

TOP 5 QUESTIONS TO ASK YOUR ACCOUNTANT, CPA OR TAX PREPARER TO MAXIMIZE YOUR TAX DEDUCTIONS



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1. HOW CAN YOU HELP ME PREPARE FOR AND SURVIVE TAX SEASON?



Taxes are part of running a business and you can always look for ways to improve how you handle your cash flow, credits, deductions, record-keeping, and so on. Your accountant, the expert on tax laws, can give you the insight you need via tax planning services.

You'll want to set up a system to look at the tax credits and deductions you may be eligible for. This proactive approach will reveal if there are any new tax laws you should take advantage of to maximize write-offs.

Get answers to all your tax questions long before the filing deadline. To avoid the year-end rush, get your accountant involved in helping you gather all the necessary accounting documents and data all throughout year.

Your accountant can help you answer questions like:

- What are the latest changes in tax law that affect my business?
- When is the best time to make big equipment purchases?
- How can I best keep track of deductions?
- How can I maximize my tax savings?

2. WHAT CHANGES COULD I MAKE THAT WOULD HELP MY BUSINESS?



Although your accountant may not be your business coach or financial advisor, they are experts in taxes and finances, and should have a seat at the table during your financial discussions. They have insight to analyze and understand much of the financial data you collect in your daily financial activity. But you must be proactive with sharing the information rather than after the fact.

It's easy, as a small business owner, to get so busy in your day-to-day operations that you don't take the time to plan for the big picture. However, we recommend that you use some of that time with your accountant to do just that on a regular and ongoing basis.

As you make the most of those regular meetings with your accountant, you should see a positive change in the way you organize and handle your finances. For any small business owner, that's a great step toward a more profitable business.

3. HOW DOES THE LEGAL STRUCTURE OF MY BUSINESS AFFECT MY TAXES?



The choice can be especially important when it comes to taxes, depending on whether you are a startup company with limited revenue streams or an established company with larger revenue streams. It is important, as a business owner, to know and understand what type of tax return you will be required to file and why. Business income can “pass-through” from a Schedule C to your personal tax return where taxes then calculated. In other cases, the business may have a separate tax filing obligation where the net income is then passed through (via a Form K-1) to the owners and taxed at their personal income tax rates. All of this comes with various administrative responsibilities. A skilled accountant can assess your situation and advise on the proper set up for you from a tax reporting standpoint.

4. HOW CAN AN ACCOUNTANT DO A BETTER JOB FOR ME?



No matter how skilled and savvy your accountant is, they can only be as good as the information they get from you. A good accountant will show you ways to be more organized.

The key is gathering the essential documents your accountant will need to do your taxes. Any good accountant will let you know if you're missing something critical for accurate tax reporting. But digging a little deeper into how to prepare, document, and organize your finances from an accountant's point of view can lead you to put better practices in place every day, and achieve greater financial stability. That goes beyond tax preparation into tax planning, which is an additional service offering that you should consider adding a line item for.

5. HOW CAN I KEEP TAXES FROM EATING UP MY PROFITS?



Set some expectations - for yourself and your accountant.

- Expect your accountant to know the current and proposed tax laws as well as how those laws affect your business.
- Expect answers to your questions to be given in laymen's terms.
- Expect to receive advice as to the best times to invest in assets or inventory.
- Expect to discuss everyday decisions such as whether you should hire employees or independent contractors with your accountant.

You and your accountant may have discussed some business expenses and deductions throughout the year, but there may still be items that warrant discussion later. Be sure to schedule tax-planning meetings throughout the year and before any significant financial decisions to ensure maximum tax savings. Keep an open mind and listen to the information they share with you. Though you may not understand it right away, over time you will begin to gain a deeper and better understanding of how the tax laws impact your business. Then, you will be in a better position to keep more of your hard-earned dollars in your own pocket by taking advantage of the opportunities that are available for you.