



Jonathan Speaks

In this edition, we look at tax compliance as a core piece of your tax strategy.

With the onset of the new year, let me wish you a prosperous new year and a happy stress-free tax season!



Food for Thought!

- a) Are you ready for the upcoming tax season?
- b) Are your records in order?
- c) Have you thought of any potential tax event, birth, deaths, purchase of a large item, etc. that you should bring to the attention of your tax preparer?
- d) Are you deriving maximum value from your tax preparer?



Tax time brings mixed feelings to most of us. For some, it is a time for anticipating a refund from the Internal Revenue Service. For others, it is a time to dread the impending tax bill, with proverbial threatening language and unspeakable consequences that might be imposed by the tax man. Tax compliance is central to a successful tax strategy. Your tax returns are the first step in the development of a tax plan. Similarly, your tax return or the lack thereof, is the first step in the initiation of action against you by the IRS.



IRS Publication 583 states, "Everyone in business must keep records. You need good records to prepare accurate financial statements."

IRS. "Publication 583." IRS. IRS, Jan. 2015. Web. 30 Dec. 2016.

The first law of business is order. The consequences of not filing tax returns and paying taxes could include fees, penalties, levying of bank accounts, liens on properties, and jail time. So, keeping records organized and taking actions to get the most value for your tax preparation dollars would be helpful.

The next consideration is signing up with a competent tax preparer. Remember, procrastinating is risky when it comes to tax compliance. Therefore, look for someone who can stand by you when you are being audited. Look for a preparer who is accessible and cares about his reputation.

Finally, look for someone who is proactive in his outlook. You should seek advice on how to legally pay less tax and keep more of the money you make. Here are some questions that you may wish to ask your tax preparer:

- What is my effective tax rate?
- How can I reduce my effective tax rate?
- Should I accelerate or defer income?
- Are there any gains or losses I should take this year given my tax position?
- Should I make any changes to my employee benefits?
- What charitable contributions should I be making?
- What additional credits, exemptions, deductions, and allowances are available for me?

If you have additional questions, or need guidance regarding your tax strategy, please feel free to call us at 901-791-4643



Looking ahead.....

In our next edition, we will be exploring the fundamental aspects of an accounting system.

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