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time to update tax planning with higher-value tax advisory services.

Scott Cytron • Jul. 27, 2023



By Scott H. Cytron.

Advisory, Advisory, Advisory.

What does advisory mean to you and your firm? Larger practices have entire departments and groups of professionals devoted to delivering Client Accounting Services. And while smaller firms know they should deliver **tax advisory** services, they struggle with how to get started, the **fees they should charge**, and **capacity issues**.

“Tax advisory is so important for the future of our profession,” said Dominique

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now creating custom tax plans with tax strategies using [Intuit Tax Advisor](#), a cloud-based program that integrates with ProConnect Tax and Lacerte. In addition, hundreds of tax professionals attended the May 2023 virtual conference, [Accelerate Your Path to Advisory](#), with two days of sessions to help them learn more about how to offer advisory in their firms (recordings of sessions are available until mid-August 2023).

During the conference, poll questions revealed several important findings. For example, more than half of the respondents said that less than 5% of their firm's revenue was driven by advisory services. However, the majority of respondents lead with compliance, but are interested in offering advisory (31%). Others have started their journey to tax advisory (30%), or proactively lead with tax advisory and meet with their clients on a regular basis (5%).

The biggest benefit of leading with tax advisory services is that it's sticky,” said Eric Aragon, CPA, president and founder of [Aragon Accounting Corporation](#). “When you bring on a new client, show them a map, and give them tax strategies, you help them save money. They will value your services and stick around.”

Al-Nesha Jones, CPA, MBA, MOM, agrees. Jones is founder of [ASE Group](#) and a member of the [Intuit Tax Council](#).

“We believe that almost every client could benefit from tax advisory services because we view tax advisory as helping clients understand the matters that don't come easy to them,” she said. “The biggest benefit for my practice is leading with advisory. It's really helped us find our purpose and fulfill our mission.”

What are the concerns about leading with advisory? According to the poll, the primary roadblock is that respondents didn't know enough tax savings' strategies,

while others felt differently. For example, some said “My clients won’t pay for it,” “I

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services. In her practice, Jones knew business owners needed more than tax returns and tax filings.

“We provided advice as clients needed it and provided advice after the fact, but there was something of a disconnect,” she said. “So we figured out the advisory piece, gave it a name, gave it a price, and then tied all the pieces together.”

Pricing, indeed, is an obstacle for many firms. In the conference poll questions, charging by the hour and single fixed pricing were the two most popular responses. More than 20% said they always offer the client a choice of packages, charge based on a percentage of tax savings, or only offer value pricing.

“We’re now in what I call ‘relationship pricing,’” said Dawn Brolin, CPA, CFE, owner of [Powerful Accounting](#) and a member of the Intuit Tax Council. “We want a commitment from our clients as much as they want a commitment from us, so we absolutely had to change our processes. I look at the process as offering a spot in line. Clients who are willing to meet and have conversations about their businesses are our ideal clients.”

Intuit Tax Advisor can be helpful as well, and over the last 12 months, several important [new features](#) were added, including more than 45 predefined strategies, such as the following:

- **S Corporation choice of entity.** One of the most requested strategies by tax advisors is the ability to estimate the self-employment tax savings realized by changing entity types from a sole proprietorship to an S corporation that pays a reasonable wage to the owner. This popular strategy is now available.
- **Cost segregation study.** Cost segregation study reports by engineering and/or accounting specialists to identify and reclassify personal property assets that are part of real property can result in accelerated deductions, lower taxes, and

improved cash flow.

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“The ideal tax advisory client to me is the one that has a business entity I can work with, such as a corporation or partnership, with a Schedule C and some individual returns attached to it,” he said. “Intuit Tax Advisor has really been helpful. I set up a Zoom meeting with my clients, bring up Intuit Tax Advisor, walk the client through some insights and some strategies, and then generate a report. It’s all about the value.”

Advisory is a year-round process; as you get ready for tax year 2023, now is a great time to update tax planning with higher-value tax advisory services. Look for more [dynamic content](#) and [timely webinars](#) in the future.

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