CPA

Practice **Advisor**

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We're all familiar with the old "death and taxes" saying. It's true that both are an inevitable part of life, and both are dreaded by most. Clients have a tendency to get anxious about filing their taxes, despite knowing tax season comes at the same time year after year. For many of them, there's a sense of impending doom and an irrational fear to avoid the IRS' prying eyes. Yet for something so routine, taxes seem to have a way of throwing off even the most resolute among us.

As a professional working in the field of accounting for more than 30 years, I've learned a thing or two about taxes and the all-encompassing fear that surrounds them. I've spent years acting as both a CPA and an unlicensed therapist for my

clients. Thankfully, I've picked up some helpful advice and tips designed to reduce the

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down Hyde Street Hill in San Francisco.

"Lady, just relax. And don't jump unless you see me jump first."

Forosophobia: Fear of Taxes and the IRS

If you weren't already aware, the fear of tax season for some is very real, earning recognition as an official phobia, Forosophobia—otherwise known as the fear of taxes and the IRS. This phobia has common side effects that plague our clients every year, including procrastination and avoidant behaviors, extreme anxiety, and even feelings of helplessness. But like most other phobias, the fear of taxes and the IRS is born from an irrational place and can be confronted and overcome with the right mindset and tools.

Audits!

First and foremost, make sure your clients understand that audits and other tax-related government correspondence are rare events, as less than 2% of individual returns are audited. Of course, receiving a notice that you're being audited can be cause for concern, but only if you've committed willful violations of the tax code in an effort to conceal, deceive, or defraud the IRS. Communicate to your clients that over three quarters of all tax examinations (audits) are typically cleared up with a routine exchange of letters, one of our specialties.

What If I Can't Pay On Time?

If your clients aren't aware, let them know that 80% or more recent filers were either due a refund or didn't owe taxes. And that the inability to pay what they owe or on time is a low probability event. You can reassure them that, despite the unearned reputation, the IRS doesn't operate like a bookie backed by an organized crime outfit. On the rare occasions where accounts can't be settled by the due date, share their

options in requesting extensions, offer in compromises, and even payment plans

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The clients we work with have a lot on their minds. We all do. But providing them with reassuring advice that builds a lasting trust is one of my favorite aspects of the job. Dealing with anxious clients is among the most professional of problems to have. So, act like it. Hold face-to-face sessions, as you're able—even over Zoom. Live up to the level of personable service you promised to win their business. Listen more than you speak and, when you do, provide them with professional advice that further establishes your bond of trust. Always use your emotional intelligence to provide an empathetic viewpoint.

Taxes are hard. That's why most clients leave it to the professionals. Let's all do our part to live up to the label.

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About the Author Ernie Villany, CPA is the founder and president of Boulder Valley CPAs (BVCPAs), a Colorado-based CPA/advisory firm representing clientele in 30 states. Ernie has over 30 years of experience in public accounting, helping small to medium-size businesses around the world plan and manage their financial growth, while mitigating tax liabilities.

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