



2025 WICPA BUSINESS & INDUSTRY FALL CONFERENCE

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Learn how new tax policy developments may affect year-end planning strategies

TUESDAY, SEPT. 9 | BROOKFIELD CONFERENCE CENTER & WICPA CPE LIVESTREAM

2025 WICPA BUSINESS & INDUSTRY FALL CONFERENCE

MATERIALS AT A GLANCE

The following materials are from the afternoon sessions of the 2025 WICPA Business & Industry Fall Conference held on Tuesday, Sept. 9, including:

- Navigating Crosscurrents: Policy, Markets & Themes in the Age of Trump
- Solving Staffing Shortages & Work Exhaustion in the CPA Profession
- What's Really Changing in Manufacturing: 9 Truths That Matter
- Hot Tax Practice & Procedure & Ethics Issues & Their Impact on the Industry Practitioner

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EVERY DAY.

75%

of accounting firms believe they would only be able to survive **three to seven days** after a ransomware attack.

Source: www.cpapracticeadvisor.com



Choose Ontech to protect your data

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Robust security for your sensitive data

2

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3

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4

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Designed to meet specific CPA firm needs

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Helping your staff recognize cyber threats



Ontech's tailored solutions and transparent billing make us the ideal choice for CPAs and accountants. Don't wait to safeguard your data. Contact Ontech Systems today for a **FREE risk assessment** of your network!

75%

of accounting firms believe they would only be able to survive **three to seven days** after a ransomware attack.

Source: www.cpapracticeadvisor.com

CPA firms are increasingly targeted due to their access to sensitive financial information. Since 2014 reported data breaches of CPA firms have increased **over 80%** with ransomware extortion incidents rising to **over 40%** since 2018.

Choosing Ontech to manage your CPA firm's IT & protect your data can offer several advantages:

- Expertise in Cybersecurity:** Our staff specializes in cybersecurity to ensure your firm's sensitive financial data is protected against the latest threats. We always implement robust security measures & regular security audits.
- Compliance with Regulations:** Ontech helps ensure your firm complies with industry regulations and standards, such as the AICPA Code of Professional Conduct and IRS guidelines for safeguarding taxpayer data.
- Proactive Monitoring and Support:** We provide continuous monitoring to detect & respond to potential threats quickly. This proactive approach minimizes downtime and keeps your operations running smoothly.
- Customized Solutions:** Our team offers tailored IT solutions to meet the specific needs of CPA firms. This includes secure cloud services, data backup and recovery, and network management.
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**Plenty to Worry About...
But Tough to Poke Holes in the Bull Thesis**

September 2025

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Upcoming Strategas Conferences

11th Annual Investment Forum at Tucker's Point
Bermuda – September 25th to 27th, 2025

7th Annual European Macro Conference
London – November 6th, 2025

15th Annual Policy Conference
Washington, DC – January 2026

19th Annual U.S. Macro Conference
New York City – April 2026

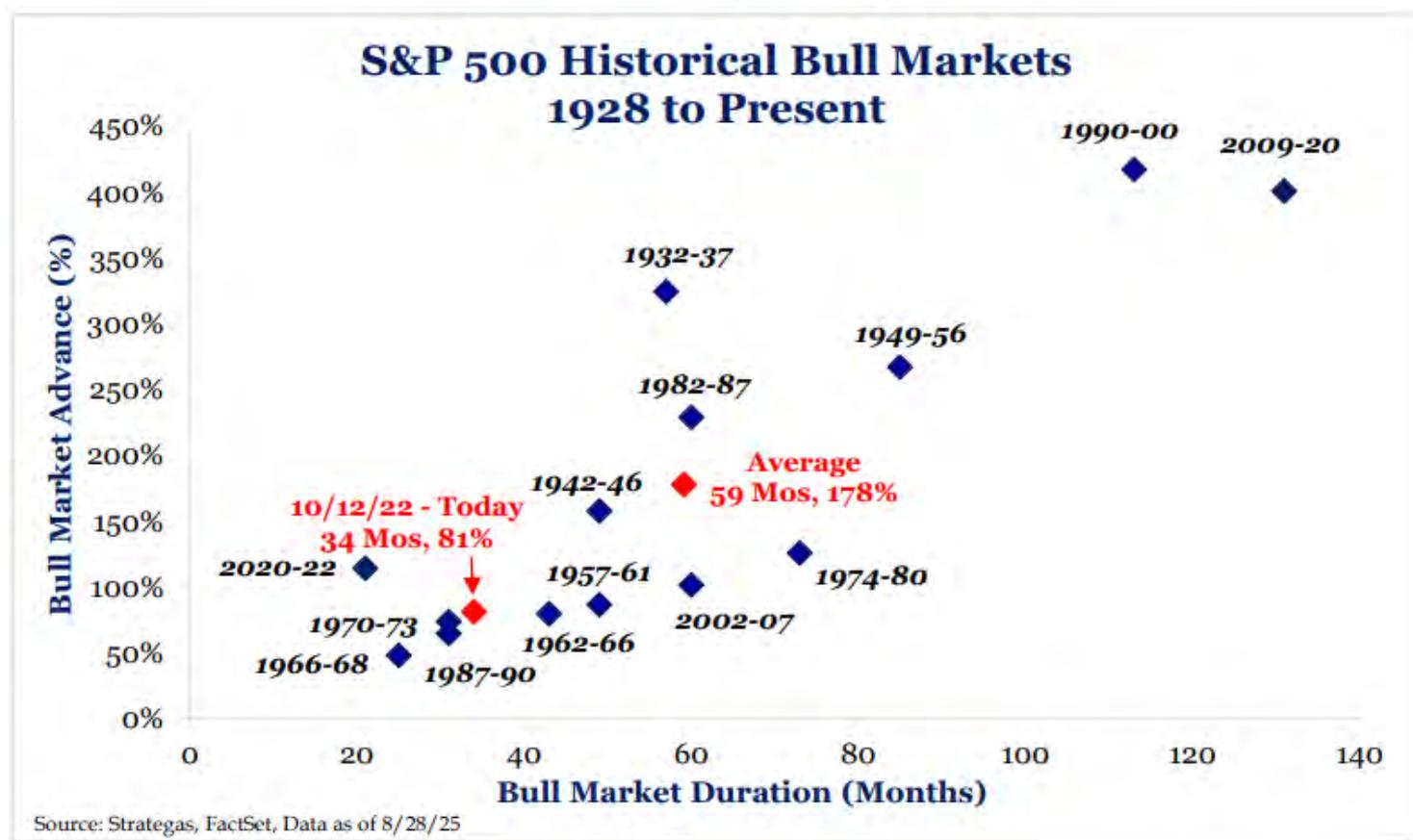
3rd Annual Investment Forum at Jackson Hole
Wyoming – July 2026

11th Annual Intern & Career Counseling Event
New York City – July 2026

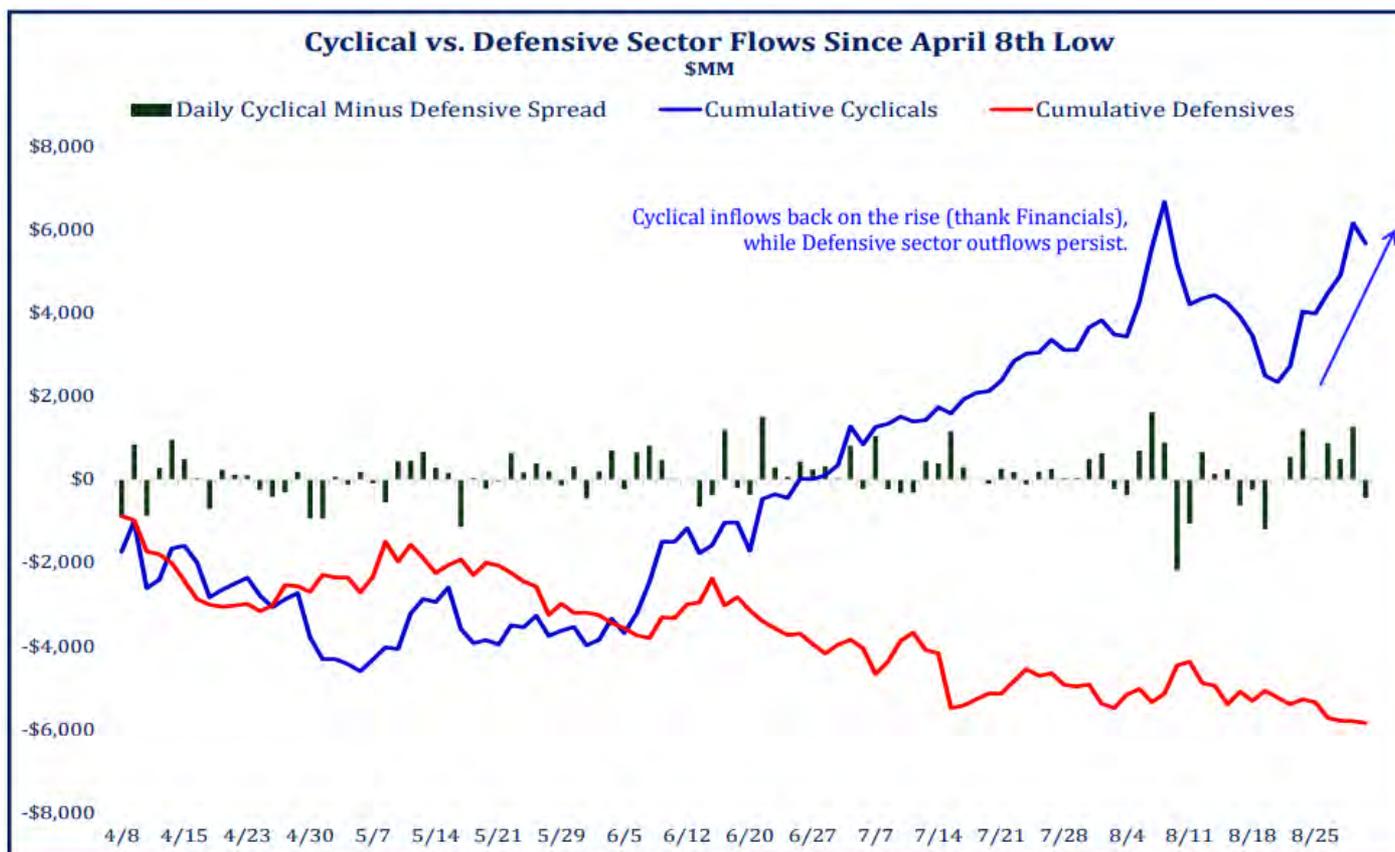
What We're Watching...

- 1. Trump 2.0: Settling in for the Long Haul**
- 2. Fed on “Stagflation” Watch: Too Complacent or Too Concerned?**
- 3. Out-of-Sync: Valuations, Interest Rates and Operating Margins**
- 4. Where is Thematic Momentum? Organic Drivers of Growth to Drive Economic Expansion**

Bull Market Not All That Extended on x or y Axes...



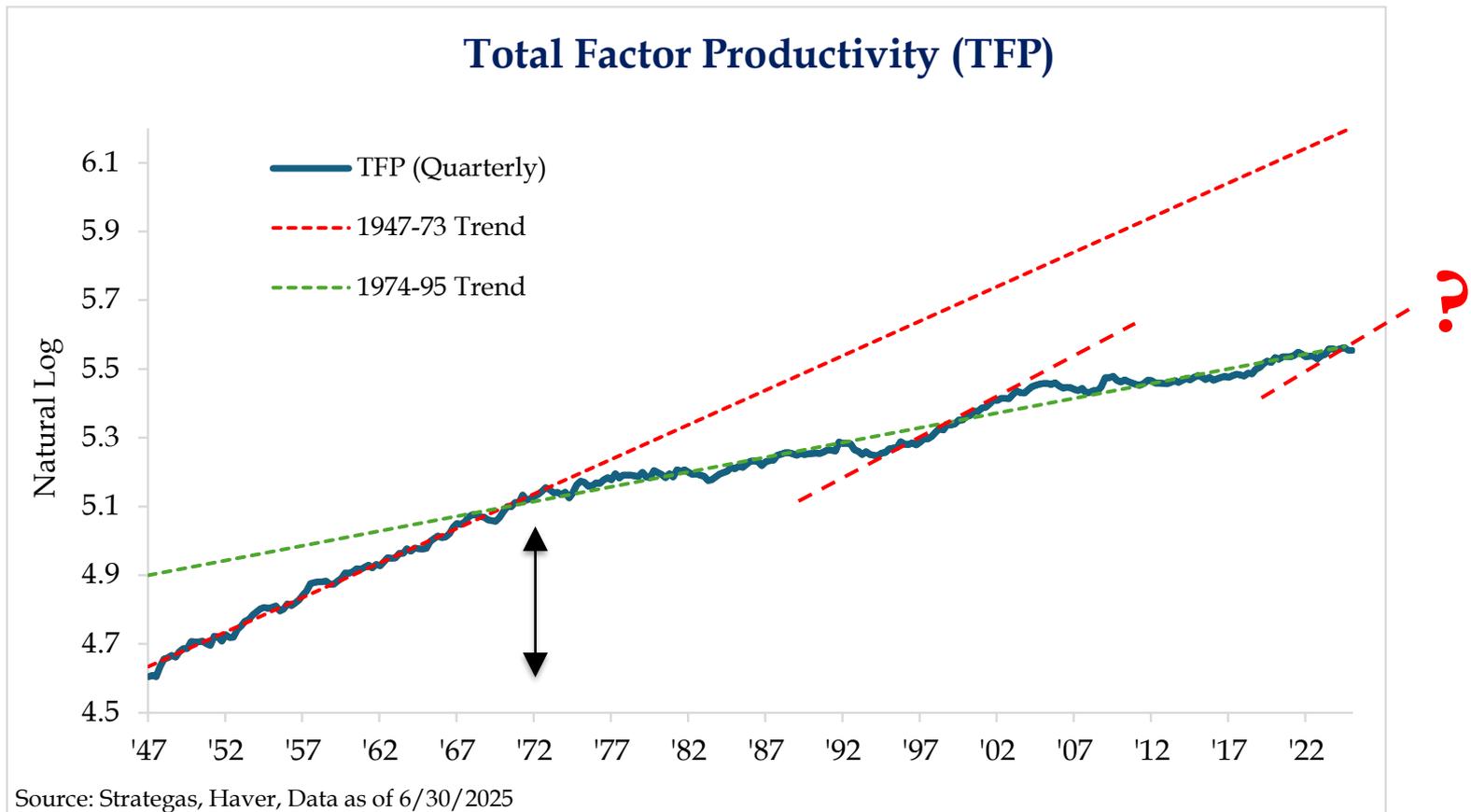
Cyclical Underpinnings Intact



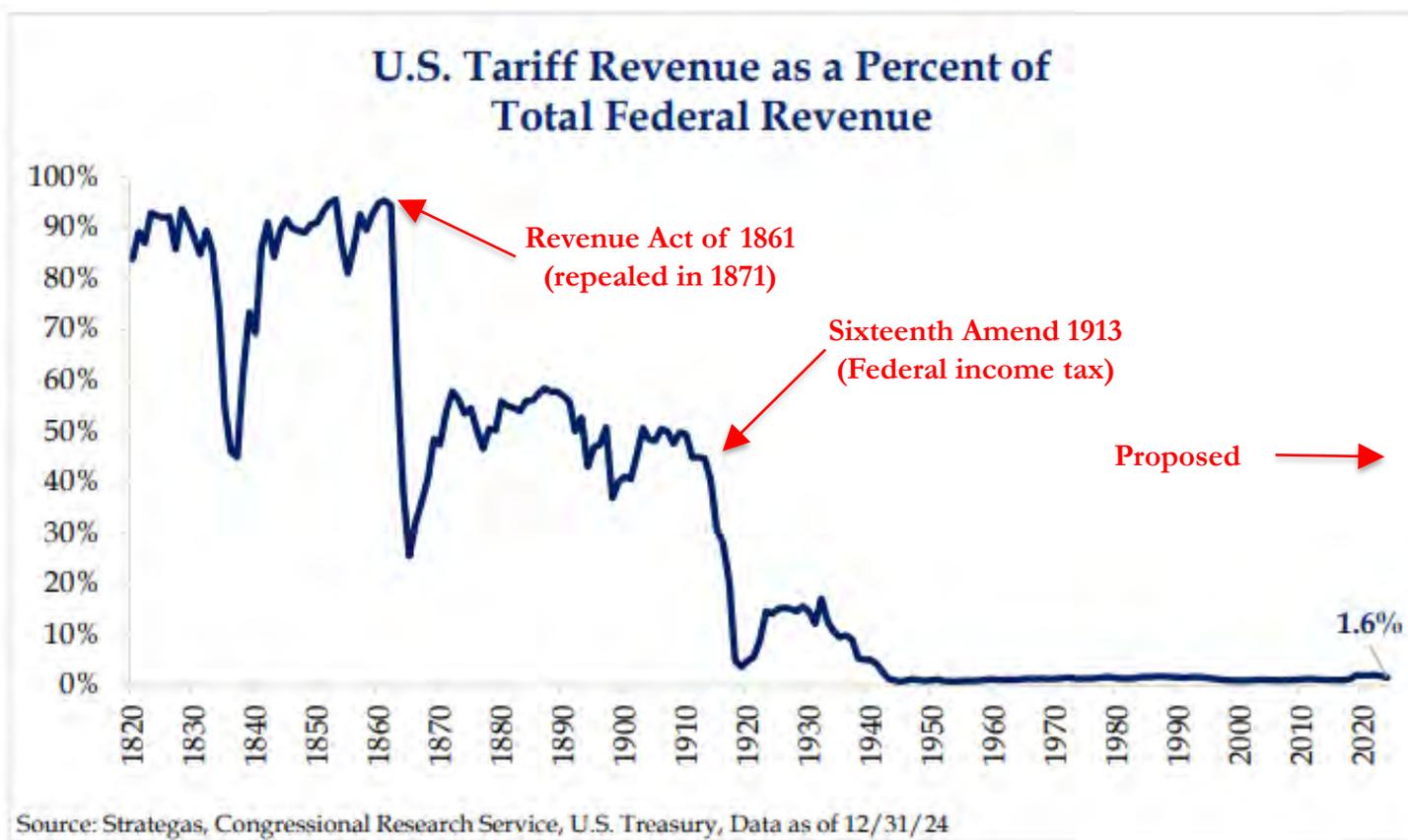
Source: Strategas, Bloomberg, 9/1/25

Please See Appendix for Important Disclosures

Financial Investment vs. Capital Investment



Taxes or Tariffs? Historically, Government Funded by One or the Other



Tariffs in Five Buckets

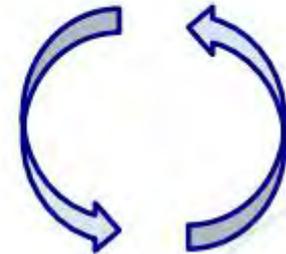
1. China



2. USMCA



3. Reciprocal



4. Sectoral

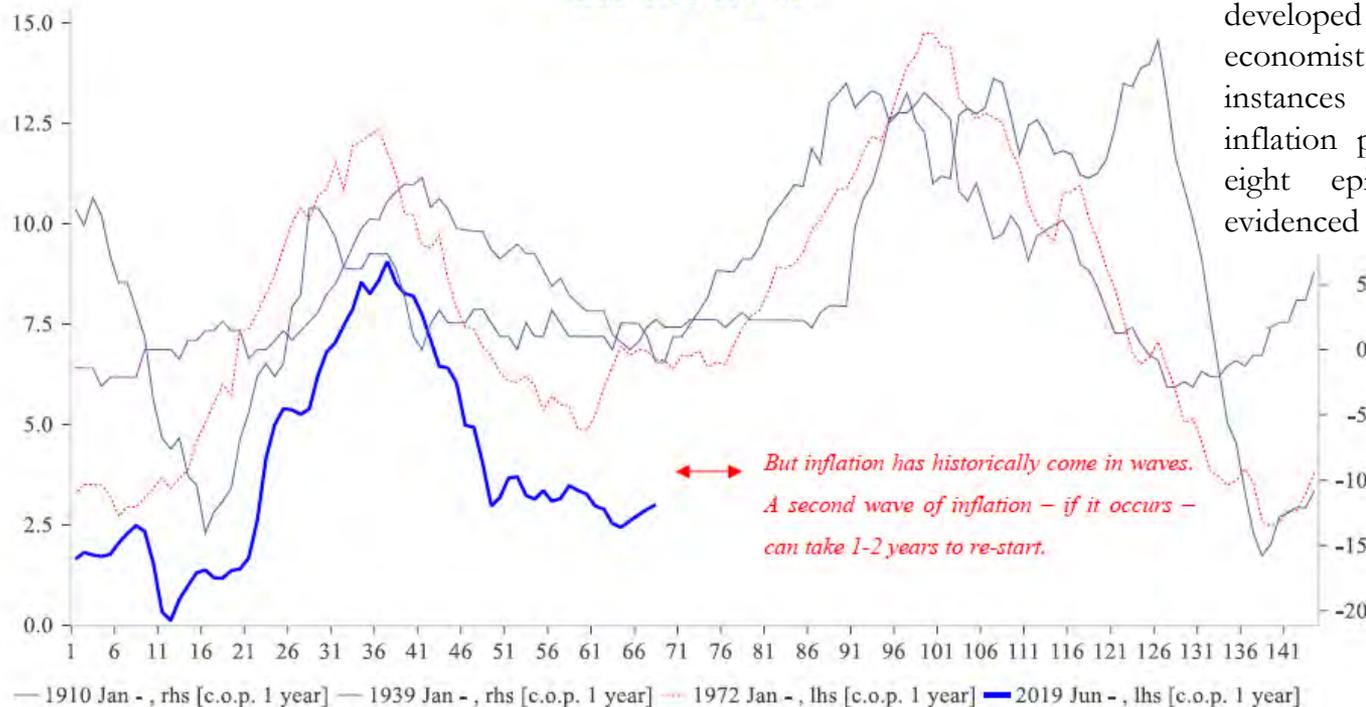


5. Commodities



Rissmiller's Wave: Inflation Pressures Mounting?

U.S. CPI Y/Y %



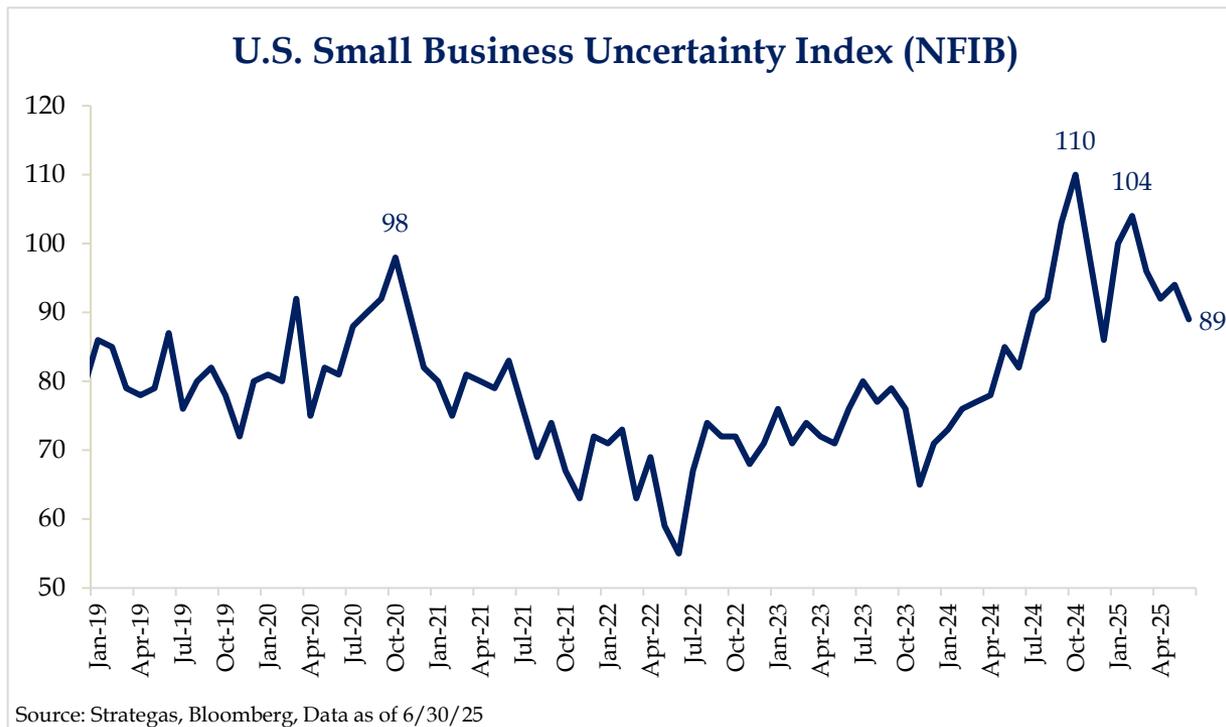
Rissmiller's Wave: In a study of historical inflation data, across 24 developed economies, Strategas' chief economist Don Rissmiller found 62 instances in which the annual rate of inflation peaked above 6%. In all but eight episodes (87%) price surges evidenced in multiple waves.

Reference: 8/9/23 Strategas Economics Report: *Inflation Often Comes in Waves*

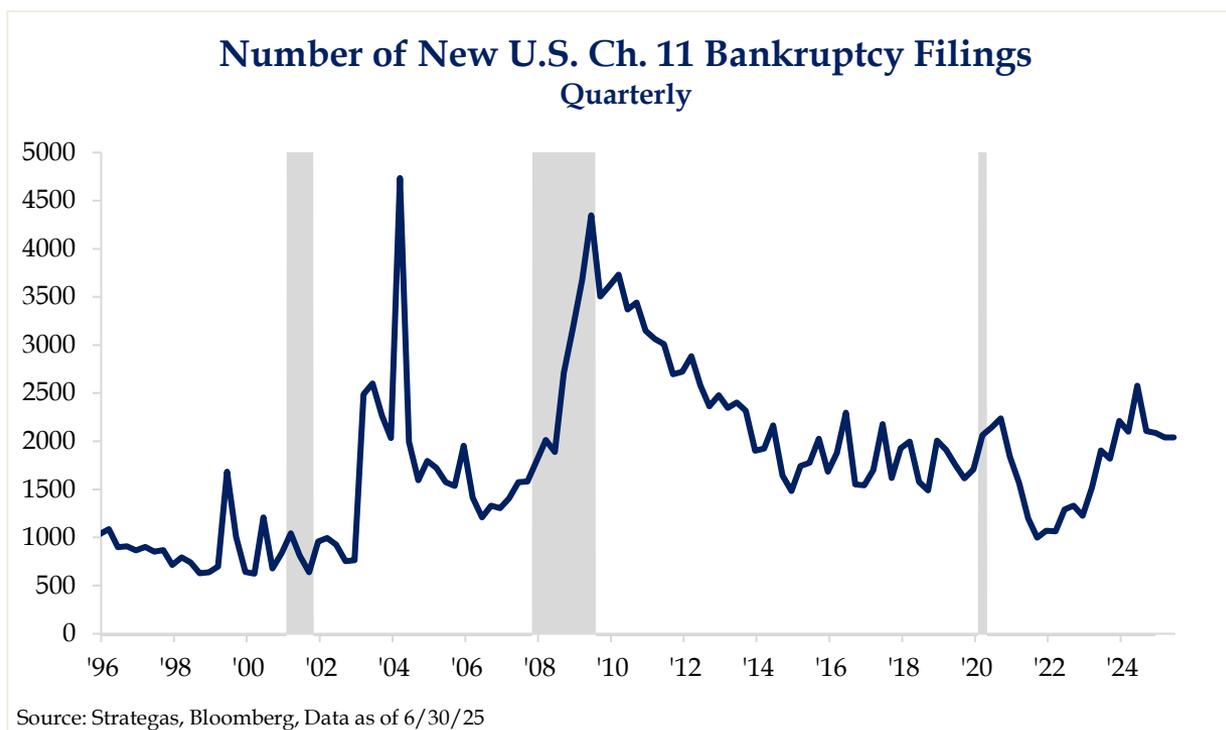
Fed Risks Leaving Policy “Too Restrictive”



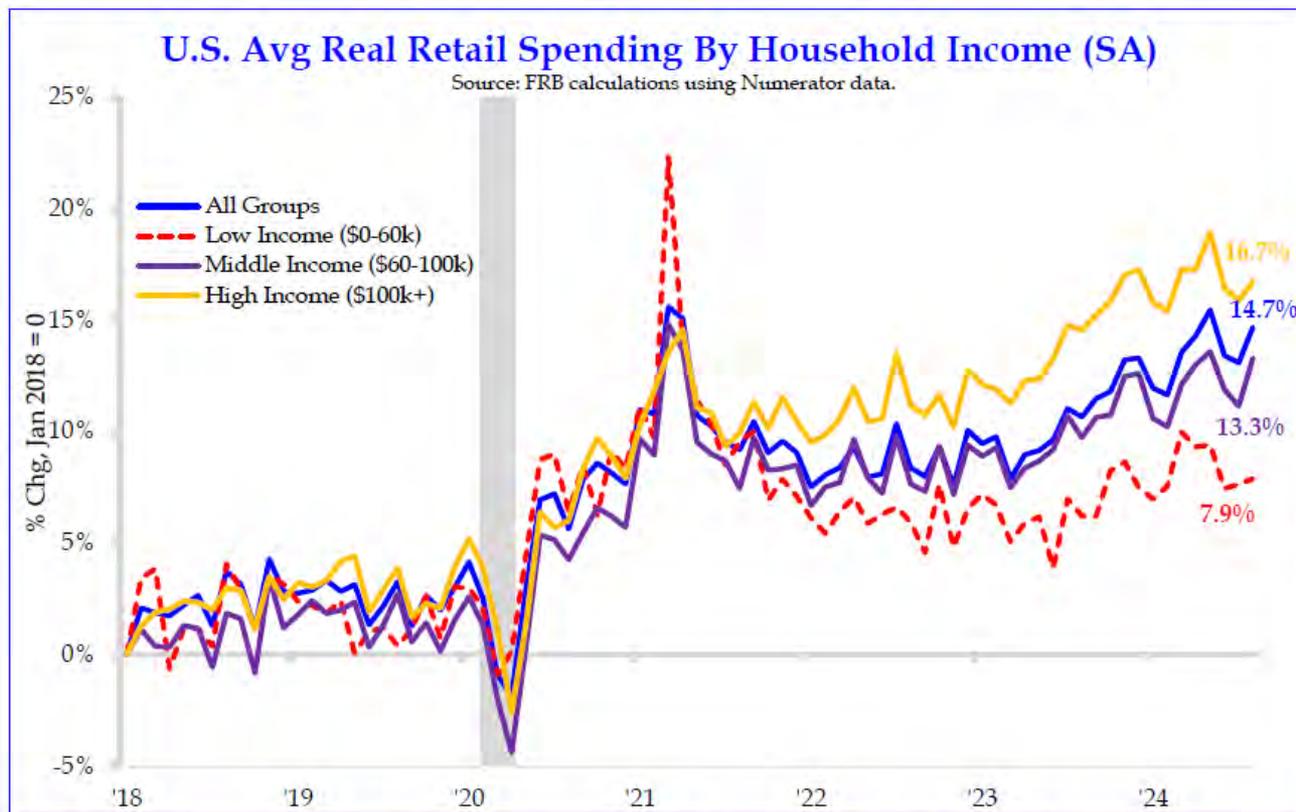
Lagged & Variable Effects of Monetary Policy #1



Lagged & Variable Effects of Monetary Policy #2

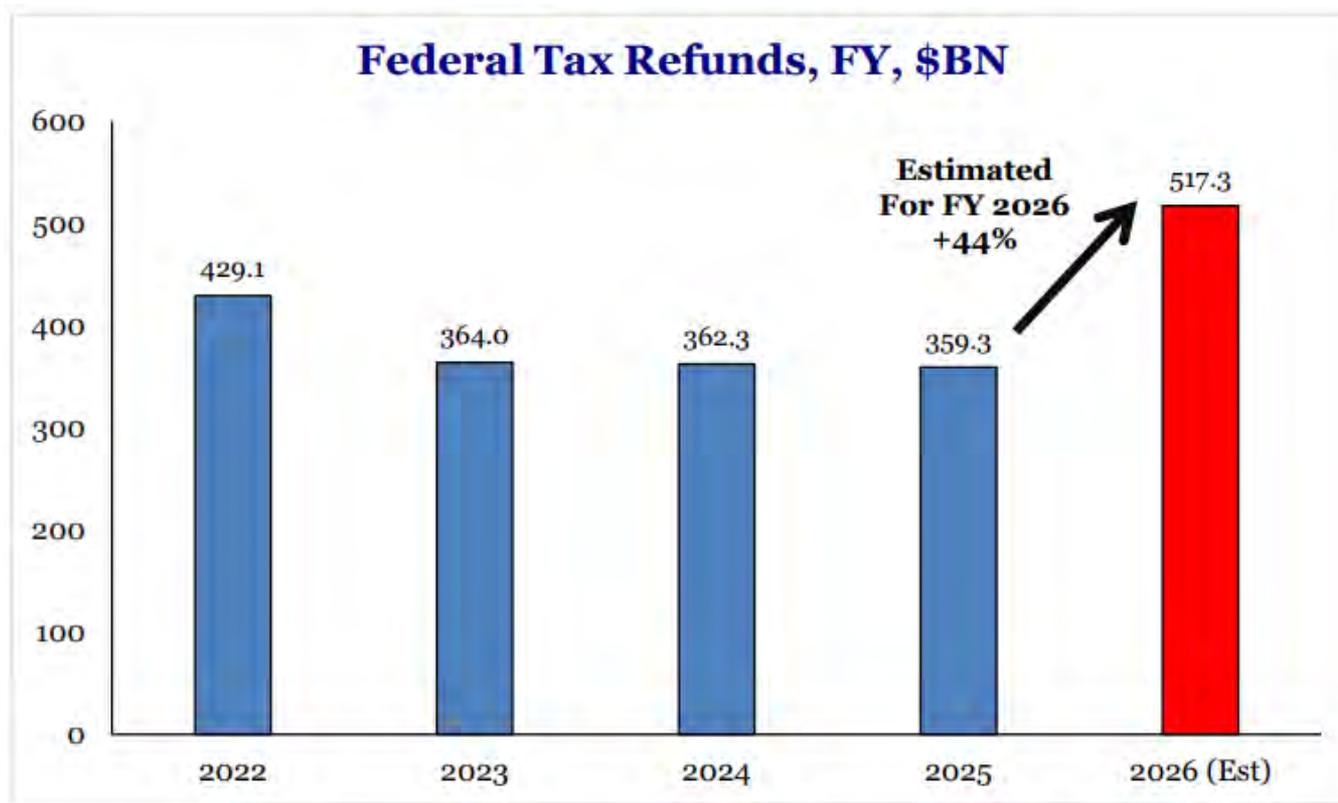


High Earners' Spending Remains Strong, Lowest Cohort Increasingly Stretched...



Note: data through August 2024. Source: FEDS note, Hoke, Feler, Chylak, (10/2024). [The Fed - A Better Way of Understanding the US Consumer: Decomposing Retail Spending by Household Income](#)

...OBBB-Related Tax Refunds Expected to Increase +\$150 Billion Y/Y in 2026



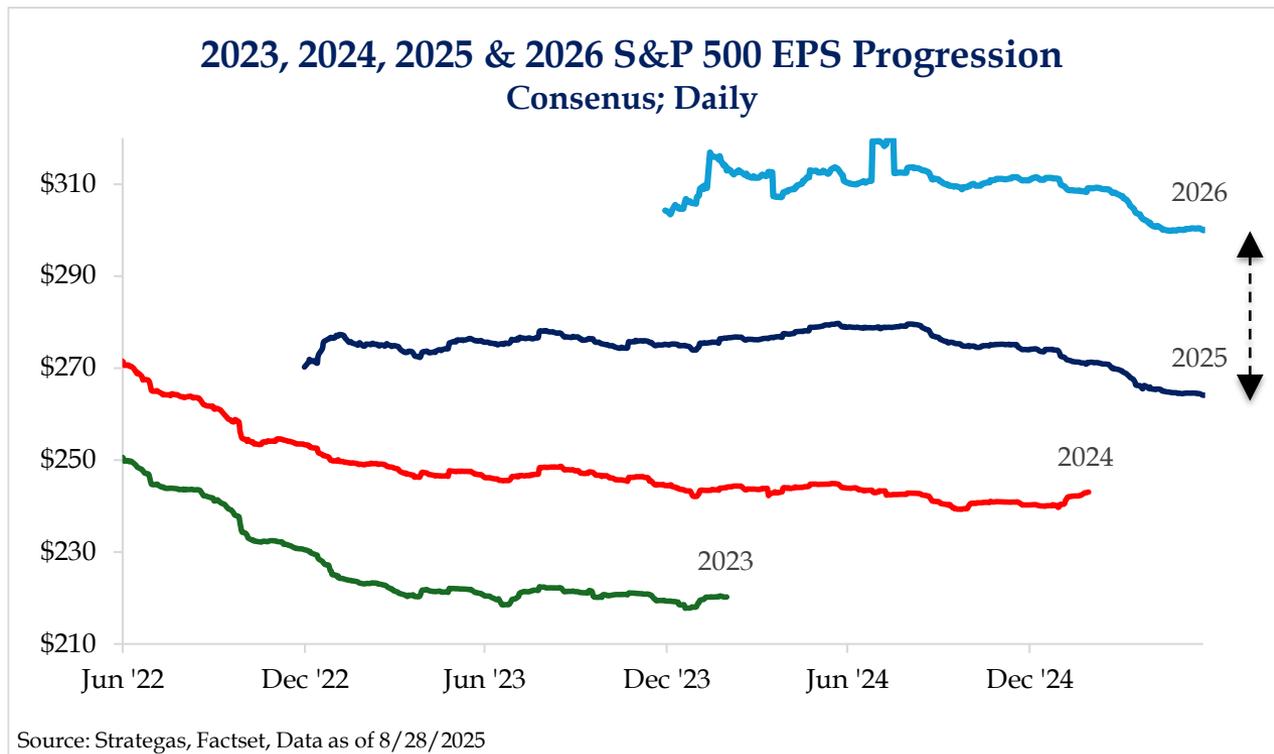
Broader Cyclical Leadership Embracing U.S. Market

Overweight	Neutral Weight	Underweight
Industrials	Communications	Materials
Financials	Health Care	Real Estate
Utilities	Technology	Energy
Discretionary		Staples

Sector Trends Suggest Cyclical Leadership Broadening



Outlook for U.S. Corporate Profits Dependent on Top-Line Growth & Margin Expansion



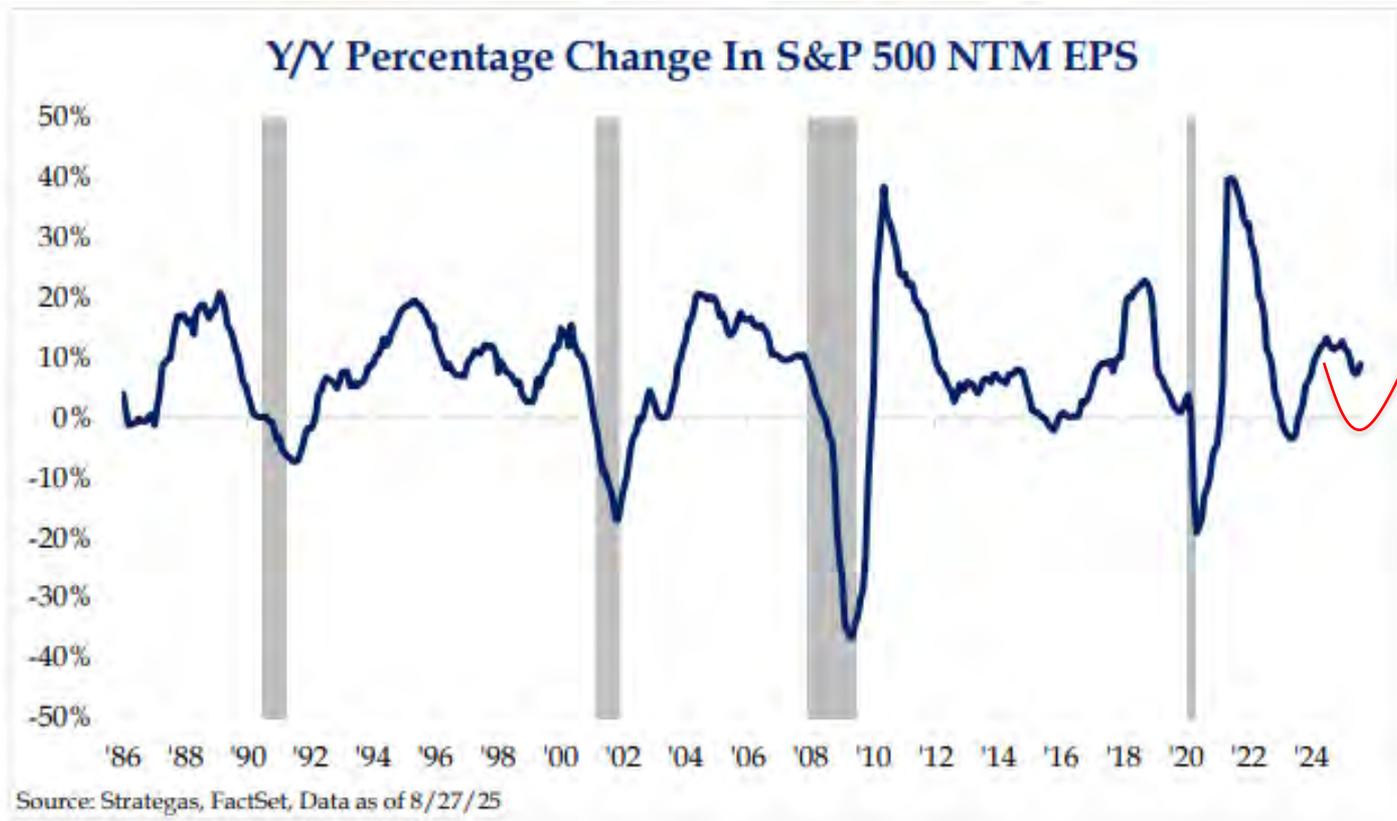
Companies Have Been Able to Stem the Tide of Trade-Related Price Pressures, For Now...



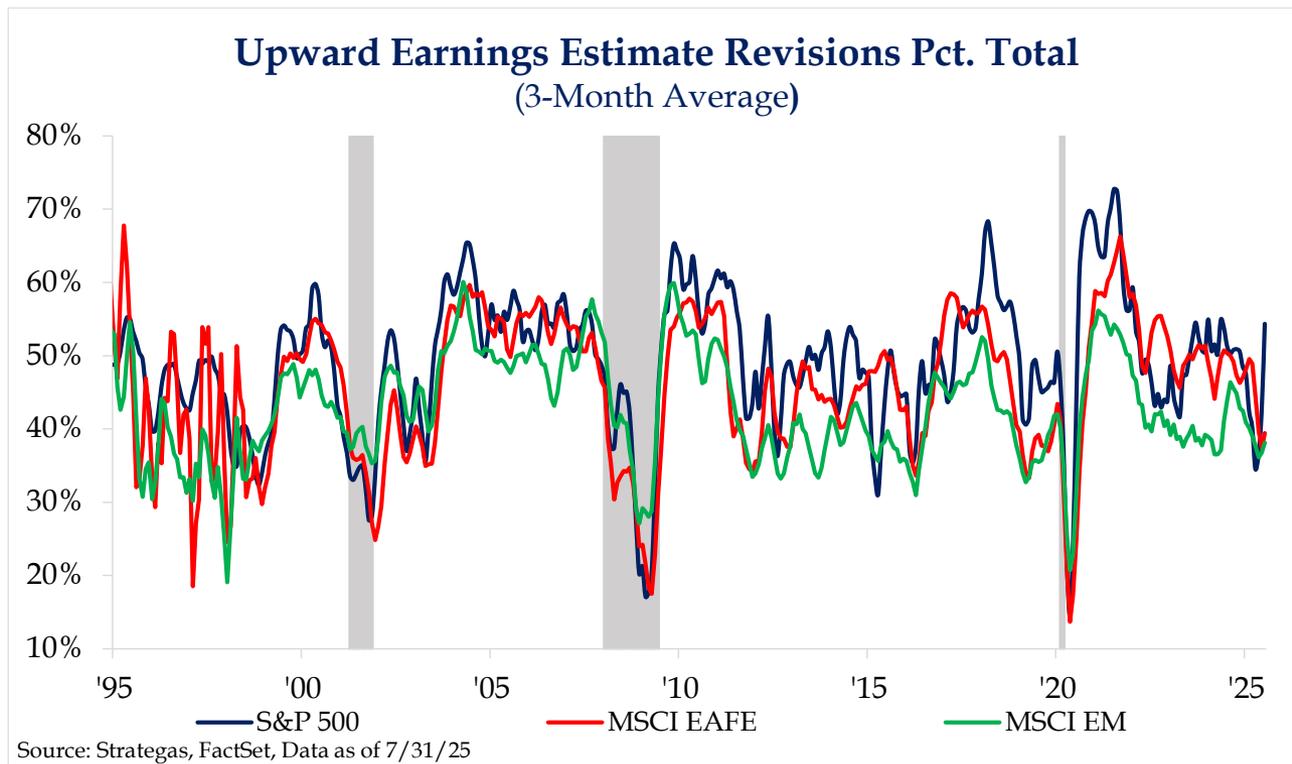
Operating Rate Expectations Back to All-Time Highs after 2Q Uncertainty



Earnings Outlook Sees End of Post-“Liberation Day” Downward Revisions



Global Estimates Remain in Downward Trend; U.S. Bouncing Off 2Q Uncertainty



Earnings Expectations Flattening... Street Estimates Starting to Move Lower

S&P 500 Aggregate Income Statement (Strategas Estimates; Per Share)

	2023		2024		2025E		2026E	
Revenue	\$1,872	6.8%	\$1,971	5.3%	\$2,048	3.9%	\$2,200	7.4%
Costs	\$1,649	7.7%	\$1,725	4.6%	\$1,789	3.7%	\$1,915	7.1%
Margins	11.9%		12.4%		12.7%		12.9%	
Operating EPS	\$222.94	0.6%	\$245.17	10.0%	\$259.57	5.9%	\$277.75	7.0%
S&P500	4,770		5,882		6,502		6,502	
P/E Ratio	21.4x		24.0x		25.0x		23.4x	

Choose Your Own Adventure

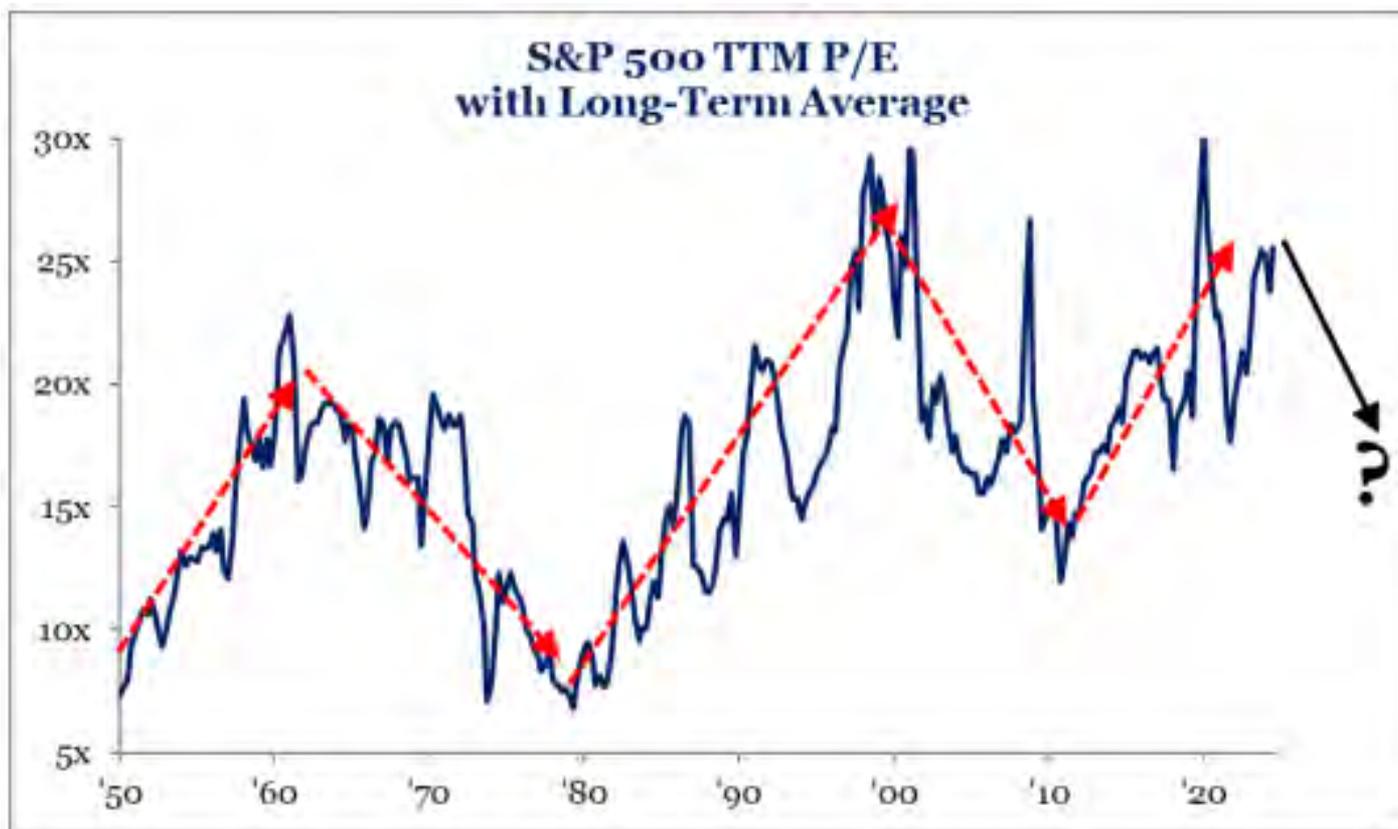
Implied S&P 500 Fair Value Worksheet: Average S&P TTM P/E by CPI Y/Y Tranche (1950-2024)								
CPI Tranche	-2-0%	0-2%	2-4%	6,500	4-6%	6-8%	8-10%	
Avg P/E by CPI Tranche	16.8x	18.6x	17.4x		15.1x	12.0x	11.6x	
Estimates	Fair Value							
Average EPS Decline in Recession: -30.2	\$175.72	2,952	3,268	3,058	37.0x	2,653	2,109	2,038
Median EPS Decline in Recession: -24.6%	\$189.82	3,189	3,531	3,303	34.2x	2,866	2,278	2,202
TTM (1Q'25)*	\$251.75	4,229	4,683	4,380	25.8x	3,801	3,021	2,920
Strategas CY'25	\$255.25	4,288	4,748	4,441	25.5x	3,854	3,063	2,961
Consensus CY'25	\$267.19	4,489	4,970	4,649	24.3x	4,035	3,206	3,099
Strategas CY'26	\$277.75	4,666	5,166	4,833	23.4x	4,194	3,333	3,222
Consensus CY'26	\$302.91	5,089	5,634	5,271	21.5x	4,574	3,635	3,514

* Recession-related peak-to-trough earnings decline estimates assumes cycle earnings peak in 1Q'25 at ~\$252, i.e. the sum of 2Q'24-1Q'25 actual operating EPS

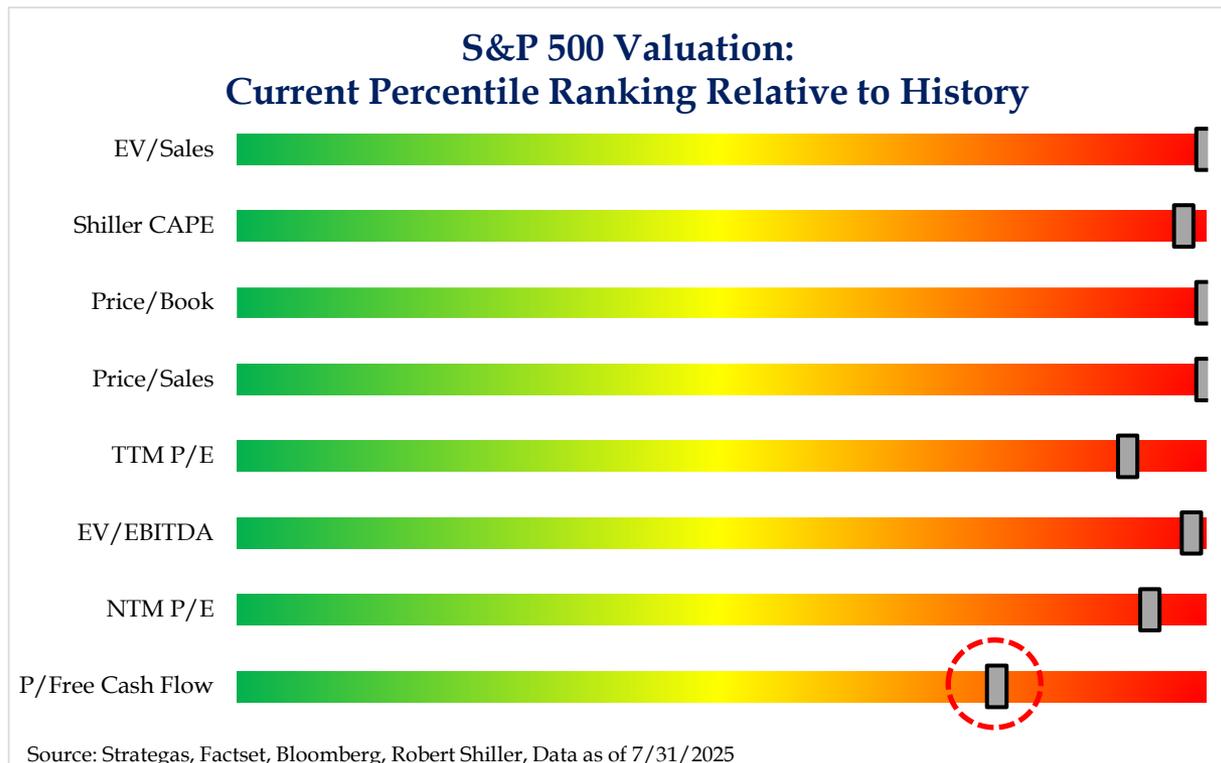
Valuations Pushing on Upper Bound?



Tough to Make Multiple Expansion Your Base Case



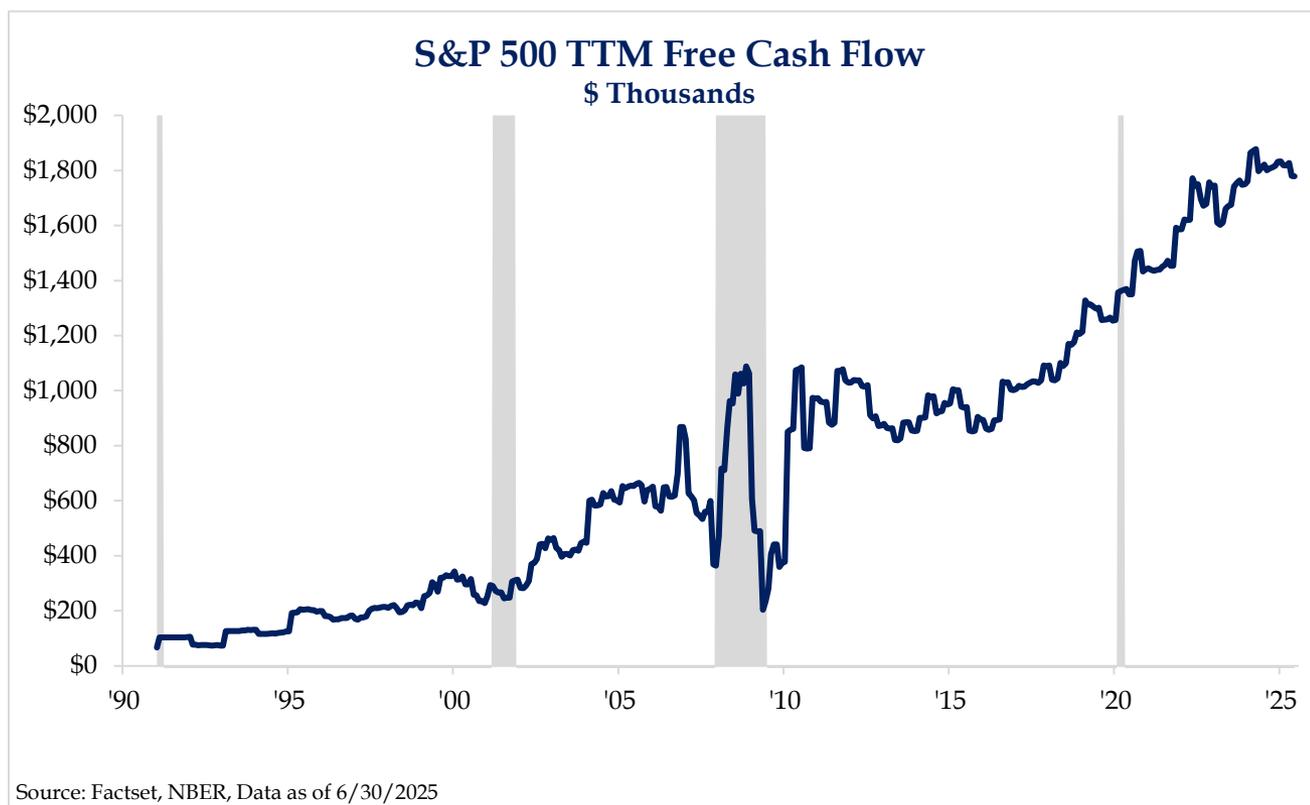
Does Valuation Matter?



Where is the Thematic Momentum?

- 1. Cash Flow Aristocrats**
- 2. Artificial Intelligence**
- 3. Industrial Power Renaissance**
- 4. De-Globalization**
- 5. 2026 Consumption Wave**

Thematic Opportunity #1: Cash Flow Aristocrats

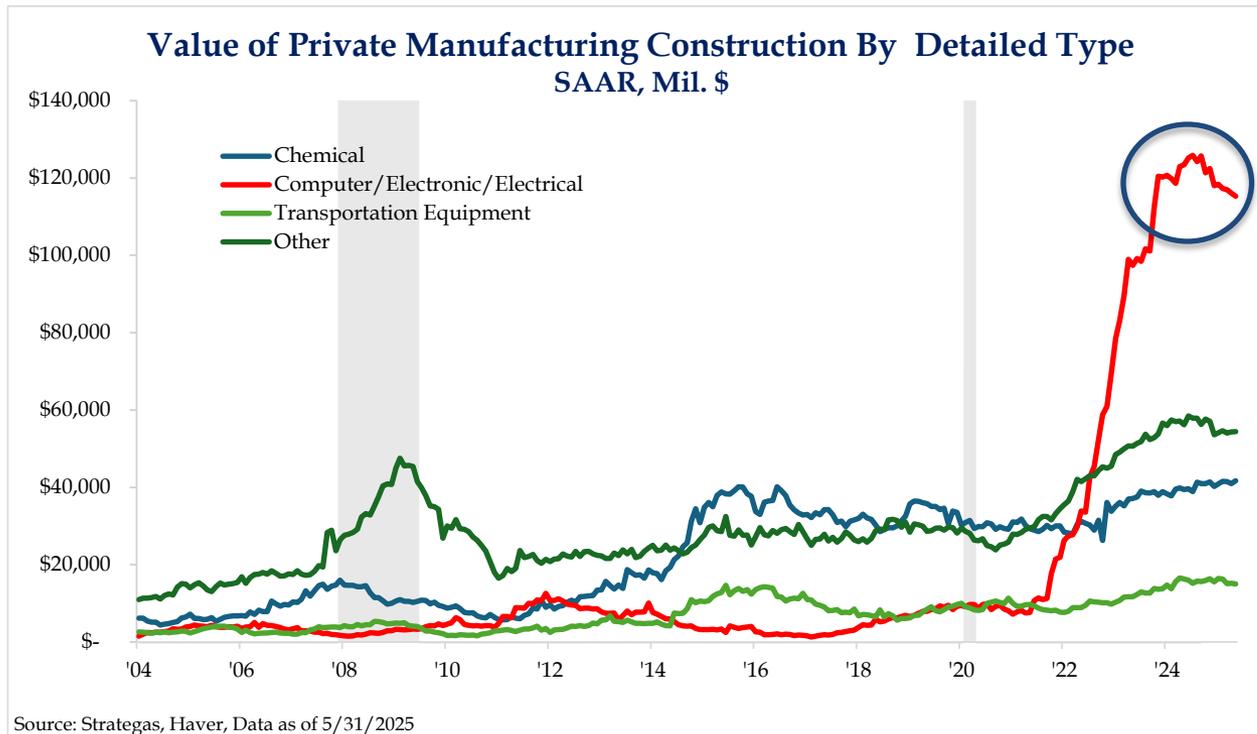


Return *ON* Capital:
Acquisitions
Capex
 Pay **Labor** More or Hire
 More Labor

Return *OF* Capital:
 Share **Buybacks**
 Retire **Debt**
 Pay a **Dividend**

Retained Earnings

Thematic Opportunity #2: Artificial Intelligence



Tracking the **Technology Revolution...**

1995 – 2001: **Connectivity & Commerce**

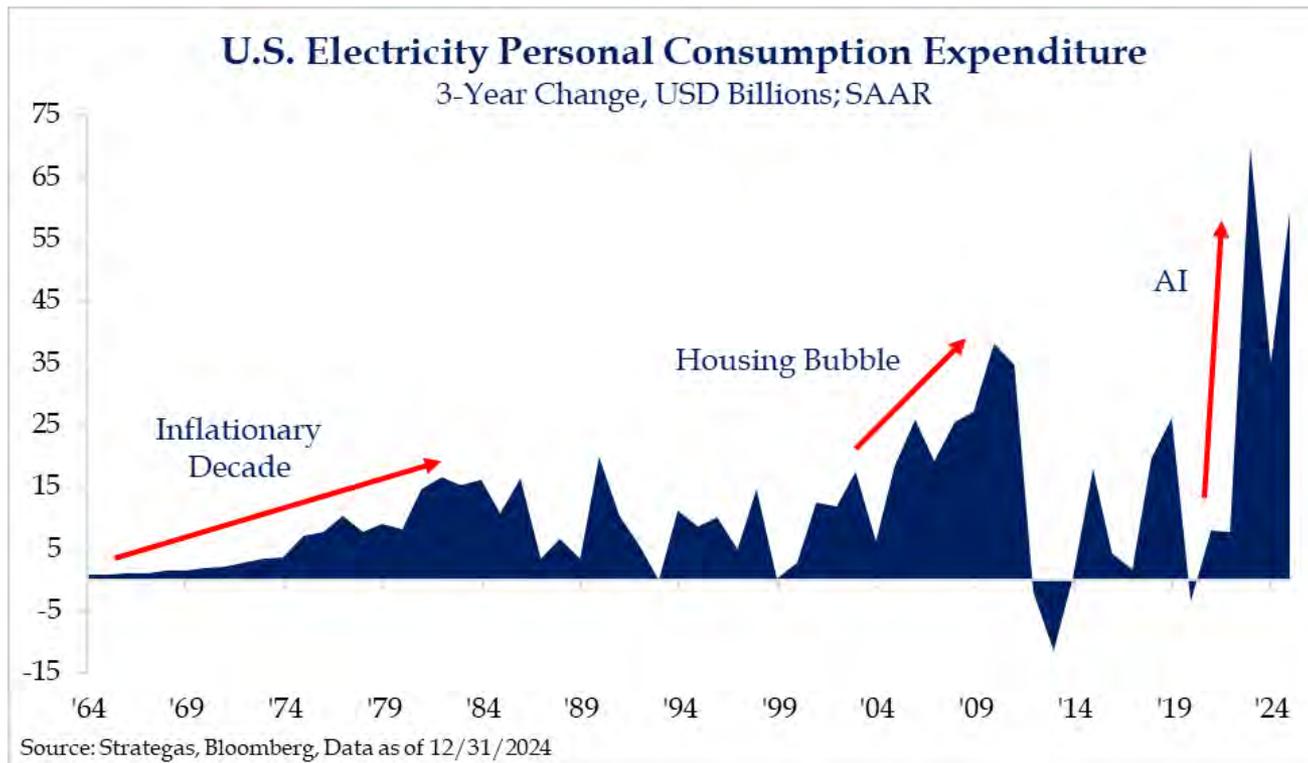
2006 – 2017: **Mobile**

2013 – 2024: **Content Wars**

2022 – 2025: **LLMs and Compute Capacity Capex...**

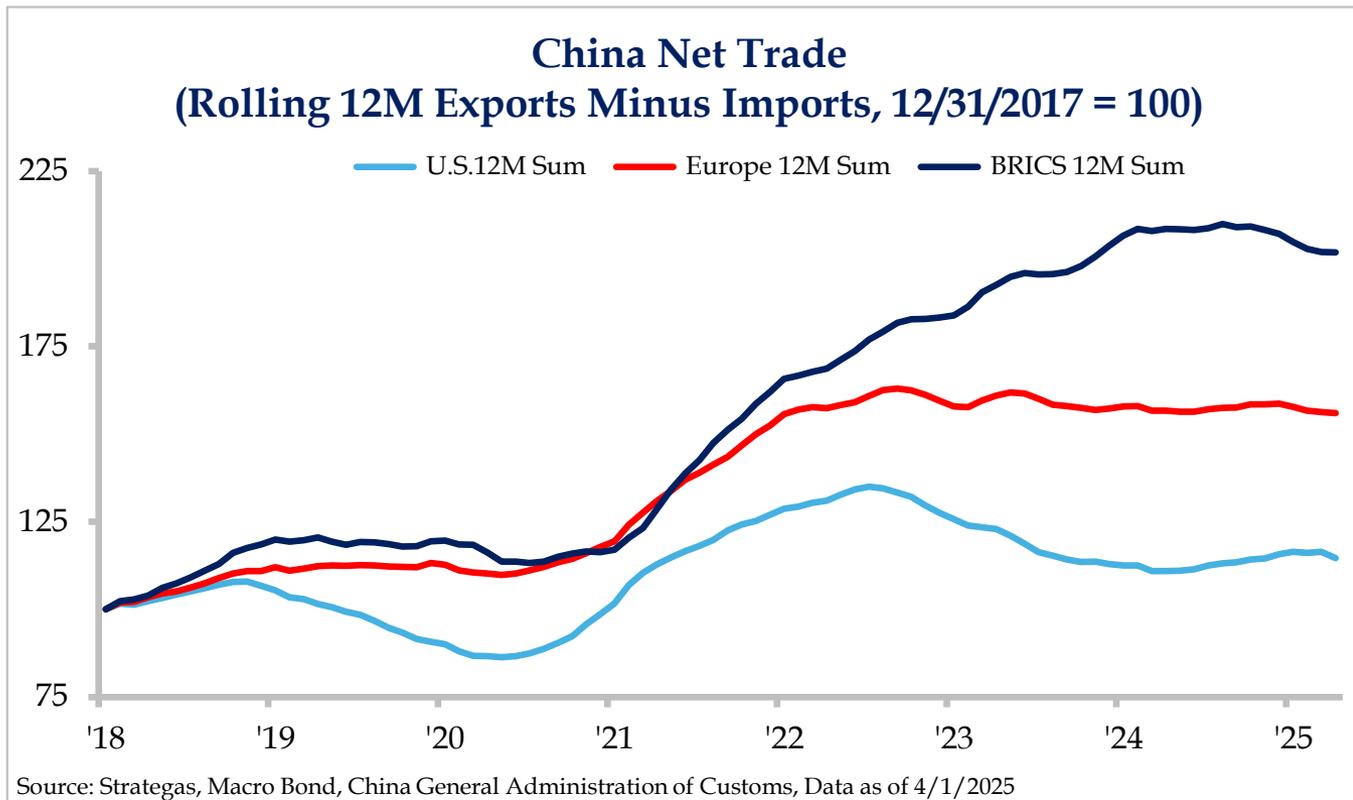
2026... **Agentic Productivity**

Thematic Opportunity #3: Industrial Power Renaissance



- Electricity Generation
- Transportation
- Maintaining Temperature
- Manufacturing Goods
- Excavating Raw Materials
- Fertilizers, Plant & Harvest
- Purifying & Pumping Water

Thematic Opportunity #4: De-Globalization



Trade Relations & Supply Chains

Natural Resource Procurement & Energy Security

Defense Alliances & Re-Arming

Technology Alignment & IP Sharing

Populism & Labor Becomes a “Price Maker”

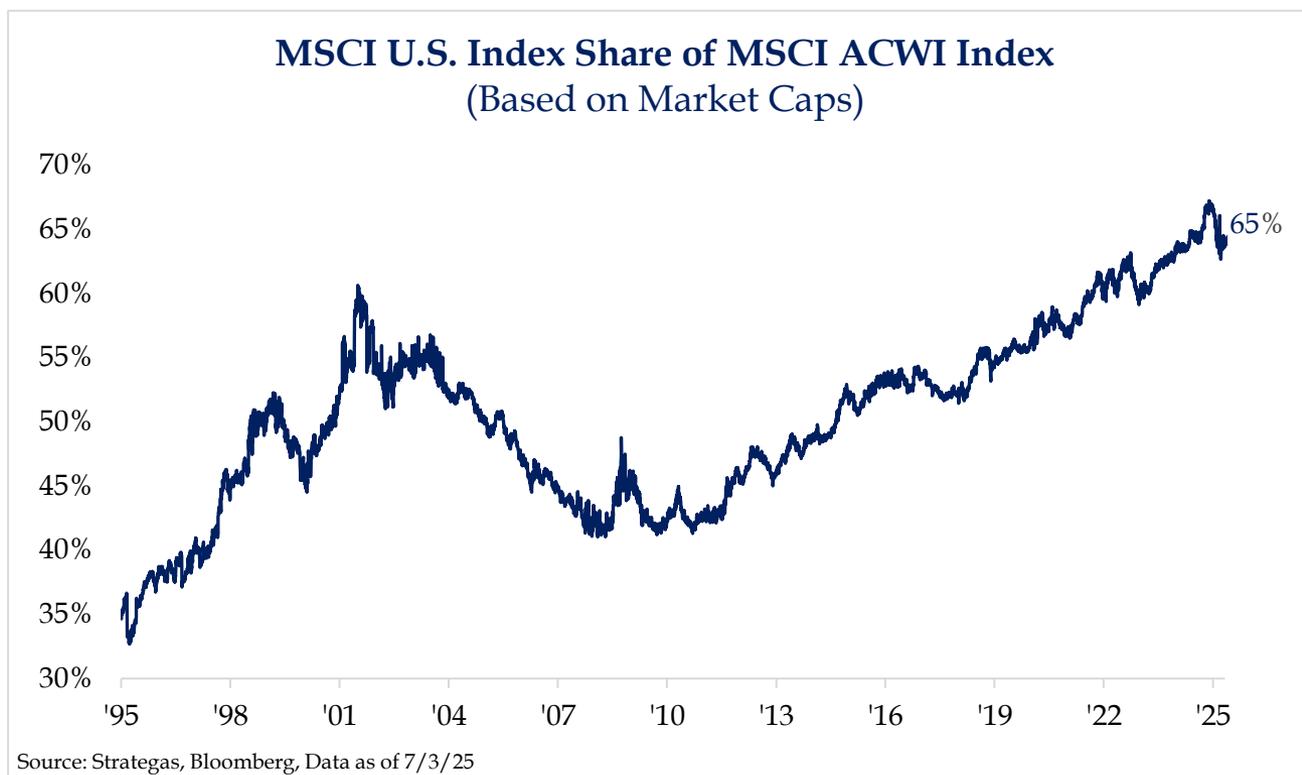
Thematic Opportunity #5: 2026 Consumption Wave



Strategas Recommended Global Asset Allocation (Aug'25)										
Equities			Bonds			Cash & Equivalents			Alternatives	
Strategas		60%			32%			3%		5%
B'mark	MSCI ACWI	60%	Barclays Agg	38%		Cash	2%		N/A	0%
		M/M CHG			M/M CHG			M/M CHG		M/M CHG
	Domestic	36%	Core Credit	31%		Cash	3%		Commodities	3%
	International	24%	Extended Credit*	1%					Gold	3%
		60%		32%			3%			5%
Overweight	US LC Value	12%	IG Corporates	9%	-300 bps	Cash	3%		Gold	3%
	EM AC Core	8%	US MBS	10%					Commodities	3%
	US MC Value	2%	US Dollar EMD*	1%						
	US SC Core	1%								
Neutral	Dev AC Core	16%								
	US MC Growth	1%								
Underweight	US LC Growth	14%	U.S. Treasuries	13%	+300 bps					
	US LC Core	6%	ABS/CMBS	0%						
	US MC Core	0%	Agencies	0%						
		60%		32%			3%			5%

Published 8/19/25 Strategas Asset Allocation Report

U.S. Share of MSCI ACWI Approaching 70%

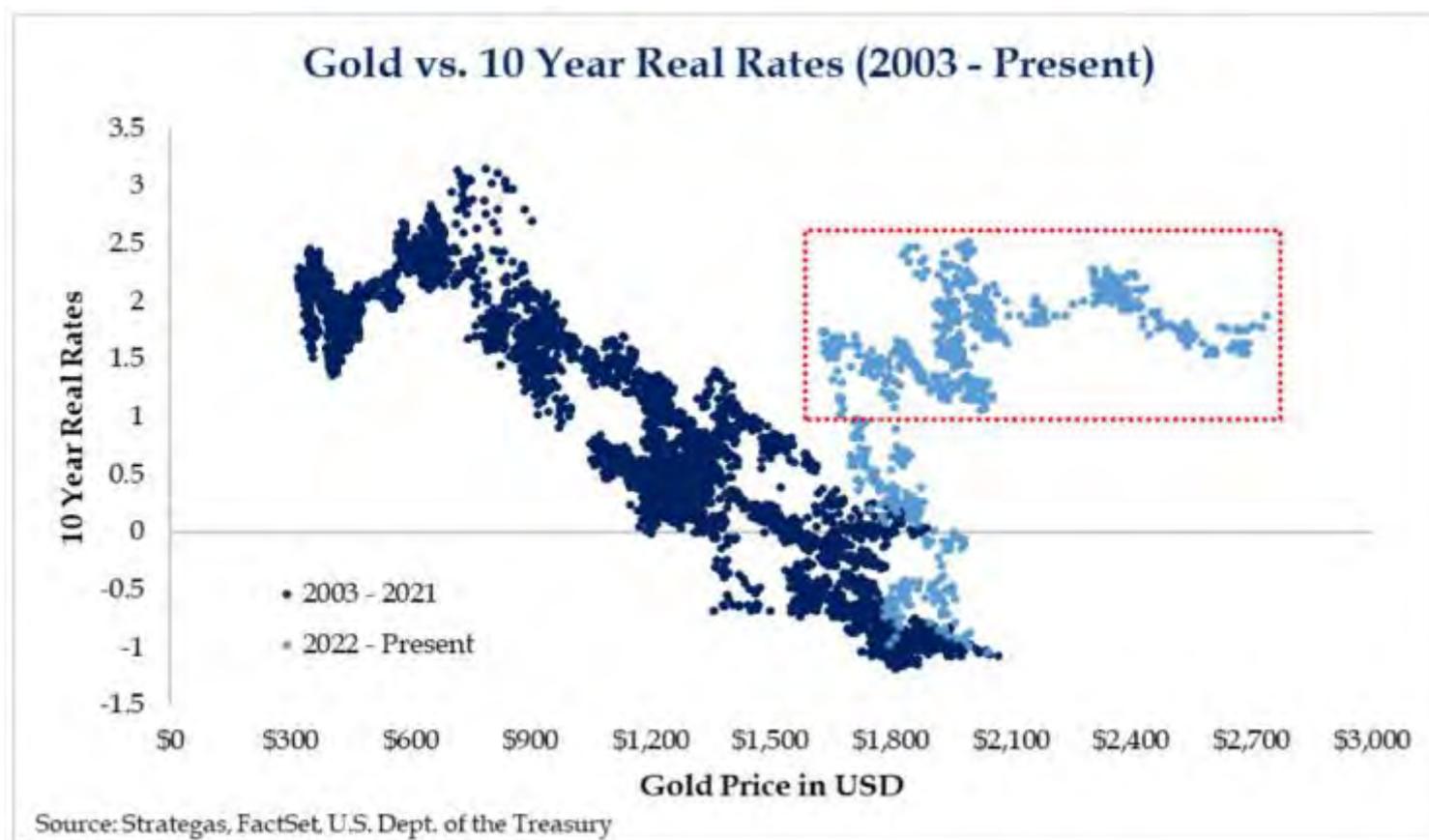


Reserve Currency No Divine Right

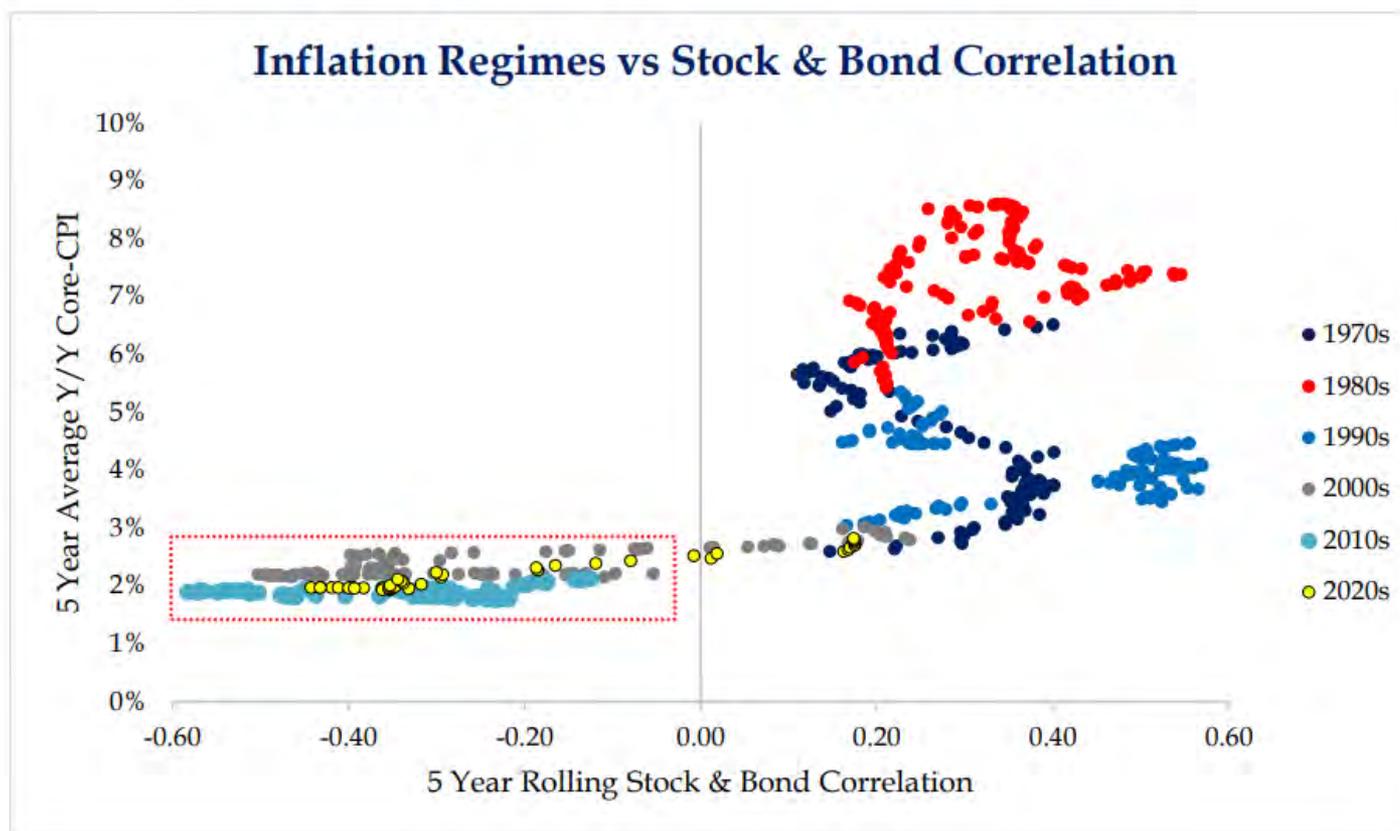
Exorbitant Privilege: Graveyard of Empires

- Rome 1st Century BC – 4th Century AD
- Byzantine Empire 5th Century
- Arabian Dinar 7th – 10th Centuries
- Florence 13th - 15th Centuries
- Portugal 1450 – 1530
- Iberian Union 1530 – 1640
- Netherlands 1640 – 1720
- France 1720 – 1815
- U.K. 1815 – 1920
- U.S. 1920 -

Gold Defying Gravity... and Real Rates



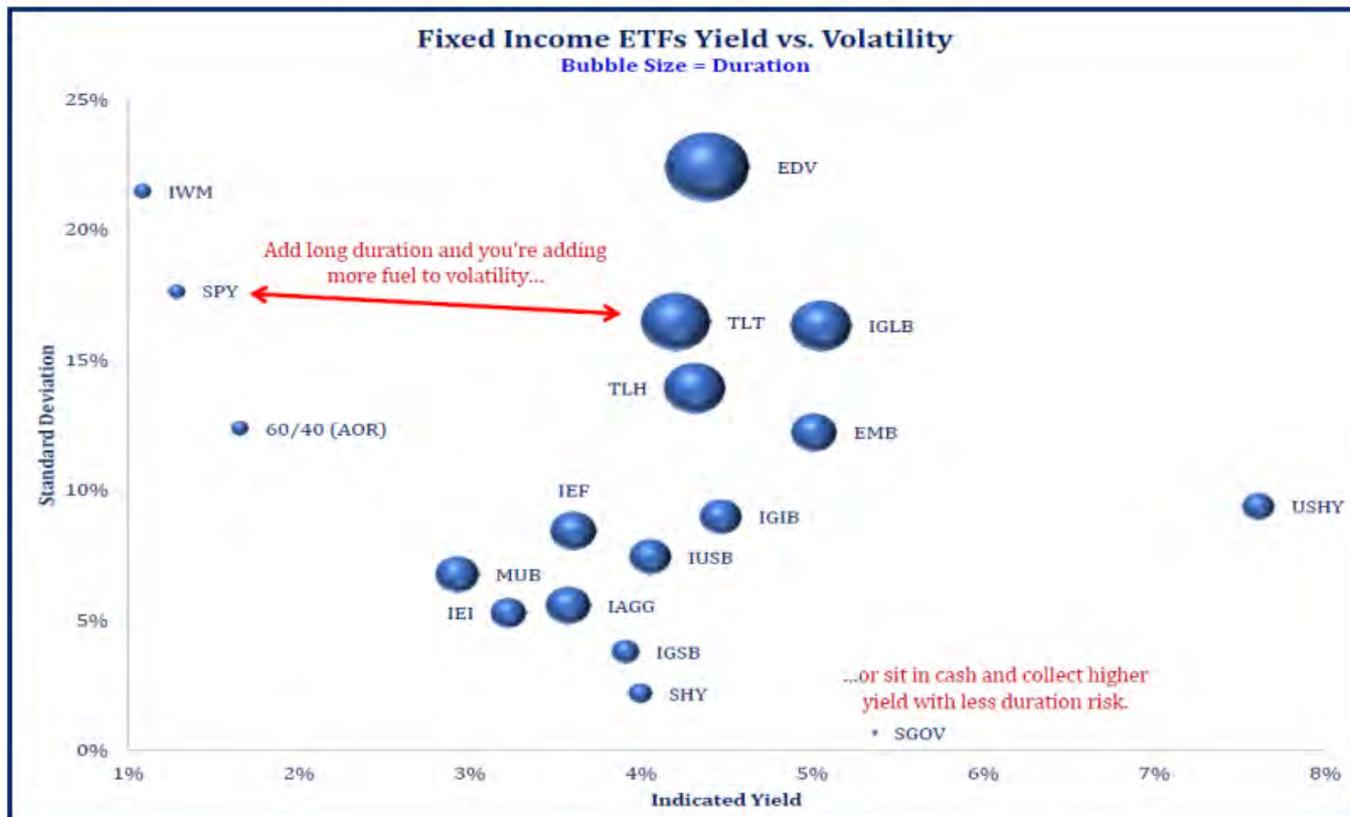
Tough to Simply Hedge Stocks with Bonds #1



Tough to Simply Hedge Stocks with Bonds #2



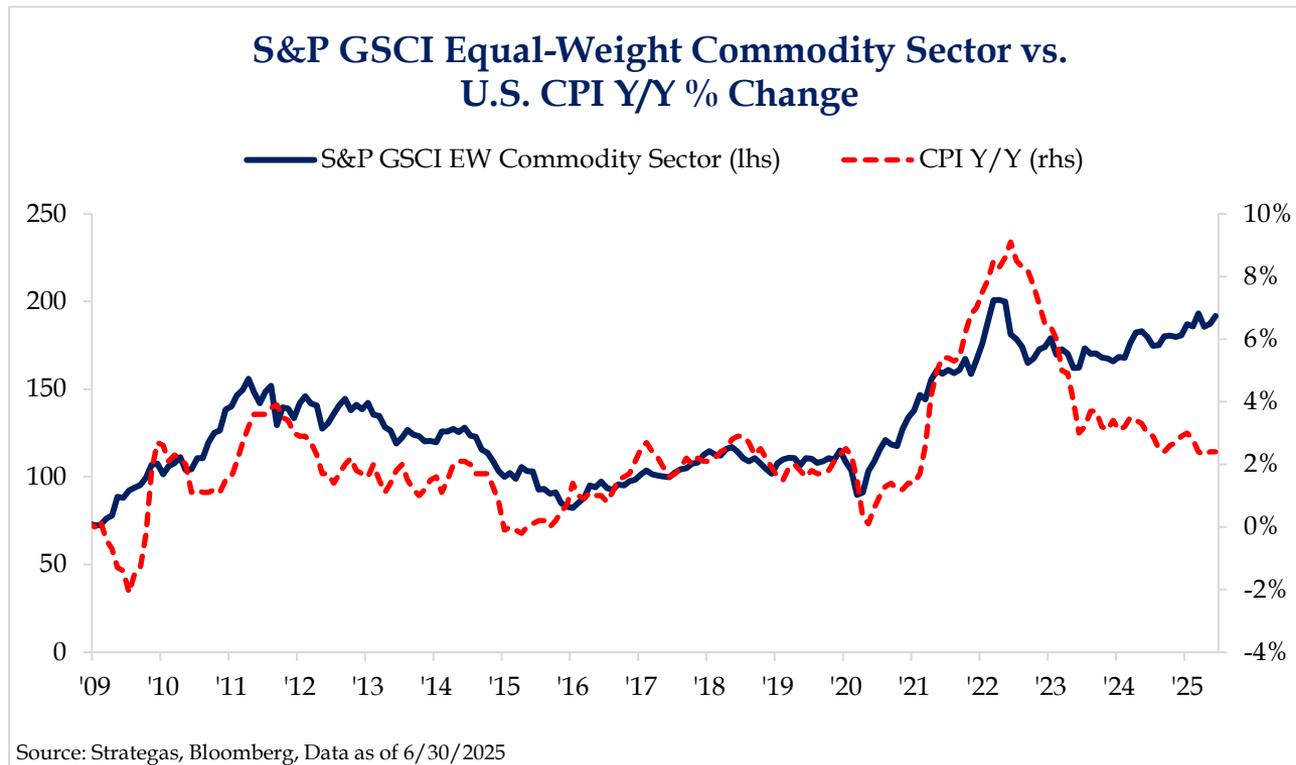
Tough to Simply Hedge Stocks with Bonds #3



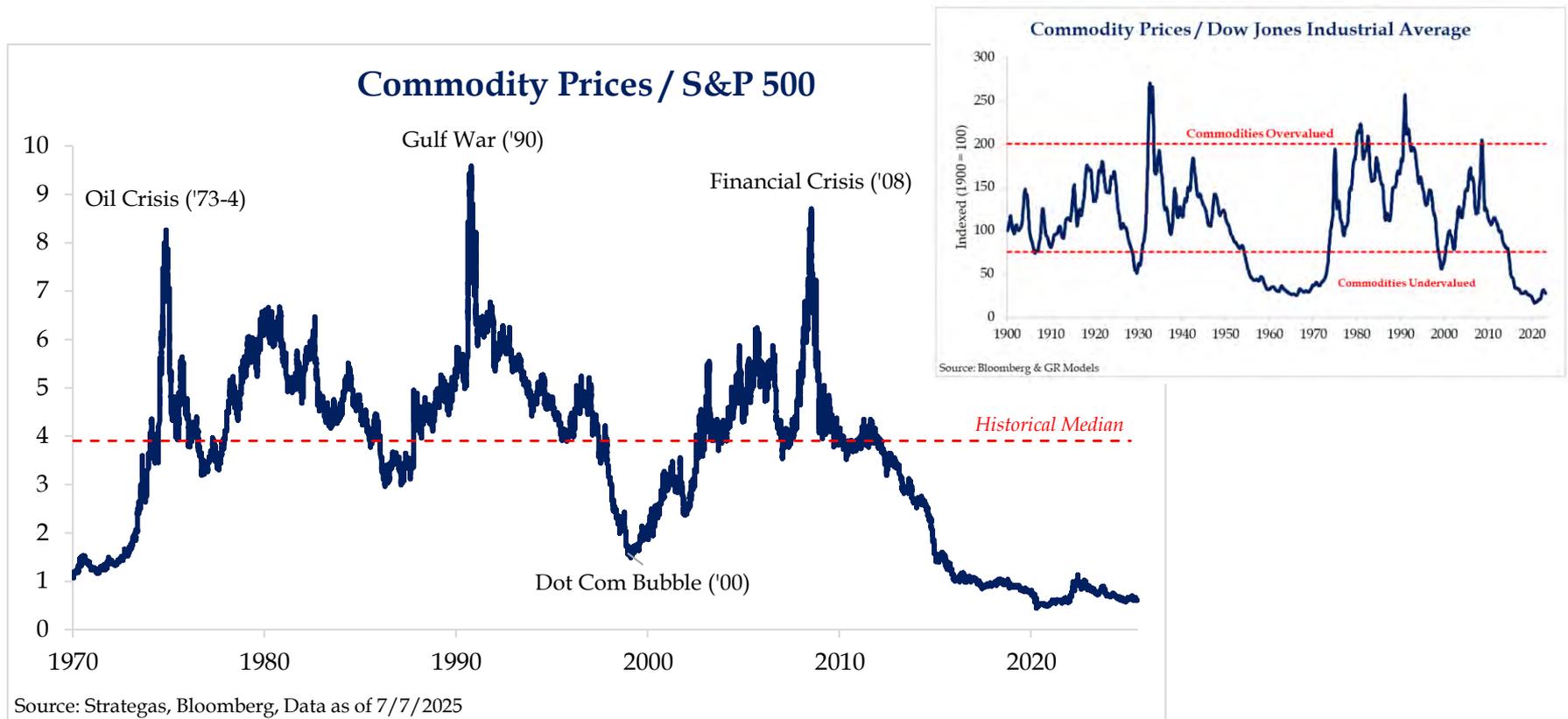
Alternatives' Share of Portfolios Poised to Grow

Asset Class & Portfolio Returns (From 1975)					
	Stocks	Bonds*	Commodities	60/40	50/40/10
Avg 12M Pct Chg	8.6%	6.8%	2.9%	7.5%	7.4%
12M High	62.4%	35.2%	52.3%	45.0%	43.1%
12M Low	-48.4%	-15.7%	-32.2%	-28.5%	-26.2%
Std Deviation	16.6%	7.2%	12.7%	10.9%	10.3%

Commodities Anticipating Re-Acceleration of Inflation



Commodities Appear Undervalued Relative Equities



Is a New Commodity “Super Cycle” Underway?



APPENDIX – IMPORTANT DISCLOSURES

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Disclosures

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An investment in the Fund involves risk, including possible loss of principal.

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In October 2023, Strategas was recognized in Institutional Investor's ("II") annual All-American Research Team survey and remains, for the seventh consecutive year, the top macro-only research firm of the firms ranked by II. Individual Strategas analysts and teams also earned high marks in their respective categories. Institutional Investor compiled their rankings using data through May 30, 2023, by soliciting the opinions of directors of research and investment professionals at asset management firms, and weighting responses received from 4,218 individuals at 1,667 firms.

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Solving for Staff Shortages & Work Exhaustion in the CPA Profession



SILVERTREE

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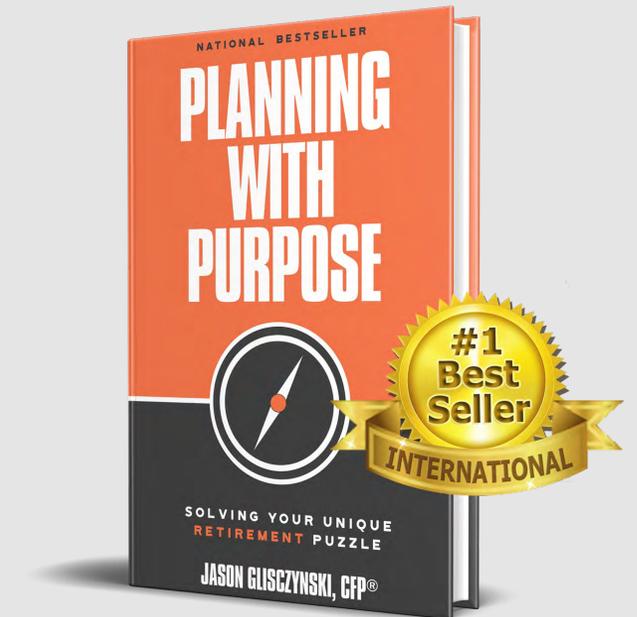


Jason Glisczynski - CFP[®], CPWA[®], CEPA[®]

Managing Partner

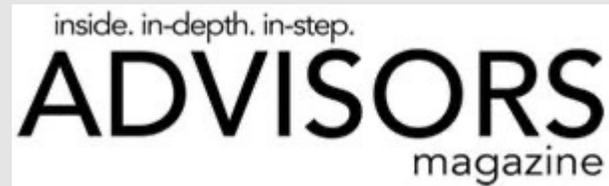
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 - Speaker for WICPA (Wisconsin Institute of Certified Public Accountants)



Jason Glisczynski

In the News



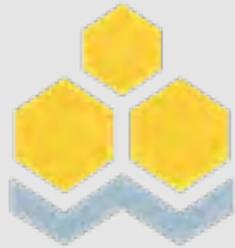
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Jason Glisczynski

Investment Advisor Representative

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Jason Glisczynski

Investment Advisor Representative
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Please allow me to share **my personal story**, why I have the privilege of speaking with you, and why you can **believe what I have to say.**



A quick survey...

What is the one thing you would change about the outcome of your work if you had a magic wand?

More revenue? More Profit? Work fewer hours without sacrificing income?



4 Crucial Areas of Practice Management

- **Project or Value-Based vs. Hourly Billing:** Transitioning to a billing model that benefits both your firm and your clients
- **Segmenting Your Book of Business:** Implementing a strategy for client attention that is fair, but not equal
- **Finding More Revenue from Existing Clients:** Enhancing revenue through Client Accounting and Advisory Services (CAAS) or other advisory services
- **Operational Efficiency:** Streamlining operations for maximum effectiveness and minimum burnout



6 Root Causes of Work Exhaustion

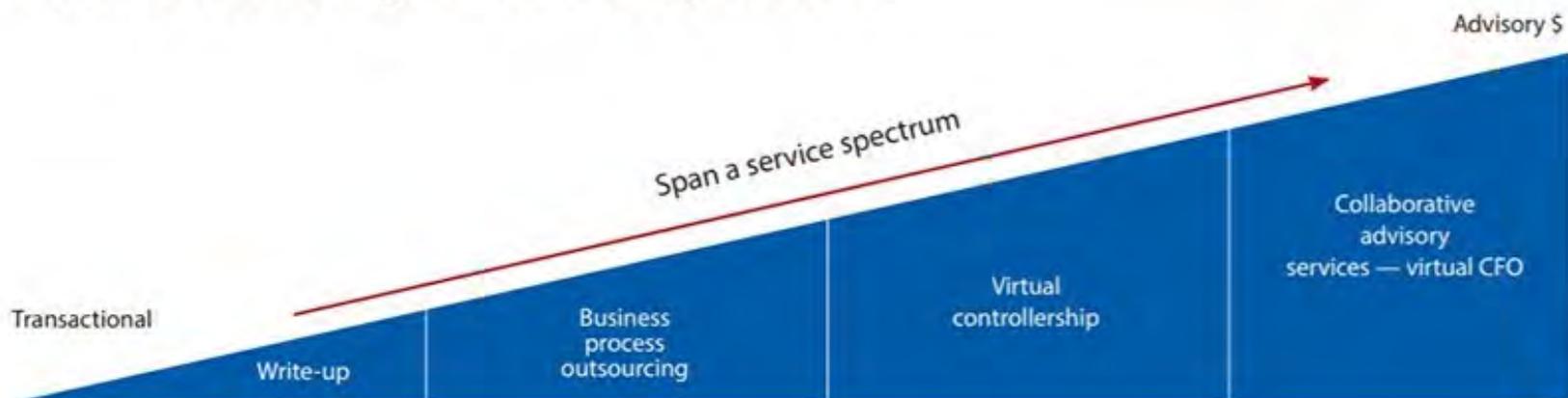
- Too many low revenue clients
- Implementing CAAS or other advisory services is difficult



Expect a slow ramp-up

Firms that start CAS practices generally follow a certain progression, McCurley said. They go through stages she terms "CAS 1.0" through "CAS 3.0" and can expect to spend months to years in each stage before finding themselves ready to take the leap to the next. (See the graphic "Client Accounting and Advisory Services.")

Client accounting and advisory services



Reporting and attestation:

- General ledger/trial balance
- Cash reconciliation
- Financial statements

Business process outsourcing:

- Accounts payable/bill payment
- Accounts receivable/collections
- Cash management and reconciliation

Virtual controllership:

- Financial statements
- Comparative reporting
- Budgeting

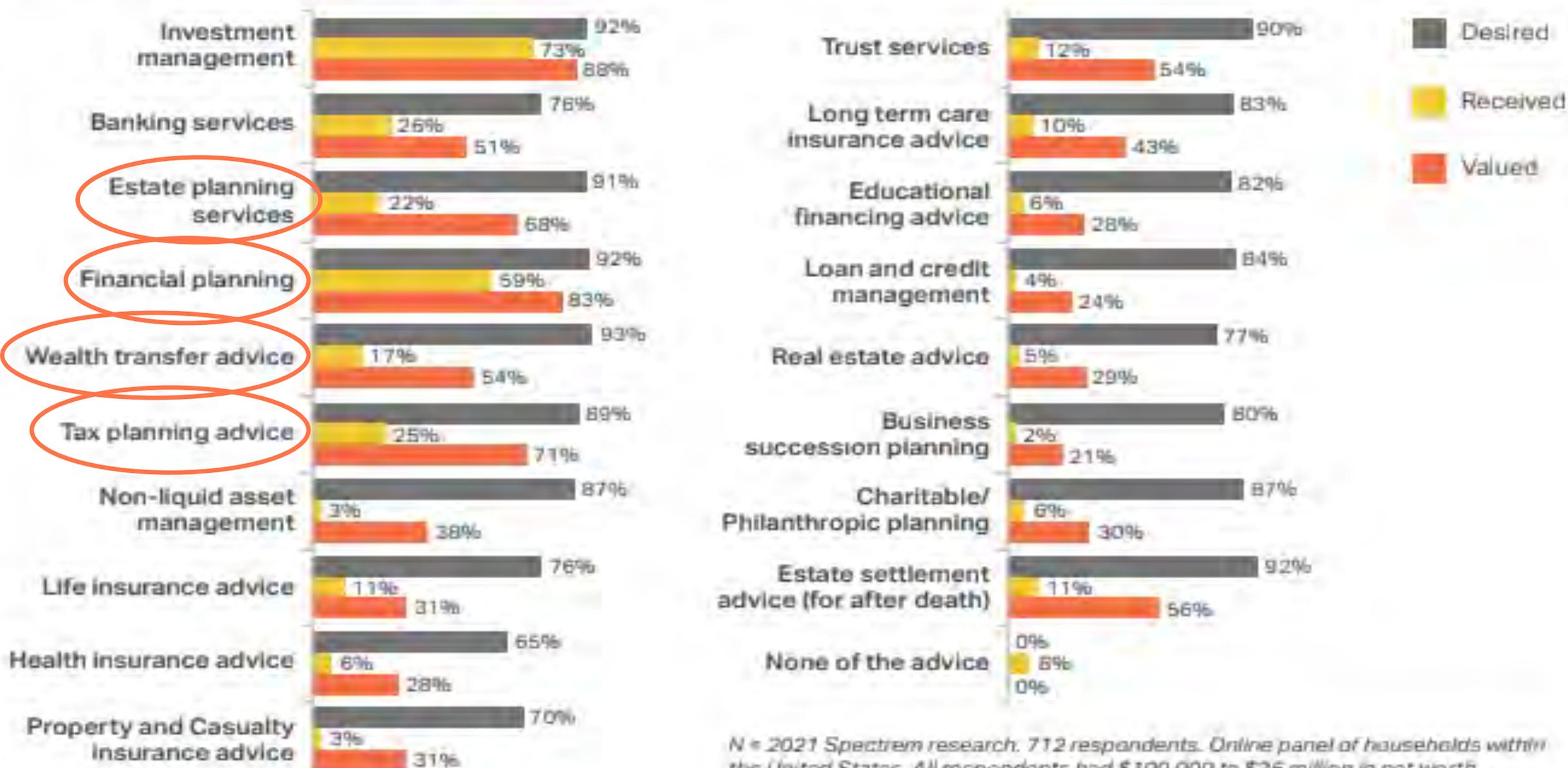
Virtual CFO:

- Financial strategy
- Financial modeling
- Market analysis



Services Included in Wealth Management

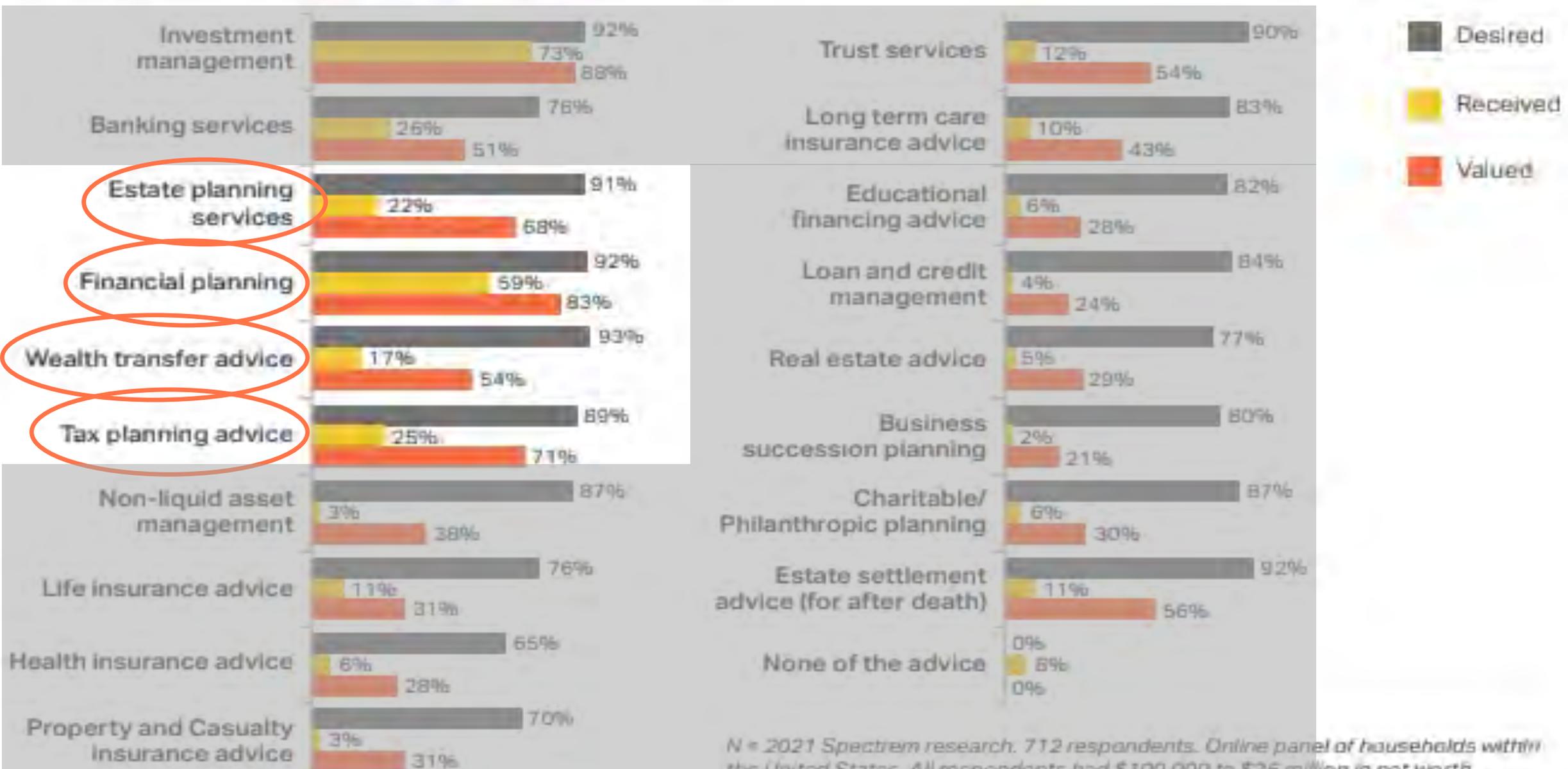
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N = 2021 Spectrem research. 712 respondents. Online panel of households within the United States. All respondents had \$100,000 to \$25 million in net worth.

Services Included in Wealth Management

How would you rank the following in terms of value to you?



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Adding Wealth Management Doesn't Work

EXHIBIT 1

Success Of Accounting Firms Wealth Management Practices



Very Successful	13.7%
Moderately Successful	31.1%
Unsuccessful	55.2%

N = 328 Senior Accounting Firm Partners

EXHIBIT 5

Inability To Effectively Introduce Wealth Management To Their Clients



N = 328 Senior Accounting Firm Partners



Lawyers and Financial Advisors Suck, Right?



6 Root Causes of Work Exhaustion

- Too many low revenue clients
- Implementing CAAS or other advisory services is difficult
- Lack of coordination and collaboration between professionals



1

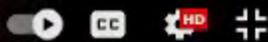




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6 Root Causes of Work Exhaustion

- Too many low revenue clients
- Implementing CAAS or other advisory services is difficult
- Lack of coordination and collaboration between professionals
- Lack of peer reviewed sophisticated strategies



MARKETS

Meet the 18 profitable companies that paid no taxes over 8 years



By Aimee Picchi
March 10, 2017 / 2:04 PM EST / MoneyWatch



The findings come amid pledges by Republican leaders to slash corporate taxes, arguing that American companies are at a competitive disadvantage compared with countries such as China and Mexico, which have top rates of 25 percent and 30 percent, respectively.

Studying an eight-year period addresses how taxes impact corporations during an entire business cycle, rather than shorter periods previously analyzed by ITEP, a liberal-leaning think tank focused on tax policy.

“The effective tax rate for the sample is a little bit higher, but it’s closer to half of the legal tax rate than to 35 percent,” said ITEP senior fellow Matthew Gardner. “It was still pretty astonishing when you put all the buckets together for these 18 companies that the taxes on their profits would add up to zero.”

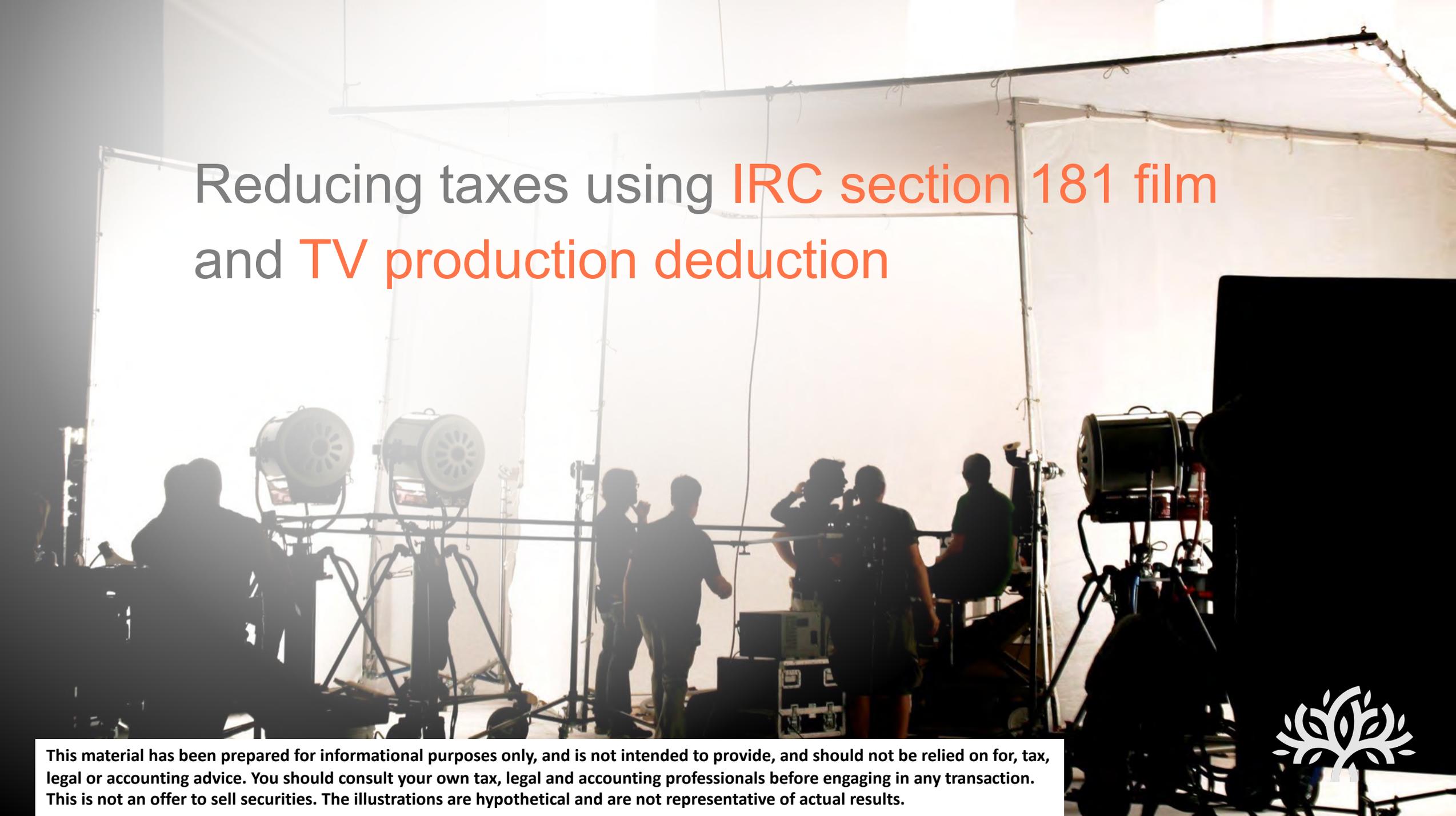


He added, “These companies have a lot of tax avoidance strategies at their disposal.”

Although the strategies may be legal, their usage raises questions of fairness given that large corporations employ tax experts and large tax advisory firms to help them minimize their taxes. That’s not typically accessible to smaller businesses, which means they may be saddled with higher taxes while larger, more profitable firms are in some cases able to completely eliminate their tax burden.

“If you want to put blinders on you can view this as a level playing field, but when it requires such an investment of time, it makes [the strategies] unavailable for smaller businesses,” Gardner said. “It shifts the tax load away from these big corporations and onto smaller business and middle-income families. It’s a real fairness problem.”

Other studies have found that U.S. corporations aren’t paying the 35 percent rate, including a March report from the Congressional Budget Office, which found the average U.S. corporate tax rate stands at 29 percent.



Reducing taxes using IRC section 181 film and TV production deduction

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Leveling the Playing Field on Excessive Taxation

May 21



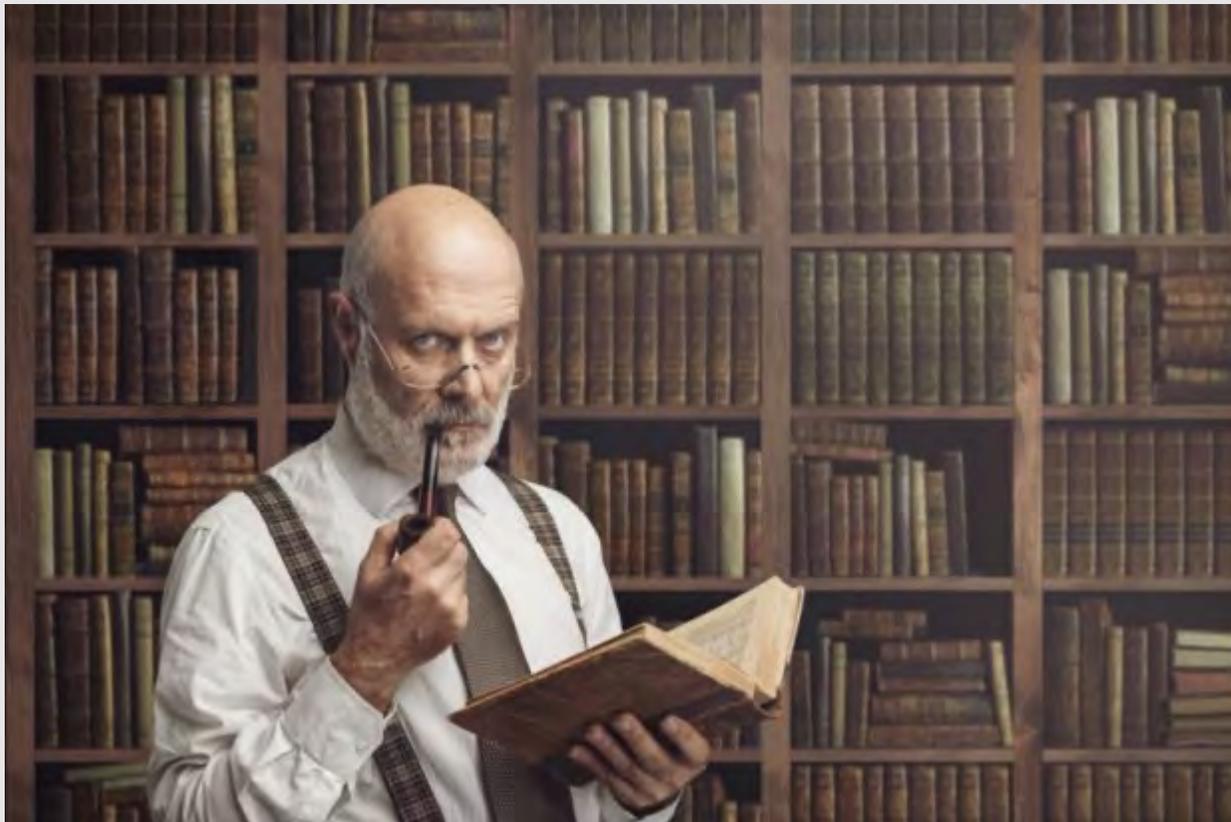
6 Root Causes of Work Exhaustion

- Too many low revenue clients
- Implementing CAAS or other advisory services is difficult
- Lack of coordination and collaboration between professionals
- Lack of peer reviewed sophisticated strategies
- Lack of adequate time to thoroughly vet professional relationships and new technologies, and to regularly stress test them
- **FEAR** of straying from the status quo (your ego, and loyalty to others).



Project or Value-Based vs. Hourly Billing

How do your clients perceive you? How do you position yourself?



Project or Value-Based vs. Hourly Billing

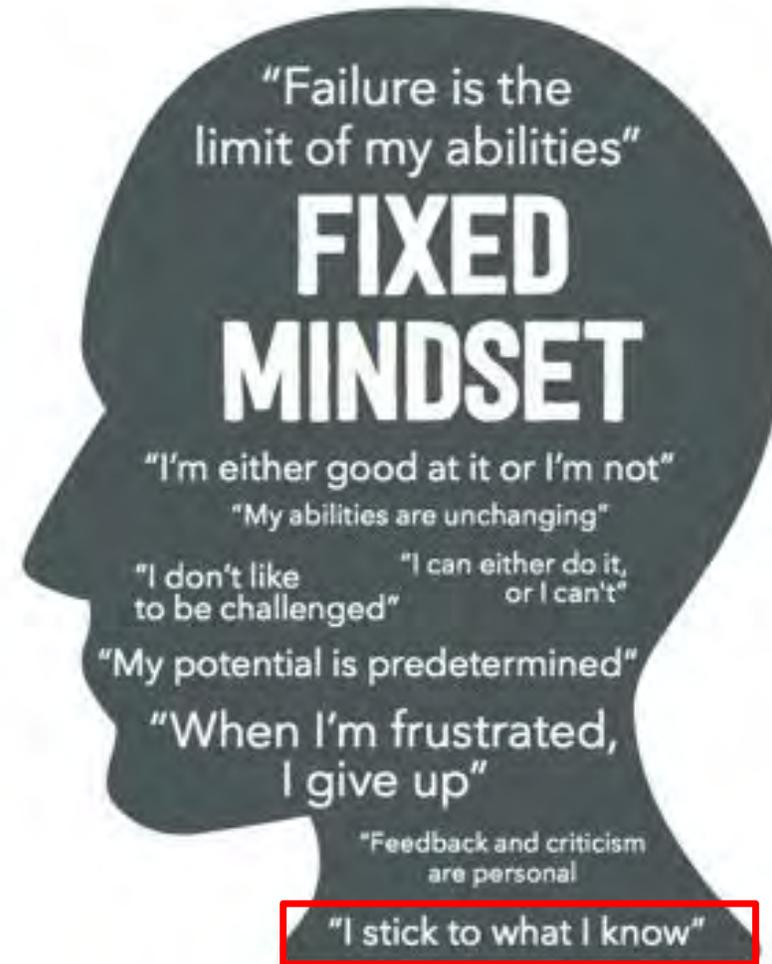
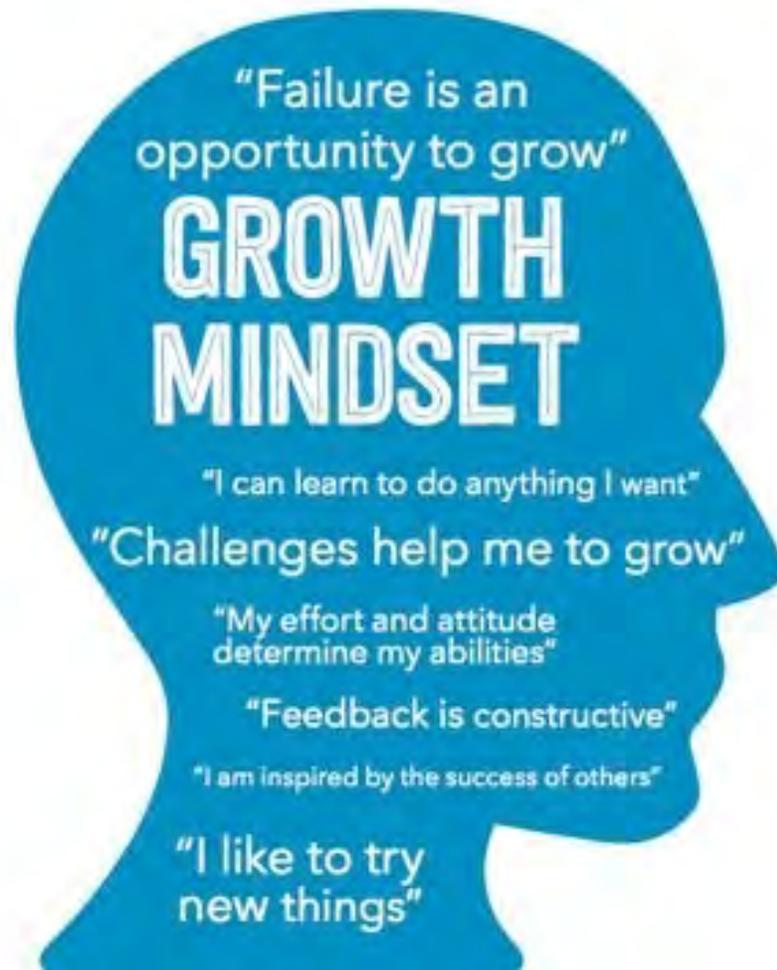
A Change in Mindset



Project or Value-Based vs. Hourly Billing



Project or Value-Based vs. Hourly Billing



Project or Value-Based vs. Hourly Billing

How do your clients perceive you? How do you position yourself?

- Do you clock your hours for a tax return or assurance work, or do you have a flat rate that varies based on complexity?
- What questions do you ask your clients, and when do you ask them?
- What questions do your clients ask you?
- When do you offer clients advice on lowering their tax bill?
- Are clients quick to pick up the phone or send an email with questions, or do they act and then ask you to fix it later?
- Are you suffering from the “Productivity Paradox”?



Project or Value-Based vs. Hourly Billing

- Hourly Billing
 - Fails to reflect the true value of services and advice
 - Services are viewed through the lens of time investment, potentially leading to inefficiencies and a misalignment of incentives
- Project or Value-Based Billing
 - Aligns client's cost with perceived or achieved value
 - Shifts the focus to the outcome and the impact of your services, encouraging efficiency, innovation, and a deeper understanding of client needs



Tax Prep vs. Tax Planning vs. Tax Strategy

- Tax Prep = Making sure you are compliant and filling out your tax forms correctly
- Tax Planning = Determining how to pay taxes that are due or reduce **future taxes**
- Tax Strategy = reducing, deferring, or eliminating **current and future taxes**



Real Life Case Study

Collaboration at its Finest: A Real Client's Experience

I had the pleasure of meeting Mark who was introduced to me by another client in late 2023. By utilizing a VFO (Virtual Family Office) framework his 2023 tax liability was reduced from \$215,338 to \$26,802 with more tax savings to come. By working in tandem with our top-tier CPAs, lawyers, and commercial bankers Mark was able to harness the power of the strategies used by the super-rich and apply it to his personal situation.



Newsletter

The Internal 5 for Manufacturers

In the heart of the manufacturing sector, businesses face a complex landscape of internal challenges that can hinder growth and operational efficiency. Based on empirical research and firsthand experience in the field, I've identified five core internal challenges that nearly all manufacturers wrestle with. Let's explore these hurdles and discover a solution that mirrors the super-rich yet is accessible and tailored for small to mid-sized manufacturers (under 1,000 employees).

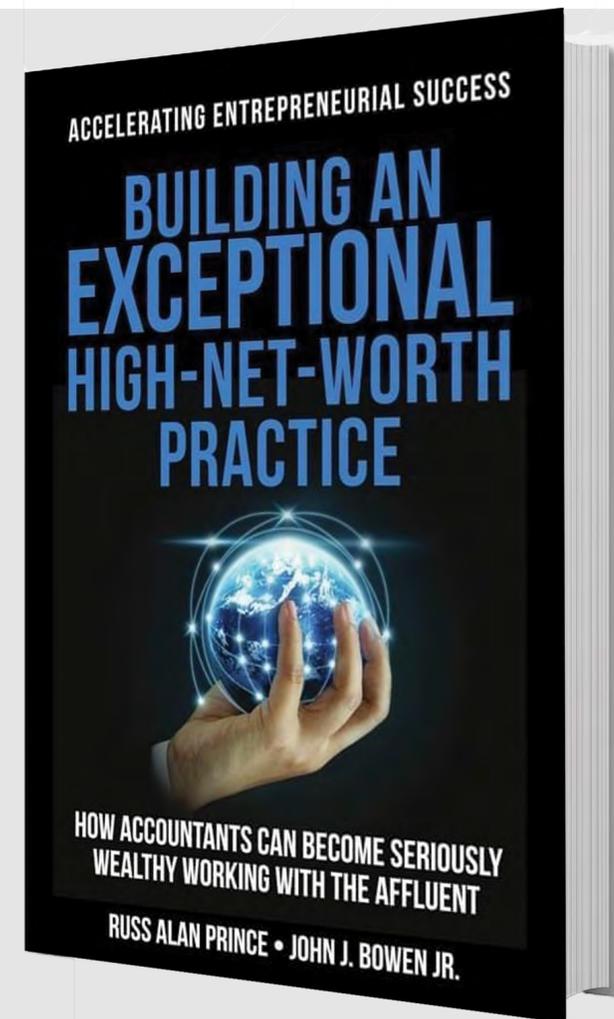
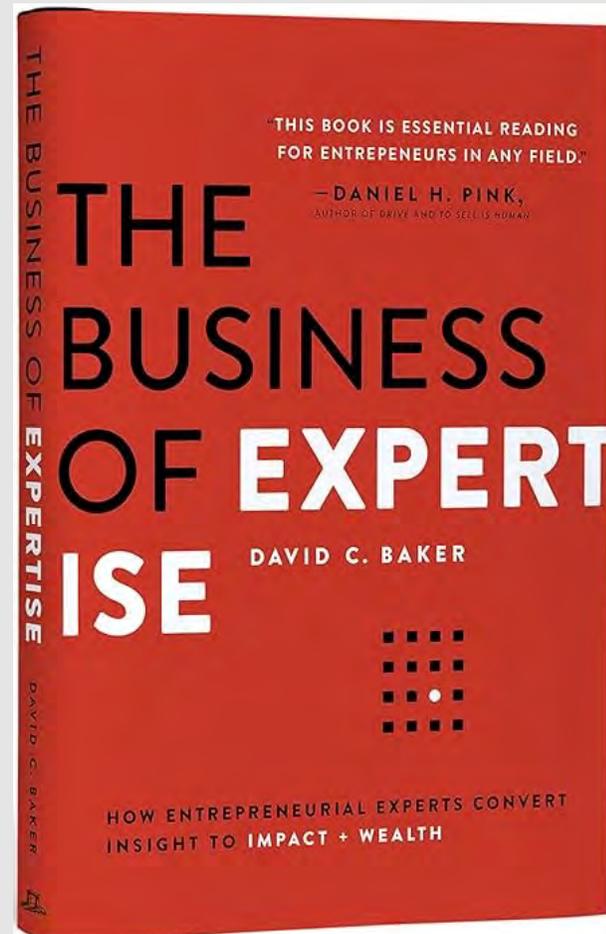
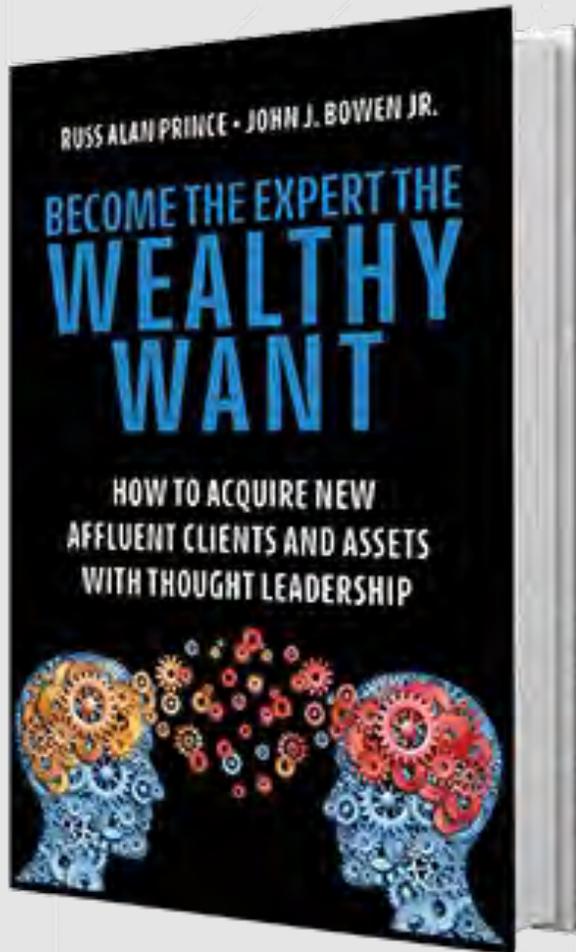


Real Life Case Study

- Client had \$215k federal taxes due at year end
- Client's CPA with 30 years experience advises client to "pay the tax"
- Client's CPA was shown an advanced tax mitigation strategy to reduce the tax liability to about \$26k (\$189k reduction)
- Client's CPA dismisses the idea, claiming 30 years of experience and no knowledge of the strategy equates to the strategy being bad.
- Client's fires CPA, hires new CPA
- Client successfully reduces his federal tax liability



Project or Value-Based vs. Hourly Billing



Project or Value-Based vs. Hourly Billing

- Project or Value-Based Billing
 - Increases client trust and satisfaction
 - Deepens client relationship which increases retention



Project or Value-Based vs. Hourly Billing

- 500 clients paying \$500 per year = \$250,000

About 10 client meetings per week to see everyone once per year!

- 100 clients paying \$2,500 per year = \$250,000

About 8 client meetings per week to see everyone once per quarter!

Which one do you think is easier, more fun, and more rewarding?

The hourly billing model does not permit you to scale your income. The only way to increase your revenue is to increase your number of hours at the office or increase your hourly rate.

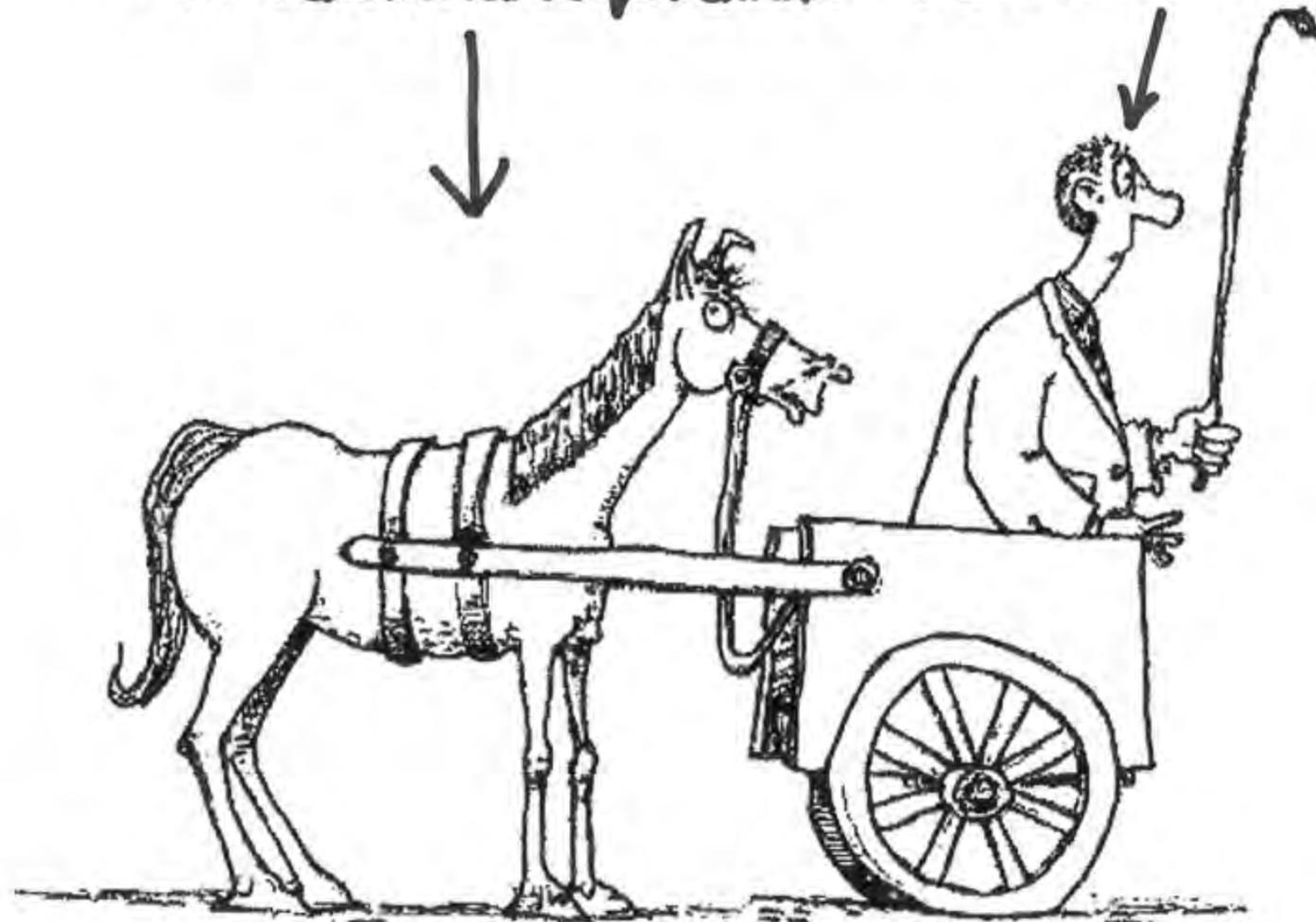


Project or Value-Based vs. Hourly Billing

- Exercise:
 - Take your desired revenue, divide that by the number of clients you want to serve, and that is your target annual charge per client you want to hit.
 - Next, determine if you can deliver that much value to those clients, and see if you have enough of that type of client already in your book of business.



Non-Functional Requirements Functional Requirements

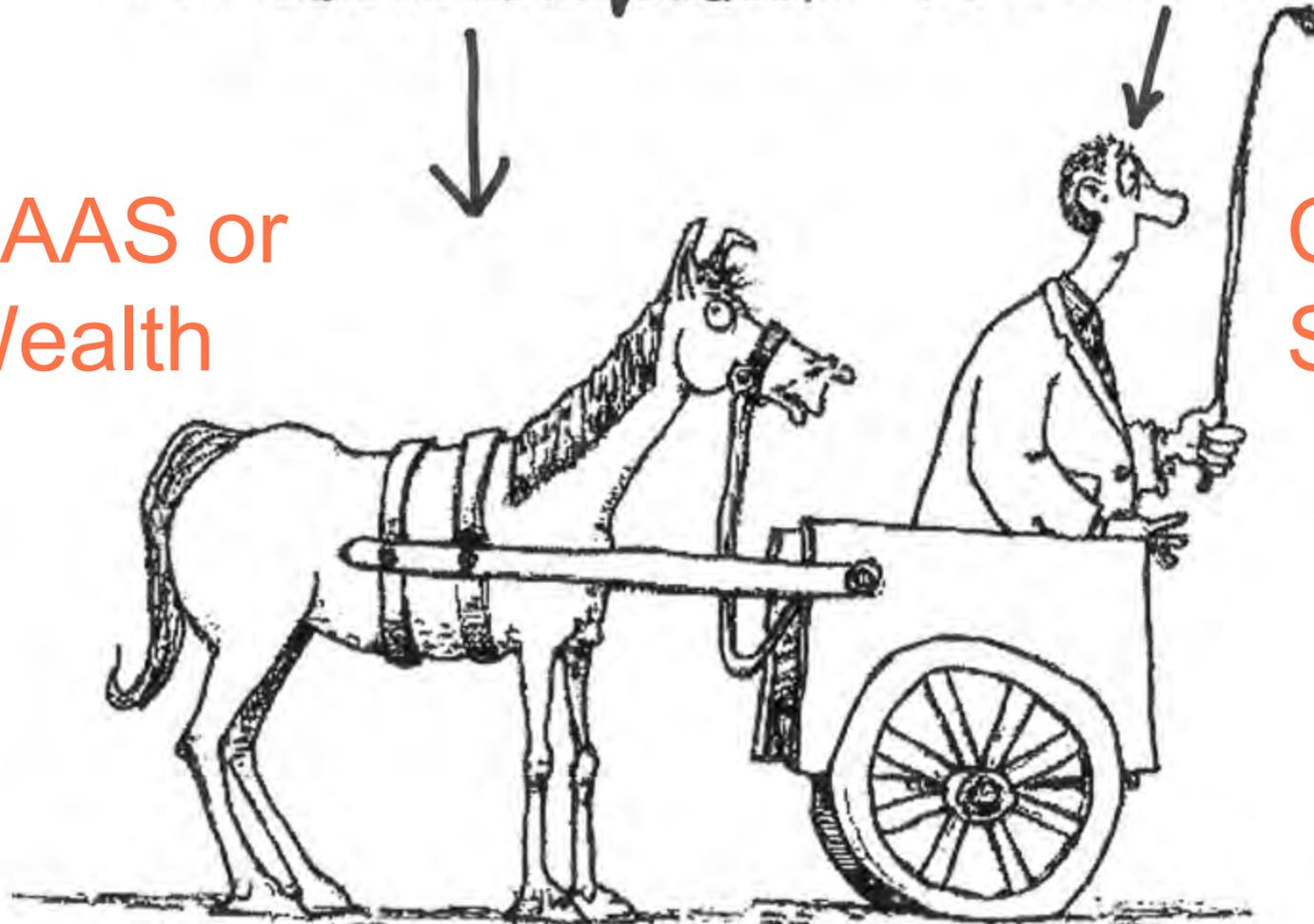


Don't put what you want to do before how you need to do it

Non-Functional Requirements Functional Requirements

CAAS or
Wealth

Client
Segmentation



Don't put what you want to do before how you need to do it

Segmenting Your Book of Business

- You must implement a strategy for client attention that is fair, but not equal.
- You must accept the fact that some clients will choose not to stay, and some you may have to release, and that is OK.
- You must believe that by serving fewer clients that are significantly more profitable will lead to better outcomes for everyone, including those that you will no longer serve



Segmenting Your Book of Business

Design Your Client Avatar

- Man, woman, or couple?
- What is their name?
- What is their marital and family status?
- Where do they live?
- Employee, business owner, or retired?
- What do they care about most?
- What do they want you to do for them?



Segmenting Your Book of Business

Define Your Ideal Client Profile

- Client Avatar
- Determine “Total Client Value Factors”
- High Net Worth Personality
- Common problem or pain point you can solve
- Minimum annual revenue target
- Net Worth and/or income level
- Source of client (consider a niche)



Segmenting Your Book of Business

Segment your current clients

- Assess your current situation
- Compare each current client to your ideal client profile
- Assess each client's total client value against your factors



Segmenting Your Book of Business

Total Client Value Assessment			
Total Client Value Factors	Rating Scale	Ideal Client	Each Client
1. Matches your ideal client profile	1 2 3 4 5 6	5 or 6	
2. Profitability	1 2 3	3	
3. Client satisfaction	1 2 3	3	
4. The "no-hassle" factor	1 2 3	3	
5. Current percentage of AUM	1 2 3 4 5	4 or 5	
6. Future AUM potential	1 2 3	3	
7. Introductions to prospective clients past two years	1 2 3 4 5	4 or 5	
8. Future client introduction potential	1 2 3	3	
9. Potential as an influencer	1 2 3	3	
10. High-net-worth personality <i>Consider both compatibility and profitability.</i>	1 2 3	2 or 3	
11. Passion and commitment	1 2 3	2 or 3	
Total Client Value <i>(Minimum score = 11)</i>		35-40	



Segmenting Your Book of Business

Segment your current clients

- Assess your current situation
 - Compare each current client to your ideal client profile
 - Assess each client's total client value
 - Analyze your results
 - Make a decision about each client
- *Calculations are not a substitute for your considered judgement, and you may need to adjust your ideal client profile many times.



Segmenting Your Book of Business

Releasing inappropriate clients

- Identify alternative service provider (in-house or external)
- Introduce and implement proactive planning model (CAAS/Wealth)
- Enroll ideal clients in proactive planning model
- Release clients who do not fit or chose to leave

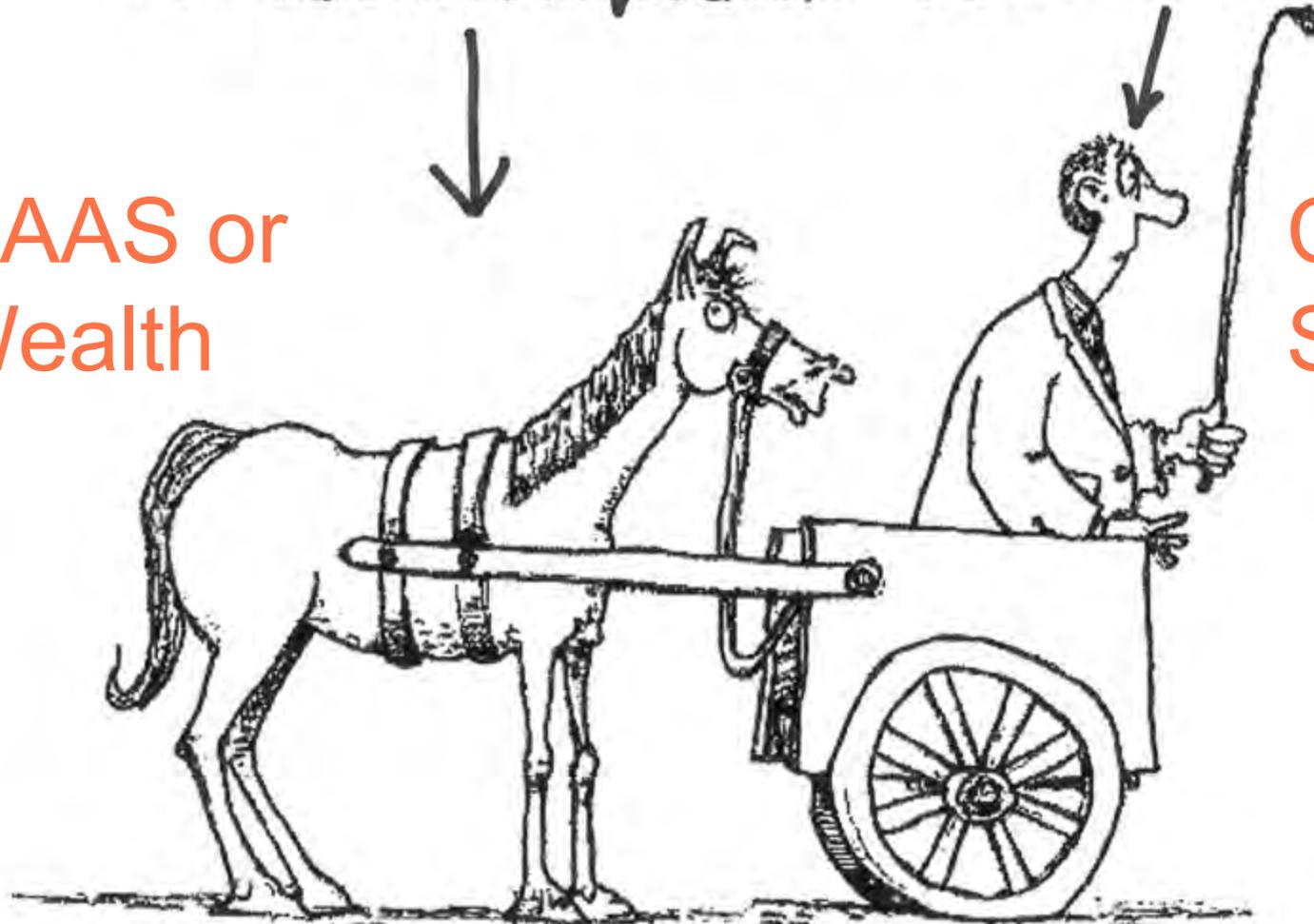
*You may have an opportunity to sell a block of clients to an aggregator, internally, or to another firm. A merger or being acquired may be of interest here.



Non-Functional Requirements Functional Requirements

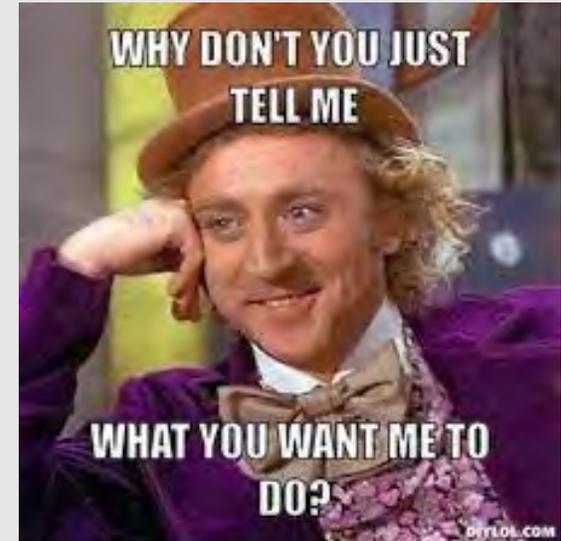
CAAS or
Wealth

Client
Segmentation



Don't put what you want to do before how you need to do it

Finding More Revenue from Existing Clients



Finding More Revenue from Existing Clients

What is the end result your clients want you to deliver?

- Don't get me audited – keep me out of trouble
- Save me time and money by doing the work I don't want to do myself or hire internally
- Reduce my taxes
- Help me make smart decisions about my business/wealth



Finding More Revenue from Existing Clients

Determine Your Offering

- Client Avatar
- Ideal Client Profile
- Problem you want to solve for them
- Fee structure (success based, retainer, hourly, combination?)
- Conduct research on current clients
- Conduct research on your niche (if applicable)
- Be open to outsourcing



Empirical Research

- Mastermind Group of 120 top advisors around the country underwriting millions of dollars per year in research on how high-net-worth and ultra-high-net-worth families handle their finances
- Mastermind Group of over 700 CPAs that perform due diligence and peer review tax strategies. I am one of a handful of non-CPAs allowed in the group.
- Mastermind Group of over 500 top financial advisors and CPAs performing due diligence on advanced business, tax and insurance strategies



Services Included in Wealth Management

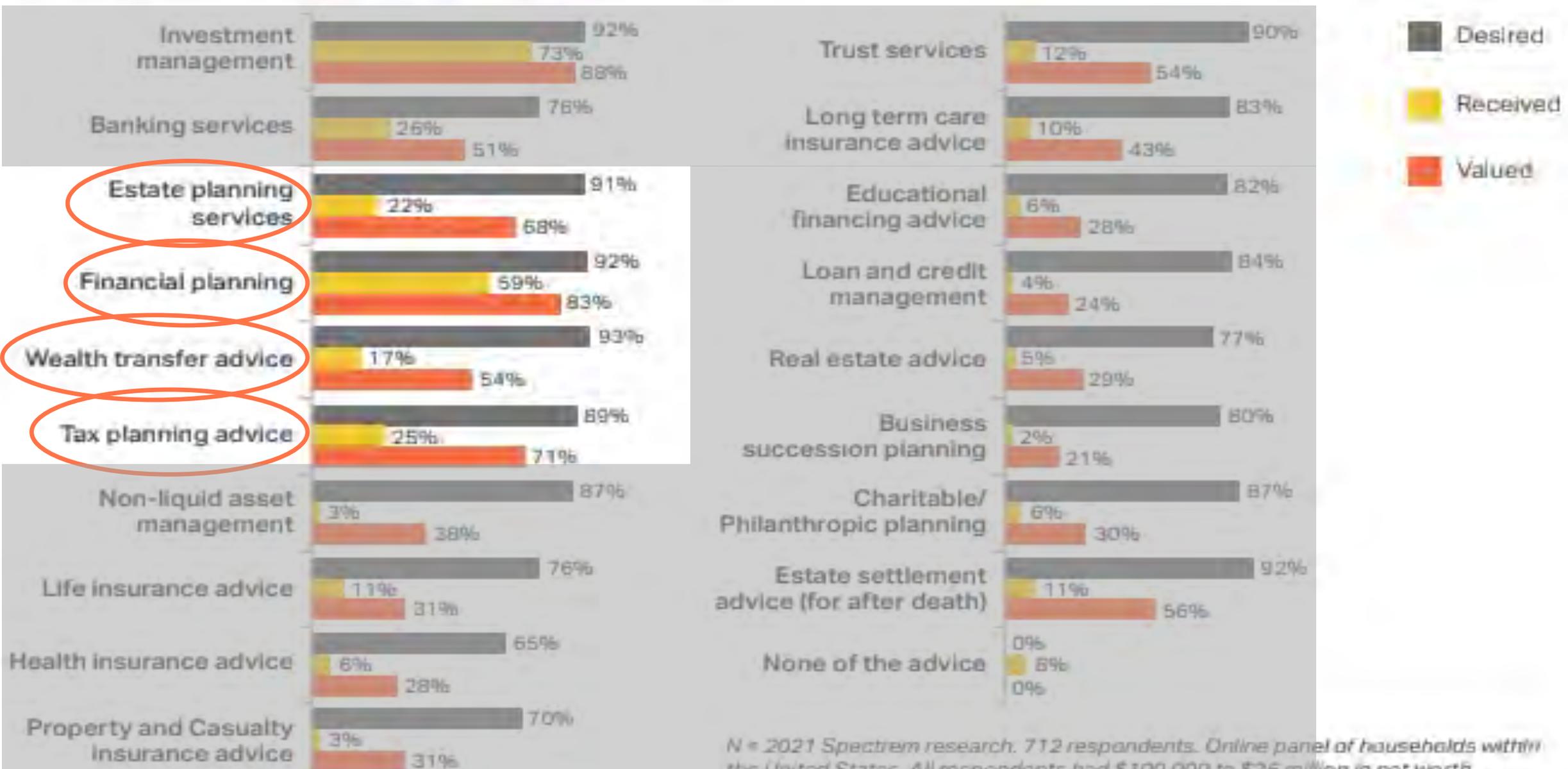
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Implementing Strategies to Move Up Market

- Finding opportunities for clients to reduce their tax liability
- Offering additional services to save client's time and money
- Providing advice beyond traditional tax preparation and compliance

- Is it time to earn additional credentials?
- Is it time to hire, merge, get acquired, or form a strategic alliance?



Implementing Strategies to Move Up Market

Journal of Accountancy 7 Tips for Starting CAAS

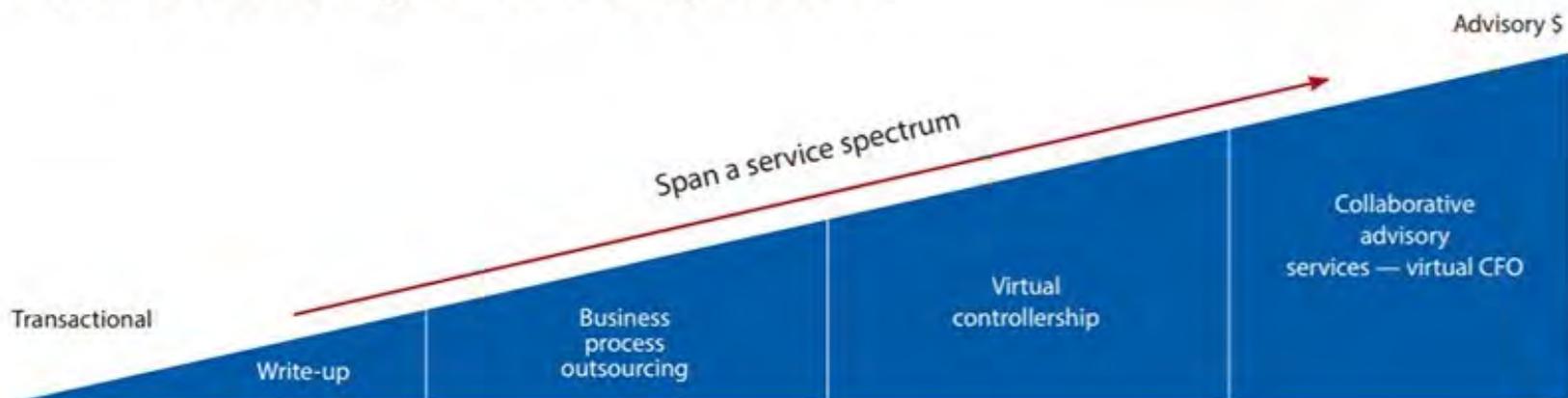
- Be prepared to adopt a whole new mindset
- Find a Niche
- Make a Strong Commitment to CAAS
- Don't Reinvent the Wheel
- Stay on Top of Tech
- Choose the Right Clients to Start With
- Expect a Slow Ramp Up



Expect a slow ramp-up

Firms that start CAS practices generally follow a certain progression, McCurley said. They go through stages she terms "CAS 1.0" through "CAS 3.0" and can expect to spend months to years in each stage before finding themselves ready to take the leap to the next. (See the graphic "Client Accounting and Advisory Services.")

Client accounting and advisory services



Reporting and attestation:

- General ledger/trial balance
- Cash reconciliation
- Financial statements

Business process outsourcing:

- Accounts payable/bill payment
- Accounts receivable/collections
- Cash management and reconciliation

Virtual controllership:

- Financial statements
- Comparative reporting
- Budgeting

Virtual CFO:

- Financial strategy
- Financial modeling
- Market analysis



Implementing Strategies to Move Up Market



 CPE SELF-STUDY

Client Accounting Advisory Services Certificate

The Client Accounting Advisory Services certificate helps firms demonstrate their expertise in the fundamental client accounting service deliverables.

\$609 - \$609

Do you have an AICPA or CIMA membership? [Log in](#) to apply your member discount.



Implementing Strategies to Move Up Market

Alternatives to CAAS

- Obtaining additional credentials, training, and licensure(s)



Implementing Strategies to Move Up Market



Implementing Strategies to Move Up Market

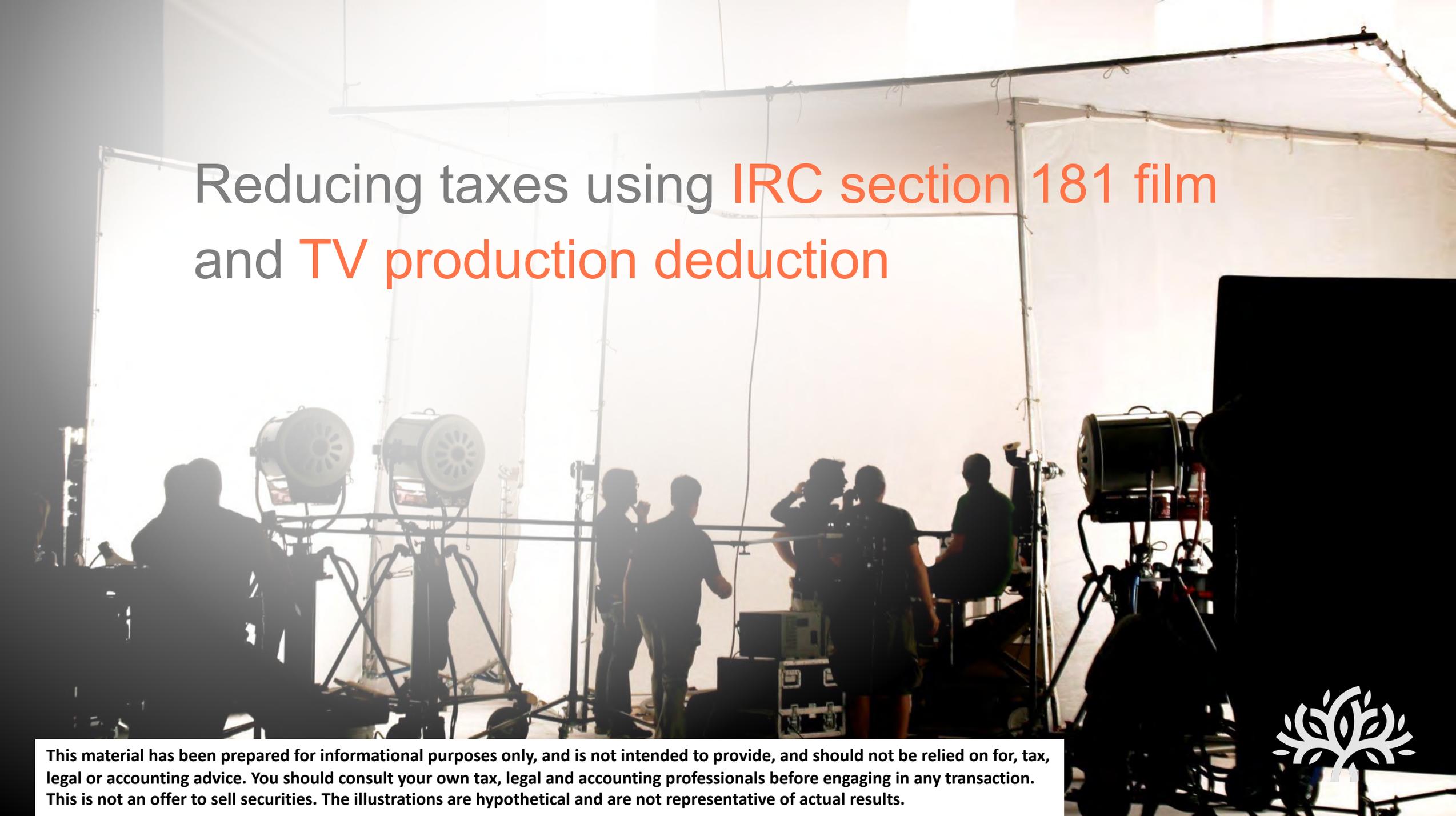


Implementing Strategies to Move Up Market

Alternatives to CAAS

- Obtaining additional credentials, training, and licensure(s)
- Learning new strategies





Reducing taxes using IRC section 181 film and TV production deduction

This material has been prepared for informational purposes only, and is not intended to provide, and should not be relied on for, tax, legal or accounting advice. You should consult your own tax, legal and accounting professionals before engaging in any transaction. This is not an offer to sell securities. The illustrations are hypothetical and are not representative of actual results.





Reducing taxes by financing solar projects

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Reducing taxes by purchasing and leasing heavy equipment



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Structured Ownership Program (S.O.P.)



-Client makes a Capital Contribution to New Series LLC.

-LLC obtains a 3rd-Party Loan
(15 yr. Interest only/15.5 yr. balloon)

- Loan is for 7X Capital Contribution (If offsetting ordinary income)
- Loan is for 9X Capital Contribution (If offsetting LTCG Income)

- Loan creates a Debt Restoration Obligation (D.R.O.)

-D.R.O. increases the client's basis (equal to Capital Contribution + Loan Amount)

-Series LLC engages in Active Investing,
[See §469(c), §1092(d) (passive v active)]:

-Foreign currency exchange, factoring, high volume trading

-Special Allocation/Attribution §704(b):

- Profits from Investment trades allocated to the Master LLC.
- Expenses/Losses allocated to the Client

-Expenses/non-passive losses result in a Negative k-1 to Client

- 8 Times CC (When offsetting ordinary Income)
- 10 Times CC (When offsetting LTCG Income)

-Administrative Fees and Rate of Return

3.5% of -K-1 charged as administrative fee

3-7% "net" annual return on capital contribution amount

Ordinary Income Example: \$100K C.C + \$28K Fee will generate a K1 of -\$800K to offset \$800K of Ordinary Income.

Capital Gains Example: \$100 C.C. + \$35K Fee will generate a K1 of -\$1M to offset \$1M of Capital Gains Income.

Other sophisticated **tax savings strategies**

- Charitable holding corporation
- Financed business insurance
- 1202 – M351 reverse merger (Qualified Small Business Stock)
- Captive Insurance – 95% of Fortune 500 Companies
- ESOP
- Cost segregation
- Deferred Sales Trusts
- IDGT (Intentionally Defective Grantor Trust)

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Other sophisticated **tax savings strategies**

- Cash Balance Plans
- IRC section 401h
- Private Placement Life Insurance
- Premium Financed Life Insurance
- Business Valuation Freeze
- Family Foundations
- Delaware Statutory Trusts for 1031 exchanges
- Public and Private Opportunity Zones

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Implementing Strategies to Move Up Market

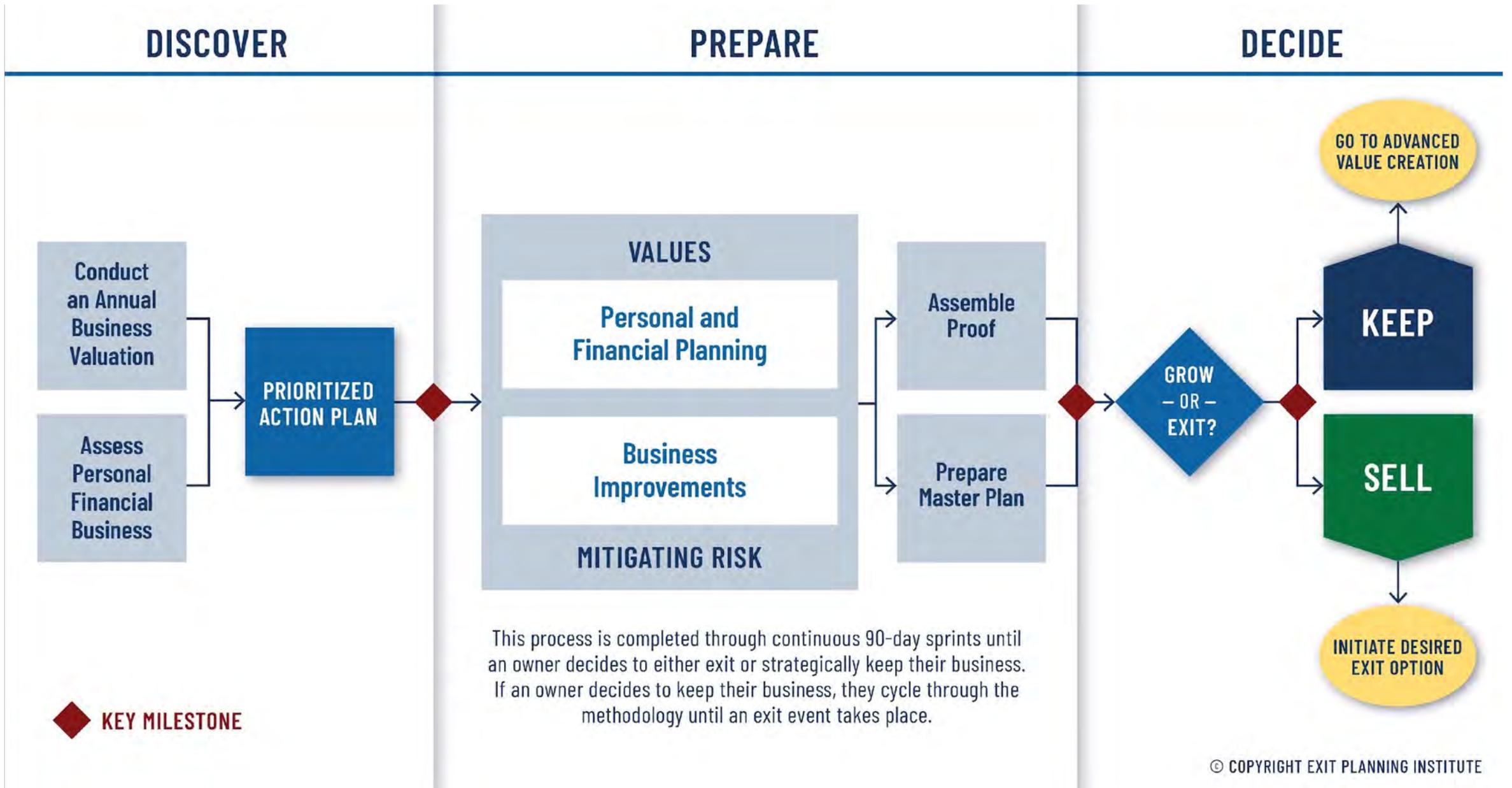
Alternatives to CAAS

- Obtaining additional credentials, training, and licensure(s)
- Learning new strategies
- Utilized the Value Acceleration Methodology™ with business owners/execs

Exit planning is not an event, it is a business strategy



The Value Acceleration Methodology™



5-4-3-2-1 Concepts

Of Value Acceleration

- 5 Stage of Value Maturity
- 4 Intangible Capitals
- 3 Gaps
- 2 Concurrent Paths
- 1 Goal



Free Whitepaper

Exit Planning is not an event, it is a business strategy



Five Things Every Business Owner Must Know
About Exit Planning

5 - 4 - 3 - 2 - 1





Implementing Strategies to Move Up Market

Alternatives to CAAS

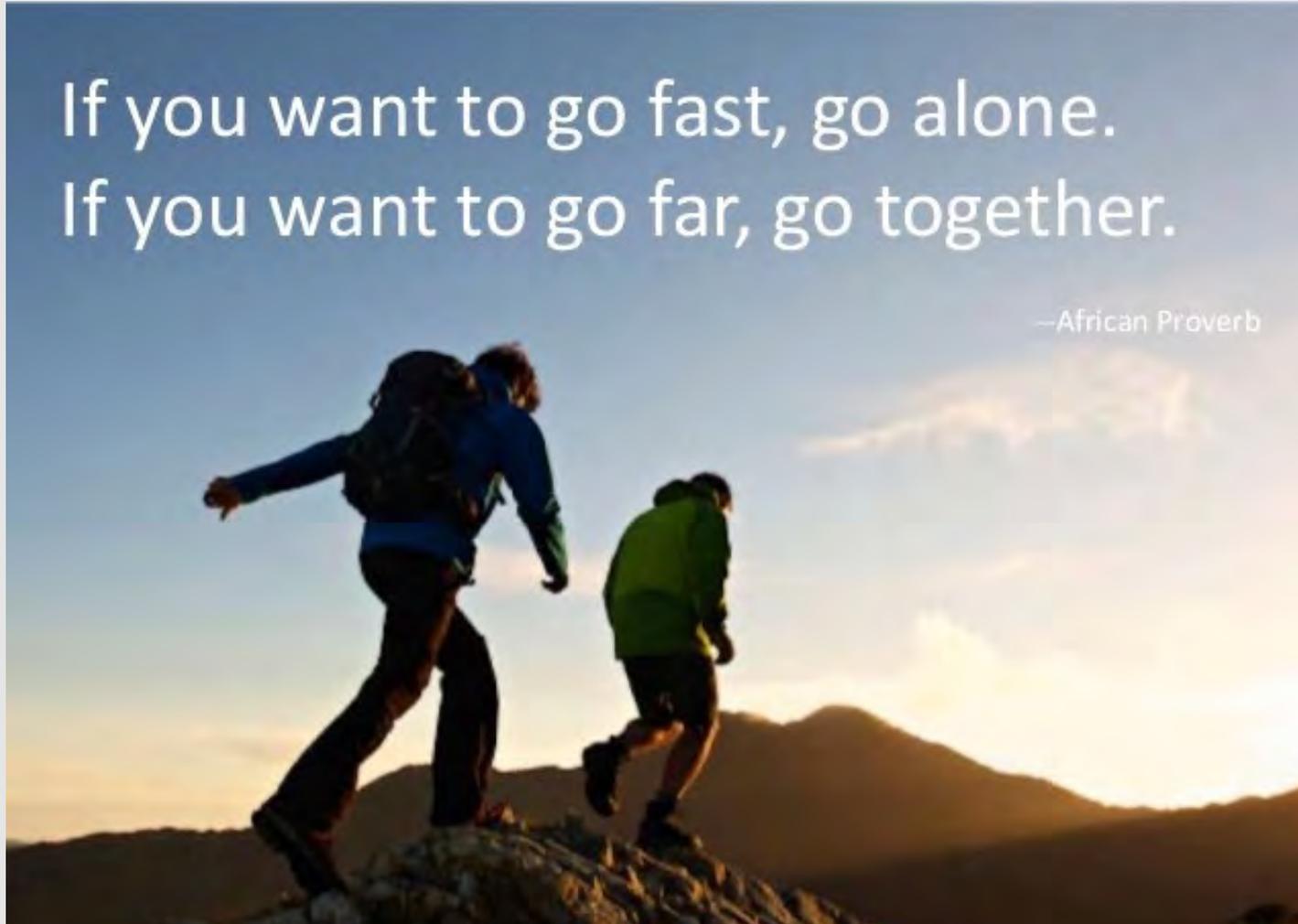
- Obtaining additional credentials, training, and licensure(s)
- Learning new strategies
- Utilized the Value Acceleration Methodology™ with business owners/execs
 - Exit planning is not an event, it is a business strategy
- Develop strategic alliance(s)



Implementing Strategies to Move Up Market

If you want to go fast, go alone.
If you want to go far, go together.

—African Proverb



Implementing Strategies to Move Up Market

2 Alternatives to Going Alone

- Build a VFO (Virtual Family Office) framework yourself or within your organization
- Partner with an existing VFO provider – estimated 60 providers nationwide





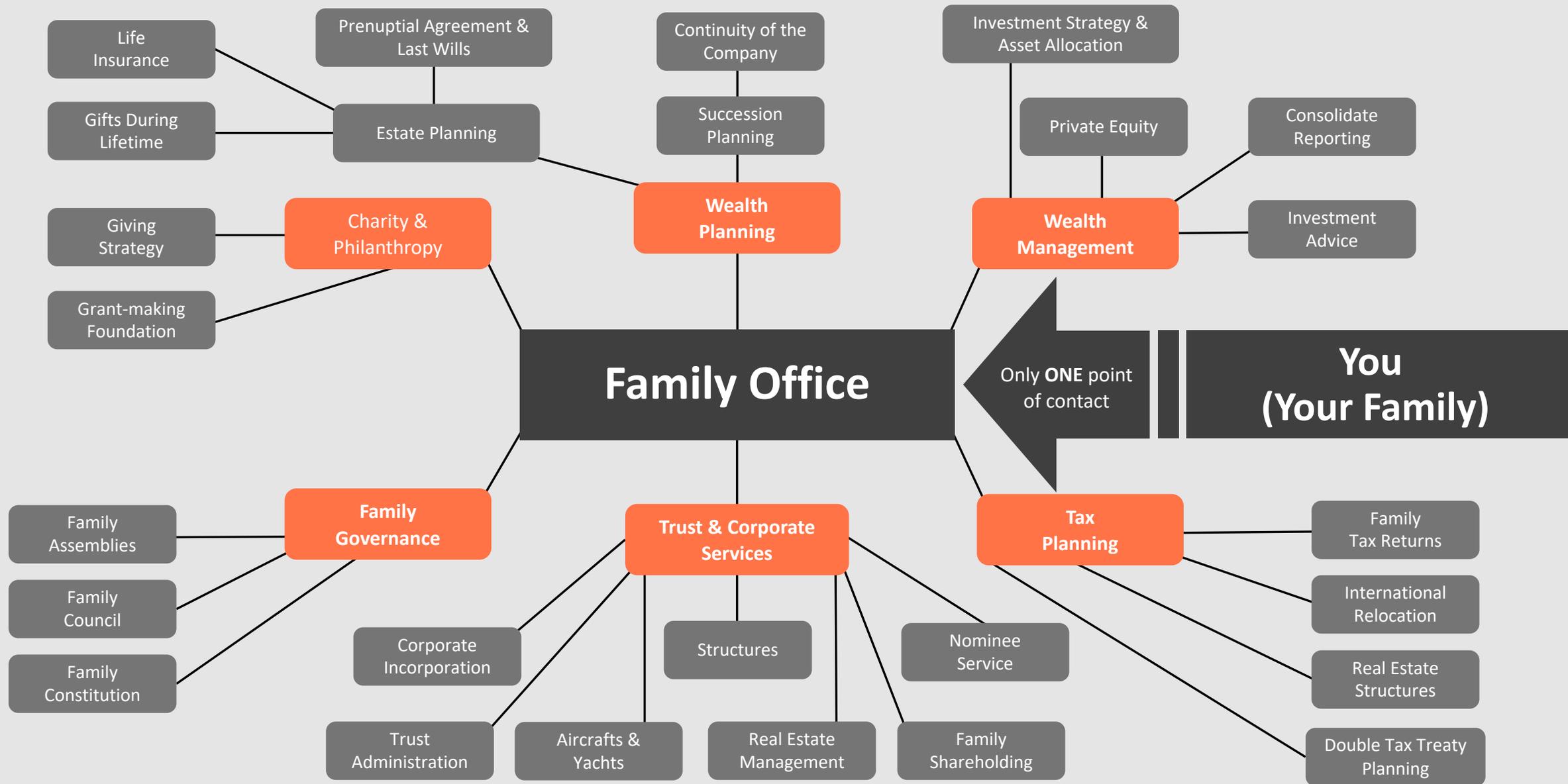
**What exactly
is a VFO?**
(Virtual Family Office)

What exactly is a VFO?

Sophisticated and clever way to emulate the super rich – the Single-Family Offices of:

- Jeff Bezos of Amazon – Bezos Expeditions
- Sir Richard Branson – Richard Branson Family Office
- Has employees hired to work for the wealthy family
- \$1,000,000+ annual payroll







Replaces the old school referral model

- I know a guy or gal...
- Uncoordinated (siloed) advice
- Inefficient, costly

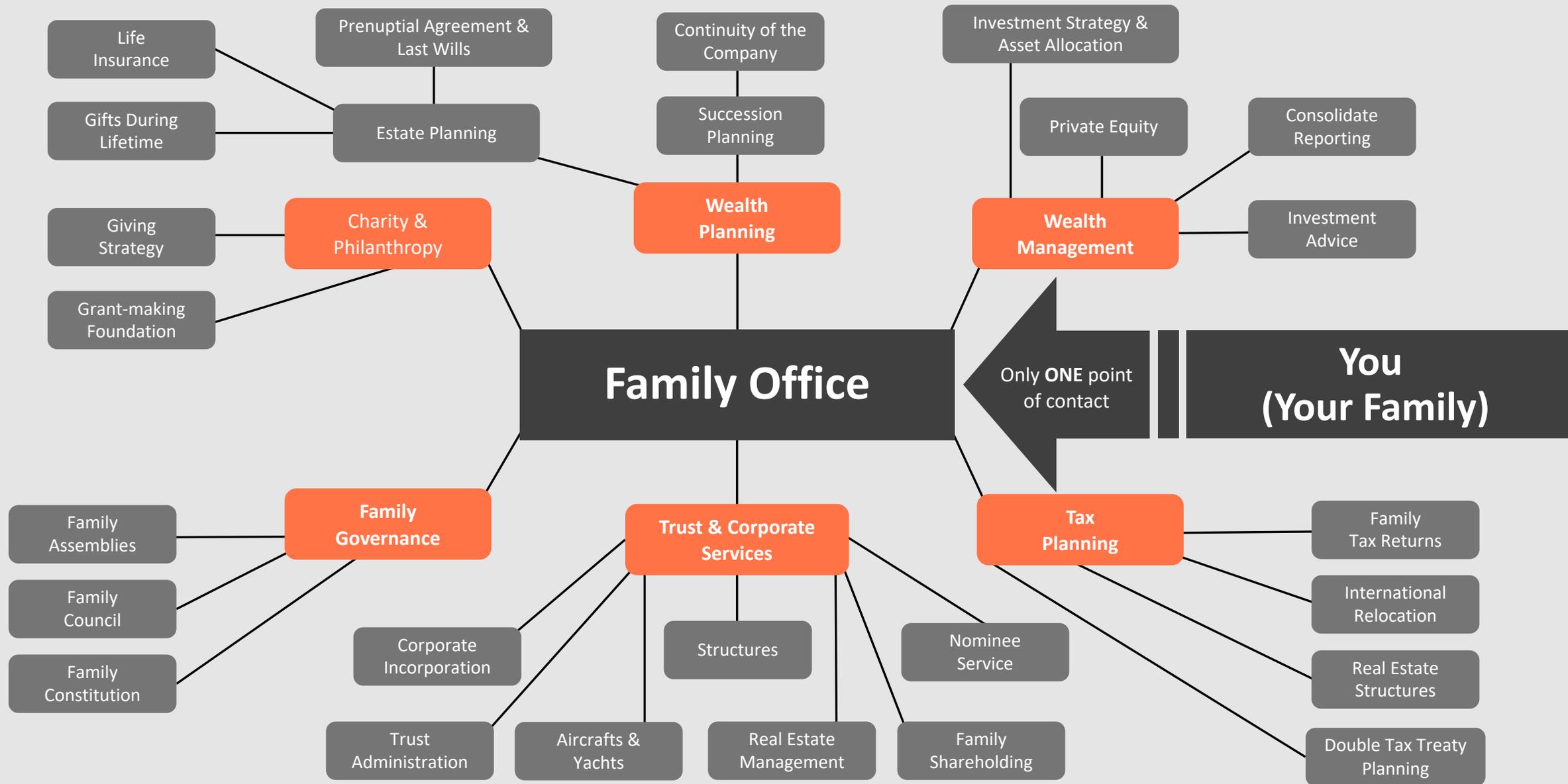
Increasingly popular with business owners, executives, high income and high-net-worth

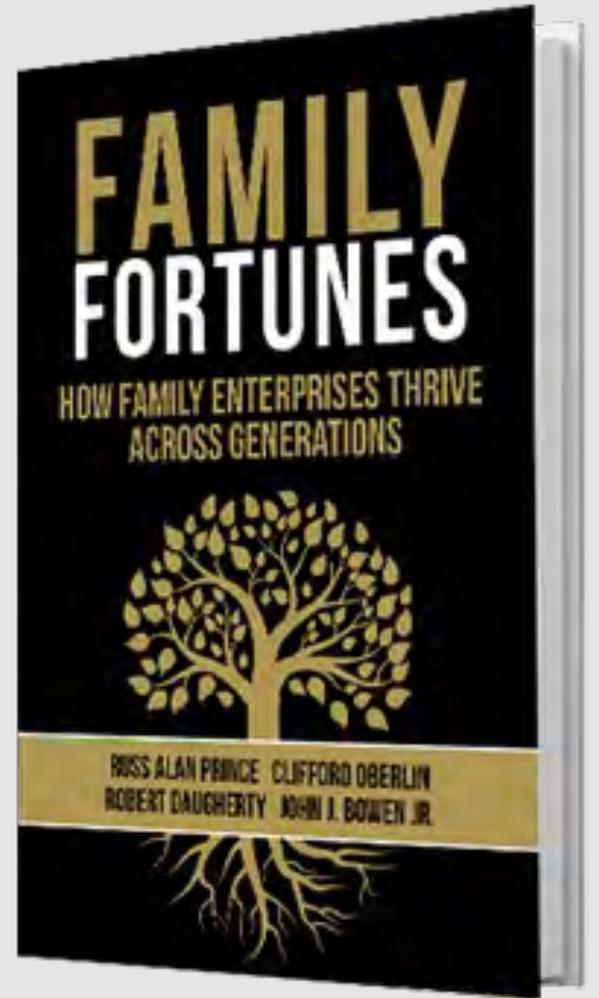
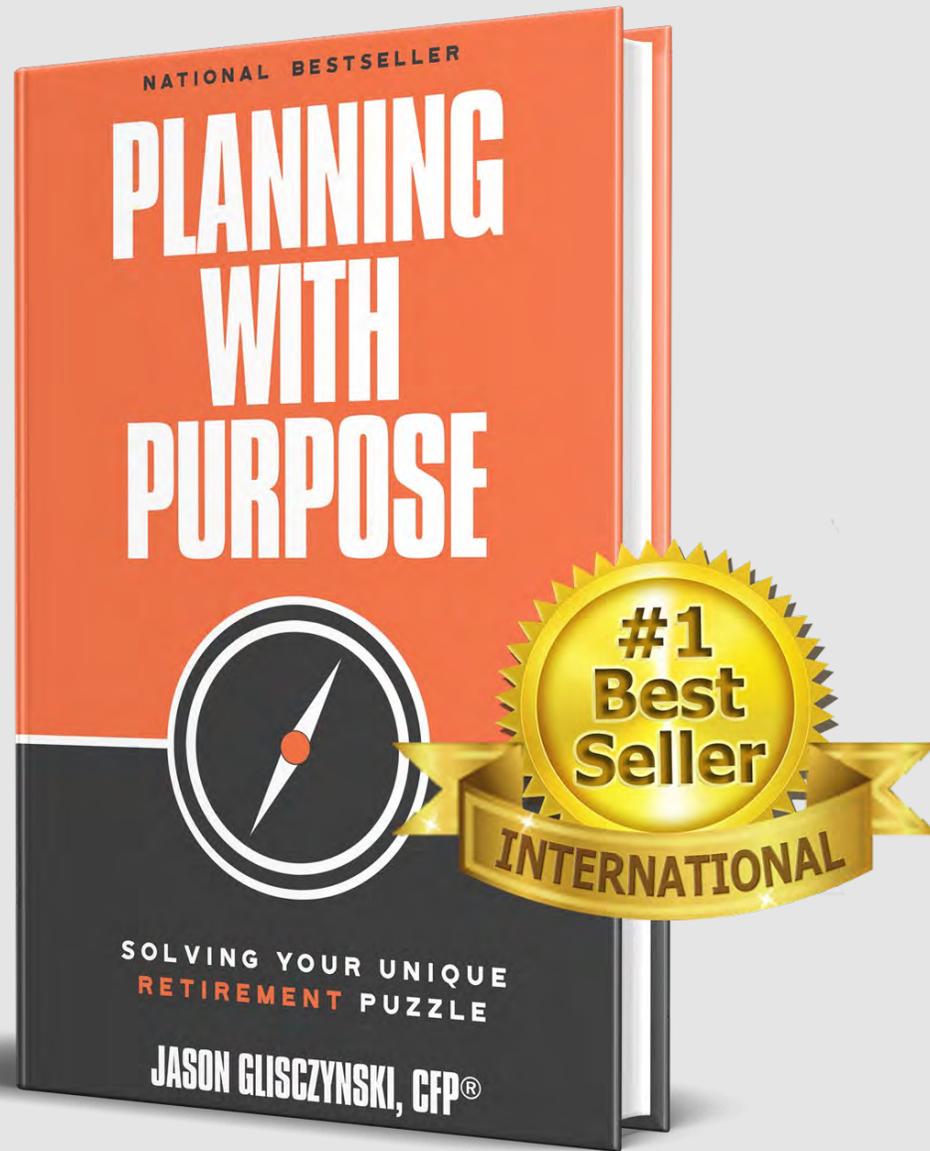
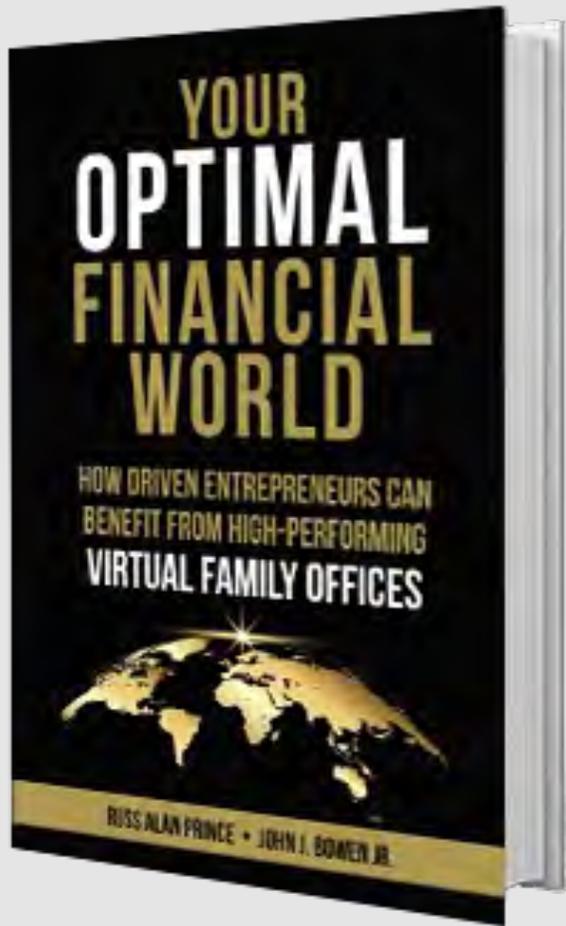
- \$1-\$250 million in net worth

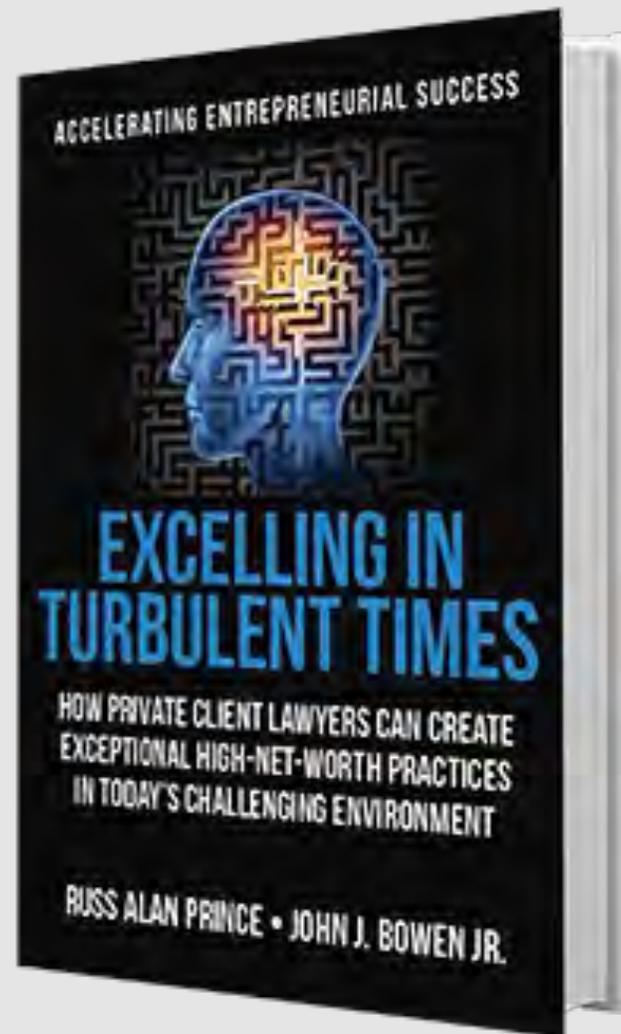
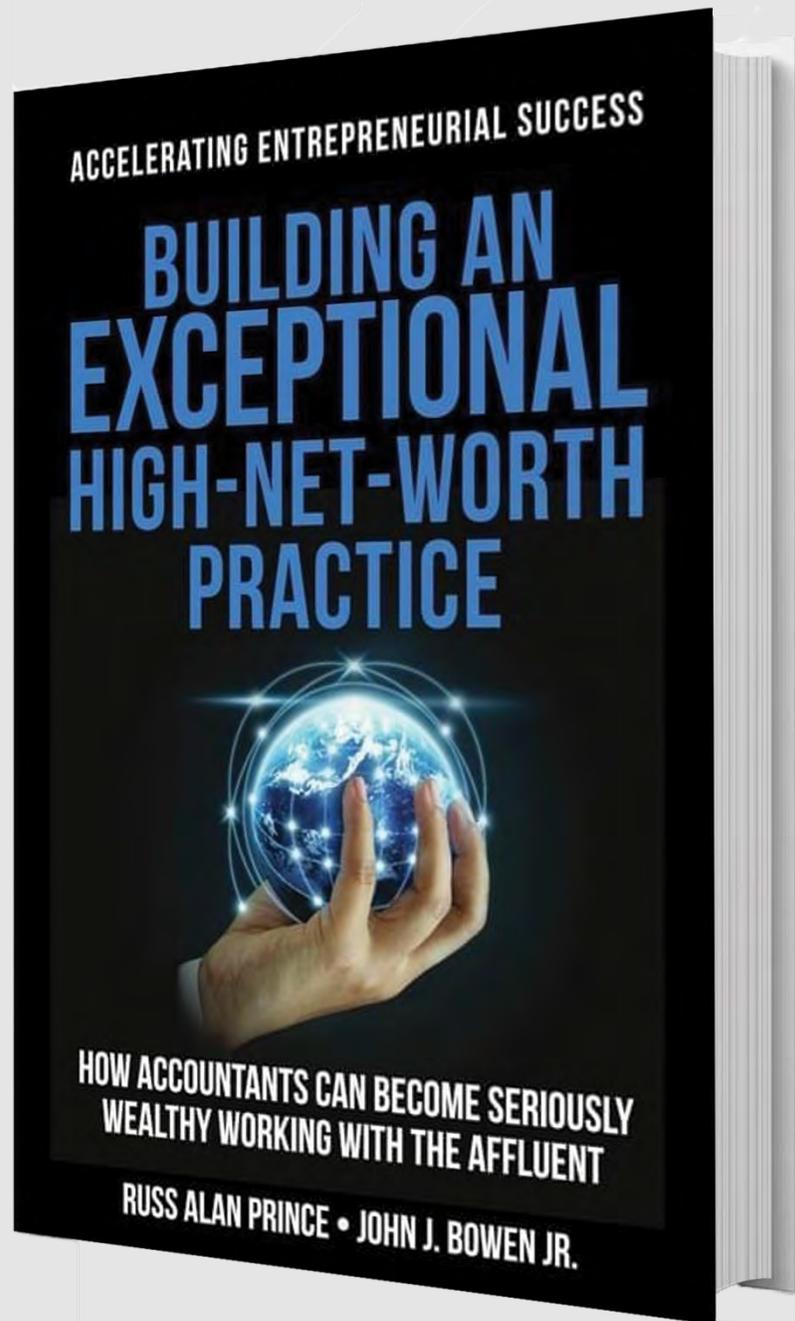
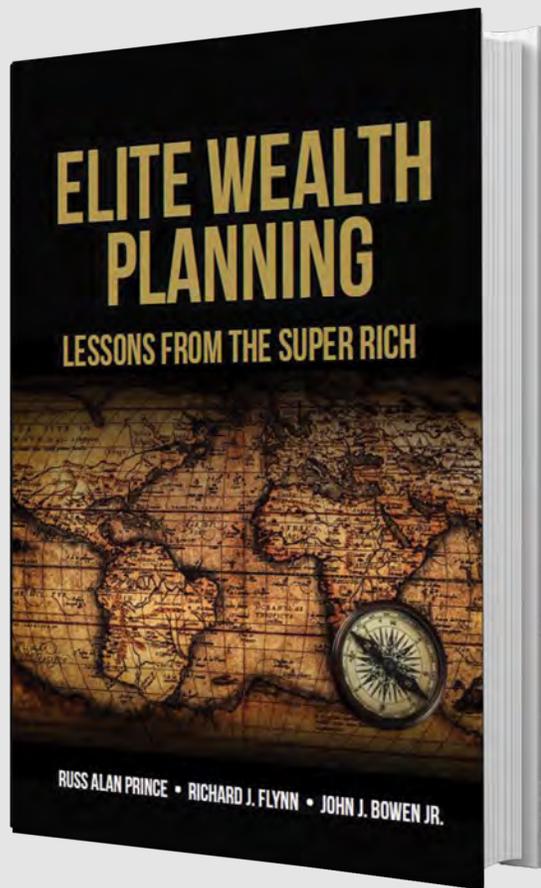
A world class wealth management experience with a deep understanding of you

Three critical drivers

- Human element
- Cohesive team
- Systematic processes







Operational Efficiency

**IMPROVING
OPERATIONAL
EFFICIENCY**



Operational Efficiency



Operational Efficiency

<https://www.journalofaccountancy.com/issues/2021/aug/start-a-client-advisory-services-cpa-practice.html>



Source: CPA.com Client Advisory Services (CAS) Roadmap Workshop.



Operational Efficiency

Where do you feel like you are you wasting the most time?

Keep your answer to 1 or 2 words.



Operational Efficiency

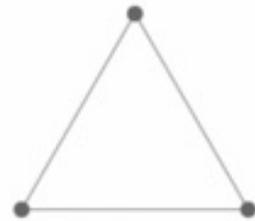


Operational Efficiency

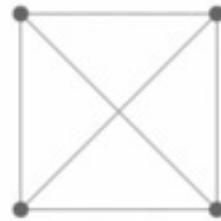
1. **Stop using email for everything (internal communication, delegating tasks, or having a discussion with a team member(s))**



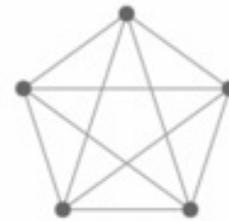
Operational Efficiency



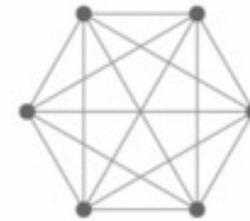
3 people, 3 lines



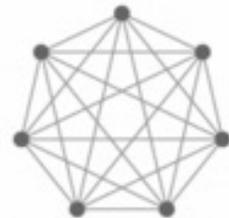
4 people, 6 lines



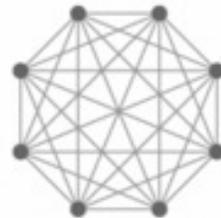
5 people, 10 lines



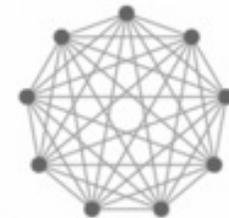
6 people, 15 lines



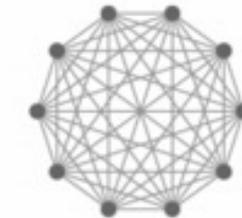
7 people, 21 lines



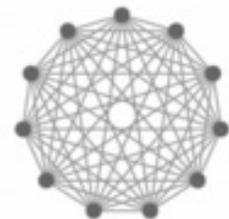
8 people, 28 lines



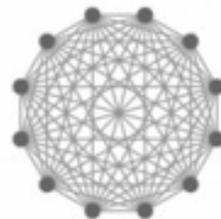
9 people, 36 lines



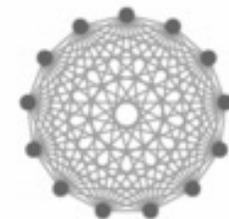
10 people, 45 lines



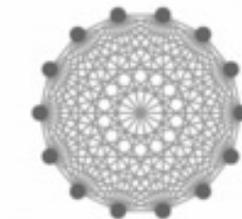
11 people, 55 lines



12 people, 66 lines



13 people, 78 lines



14 people, 91 lines



Operational Efficiency

- 1. Stop using email for everything (internal communication, delegating tasks, or having a discussion with a team member). Email is for external communication only.**
- 2. Delegate your email to a team member**
- 3. Stop pointless or time-wasting meetings**
 - a. no agenda, no attenda**
 - b. adopt the “2-pizza rule”**
 - c. keep the agenda and running notes that is accessible to all**



Operational Efficiency

- 1. Implement a process for efficient communication**
- 2. Deploy the right tools to handle—**
 - a. Internal communication – Teams or Slack**
 - b. External communication – Email and Teams or Slack**
 - c. Project management – Asana or CRM**
 - d. Information storage and recall – Coda or One Drive (internal Wiki)**
- 3. Delegate and/or outsource non-core activities**
- 4. Utilize “time blocking”**



Operational Efficiency

1. Focus on the speed of retrieval, not the speed of storage

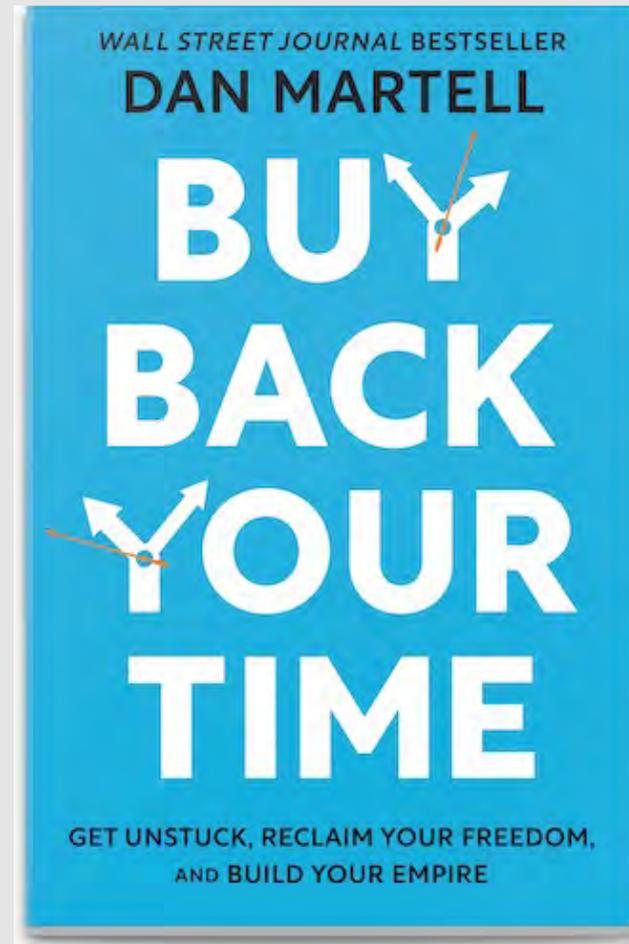
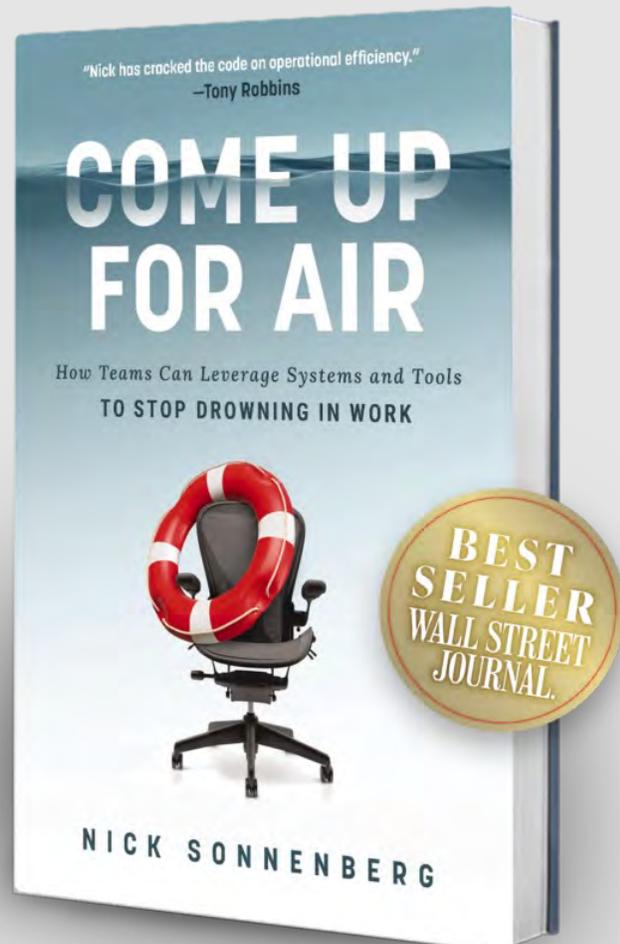


Operational Efficiency

- 1. Focus on the speed of retrieval, not the speed of storage**
 - a. Standardize naming convention of files**
 - b. Build an internal Wiki**
- 2. Use the camcorder method for training (OBS, Xbox Game bar, Stream)**
- 3. Use AI or RPA to automate repetitive tasks**
- 4. Offshore or outsource where possible**



Operational Efficiency



Jason Glisczynski, CPWA[®], CFP[®]

Private Wealth Advisor

Investment Advisor Representative

www.silvertreeplan.com

715-544-1610

jason@silvertreeplan.com



Presented by:

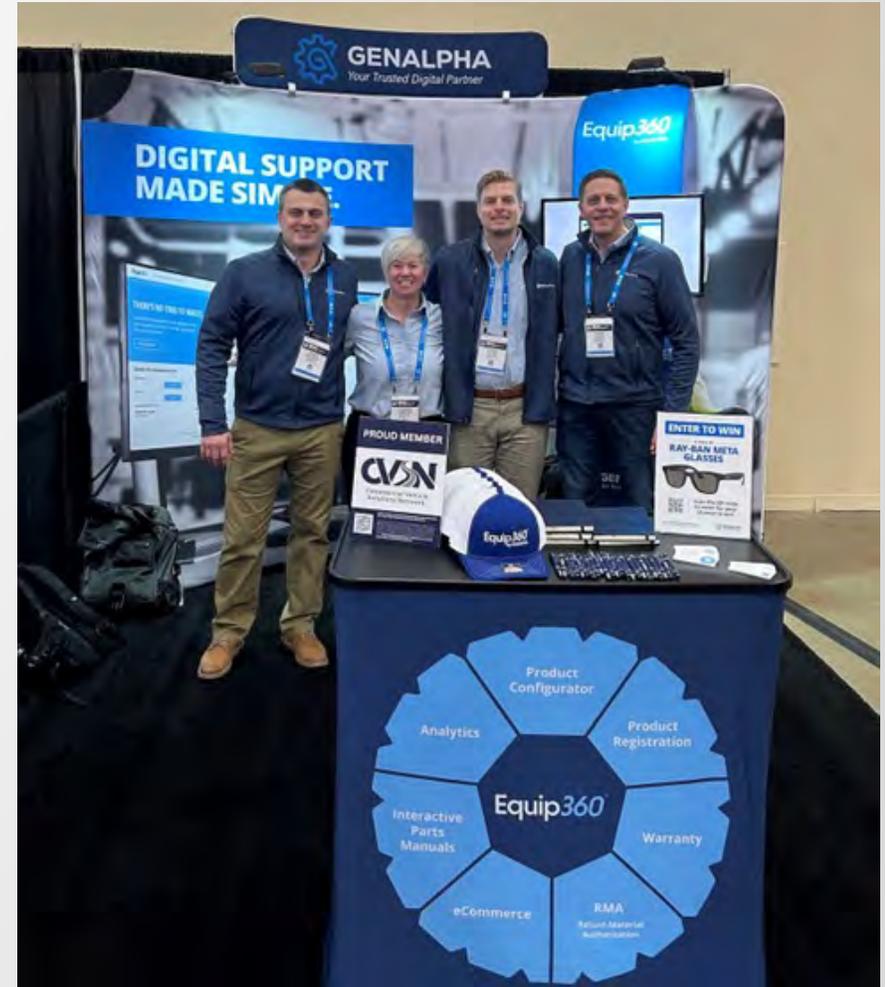
Kris Harrington



What's Really Changing in Manufacturing: 9 Truths That Matter

WICPA Fall Business Conference
September 2025

Today's Speaker



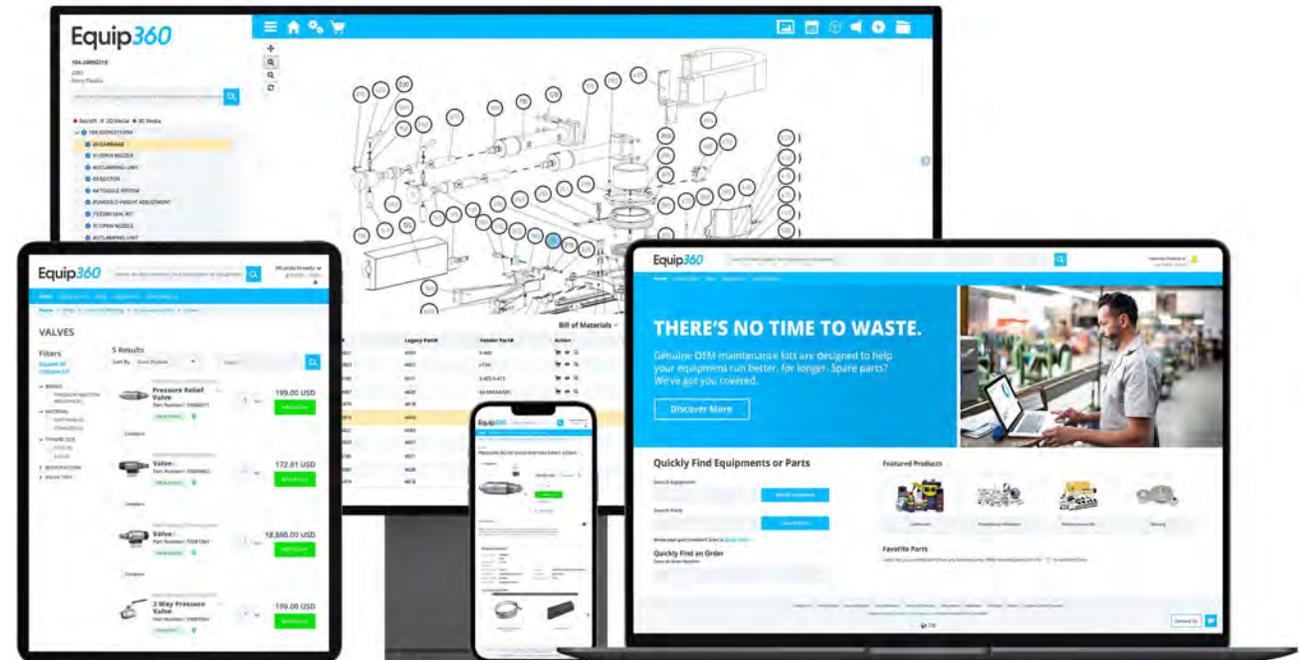
About GenAlpha

GenAlpha partners with suppliers and distributors to support their digital commerce journey.

Equip360[®]

Equip360 is an eCommerce platform designed to remove friction from the parts-buying process:

- VIN to part lookup
- Part search by number & description
- Order tracking
- Shipment status
- Reorder
- Invoice retrieval and payment online



Agenda

- Setting the Stage: Current Trends & Headlines
- Inflection Point
- 9 Truths
- Closing Thoughts
- Q&A

Trends & Headlines

What Happens on the Internet IN A SINGLE DAY?

● **zoom** 151M Meeting Hours

1.4B 🎥 Hours Streamed

2.5B 📱 facebook Posts

3.5B 📷 Snapchat Snaps

✉️
333 Billion
Emails sent

💬
24.0B
Texts sent

8.5B 🔍 **Google**
Searches

1.6B 📲 **tinder** Swipes

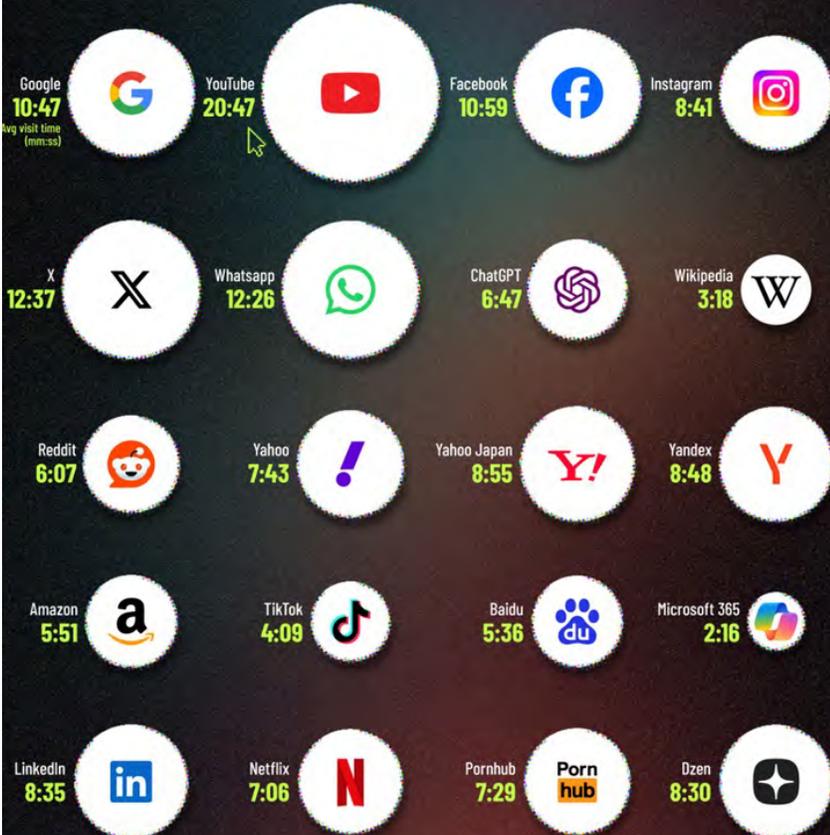
🐦 **500M** Tweets

Figures rounded.
Source: Exploding Topics (Feb 2025)

voronoi BY VISUAL CAPITALIST Where Data Tells the Story

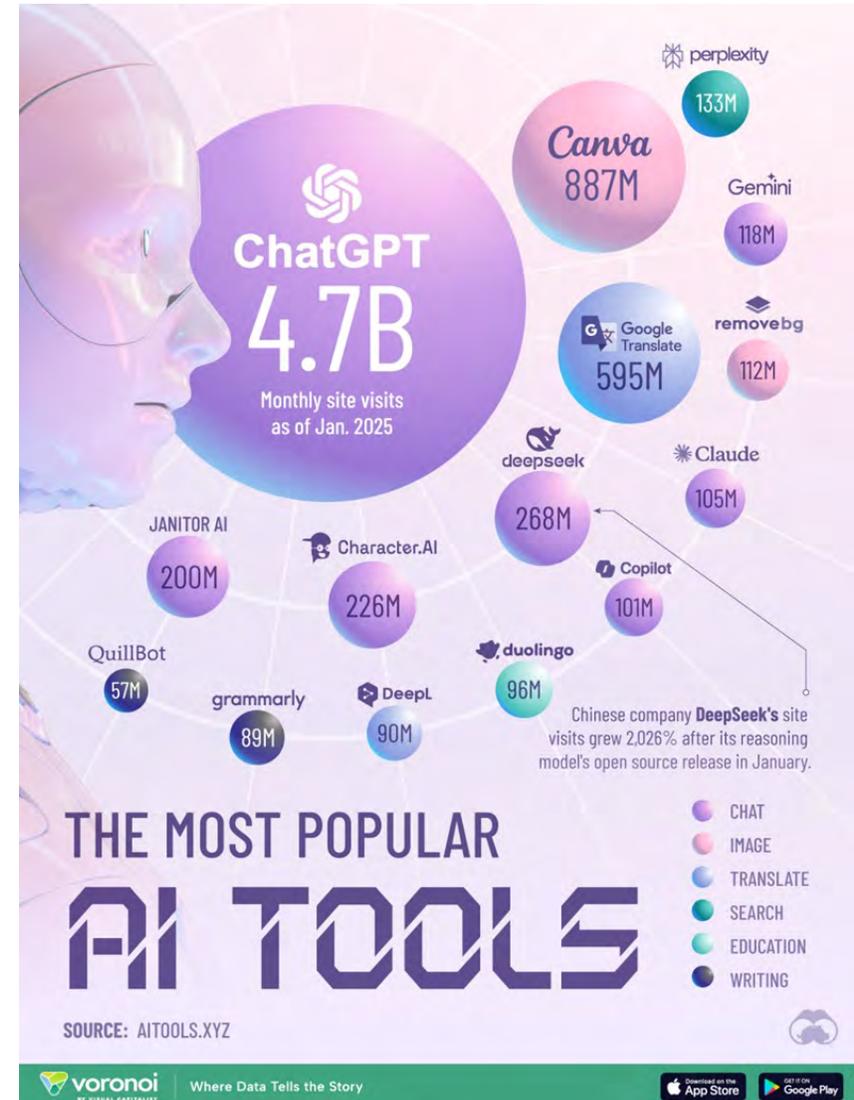


Time Spent On the World's Most Visited Websites



VISUAL CAPITALIST

voronoi BY VISUAL CAPITALIST Where Data Tells the Story



voronoi BY VISUAL CAPITALIST Where Data Tells the Story



Source: <https://www.visualcapitalist.com/visualized-daily-internet-activity-in-2025/>

Headlines

“ChatGPT has hit 20 million paying users and 500 million weekly active users.

That’s a 43% spike since December, and it’s translating into serious revenue, at least \$415 million a month, up 30% in just three months.

With enterprise plans and \$200-a-month Pro tiers in the mix, OpenAI is now pacing toward \$12.7 billion in revenue this year.”

Source: The Artificial Intelligence Show Podcast; Episode 143, April 8th, 2025

AI EFFECT

OpenAI closes \$40 billion funding round, largest private tech deal on record

PUBLISHED MON, MAR 31 2025 6:00 PM EDT | UPDATED TUE, APR 1 2025 9:51 AM EDT



Hayden Field
@HAYDENFIELD



Kate Rooney
@KROONEY

SHARE    

ChatGPT users have generated over 700M images since last week, OpenAI says

Kyle Wiggers — 8:19 AM PDT · April 3, 2025

Source: <https://techcrunch.com/2025/04/03/chatgpt-users-have-generated-over-700m-images-since-last-week-openai-says/>

Headlines



Settings



Post



Sam Altman  
@sama



the chatgpt launch 26 months ago was one of the craziest viral moments i'd ever seen, and we added one million users in five days.

we added one million users in the last hour.

1:11 PM · Mar 31, 2025 · **5.4M** Views

 2.2K

 4.1K

 60K

 3.6K



Read 2.2K replies

Source: <https://x.com/sama/status/1906771292390666325>

Inflection Point

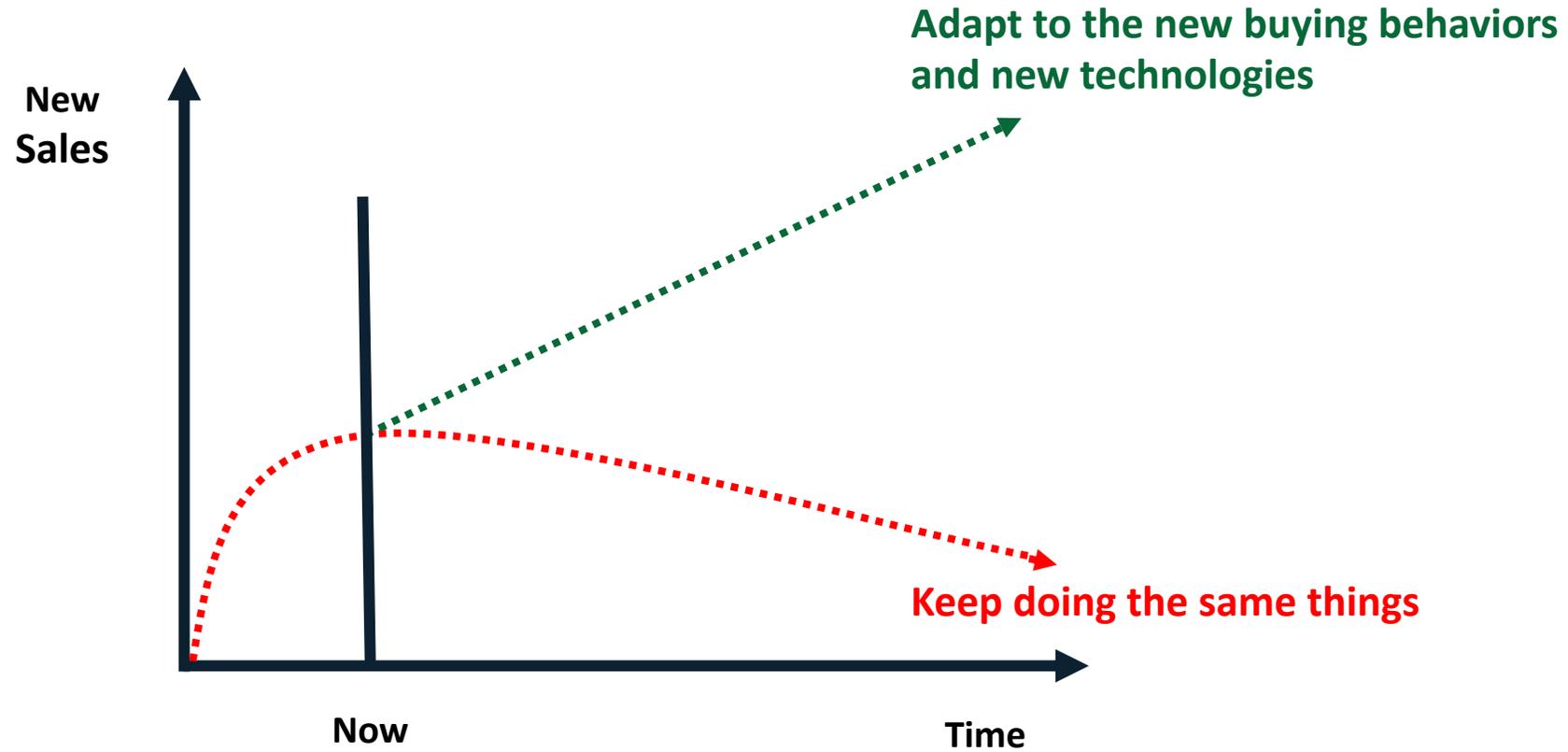
Peak 65: A Generational Shift

“The year 2024 marks the beginning of the ‘Peak 65 Zone,’ the largest surge of retirement age Americans turning 65 in our nation’s history.

Over 4.1 million Americans will turn 65 each year through 2027, which is more than 11,200 every day.”

- Study by 501(c)(3) The Alliance for Lifetime Income

Companies Have a Choice to Make



Truth 1:

***Legacy systems eat innovation for
breakfast***

Legacy Systems Consume the Majority of IT Budgets

“7.5% of revenue is going to digital transformation—but only a fraction supports real innovation. The rest props up legacy systems.”

Deloitte Insights, Tech Investment Shifts in 2024

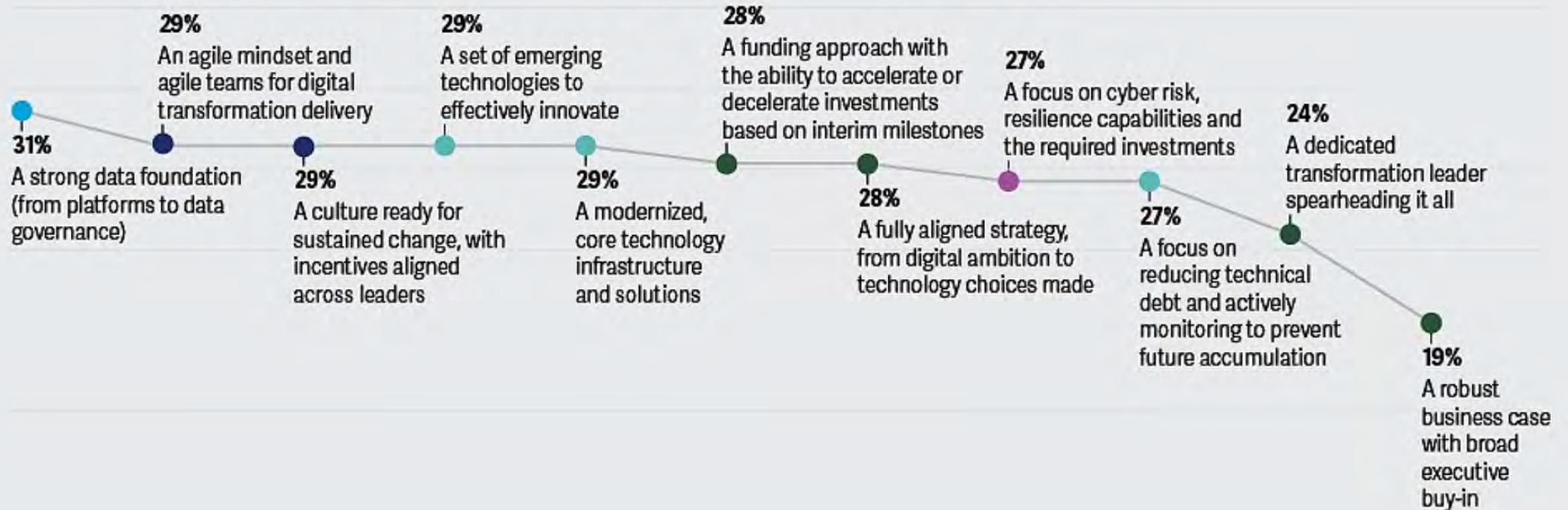
Legacy Debt Is the #1 Barrier to Progress

Ranking of barriers to digital transformation



A Strong Data Foundation is Critical

Ranking of critical success factors for digital transformation



Truth 2:

***Your Next Buyer Doesn't Want to Talk
to You***

The Digital First B2B Buyer is Here

“A majority of B2B buyers today—71%—are Millennials or Gen Z (digital natives).”

“75% of ALL B2B buyers prefer online ordering over all other B2B sales channels.”

- Industry Week

Self-Service, Not Sales Reps

“61% of B2B buyers prefer a fully rep-free buying experience.”

“A survey of 632 B2B buyers found most buyers prefer to carry out independent research through digital channels.”

- Gartner

Truth 3:

Friction is the Fastest Way to Lose a Customer

10 Friction Points for Manufacturers

- 1. Lack of Transparency on Delivery and Lead Times** - *Customers grow frustrated when they can't get reliable updates on production or delivery schedules. It impacts planning and erodes trust.*
- 2. Pricing Inconsistency or Hidden Fees** - *Unexpected costs—like added fees, unclear discounts, or pricing changes—create doubt and reduce the likelihood of reorders.*
- 3. Poor Communication Across Time Zones** - *When support or sales teams are only available during limited hours, global and shift-based operations feel ignored or unsupported.*
- 4. Inaccurate Inventory and Stock Data** - *Showing products as available when they're not leads to canceled orders, production delays, and credibility issues.*
- 5. Complex Ordering Processes or Excessive Bureaucracy** - *Requiring multiple approvals, paper forms, or repeated data entry makes it difficult for buyers to place or repeat orders efficiently.*

10 Friction Points for Manufacturers

- 6. Lack of Product Specification Clarity** - *Missing or vague product specs (dimensions, certifications, compatibility, etc.) delay decision-making and increase order errors.*
- 7. Rigid Communication Channels** - *Forcing customers to communicate only via email, or only by phone, limits responsiveness. Customers want to choose how they connect.*
- 8. Inflexible Shipping or Delivery Options** - *Offering only one shipping method or failing to meet delivery expectations limits customer satisfaction—especially in urgent scenarios.*
- 9. No Provision for Multilingual Support** - *Lack of translated content or native-language support can alienate international customers or diverse workforces.*
- 10. Inflexible Return or Warranty Handling** - *Complicated return processes, unclear warranty terms, or slow approvals hurt customer confidence and long-term loyalty.*

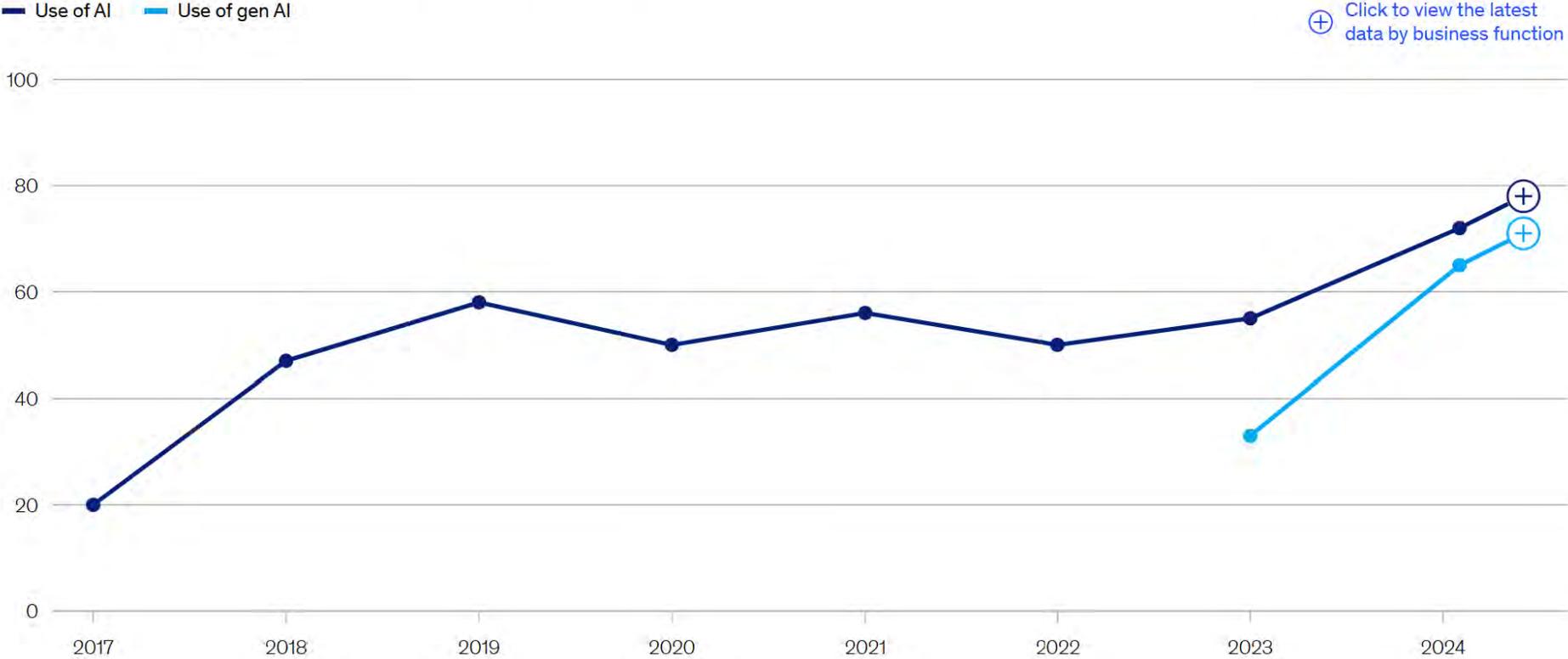
Truth 4:

***AI Isn't the Future—It's Already
Improving the Present***

Use of AI has Accelerated

Organizations' use of AI has accelerated markedly in the past year, after years of little meaningful change.

Organizations that use AI in at least 1 business function,¹ % of respondents

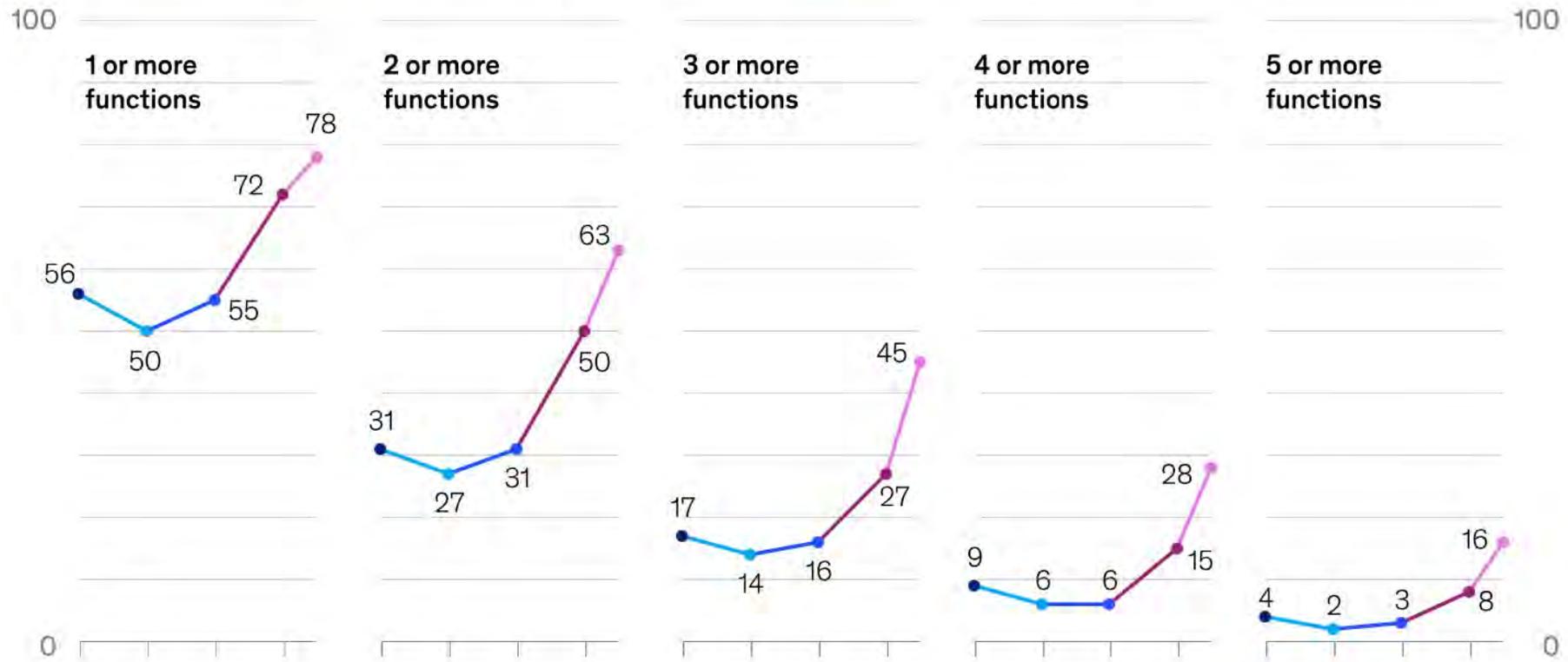


AI in Multiple Functions

Organizations are increasingly using AI in multiple functions.

Business functions at respondents' organizations that are using AI,¹ % of respondents

● 2021 ● 2022 ● 2023 ● First half of 2024 ● Second half of 2024



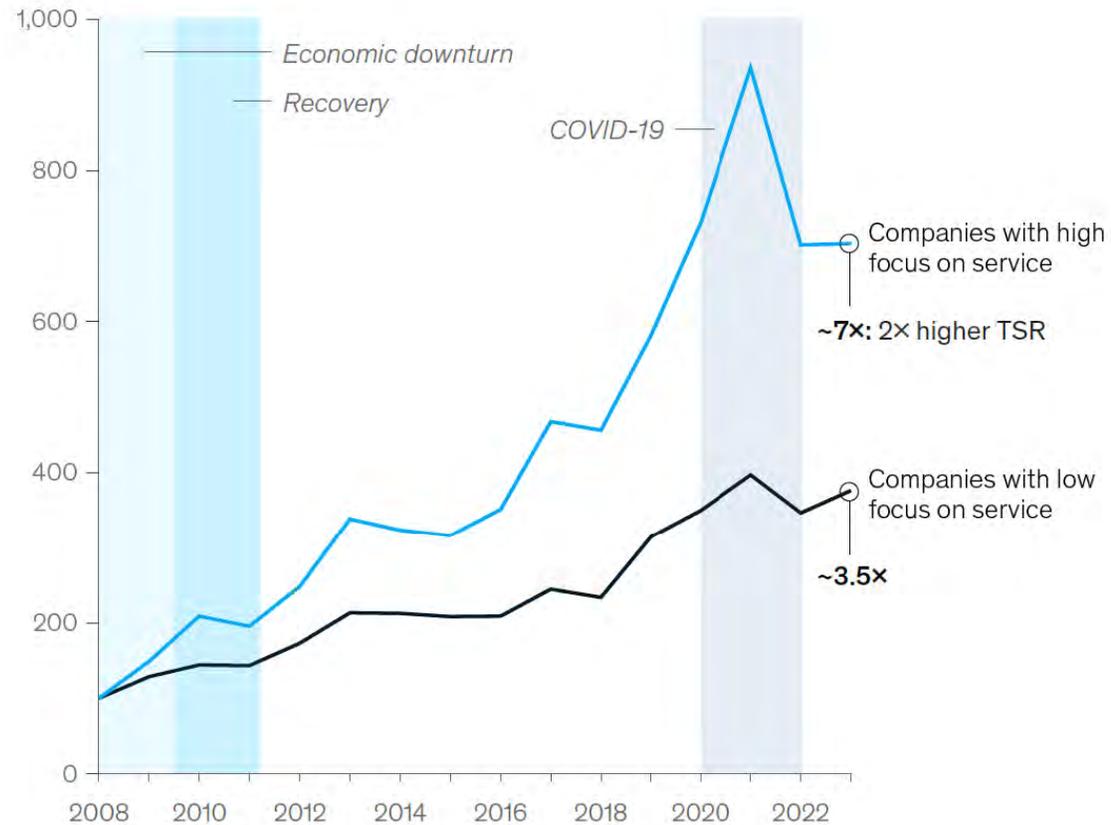
Truth 5:

The Margin is in the Maintenance

Aftermarket is Good for Business

Total shareholder returns are higher for B2B services companies that focus on the aftermarket.

Cumulative TSR for companies, index (2008 = 100)



McKinsey & Company

Source: McKinsey & Company - *Why aftermarket and service are vital to OEMs—and how to excel*, June 2024

AI Can Help

AI-enabled aftermarket and service organizations support the sales force across commercial capabilities.

1

Granular view of opportunity at customer level

Granular view of installed base and penetration by customer and asset

AI-driven sales leads

2

Offers that meet clear customer needs

Mapped customer needs and willingness to pay

Offering design informed by voice of customer

3

Sales force relentlessly pursuing top opportunities

Best-of-breed digital stack to automate customer outreach tasks

Live digital dashboards for sales managers to coach reps

4

Right price to maximize value

Deal-scoring engine to support decisions on large parts deals

Dynamic parts pricing to maximize value

5

Outstanding customer experience

NLP-powered¹ virtual assistants answering customer questions on parts deliveries and services

Seamless e-commerce storefronts for parts

Customer experience metrics tracked live

¹Natural language processing—powered.

McKinsey & Company

The Real Business Begins After the Sale

“By offering parts and services to customers after the initial sale, companies can tap into a lucrative revenue stream with profit margins that can be up to four times as high as they are for new units.”

A robust aftermarket strategy can not only increase operational cash flow but also mitigate risk and improve the customer experience.”

- McKinsey & Company

Truth 6:

***Digital Transformation Fails Without
Culture Change***

We've Always Done It This Way...

*“Digital transformation success rates vary, but research suggests that **only about 30%** of digital transformations achieve their intended goals.”*

Why Culture Change Fails: The 3 Biggest Obstacles

1. **Poor Communication from Leadership – No Vision**

Digital transformation begins at the top. When leaders fail to clearly articulate the “why” and “how” of change, trust erodes and alignment breaks down, especially across cross-functional teams.

2. **Resistance to Change at All Levels – Low Employee Engagement**

When people feel change is “done to them” rather than “with them,” they resist. This is often due to fear of job displacement, lack of training, or past failed initiatives.

3. **Ignoring Process Change**

Digital transformation isn’t just about tech and people—it also requires rethinking processes. Many initiatives fail because old workflows are forced into new systems, creating friction and inefficiency.

Truth 7:
***You Can't Build the Future with
Yesterday's Workforce***

The Workforce Gap Is Real—and Growing

- *The U.S. will need to fill **3.8 million manufacturing jobs by 2033**, but **1.9 million may go unfilled** due to a lack of skilled talent. – The Manufacturing Institute*
- *As of mid-2025, **381,000 manufacturing jobs** remain open, driven by retirements and demographic shifts. - Adecco*
- ***Nearly 10,000 baby boomers retire every day**, with much of their institutional knowledge undocumented. - Pew Research / AARP 2024*

Expand the Talent Funnel

Women remain a massive, untapped workforce opportunity

- *Women comprise around 47% of the total U.S. labor force, yet hold only 30% of manufacturing roles, and just 1 in 4 (25%) of management positions in the sector. – U.S Census Bureau*

Gen Z is interested in making an impact—but skeptical of manufacturing

- *Only 26% of Gen Z say they view manufacturing as an exciting or rewarding career path. They seek companies that offer purpose, development, and flexibility. – McKinsey*

Non-English speakers can fill key roles—with the right support

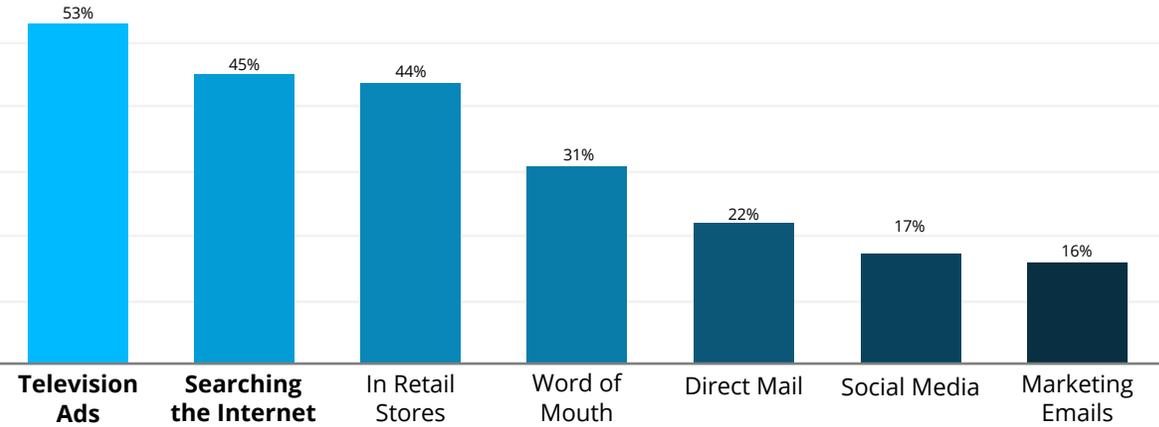
- *English Language Learners (ELLs) make up 10% of the U.S. workforce. Companies like Pella Corporation have seen success with ELL inclusion, where 33% of one plant's workforce are non-native speakers. - Axios*

Truth 8:

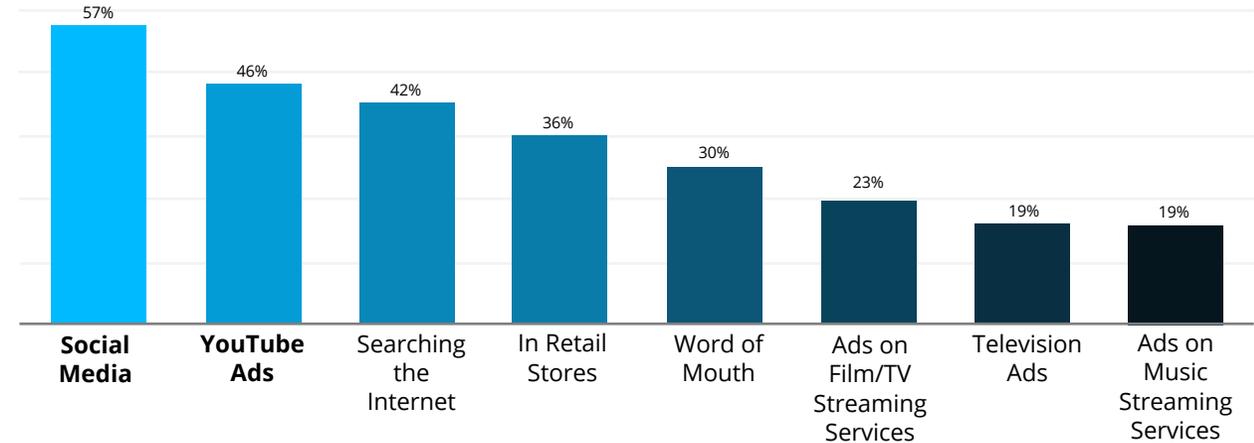
***Being Present Where Your Customers
Live is the New Standard***

Product Discovery - Generational Shift

Which Channels Have Boomers Discovered New Products on in the Past Three Months (Top 7)?

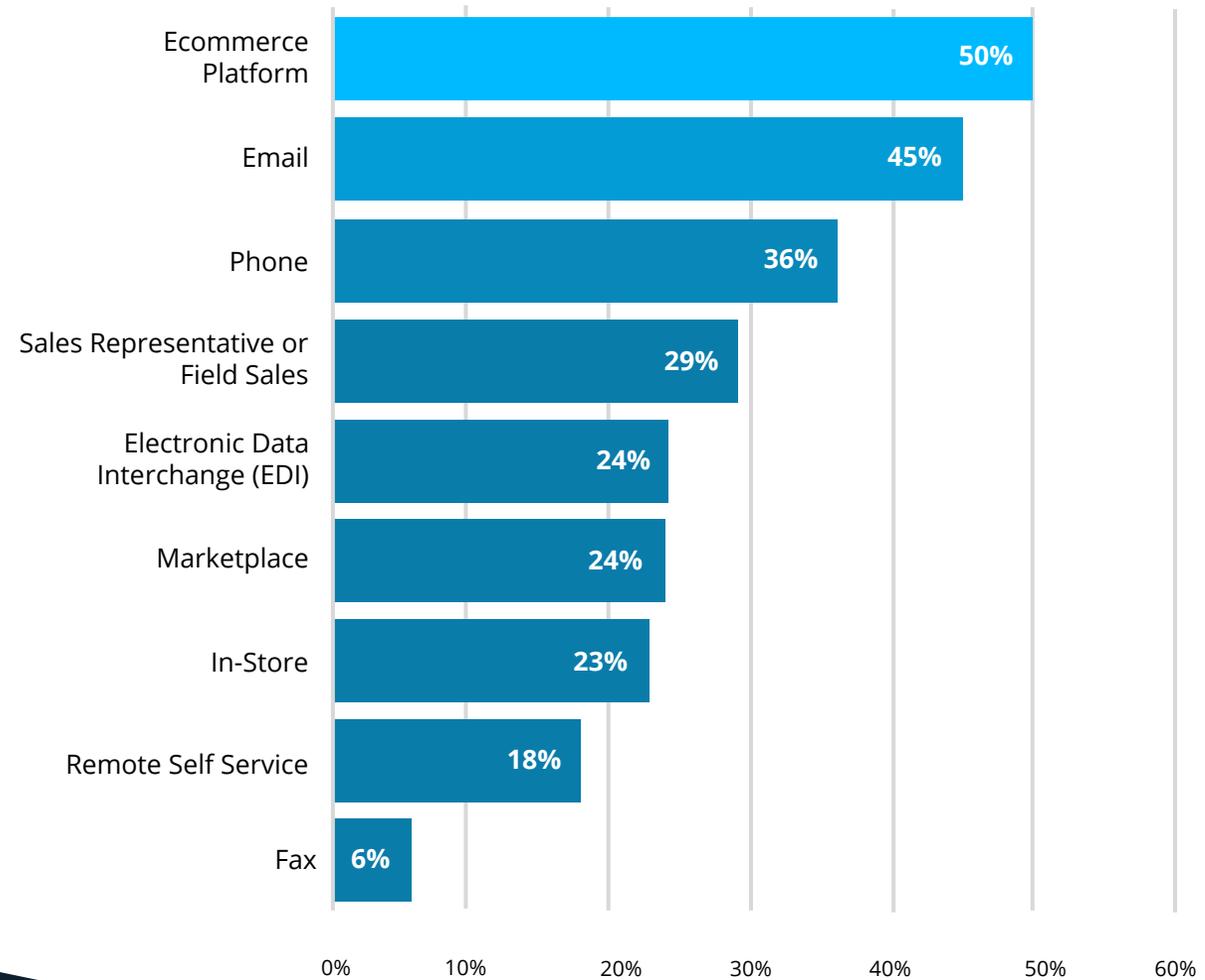


Which Channels Have Gen Z Discovered New Products on in the Past Three Months (Top 8)?



Traditional Channels Are Not Enough Anymore

Purchase Channel Usage for B2B Buyers



Source: Sana Commerce – Sapio Research

Truth 9:

***Manufacturers are Sitting on a Gold
Mine of Untapped Data***

Drowning in Data, Starving for Insight

- **Only 18%** of manufacturers say their data is fully integrated across systems.
- **70% still rely on manual data entry**, which limits real-time visibility and scalability.
- **68% cite data silos** as a top barrier to performance and decision-making.

Make The Data Work For You

- *Top-performing manufacturers are investing in **system integration, data governance, and analytics tools** to unify their view of the customer, product, and lifecycle.*
- *They're building **dashboards across functions**—from parts performance and service history to customer buying behavior.*
- *They are **shifting from reactive to predictive**: understanding not just what happened, but what's likely to happen next.*

Summary

The 9 Truths That Matter

1. *Legacy Systems Eat Innovation for Breakfast*
2. *Your Next Buyer Doesn't Want to Talk to You*
3. *Friction Is the Fastest Way to Lose a Customer*
4. *AI Isn't the Future—It's Already Improving the Present*
5. *The Margin Is in the Maintenance*
6. *Digital Transformation Fails Without Culture Change*
7. *You Can't Build the Future with Yesterday's Workforce*
8. *Being Present Where Your Customers Live Is the New Standard*
9. *Manufacturers are Sitting on a Goldmine of Untapped Data*

Any Questions?

Thank you!



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HOT TAX PRACTICE AND PROCEDURE ISSUES FOR THE INDUSTRY PRACTITIONER, 2025

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Michael Goller leverages his more than three decades of experience, accounting degree and strong relationships within the IRS to be an especially effective tax lawyer. He assists clients with federal and state tax controversy, tax litigation and tax planning. He is a shareholder in Reinhart's Tax and Corporate Law practices.

His clients vary from large public corporations to mid-sized, private businesses. He's a self-described "tax geek who litigates," pairing his outgoing personality with extensive, detailed knowledge and a dedicated work ethic. He represents clients involved in complex disputes with the IRS, the U.S. Department of Justice and various other authorities and has an impressive track record of favorable settlements.

Michael enjoys sharing his expertise through writing and speaking engagements on a variety of tax controversy, litigation and planning topics. He is a longtime faculty member at the University of Wisconsin-Milwaukee's Lubar School of Business and teaches Tax Practice and Procedure in the Graduate Tax Program. Michael is the founder of the Hastings Society for Economic Development, a group dedicated to the discussion of economic principles and how they can further the common good.

Outside the office, he enjoys cooking haute cuisine, having taken cooking classes in both Italy and France. In fact, over the years, Michael has raised significant funds for a variety of charities by auctioning his services as a chef. He spends time with his wife and daughter, plays golf and loves to travel.

Education

- ♦ J.D., cum laude, Marquette University Law School
- ♦ B.S., Marquette University (Accounting)

Bar Admissions

Wisconsin

Table of Contents

- Research Credit - Hot
 - Federal – Credit
 - WDOR – Sales/Use Tax Exemption & Small Credit
 - Funded Research
 - 4 Tests
 - Audit and Appeal Process
 - IRS
 - WDOR
- Cost Segregation Cases - Hot
- Private Airplanes Cases – Hot
- Employment Tax Concerns – Never Goes Away

Table of Contents (cont.)

- Retaining an Expert – Many Traps
- Expert Traps - Examples
 - Funded Research
 - Closely Held Business - §2703
- Wisconsin – Data Center Issues - Hot
- Ethical Concerns
 - Responding to Information Requests
- Passive Loss Issues – Never Goes Away
- Partnership Audits – BBA – Very Pro IRS - Hot
 - IRS Process
- Wisconsin Manufacturing Tax Exemption Traps - Hot

Research Credit - Hot



The Section 41 Research Credit

- Background of the Research Credit
- Different Types of Research Credit
 - Regular Credit – 20% of current year's expenses over base period expenses. Must prove up fixed base percentage.
 - Alternative Simplified Credit – credit ranges from 1.65% to 3.75% and is a function of three prior years' sales.

- The four tests:
 - Elimination of Uncertainty for each New or Improved Business Component Test
 - Technological in Nature Test – discover information that is technological
 - Process of Experimentation Test – experiment in the “scientific” sense
 - Business Component Test – needs some level of functional improvement to a new or improved Business Component

Uncertainty Test

- “Activities intended to discover information that would eliminate uncertainty concerning the development of improvement of a product.”
- Uncertainty exists if the information available to the taxpayer at the start of the project does not establish the method of improving or designing the component.
- Uncertainty must be as to technical ability, not economic or business uncertainty.
- Focus is on activities being conducted to address the uncertainty.

Technological in Nature Test

- “Activities undertaken for the purpose of discovering information which is *technical in nature*.”
 - Technology in Nature
 - Relies on the principles of hard sciences, such as engineering and physical , biological, or computer sciences.
 - May apply existing technologies or principles to eliminate uncertainty.
 - Patent safe harbor – rebuttable presumption that test is met if there is a patent.

Process of Experimentation Test

- Substantially all (*i.e.*, 80%) of the activities constitute a process of experimentation.
- Hypothesis, Test, Retest
 - Factors indicating experimentation:
 - Testing and analyzing alternative hypotheses
 - Significant scientific testing, and
 - Evaluation of numerous of complex technical tests

Business Component Test

- Development of a product and/or process
- A business component is “a product, process, computer software, technique, formula, or invention” that is held for sale, lease or license or is used by the taxpayer in a trade or business.
- Section 41(d)(2)(B)
- Research relating to process improvements must qualify separately from the research relating to the product produced
- There must be some level of functional improvement
- Shrink Back Rule
 - If an entire product or process does not meet the test, the components of the product or process may be considered and some of the costs may qualify.

Section 41 Research Credit

Trap: Watch your contracts – Funded Research

- Audit Issues for:
 - IRS – Document Requests
 - State DORs - Similar to IRS

Contract and Funded Research (Opposite Sides of the Same Coin)

- In cases of research, where the taxpayer does the research but does not have the risk of loss (i.e., funded research)--does not qualify for the credit. Treas. Reg. § 41(d)(4)(H).
- In cases of contract research where the taxpayer pays for the research, need to be able to show that payment is not contingent on the result. Treas. Reg. § 1.41-2(e)(2).
 - Have a contract and make it part of the audit record

Funded Research

- Watch out for funded research
 - Who is really at risk--amounts paid for the product or the success of the research are not treated as funding research. Treas. Reg. § 1.41-4A(d)(1).
 - Documentation is often difficult in the context of manufacturing. IRS regulations state all "agreements" between the taxpayer and other persons are to be considered when determining if research is funded. Treas. Reg. § 1.41-4A(d).
 - Who keeps the right to the research? Treas. Reg. § 1.41-4A(d)(2).

Funded Research (cont.)

- Purchase Order/Terms and Conditions/Master Purchase Agreement “Trap”.
 - Possible Solution
 - A taxpayer retains the right to use the research results without making payments to the payer (the U.S. Government) who obtained the right to use and disclose the technical data from the taxpayers research. Lockheed Martin Corp. v. U.S., 210 F.2d 1338 (Fed. Cir. 2008)

IRS Standard Information Document Request ("IDR") Traps

- The IRS typically issues a "standard" IDR in all research credit cases. Think about these questions before the return is filed.
- Traps to watch for
- Don't confuse "Projects" with "New or Improved Business Components"
 - Each New or Improved Business Component must meet the four tests
- Each question is a potential trap/admission

IRS Acknowledgement IDR-- Happens at the end of the audit

- IRS now issues to most LB&I taxpayers an IDR that attempts to box the taxpayer into certain facts
- How to respond to the IDR?
- Why noncompliance is not an option:
 - Burden of proof issues
 - Rule of evidence issues (must make info available to opponent)
 - Penalty issues--arguing reasonable cause
 - IRS appeals uses a nonresponse as a basis for not appealing
 - Qualified offer issues

Acknowledgement IDR

- Use the acknowledgement IDR to support your claim
- See this in most cases – not just the Research Credit

Future IRS Requests for Information

- IRS attorneys have a set of standard questions
- Need to be able to address these questions in a cost-effective manner
- Trap is, the failure to respond can lead to formal discovery or deemed admissions

Wisconsin Dept. of Revenue Issues

- Wisconsin credit for research--looks to the federal credit requirements
- Wisconsin sales and use tax exemption for qualified research – IRC Section 41 plus – Manufacturing or Biotechnology
Wis. Stats. § 77.54(57d)(b).
- Funded Research is a problem if avoiding tax on purchases of items still used in research

IRS Exam and Appeals Process

- Involvement of the examination function at appeals is now common
- IRS "engineer"--often not an engineer
- Hazards of litigation
- Document IRS concessions (i.e., the "engineer" agrees an item has been documented)
- IRS attorney will often try to raise a "New Issue"

Good Credit Study

- Allocate costs by New or Improved Business Component
- Avoid repeated "boiler plate" language
- Study should summarize findings, not repeat statements (hearsay issue)
- The author of the credit study summarizes his or her investigation and then opines that:
 - The four tests are met
 - None of the exclusions apply (e.g., funded research or undocumented contract research)

Research Credit Refund Issue

IRS looks to “not process” the refund claim

- Section 6402
- Section 301.6402-2(b)(i)
- CCM 20214101F
- If the claim is adequate, See IRS letter 6426C
- The requirement for a valid claim for refund is defined by statute, Section 6402(b) provides “The Secretary is authorized to prescribe regulations providing for the crediting against the estimated income tax for any taxable year of the amount determined by the taxpayer or the Secretary to be an overpayment of the income tax. . .”
- Treas. Reg. §301.6402-2(b) requires that a “ claim must set forth in detail each ground upon which a credit or refund is claimed and facts sufficient to apprise the Commissioner of the exact basis thereof.”

Issues

- A taxpayer could argue that a refund claim involving the R&D tax credit that does not contain the five items of information purportedly required by FAA 20214101F is allowable because it meets the specificity requirement of Reg. §301.6402-2(b).
- Further explain that FAA 20214101F was never entitled to Chevron because it is not a Treasury regulation. After Loper, this regulation carries Eben less weight.

Issues (cont.)

- The IRS will cite Sections 6402(b) and 7805(a) (i.e. IRS is authorized to “prescribe all needful rules and regulations for the enforcement of [the Code], including all rules and regulations as may be necessary by reason of any alteration of law in relation to internal revenue.”)
- If the IRS’s substantiation requirements are held inapplicable for failure to comply with the APA, then the taxpayer might argue that the refund claim is allowable because all other substantive and procedural requirements for met for the credit or refund to be made.

Audit and Appeals Process – WDOR

- Less formal than IRS
- Funded research is hot
- Sees abuse in non manufacturing type cases (*e.g.*, doctors, dentists, service providers), but this makes the issue “hot”

Cost Segregation Cases - Hot



Cost Segregation

What is the planning goal?

- Hotter issues after OBBB restated 100% bonus depreciation for qualified property (e.g., MACRS – 20 years or less) placed in service after 1/19/25
 - Immediately expense shorter life assets
- New Section 168 (n) - 100% depreciation for qualified production property for a mixed use facility the Taxpayer will need to allocate to production and non-production components.
 - ❖ Comment: What do “manufacturing” and “production” mean? Not defined.

IRS Attach on Cost Segregation Studies

- Publication 5653 (Rev. 6-2022) “Cost Segregation and Audit Technique Guide”
- Revisions were not large but whenever the IRS revises an audit manual, there will be audits

Cost Segregation (cont.)

- IRS cites AmeriSouth v. Comm'r TC Memo 2012-67 (2012)
- IRS Pub. 5653, Cost Segregation Audit Technique Guide

Why get a cost segregation

- Reduce class life
- Trap – Cost segregation study right after a 1031.

Change in Accounting Method Trap

- Facts
- Section 6501(a) and a Section 481 adjustment
- § 446(a) – “Taxable income is computed under the method of accounting on the basis of which the taxpayer regularly computes his income . . .”
- § 446(c) – Lists permissible methods - cash, accrual, any other method permitted by Chapter 1 of the Code and “any combination of the foregoing methods permitted under regulations prescribed by the Secretary.”
- A change in accounting method occurs when, under the lifetime income test, income changes. Does the change result in more or less income over the taxpayer’s lifetime? If so, it is not a CIAM. *Hyatt Hotels Corp & Subsidiaries*, 2023-122 (2023) (citing Peoples Band & Tire Co. v. Comm’r, 412 F.2d. 1341, 1344 (7th Cir. 1969))

Change in Accounting Method Trap (cont.)

- Treas. Reg. 1.446-1(e)(ii)(d)(2)(i) – A change in the “depreciation or amortization period of recovery, or convention of a depreciable or amortizable asset” is a CIAM. (Reg. was issued under 7805)
- IRS view is that the statute and this reg. cover a change from depreciable to non depreciable classification (*i.e.*, depreciable property to land)
- The argument will be that an allocation to land increases basis. Basis reduces gain and thus Gross Income and (after deductions) Taxable Income. Depreciation does not reduce Gross Income but is deducted from Gross Income to arrive at Taxable Income. So, assuming the property is sold, life time Taxable Income is the same.
 - Comment: What about 1031 exchanges and step-up-at-death? Or, what if land is sold and the increased basis will reduce the Section 1231 gain, and possibly reduce future 199A deductions, which is a new deduction for years 2018, forward. Some of the properties at issue were depreciated pre 2018. So the change results in less life than Taxable Income than if no change occurred??

Ethical Concerns

- Need a good cost segregation study
- How to correctly retain an expert
- Need credible testimony about holding property until death
- Diligence – Cir. 230 § 10.22
- Reliance on written advice – Cir. 230 § 10.22, 10.37(b)

Private Airplanes Cases - Hot

What is the Tax Planning Technique?

- Sutherland Lumber – Southwest Inc. v. Comm’r, 255 F.3d 495 (8th Cir. 2001)
- SIFL planning

Airplane Cases

- Depreciation and the Section 280F trap
- Need 51% business use to take accelerated depreciation. The first 25% of business use cannot be a rental to a related party or personal use treated as a fringe benefit.
- Entertainment Facility trap
 - No deduction is allowed for an entertainment facility. §274(a)(1)(B). Transportation entertainment facilities are deductible if the facility is used in pursuit of a trade or business. §1.274-2(b)(1)(iii)(1); TAM9608004.
 - Take the time to do good flight logs
 - Watch the 280F depreciation recapture
 - FAA rules require a dry lease. Make sure you do not violate Section 280F

Airplane Cases (cont.)

- Section 183 – Hobby Loss
 - Business Plan
 - Factors §1.183-2(b)

Family Office Planning

- Section 183 concerns
 - Section 183(a) – Disallows expenses of not-for-profit activities
 - Section 183 on its face applies to “an individual on an S- corporation” Section 183(a) applies to partnership and trusts as well.
Note Section 183 creates presumptions
 - Section 183 does not apply to C-corporations. However 162 still applies to a C-corporation and IRS regulations state that “no inference can be drawn from Section 183 and the regulations thereunder that any activity of a [C] corporation. . . is or is not a business or engaged in for profit.” Treas. Reg. 1.183-7(a)
 - Sorry – Slapping a hobby into a C-corporation does not work (at least not well)

Airplane Cases (cont.)

- IRS Activity
 - IRS Notice – IR – 2024-46 (2/21/24) – IRS Notice of more audits
 - LB&I “Campaign” Issue
 - Checklist
 - Flight Logs
 - Business Purposes – Document (162 + 183)
 - 280F
 - PE v. PNE Flights – Document
 - Entity – Partnership or Corporation
 - Dry Lease
 - FAA – Part 91 or 135
 - State Tax Issues – Fly Away States

Airplane Cases (cont.)

- Use a Partnership or Corporate structure
- SIFL or §274-10(e)
- Personal Entertainment v. Non-Personal Entertainment
- SIFL is much more favorable than §274-10(e)
- Avoid Schedule C Structure – CCA 202117012 (4/30/21)
 - IRS: Can not pay a fringe benefit to a sole proprietor so income is not SIFL income. Simply disallow all personal expenses. Unclear how to measure expenses.

Airplane Cases (cont.)

- Section 280F
 - Leasing and Fringe Benefit Traps
 - Here's a new one – a single member LLC is not a single member LLC
 - New IRS training materials issued November, 2024

Employment Tax Concerns – Never Goes Away



Section 530 of the Revenue Act of 1978



- Generally allows taxpayer to treat worker as not being an employee for employment tax, but not income tax or other purposes
- Must have reasonable basis and meet certain requirements

Section 530 of the Revenue Act of 1978 (cont.)

- *Reasonable basis* for treating a worker as an independent contractor exists if the taxpayer reasonably relied on
 1. Past IRS audit practice with respect to the taxpayer, or
 2. Published rulings or judicial precedent, or
 3. Long-standing recognized practice in the industry of which the taxpayer is a member, or
 4. If the taxpayer has any "other reasonable basis" for treating a worker as an independent contractor.

Section 530 of the Revenue Act of 1978 (cont.)

- Comment: When section 530 relief is at issue, the IRS is supposed to consider the application of this relief before determining if an employment relationship existed.

Section 530 of the Revenue Act of 1978

- Additional requirements
 - The taxpayer must not have treated the worker as an employee for any period
 - All federal tax returns, including information returns, must have been filed on a basis consistent with treating such worker as an independent contractor
 - The taxpayer (or a predecessor) must treat all workers holding substantially similar positions consistently for purposes of employment taxes
 - The “similar worker consistency requirement”

Statute of Limitations in Employment Tax Cases

Section 6413 governs when a return is deemed to be filed for purposes of Section 6411 (*i.e.*, for purposes of whether a claim for refund is timely filed). Subsection (c) pertains to Social Security Taxes and Income Tax Withholding (*i.e.*, the taxes reported on a Form 941). Section 6513(c) provides that:

If a **return** for any period ending with or within a calendar year **is filed before April 15** of the succeeding calendar year, such return shall be considered filed on April 15 of such succeeding calendar year. §6513(c)(1). (Emphasis added.)

Thus, when Form 941 for a period is filed before April 15 of the following period, the tax return is considered filed on April 15 of that following year.

Interest-Free Adjustments

- Generally, for employment tax (*i.e.*, Form 941 obligations), if the adjustment to the Form 941 (*i.e.*, the tax deficiency) is
 - paid on or before the due date of the 941 for the period in which the error is “ascertained,”
 - the amount of the underpayment shall be paid without interest being charged.
- An error is ascertained when resolved at examination or with appeals.

Interest-Free Adjustments (cont.)

- If, however, the case is not resolved at Appeals and the taxpayer receives a notice and demand for payment from the IRS, the adjustment will not be interest free.
- In addition, the taxpayer will not be allowed an interest free adjustment where a prior audit found that additional tax was due with respect to the same issue.

Retaining an Expert – Many Traps

Attorney-Client Privilege

The Kovel Letter

- The Privilege Can Extend Communications with the Attorney's Agents
- So long as a client's communication is made to an agent of an attorney (*i.e.*, a CPA that has been retained by the attorney) in confidence, for the purpose of obtaining Legal Advice from the lawyer, it is privileged. United States v. Schwimmer, 892 F.2d 237, 243 (2d Cir. 1989).
- What is a Kovel letter?
- This rule, generally known as the Kovel rule. The application of the Kovel rule can be difficult in situations where non-legal services, such as preparing a tax return, are provided with legal services because it is difficult to distinguish between communications made for the preparation of a tax return and those made for the provision of legal services. Because the Kovel rule rests on the attorney-client privilege, the protection of the Kovel rule is lost anytime the attorney-client privilege is lost.
- When to use a Kovel Letter.
Comment: The key is the facilitation of communication between the lawyer and client

Wisconsin – Data Center Issues – Hot



Data Center Issues

- Property Taxes
- Sales and Use Tax
- Research Credit
- OBBBA - Depreciation

Responding to Information Requests



Due Diligence – Section 10.22 (Revised June 9, 2014)

- Practitioner Must Exercise Due Diligence
 - Every practitioner must exercise due diligence when practicing before the IRS
 - This includes exercising diligence in preparing documents relating to IRS matters and verifying the correctness of oral and written presentations made to both the IRS and one's client with regard to any matter administered by the IRS
 - A practitioner's duty to be diligent is a very broad concept
 - A lack of diligence would seem to exist in most instances of deficient practice-related conduct

Prompt Disposition of Matters and Responses to Requests for Information §10.20 and §10.23

- If the IRS makes proper request for records or information, a practitioner must promptly respond to the request unless the practitioner reasonably has the good-faith belief that the information is privileged
- A practitioner may not unreasonably delay the prompt disposition of any matter before the IRS



Prompt Disposition of Matters and Responses to Requests for Information §10.20 and §10.23 (cont.)

- The practitioner must make a reasonable inquiry of the practitioner's client as to who has possession or control of the requested information
 - However, a practitioner need not make inquiry of any other persons or verify information provided by the client

Comment: Consider these rules when responding to a "wealth squad" IDR, a detailed LB&I IDR or a very broad discovery request.

Prompt Disposition of Matters and Responses to Requests for Information §§10.20 and 10.23 (cont.)

- Where the documents or information requested by the IRS are not in the possession of the practitioner or client, the practitioner must promptly provide the IRS employee seeking the information with any information the practitioner has about who has possession or control of the requested information

Comment

This rule certainly seems to raise Section 7525 and attorney-client concerns

Due Diligence – Section 10.22 (Revised June 9, 2014) (cont.)

- The concept of diligence seems to require more than the mere belief that a presentation is correct the moment it is submitted to the IRS or a client
 - The implied approval of past incorrect statements would seem to be a violation of Section 10.22
 - If a practitioner fails to correct an incorrect statement made to the IRS or a client, knowing full well that the recipient continues to rely on that statement
 - A failure to correct the error is inconsistent with the practitioner's obligation to be diligent

Passive Loss Issues – Never Goes Away



Passive Losses and the Real Estate Professionals

- Section 469
- Rental Real Estate
- Real Estate Professional
- Proving Material Participation
- Make a Grouping Election – watch limited partnership trap

Passive Losses and the Real Estate Professionals

- My Worst Nightmare
 - 280F – Airplane Leasing Trap and/or
 - 469 – Passive Loss Argument
- Rental is Per Se Passive
 - Need a “Dry Lease” for FAA reasons
 - IRS should abandon this argument

Passive Loss Issues

- Limit a taxpayer from deducting losses and excess credits from a passive activity against income from nonpassive activities. I.R.C. § 469(a)
- A passive activity is one that:
 - Involves the conduct of a trade or business in which the taxpayer does not materially participate. I.R.C. § 469(c)(1)
 - Is a rental activity. I.R.C. § 469(c)(2)

Passive Loss Rules (cont.)

- Establishing Material Participation
 - A taxpayer materially participates in an activity if, and only if, the taxpayer meets one of the following seven tests:
 - Work done in a taxpayer's capacity as an investor does not count toward the 500 Hour test, unless the taxpayer is directly involved in the day-to-day management or operations of the activity. Treas. Reg. § 1.469-5T(f)(2)(ii)
 - Investor activities include studying and reviewing financial statements or reports on an activity, preparing studies or analyses of the activity's finances or operations for the taxpayer's own use, and monitoring the activity's finances or operations in a nonmanagerial capacity

Passive Loss Rules (cont.)

- Facts and circumstances. Treas. Reg. § 1.469-5T(a)(7)
 - Taxpayer can establish material participation by regular, continuous and substantial involvement in an activity based on all the facts and circumstances
 - Must participate in activity for more than 100 hours. Treas. Reg. § 1.469-5T(b)(2)(iii)
 - Caution! Services performed in the management of an activity are disregarded unless:
 - No other individual is compensated for performing management services in connection with such activity; and
 - No other individual performs management services that exceed the hours spent by the taxpayer. Treas. Reg. § 1.469-5T(b)(2)(ii)

Passive Loss Rules (cont.)

- A taxpayer must establish hours of participation under the seven tests
 - Any reasonable means of proof is sufficient to establish hours of participation. Treas. Reg. § 1.469-5T(f)(4)
 - Courts and the IRS are skeptical when a taxpayer makes extravagant claims on the number of hours of participation
 - Courts generally do not accept "post-event ballpark guesstimate" of hours unless supported by credible testimony and other objective evidence
 - Taxpayers are recommended to keep careful records of participation
 - Practice Tip
 - Use an affidavit
 - A client interview
 - Keep good logs

Passive Loss Rules (cont.)

- Special Rules for Real Estate Rental Activities
 - Taxpayers who qualify as "real estate professionals" may treat their real estate rental activities as nonpassive upon a showing of material participation.
I.R.C. § 469(c)(7)
 - To qualify as a "real estate professionals"

Passive Loss Rules (cont.)

- For individuals:
 - The taxpayer must satisfy the two following requirements:
 - More than one half of all personal services performed in trades or businesses must be performed in the real property trades or businesses; and
 - More than 750 hours of services must be performed in real property trades or businesses in which the taxpayer materially participates. I.R.C. § 469(c)(7)(B)
 - Personal services include any work performed by the individual in the connection with a trade or business, except for:
 - Worked performed by an individual in the individual's capacity as an investor. Treas. Reg. § 1.469-9(d)(4)

Passive Loss Rules (cont.)

- Services performed as an employee, unless the employee is a 5% owner of the employer. I.R.C. § 469(c)(7)(D)(ii)
 - Practice Tip: When looking to purchase Real Estate (e.g., Apartment Buildings), document that the activity is not investment activity
- Services of the taxpayer's spouse cannot be combined to satisfy either of the two requirements. Treas. Reg. § 1.469-9(c)(4)
- Caution! Rental activities held through a passthrough entity constitute a single interest if the entity grouped its real estate as a single activity. Treas. Reg. § 1.469-9(h). However, if a taxpayer owns directly or indirectly a 50% or greater interest in the passthrough entity, each interest in rental real estate is treated as a separate interest unless the taxpayer makes his or her own election to treat all interests in real estate as a single activity.

Hot Issues – Dealer in Real Estate

I. Summary of the Law Regarding Real Estate Dealers

Under the Code, a dealer is one who holds property "primarily for sale to customers in the ordinary course of a trade or business." IRC § 1221(a) (1). The word primarily, means "principally or of first importance." Malat Riddell v. U.S., 383 U.S. 569, 572 (1966). It requires more than just a substantial or essential purpose to sell. Therefore, there is no requirement that property must be held solely for investment in order for it to be a capital asset. Further, it is well settled that a taxpayer in the real estate business may hold real estate as an investment and that property is not deemed to be held primarily for sale to customers in the ordinary course of business. Maddux Constr. Co. v. Commissioner, 54 T.C. 1278, 1286-1287 (1970).

The Tax Court's most recent discussion of this issue is in Sugarland Ranch Development, LLC, et al. v. Commissioner, T.C. Memo 2018-21. In Sugarland, the Tax Court concluded that the taxpayer was not a dealer of real estate. The next most recent case is Fargo v. Commissioner, T.C. Memo 2015-96. In this case the Tax Court found for the Service.

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In both cases, the Tax Court applied the factors articulated in Maddux when determining whether a dealer relationship exists. See Maddux, at 1284. These factors are as follows:

1. **The frequency and substantiality of sales of property;**
2. **The taxpayer's purpose in acquiring the property and the duration of ownership;**
3. **The purpose for which the property was subsequently held;**
4. **The extent of developing and improving the property to increase the sale revenue;**
5. **The use of a business office for the sale of property;**
6. **The extent to which the taxpayer used advertising, promotion, or other activities to increase sales; and**
7. **The time and effort the taxpayer habitually devoted to sales.**

Of these factors, the frequency and substantiality of sales is the most important factor. Sugarland at 4 (citing Suburban Reality Co. v. U.S., 615(2) 171, 178 (5th Cir. 1980)).

In Sugarland, the Tax Court found that the record as a whole showed that the parcels at issue were held for investment and not sold as part of the ordinary course of the taxpayer's business. Sugarland at 4. The Tax Court further indicated that the infrequency of the sales (i.e., Factor 1) by the taxpayer outweighed any of the other factors that weighed against the taxpayer. Sugarland at 7. In both cases, the Tax Court noted that frequent and substantial sales of real property indicate sales in the ordinary course of business, whereas infrequent sales for significant profits are more indicative of real property held as an investment. See also Phelan v. Commissioner, T.C. Memo 2004-206 (property purchased for purposes of appreciation and subsequent sale is an investment and not inventory).

Partnership Audits – BBA – Very Pro IRS – Hot



Overview

The BBA, among other things, eliminates the so-called TEFRA Unified Partnership Audit Procedures¹ and the Audit Procedures for Electing Large Partnerships.² It also creates a more streamlined partnership audit approach, thus making it easier for the IRS to audit a partnership.

¹ These were first created in the Tax Equity and Responsibility Act of 1982.

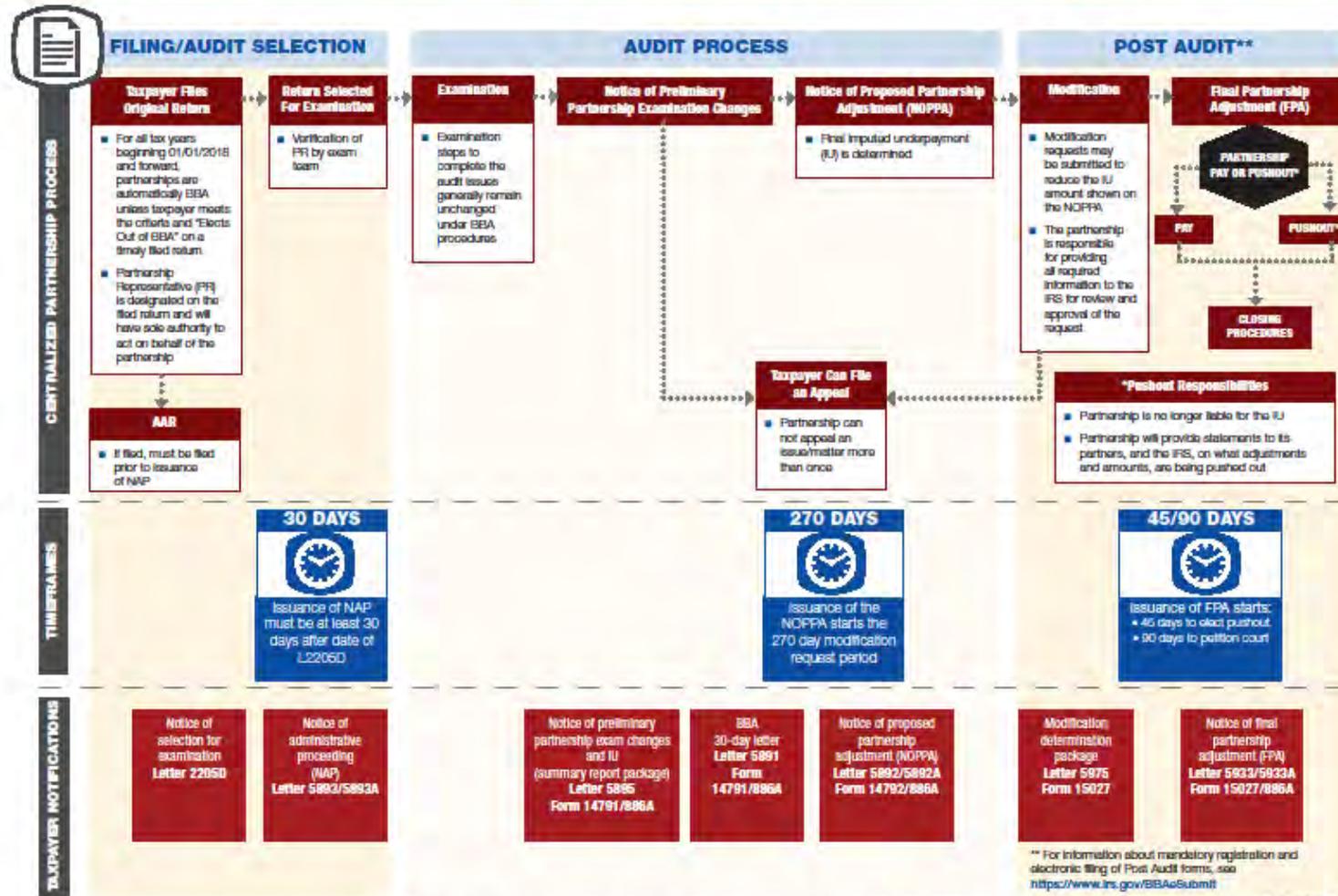
² Created as part of the Taxpayer Relief Act of 1997.

Neutral Revenue Raiser

- The BBA was promoted as a “neutral” revenue raiser (*i.e.*, a revenue raiser in disguise); in that an increase in partnership audits will raise revenue without increasing taxes.
- It is expected that the new audit procedures and increased audits will yield \$9.3 billion of additional revenue over ten years. As such, the law gained quick approval in Congress.

Partnership Audit Road Map

Bipartisan Budget Act (BBA) Roadmap for Taxpayers



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Partnership Ethical Concerns

- Conflicts of Interest
 - Who is my client
 - Need a good engagement letter
 - Do I opt-out if I can
 - Do I push out
 - The modification process
 - What does the operating agreement say

Wisconsin Manufacturing Tax Exemption Traps - Hot



Traps

- Equipment, fuel and components must be used directly and exclusively in manufacturing
- Who owns the “plant”?
- When does manufacturing commence?
- Goes hand-in-hand with sales and use tax exemption for research

Questions?

THANK YOU!

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