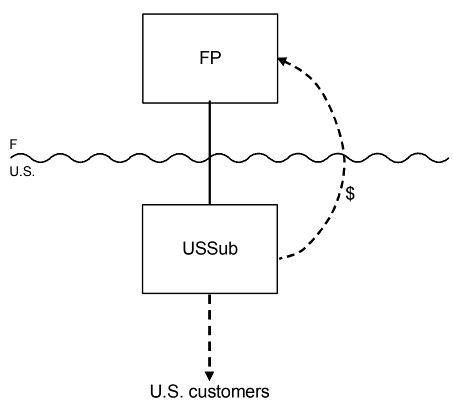


2017: Base Erosion Payments To Foreign Related Parties



Base Erosion Payments (no withholding)
Royalties
Service fees
Interest

2018: Payment to Foreign Related Parties Subject to Base Erosion Anti-Abuse Tax ("BEAT") of 5%



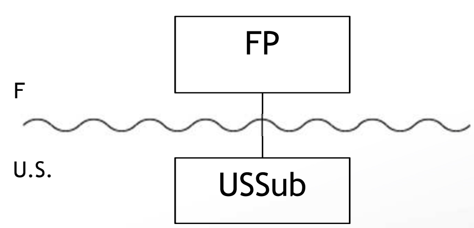
$600M sales
$300M gross profit
$250M royalty
$30M S, G, and A
$20M net inc

5% of Modified Taxable Income (w/o BEP & w/o NOLs) - Corporate Tax
5% of $270M - 21% of $20M
$13.5M - $4.2M
$9.3M

BEAT on Payments to Foreign Related Parties

1. 5% in 2018; 10% starting in 2019; 12.5% starting in 2026
2. Applies to corporations with
   a) 3-year average gross receipts of $500 M
   b) Base Erosion percentage of 3% (base erosion payments/deductions)
3. Base Erosion Payments are applicable Payments
   a) Rents, royalties, and interest that do not incur 30% withholding
   b) Purchase of depreciable property from a related party (and depreciation)
   c) Services for which there is not a mark-up and not withholding
   d) Not cost of goods sold
4. Additional reporting (enhanced Form 5472?) and a $25,000 penalty

New Rules for Non-Deductible Interest In Section 163(j)



Debt-to-Equity:	2 to 1
Gross π:	$60M
Op Expenses:	$37M
Interest Inc:	$10M
Interest Exp:	$30M

Non-Deductible Interest In New Section 163(j)

Now Can't Deduct Business Interest To the Extent of

Net Business Interest Expense – 30% of ATI (ATI is similar to EBITDA) (EBIT in 2022)

$20M – 30% of $15M

$20M - $4.5M

$15.5M is not deductible

Only applies to corporations with gross receipt averages of $25M the prior 3 years

Includes payments to both related and unrelated parties

Non-deductible amount is treated initially as paid to unrelated parties

Strategy: Call or repurchase debt

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Choice of U.S. Entity for Foreign Corporations

1. An S corporation cannot have foreign owners
2. C corporations and LLCs have similar taxation of continuing operations
   a) C corporation – U.S. corporate income tax and withholding tax on dividends
   b) LLC – U.S. corporate income tax and the branch profits tax

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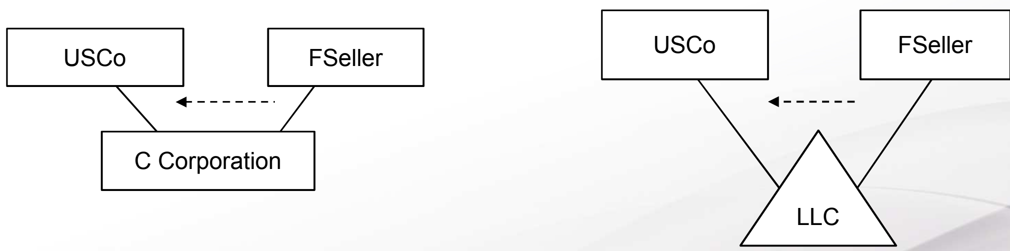
The Sale of a C Corporation's Shares Will Not Result in Taxable Income. The Sale of an LLC will Incur Tax as ECI



2017 Development: *Grecian Magnesite Mining*

- A foreign person's sale of a partnership interest will not result in taxation
- Does not apply to disregarded entities
- IRS has appealed to the Federal Circuit
- The Act reinstates Rev. Rul. 91-32, such that foreign sales of U.S. partnership interests incur U.S. tax
- Enforcement by requiring the purchaser to withhold 10% of the proceeds unless the seller provides an affidavit of non-foreign status

Historic IRS Funding

•Collections, Costs, Personnel, and U.S. Population, Fiscal Years 1987–2016

Fiscal year	Gross collections (thousands of dollars) [1]	Operating costs (thousands of dollars) [2]	Cost of collecting $100 (dollars)	U.S. population (thousands) [3]	Average tax per capita (dollars) [4]	Average positions realized [5]
	(1)	(2)	(3)	(4)	(5)	(6)
1987	886,290,590	4,365,816	0.49	244,344	3,627	102,189
1988	935,106,594	5,035,543	0.54	246,329	3,796	114,875
1989	1,013,322,133	5,198,546	0.51	249,412	4,063	114,758
1990	1,056,365,652	5,440,418	0.52	251,057	4,208	111,962
1991	1,086,851,401	6,097,627	0.56	254,435	4,272	114,628
1992	1,120,799,558	6,536,336	0.58	257,861	4,347	116,673
1993	1,176,685,625	7,077,985	0.60	261,163	4,506	113,460
1994	1,276,466,776	7,245,344	0.57	264,301	4,830	110,748
1995	1,375,731,836	7,389,692	0.54	267,456	5,144	112,024
1996	1,486,546,674	7,240,221	0.49	270,581	5,494	106,642
1997	1,623,272,071	7,163,541	0.44	273,852	5,928	101,703
1998	1,769,408,739	7,564,661	0.43	277,003	6,388	98,037
1999	1,904,151,888	8,269,387	0.43	280,203	6,796	98,730
2000	2,096,916,925	8,258,423	0.39	283,201	7,404	97,074
2001	2,128,831,182	8,771,510	0.41	286,098	7,441	97,707
2002	2,016,627,269	9,063,471	0.45	288,870	6,981	99,181
2003	1,952,929,045	9,401,407	0.48	291,574	6,698	98,819
2004	2,018,502,103	9,756,344	0.48	294,230	6,860	97,597
2005	2,268,895,122	10,397,837	0.46	296,972	7,640	94,282
2006	2,518,680,230	10,605,845	0.42	299,835	8,400	91,717
2007	2,691,537,557	10,764,736	0.40	302,807	8,889	92,017
2008	2,745,035,410	11,307,223	0.41	305,554	8,984	90,647
2009	2,345,337,177	11,708,604	0.50	308,189	7,610	92,577
2010	2,345,055,978	12,353,344	0.53	[r] 310,437	[r] 7,554	94,711
2011	2,414,952,112	12,358,877	0.51	[r] 312,737	[r] 7,720	94,709
2012	2,524,320,134	12,059,409	0.48	[r] 314,984	[r] 8,014	90,280
2013	2,855,059,420	11,597,560	0.41	[r] 317,177	[r] 9,001	86,974
2014	3,064,301,358	11,591,007	0.38	[r] 319,524	[r] 9,590	84,133
2015	3,302,677,258	11,395,839	0.35	[r] 321,783	[r] 10,264	79,890
2016	3,333,449,083	11,707,422	0.35	[p] 323,999	[p] 10,288	77,924

Source: IRS.gov

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Historic Funding (cont.)

•[r]—Revised.
[p]—Preliminary.

1. Gross collections are collections before refunds are issued. See Table 1 for the difference between gross collections and net collections. Includes gross collections for individual income tax, business income taxes, estate and trust income tax, employment taxes, estate tax, gift tax, and excise taxes. See Table 6 for gross collections data by type of tax.

•Beginning with Fiscal Year 2009, excludes refunds credited to taxpayer accounts for tax liability in a subsequent year. Also excludes alcohol and tobacco excise taxes starting with 1988 and taxes on firearms starting with the second quarter of Fiscal Year 1991. Responsibility for these excise taxes was transferred from the IRS to the Alcohol and Tobacco Tax and Trade Bureau and to U.S. Customs and Border Protection, respectively.

1. Operating costs exclude costs reimbursed by other Federal agencies and private entities for services performed for these external parties. Data represent dollars obligated, expended, and disbursed against direct resources. Beginning with Fiscal Year 2005, includes costs for Business Systems Modernization and the Health Insurance Tax Credit Administration.

2. U.S. population is based on resident population plus armed forces overseas as of October 1 of each year. This information is provided by the U.S. Department of Commerce, Bureau of the Census.

3. Average tax per capita is based on gross collections (Column 1) and an estimate of U.S. population (Column 4).

4. Average positions realized represents the average number of full-time equivalent (FTE) positions actually used to conduct IRS operations. Excludes positions funded by reimbursements from other Federal agencies and private entities for services performed for these external parties. In contrast, IRS labor force counts in Table 31 (Internal Revenue Service Labor Force, Compared to National Totals for Federal and Civilian Labor Forces, by Gender, Race/Ethnicity, Disability, and Veteran Status) represent the total number of persons, including full-time, part-time, and seasonal workers, employed during the fiscal year.

•NOTE: All amounts are in current dollars.

•SOURCE: Chief Financial Officer, Corporate Budget and Financial Management.

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CONCLUSION

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