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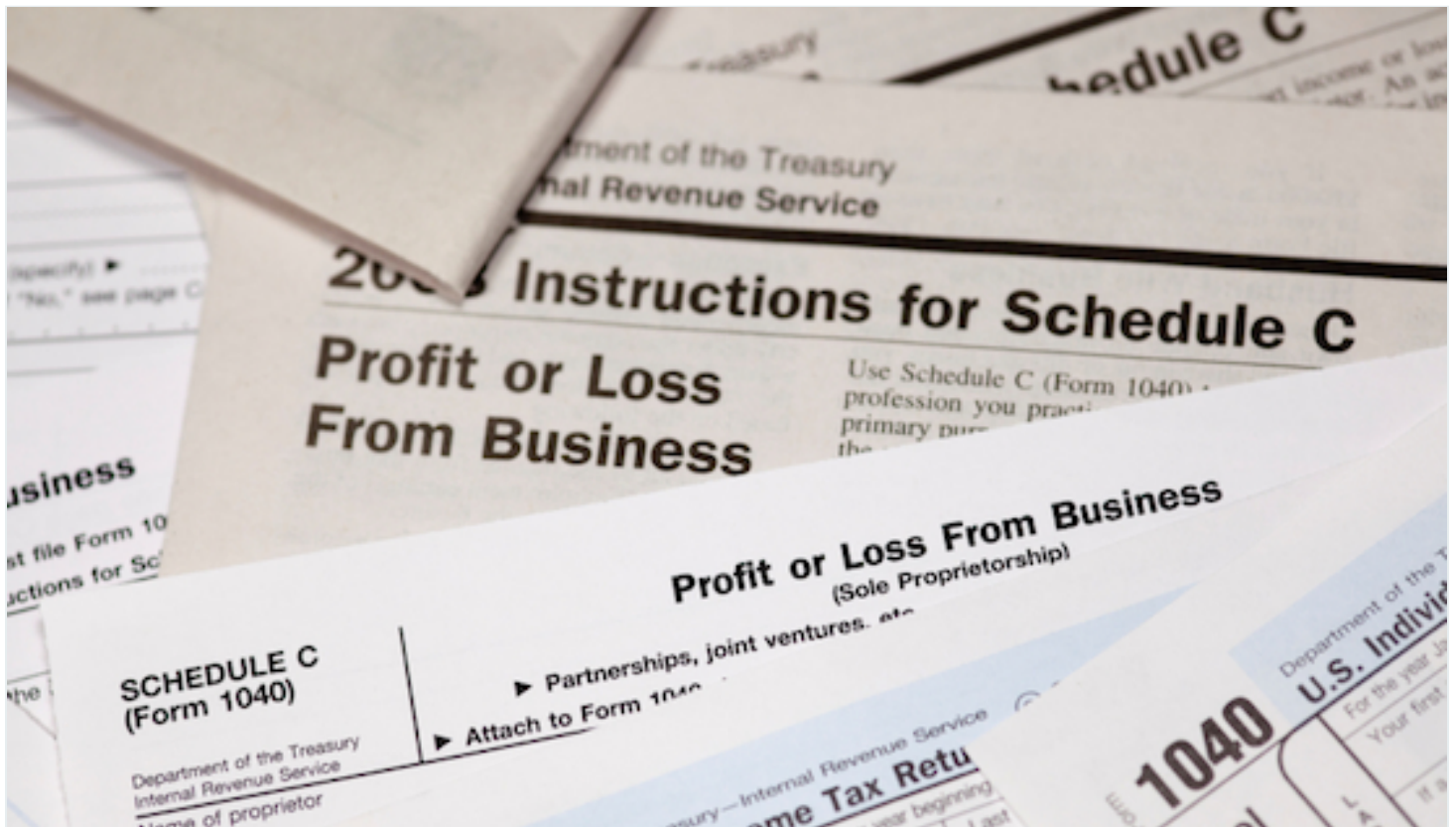
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PRODUCT & SERVICE GUIDE

6 Reasons Small Business Owners Should Hire a Tax Pro

For individuals with more complex incomes, such as revenue from businesses, income from interest and dividends, capital gains on a home sale or foreign assets, seeking the expertise of a professional can save time, money and potential legal complications.

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If you heard that millions of people tried performing surgery on themselves every year, you'd likely be aghast or at least perplexed that people would take such a chance at something so complex. Well, every year, millions of taxpayers decide to perform complex tax preparation by themselves and, while it may not put their life at risk, it is a perilous task.

For taxpayers with the simplest income tax returns, do-it-yourself online tax systems will likely suffice. These people often have only one source of income coming from a traditional employer, may have a home mortgage with interest, student loan debt and perhaps some childcare credits. For individuals with more complex incomes, such as revenue from businesses, income from interest and dividends, capital gains on a home sale or foreign assets, seeking the expertise of a professional can save time, money and potential legal complications.

For small business owners and most taxpayers, there are many reasons why seeking a tax professional is better than performing your own tax surgery.

Taxes are complex.

Even simple tax situations can be complex, especially if the person owns a business or receives income from one, has children, has recently divorced, received a Form 1099, had income from a state you don't live in, or moved.

(www.usatoday.com/story/news/politics/2014/04/02/irs-commissioner-urges-congress-to-simplify-tax-code/7215107/) Adding to the complexity, new tax laws are enacted every year that affect virtually everyone, making it tough to keep up with changes and how they might affect you. For small businesses that have to manage income tax withholding and reporting for its employees, taxes are even more complex, and then there's healthcare reporting. While tax software can help, an experienced tax pro "has seen it all before," and also keeps up with tax law changes through educational courses.

Your Time is Money.

While you may be able to prepare your taxes yourself for \$150 or less online, many do-it-yourself filers spend an inordinate amount of time doing it. According to the IRS, the average taxpayer spends 13 hours preparing their return.

(www.nolo.com/legal-encyclopedia/how-much-time-do-you-spend-preparing-your-tax-return.html.) Hiring a tax pro can reduce that to the time it takes to gather your tax documents and forward them to his or her office, go over a few items with the pro, then review the final return for accuracy. If your time is better spent with

family, friends or even binge-watching tv during those early days of spring, then hiring a tax pro can make for sunnier days.

Tax Pros Can Save You Real Money.

According to a 2017 survey by the National Society of Accountants, the average federal tax return in the U.S., including the tax return for the person's state of residence, cost \$273 for a professional preparer to handle (www.cpapracticeadvisor.com/12300090). A Schedule C (for business income and expenses) only costs an average of \$184 more. In addition to saving you hours and hours of painfully boring and perilous tax guessing, experienced tax preparers also know all of the deductions that you may qualify for, and which items are tax deductible if you own a business. They can also easily tell you whether it's more beneficial to itemize or take the standard deductions. Even if you just earn a little extra income on the side, a tax pro may be able to find you deductions or credits that will more than pay for their services and keep more of your hard earned money in your pocket. Or get Uncle Sam to send more of it back in a tax refund. To top it off, the cost of having your taxes prepared by a professional can also be tax deductible.

Mistakes Will Cost You.

If you do your taxes yourself, you are much more likely to make mistakes ... and they can cost you big. Even simple math errors can cause a return to be inaccurate, leaving the taxpayer liable for past taxes and interest. For errors the IRS believes are not accidental, such as failing to report income, taxpayers can also face large fines and even criminal prosecution. Here are tips to avoid common tax-filing mistakes: www.bankrate.com/finance/taxes/10-common-tax-filing-mistakes-to-avoid-1.aspx.

Peace of Mind.

Have you ever finished your taxes and were pleased with the income tax refund amount, but were less than confident in the accuracy of the return? Or if a particular deduction or credit really applied to you? The only people that look forward to an IRS audit are IRS auditors, and the best way to avoid their scrutiny is to make sure your tax return is in compliance with the tax laws. The best way to do that is to hire a professional who lives, works and breathes taxes every day (or at least a lot more frequently than you do). There is still a chance than any taxpayer will get audited, but if you use the services of a professional CPA, Enrolled Agent or Tax Attorney, and your return is selected for further inspection by the IRS, those professionals will help

represent you on your behalf before the IRS. Don't go before a court without a lawyer, and don't go before the IRS without a tax pro.

Planning Ahead.

The taxes you pay this year can affect the taxes you will owe next year- so it is best to look at the larger picture- and plan ahead for those events that you can plan (college, new house, business changes, moving, divorce). Most tax professionals would like you to meet with them before it's time to do your taxes, while there is still time to take proactive steps to reduce your taxes or minimize other effects. A tax planning meeting can result in significant savings for many taxpayers and businesses.

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