

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

**ADVISORY**

# Building Service Models for Handling Uncertainty and Tax Reform

If tax professionals are still scrambling to decipher tax reform and the various code sections of the Tax Cuts & Jobs Act, how do small business clients and individual taxpayers feel with all this uncertainty? What can we, as their trusted advisors, do...

Feb. 12, 2018



If tax professionals are still scrambling to decipher tax reform and the various code sections of the Tax Cuts & Jobs Act, how do small business clients and individual taxpayers feel with all this uncertainty? What can we, as their trusted advisors, do to help make them feel secure and know that they have a partner to develop a strategy to deal with these tax law changes?

In 2016 and 2017, my firm started offering fixed fee engagements to both our business clients and our personal tax return clients, allowing them to choose from 3 levels of bundled services. This model was a big change from the hourly billing model many firms employ, one in which clients might be reluctant to contact us for fear of the fees resulting from the consultation. This new system also gave our business clients an option to customize their plan. Of course, we included options for tax planning and tax liability evaluation in our premium level of service.

After seeing success with these new models, we looked to them as a tool for helping our clients navigate and understand the impact of the new tax law changes in tax season 2018.

For both business and individual tax clients we developed situation-based tiers so that our clients fit into one of several scenarios. This allowed us to evaluate and then contact our clients with end of the year planning ideas with the 2018 tax law in mind. We contacted all our clients and did not discriminate based upon income level.

We plan on putting these situation-based tiers to further use during the 2018 tax season as we offer options to add on tax evaluation, tax comparison, and planning bundles for different levels of service.

We are working to educate our clients, alleviate their fears, and help them start thinking differently about how we can work with them. For example, our business client bundles will provide the following services:

- Reevaluate officer and key-person compensation
- Reevaluate business entity type
- Revisit the type of retirement plan they offer
- Determine what the after-tax cost of other benefits are and what might they yield in employee loyalty
- Evaluate whether and how they should change their marketing strategy
- Evaluate the value of business entertaining
- Reevaluate their insurance policies

For our individual tax clients, we will make sure that they are aware of the changes that affect them. Our bundled service add-ons will enable us to help them answer these questions:

- Can I, should I bunch charitable contributions? Maybe they will itemize every other year
- Do I still need to keep these records for work related expenses?
- Should I approach my company to ask for reimbursement of certain work related expenses?
- Can I, should I bunch medical expenses?
- Can I still afford my lifestyle?
- Should I consider making my charitable contributions from my required minimum distribution (RMD)?
- Should I take my 2017 casualty loss in 2016 or 2017?
- Am I adequately insured should I suffer a loss which is not covered under the new casualty loss regulations?
- Is my new W-2 withholding going to yield a balance due or a refund?

We emphasize flexibility in all of the suggestions we make as we continue to work through the law, the inevitable technical corrections, and new IRS guidance. We want to make sure that our clients know they are not alone in determining how to move forward regarding their business options, operations and their personal tax life.

---

Andrea Parness, CPA, is owner of [A. Parness Company, CPA](#), an accounting firm offering advisory services, business growth plans, virtual CFO, cloud conversions and other services to medical and accounting practices, and B2B businesses. Andrea is a member of the ProConnect Customer Tax Council.

[Advisory](#) • [Firm Management](#) • [News](#)

CPAPA is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors.

© 2023 Firmworks, LLC. All rights reserved