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Action for Accountants

The "fiscal cliff" looms over the minds of business investors as Bush era tax cuts are scheduled to expire soon. Among other things, this could mean an increase of \$2000 in income taxes for middle class families.

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The "fiscal cliff" currently looms over the minds of business investors as Bush era tax cuts are scheduled to expire soon. Among other things, this could mean an increase of \$2000 in income taxes for middle class families.

In addition to the increased taxes, cuts in spending for federal programs that serve primarily the middle class and working class will be implemented if compromise is not reached. And to make it even worse, capital gains tax and IRS business gifting guidelines will also be affected.

Some financial analysts fear that all this happening while the economy is just beginning to recover may throw the shaky economy "over the cliff" and back into peril. For individuals, this can bring a degree of uncertainty, but to business owners and job seekers it also may mean a call to action.

Depending on the outcome of current negotiations, a number of items important to business owners will be affected in 2013. For instance, the estate and gift exemptions on items such as real estate and business ownership are set to decrease or expire after 2012. In addition, the tax rate on capital gains tax is going to increase after 2012 if elected officials cannot mitigate a solution to the current political stalemate. Some of the other deductions that will most likely be affected include:

- Phase-out of personal exemptions
- \$1,000 child credit resets to \$500
- Phase-out of itemized deductions

- Maximum life time gift tax exemption

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organizations have made their voices heard through online forums, and contacting politicians directly, but elected officials in Washington are still stalled in a nasty gridlock.

To help decrease the unknown factors and to help run various informed scenarios through investor's minds, many certified public accountants are working diligently with clients before the tax year ends to help provide [a better picture of taxation in 2013](#).

Through their expertise a reputable CPA can provide an extra degree of security for business owners hoping to get a clear picture of possible outcomes for themselves, their families, and their business interests. The American Institute of CPA's offers a variety of information for business professionals concerned about the possible effects of the fiscal cliff on their businesses.

One of their most important pieces of advice is that business leaders need to be prepared and [not to wait until the last minute](#). Playing out several scenarios can mean being able to best prepare for a variety of possibilities and preemptively decide on the best course of action among possible resulting circumstances.

For business owners or career changers with a background and interest in accounting and who want to increase their own understanding of the complexities of current scenarios, a number of [very helpful CPA courses](#) may provide another degree of certainty and understanding for future planning. In addition, becoming active in a professional organization or seeking career mentoring in accounting may help sharpen professional acumen and provide additional growth opportunities.

With the recent uncertainty surrounding economic investment, [consulting with a seasoned CPA](#) may be the wisest move to make as the fiscal cliff approaches and business owners need to have a powerful strategy in place to be sure it isn't their

business taking the plunge in 2013. While the edge of the cliff approaches, there is

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