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As a CPA for over twenty five years, a day does not go by without someone asking me, how do you find a good tax advisor or tax preparer. The answer is in the question. Do you want a Tax Preparer or Tax Advisor? What's the difference?

The difference can mean a lot of money for you to keep!

I've outlined the differences between a Tax Preparer and a Tax Advisor and a few key qualities to look for in a Tax Advisor:

Finding the Right Tax Advisor

One of the most important steps you can take in your tax and wealth strategy is to work with a Tax Advisor NOT a Tax Preparer. I've learned over the years that it doesn't matter what letters are after the name: CPA, Master of Tax, etc. What matters is the individual's approach to serving you – either in capacity of Tax Preparer or Tax Advisor.

Outlined here is what our firm sees as the differences between a Tax Preparer and a Tax Advisor and a few key qualities to look for in a Tax Advisor:

The Role of the Tax Preparer:

- Meets you in the first quarter of the year
- Limits his/her questions to the specific papers you brought with you.
- Doesn't question the "why" behind the numbers
- Prepares your return
- Delivers your return
- Sees you next year

The Role of the Tax Advisor

- Communicates with you throughout the year
- Analyzes your tax documents and then discusses their questions about your figures
- Prepares your tax return
- Delivers your tax return
- Explains your Free-Cash flow numbers
- Works with you to reset goals and re-align cash flow
- Provides tax reduction advice and strategies throughout the year
- Implements tax planning strategies in September – November
- End the year knowing that you paid the least amount of money in taxes.

The Role of the Tax Advisor:

Your Tax Advisor should consult with you every before the end of each year to assist reduce your tax burden – legally.

A Tax Advisor is pro-active and act as a partner, a member of your financial team to guide you through steps during the tax year to implement strategies to reduce your tax liability. By committing to our tax planning model, you will know that you are paying the least amount of taxes year in and year out.

Remember – for the most part you can only implement tax reduction strategies during the year that you create the liability.

Your Tax Advisor Should Ask You Questions, several of them

If you have to ask all the questions, then you have a Tax Preparer, NOT a Tax Advisor.

It is a necessity for your Tax Advisor to ask you a lot of questions. Questions enable your tax advisor to understand your current situation and future goals. **A good Tax Advisor will challenge you and assist with your decisions.**

Here are just a few examples of questions your Tax Advisor should ask you:

- Why do you have such a large 1099 for interest and or dividend income?
- Why did you receive such a large 1099 for Capital Gains, yet your brokerage account value dropped by 25%?
- Why are you not taking advantage of any loss carryforward amounts?
- Have you considered any current business accelerated deductions?
- Are you taking advantage of allowable deductions through your business or employment?
- What were your savings goals for the year and did you hit them?
- What are your personal and professional goals for this year?
- Are you working within a budget and do you track ALL expenses?

Remember, taxes are based on facts and support documents. The more your Tax Advisor understands the greater the opportunity to reduce your tax liability

Your Tax Advisor Should Be Able to Reduce Your Taxes

By asking questions, by being open to change, by coordinating your activities in a tax efficient way, your Tax Advisor will be able to reduce your tax liability.

This is The BIGGEST Tax Reduction Strategy I Can Recommend.

Call your Tax Advisor BEFORE you make a decision to spend your money, sell a property, liquidate a stock position, buy new equipment, lease that car, borrow money, or make any significant investment decisions.

You Need to Increase Your Tax Awareness

By including your Tax Advisor in your thoughts and ideas, your Tax Advisor will be able to share tax reduction information with you so that you can make the right decision to minimize your tax liability.

Your job is to identify business and money making opportunities, share your ideas with your Tax Advisor and then implement tax reduction strategies before you pull the trigger.

You Must Keep Good Books and Records

This is the key to a successful tax reduction strategy.

If you don't like to keep books and records then you need a alternative strategy. Your Tax Advisor can do this work for you. His fee to keep you organized will be paid by the tax savings you will receive.

I am an advocate that 100% of your work activities should be devoted to making money for you , your family and your business – all support should be delegated to increase your efficiency and profitability.

So, who do you want on your team, the Tax Advisor or the Tax Preparer?

Please contact us, rubeycpa@pjrcpa.com or calling 312-917-1107 to schedule our first complimentary meeting.

Thank you for your time and consideration.