



TAX SEASON IS HERE

How to help ensure success



Introduction

On your mark, get set, go! It's the start of another tax season and ideally your firm has the technology and resources in place for a successful season. But is your firm truly prepared for the unexpected? Are unforeseen technology gaps or inefficiencies becoming evident?

The reality is that there's always room for improvement. Now is the time to act to ensure continued growth and profitability for your practice.

To help firms ensure success this season and beyond, this white paper will explore actionable measures tax professionals can take today. And as firms wade into the tax season, it is important to keep in mind that nothing is permanent. Changes can be made during the season, even in the midst of the hustle and bustle. This is especially true if it's a change that is easy to implement and will bring your firm and its clients immediate value.

There's always room for improvement. Now is the time to act to ensure continued growth and profitability for your practice.



Filing early and electronically is beneficial for both preparers and clients. For starters, it can help guard against identity theft.

Encourage early e-filing

Each year, the IRS rejects or suspends the processing of suspicious returns out of concern of tax-related identity theft. This often results in tax preparers facing rejected client e-filed returns because the IRS received another return with that client's Social Security Number, or their client received a letter from the IRS inquiring about a suspicious tax return they did not file.

In recent years, the IRS has stepped up its fight against identity theft and, today, many new safeguards are in place. However, the threat is still very real as identity thieves continue to create new ways of stealing personal information.

But the benefits of filing early do not stop there. Encouraging clients to file early can help eliminate the need to file an extension, and can help preparers avoid a traffic jam of incoming returns as the April filing deadline draws near.

Early filing can also help ensure that preparers have more time to proactively advise clients. This is important to help preparers strengthen client loyalty and meet evolving client demands in today's competitive environment.



Now is the time to be proactive.

Be proactive

It is important to review key areas that may impact your clients and to provide any tax guidance or items to be aware of during the tax season.

Below are two handy charts that outline the major federal tax law changes impacting the 2023 tax year for individuals and businesses and where to find related guidance on [Checkpoint®](#).

Year-end tax planning for 2023

In 2023, we witnessed a relatively quiet year regarding legislation. But 2022 was not. The Inflation Reduction Act passed in August 2022 and the SECURE 2.0 Act passed late in December 2022.

The Inflation Reduction Act includes a 15% corporate alternative minimum tax on large corporations and a 1% excise tax on stock buybacks. Both are in effect in 2023. In addition, there are credits for new and used clean (EV) vehicles; credits for producing clean hydrogen; and credits for the production of zero-emission nuclear power.

The SECURE 2.0 Act contains numerous retirement plan-related changes. To assist you in developing year-end tax planning strategies for your clients, Checkpoint's tax experts have analyzed current tax rules to identify the unique opportunities and challenges facing taxpayers in the current year.

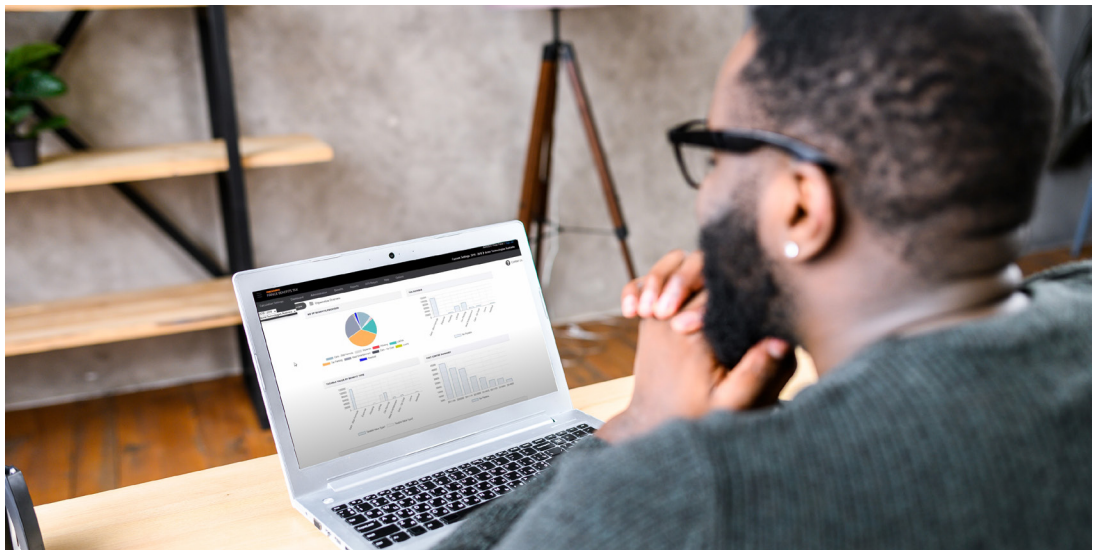
Year-end tax planning for 2023: individuals

What's new for individuals in 2023?

- While many of the tax benefits related to the COVID-19 pandemic have expired or reverted to their pre-pandemic levels, expanded health insurance subsidies are extended through 2025. (Tax Planning and Advisory Guide — Health Care Reform — premium tax credit expansion)
- The SECURE 2.0 Act (the "Act") was passed on December 29, 2022. Among the key retirement provisions in the Act are: expanding automatic enrollment in retirement plans; increasing the age for the required beginning date for mandatory distributions; a higher catch-up limit to apply at age 60, 61, 62, and 63; and the elimination of the additional tax on corrective distributions of excess contributions. The Act also includes several smaller, non-retirement tax provisions, including changes to ABLE accounts under Code Sec. 529A and modifications to the rules governing charitable conservation easements under Code Sec. 170.

Specifically for 2023, the Act:

- Increases the age for the required beginning date to start taking mandatory distributions. (Tax Planning and Advisory Guide — Retirement Plans for Self-Employed — requirement minimum distributions)



“For businesses looking to invest, the Inflation Reduction Act’s clean energy tax credits are some of the most impactful federal climate policies to date. Investing in clean energy technology will lower the costs of utilities, reduce carbon waste, and lower your tax bill.”

*- Shannon Christensen,
Executive Editor*



- Modifies the rule regarding the 10% early distribution tax as it relates to firefighters and public safety officers. For more details on the Act’s changes to retirement planning for both 2023 and 2024, see the Retirement section below. (Tax Planning and Advisory Guide — Retirement Plans for Self-Employed — exceptions to the early distribution tax)

Year-end tax planning for 2023: businesses

What’s new for businesses in 2023?

Congress passed the Inflation Reduction Act of 2022 which extends through 2024 the credit for electricity produced from certain renewable resources; the energy credit; and other energy-related credits (with various extension dates).

The Act also introduced two new corporate taxes and various new clean energy related tax credits effective beginning in 2023. The two corporate taxes are: (1) the 15% corporate alternative minimum tax on the adjusted financial statement income of applicable corporations (sometimes referred to as the “Book Minimum Tax”) and, (2) the 1% excise tax on the repurchase of corporate stock. (Tax Planning and Advisory Guide – Closely-held C Corporations – corporate alternative minimum tax)

Proactively advising clients on such issues not only helps strengthen client relationships but also leads to greater cross-selling opportunities that practitioners can discuss with clients after the April tax deadline. Book those appointments now, as the financial impacts for both individuals and businesses are expected to linger.

Increase your firm’s visibility

Now may also be an ideal time to increase your firm’s visibility to help further strengthen client relationships and attract new clients. Why now? Because this is the time of year when taxes and finances are especially front-and-center for taxpayers. Take advantage of their captured attention. To help keep your firm top-of-mind, consider the following tips:

- **Social media:** clients value and expect instant updates on tax news that affects them. Position your firm as a trusted source for these updates and leverage social media to keep your contacts informed with timely, relevant federal, state, and local tax posts that matter to them.
- **Webinars/white papers:** enhance your online marketing strategy with webinars or white papers. Is there a topic of particular interest to your audience? If so, that’s a great opportunity to position your firm as a thought leader.
- **Engaging imagery:** for maximum impact, add images that are designed to render optimally with Facebook, LinkedIn, and Twitter/X posts.
- **Articles:** keeping up with the latest tax and regulatory changes can be challenging and time consuming. Save time and position your firm as an authority by leveraging pre-written, full-length articles. Be sure they are available in the right format for quick and easy publishing on social media or your blog.
- **Visuals:** make an impression in just a few seconds through eye-catching visuals that incorporate tips, trivia, and recommendations your followers will want to share.
- **Newsletters:** deliver topics of interest to your contacts and provide them with relevant, thought-provoking articles via newsletters.

Ramping up your [firm’s marketing during tax season](#) may seem like a tall order. If that’s the case, consider an all-in-one marketing solution, which can be an easy and effective way to increase your firm’s visibility and thought leadership.



It is time to be aware of pain points and areas of inefficiencies, and to document them so they can be resolved well ahead of next tax season.

Identify and document pain points

Ideally your firm has the technology and resources in place for a successful season, but the reality is that there's always room for improvement.

As your firm wades into the tax season, are unforeseen technology gaps or inefficiencies rising to the surface? Clearly, the height of busy tax season is not the best time to be implementing new tax software and revamping workflows. It is, however, the time to be aware of pain points and areas of inefficiencies, and to document them so they can be resolved well ahead of next tax season.

Sometimes the signs are obvious, but other times they may be easy to overlook. As outlined in the Thomson Reuters® white paper, "[Tax Software Red Flags: How to identify them and what to do next](#)," some red flags to keep watch for include, but are not limited to:

- You are spending a lot of time manually entering information into your current program (or multiple programs) because they don't integrate with each other.
- Software updates are being pushed through at the most inconvenient times, disrupting your workflow and impacting your productivity.
- There's a lack of seamless integration and you're finding that the current software doesn't integrate with your firm's other internal and third-party programs to enable data-sharing that support your workflow.
- You are noticing a low utilization rate.
- The software doesn't allow enough users to access it at the same time.

Consider keeping a journal during the season to easily document what is working for your firm, and what is not. This will help ensure that no pain points go overlooked and unresolved as you gear up for the next tax season.

Prepare for the unexpected

If there's one lesson to be learned from years past, it is to be prepared for the unexpected.

Therefore, be sure your firm is prepared for emergency scenarios, such as economic crises, energy crises, and weather events. Consider the following tips:

- Know what to do before, during, and after an emergency scenario.
- Identify your risks. Know what scenarios are most likely to affect your business.
- Develop a workplace emergency plan and be sure employees know it.
- Create a crisis communications plan to keep in contact with staff and clients during and after an emergency.
- Test and practice your preparedness plans.
- Listen to local officials.

It is also important to create plans in case of [changes in tax deadlines](#), etc., and to stay on top of breaking news and research. If you haven't done so already, consider the benefits of an AI-enabled tax and accounting research solutions that enable firms to stay on top of regulation changes efficiently and confidently.



Keep staff happy and motivated

Tax season is stressful. The busy season can prove taxing for even the most seasoned professional between heavy workloads, managing client expectations, and working long hours.

Employee burnout is always a concern for firms — and for good reason. Finding ways to [keep staff happy, engaged, and motivated will go a long way toward more productivity](#), higher employee morale, and, ultimately, greater firm profitability.



The good news is that there are ways firms can help keep spirits up and mitigate the stress of tax season. Consider the following tips:

Foster a positive learning culture. Imagine the unveiling of complex tax legislation — this is the perfect opportunity to start a collaborative, intellectual brainstorm with your team. Foster an inclusive environment that invites each team member to contribute their unique insights, enriching the collective understanding.

Find creative ways to help alleviate stress. This could include setting up an activities room in the office where associates can go an unwind for a few minutes.

Encourage healthy habits. Healthier employees are often happier, more productive employees. That's why it is important for firms to encourage employees maintain a healthy work-life balance and to adopt healthy habits. This includes getting some fresh air and exercise, taking breaks, and eating healthy. In today's remote environment, virtual workout classes or meditation may be ideal.

Be flexible. Allowing staff to have flexible schedules enables them to have a greater work-life balance and gain greater control of their day.

Set boundaries. With so many professionals working remotely, establishing boundaries has perhaps never been more important since remote employees are never really "out of the office." Encourage these employees to set boundaries by, for instance, creating designated work spaces (that is ideally not the kitchen table) and letting team members know when they are "off the clock."

Provide the right resources. Empower your team, save them time, and help alleviate stress by providing them access to the right productivity tools and resources. This includes resources that go beyond interpretation and analysis and bridge the gap between interpreting the tax law and reporting real-life client transactions. When preparers are in the midst of busy season, they don't have time to search multiple sources for answers.

Reward employees. Showing employees that you value them and appreciate their hard work can go a long way toward boosting morale and driving engagement. Bonuses are obviously one way to reward employees, but there are other (less expensive) ways as well.

Conclusion

As your firm heads into another tax season, take action to help ensure it proves successful. During these uncertain times proactive measures have perhaps never been more important.

By taking such steps as encouraging clients to file early, documenting pain points and inefficiencies, and being prepared for the unexpected, your firm can celebrate a successful tax season, as well as continued growth and profitability. The time to act is now. These uncertain times proactive measures have perhaps never been more important.

By taking such steps as encouraging clients to file early, documenting pain points and inefficiencies, and being prepared for the unexpected, your firm can celebrate a successful tax season, as well as continued growth and profitability. The time to act is now.



Checklist for a successful tax season

- Encourage clients to file as early as possible.
- Identify potential cross-selling opportunities and schedule those post-tax season appointments now.
- Keep your firm top-of-mind with prospective and current clients.
- Identify and document technology and workflow inefficiencies.
- Prepare for the unexpected.
- Stay on top of breaking news and research.
- Keep staff happy and motivated.

For more guidance and resources to keep you on track during this busy tax season, visit our [Tax Resource Center](#).