

3 THINGS YOUR CPA DIDN'T TELL YOU THAT COULD IMPACT YOUR TAXES

"It's tax season. When I woke this morning and realized it was tax season, I said, My God, didn't we just pay taxes last year?" – David Letterman

Yes, most Americans dread tax season. As a taxpayer, your goal is to minimize your tax liability and keep more money in your pocket. After all, it's not only about what you earn – it's what you keep!

The simple concept of owing the IRS more money, coupled with the complex and ever-evolving tax code is enough to stress most people. However, working with a knowledgeable CPA firm can bring value by staying current with "do's and don'ts" for optimal tax preparation outcomes.



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Here are three things that your CPA may not have told you that could impact your taxes:

1. You are still liable for mistakes on your tax return – even if you paid someone else to do it

While CPAs are known for being meticulous, mistakes can still happen. Tax return errors can stem from failure to disclose all pertinent financial information, mathematical oversight, or even willful negligence. Although CPAs are held to a standard of conduct of care and due diligence, you are still held accountable for meeting your correct tax liability. While a CPA may be held liable for monetary damages for failure to help repair the errors, it will cost you significant time and money.

2. If your taxes are simple, don't pay a CPA

If your financial world is essentially limited to the income from your employer, you likely don't need to hire a tax preparer. Instead, save yourself the money and file on your own. Websites like H&R Block and TurboTax offer free online tax support and can even educate you to become more tax savvy in the process. On the other hand, individuals with complicated tax situations are highly advised to spend the money on a knowledgeable CPA relationship.

3. You are losing money by overpaying on your taxes throughout the year

The majority of taxpayers rely on their refund to pay bills and purchase everyday necessities. What many people fail to realize is that a tax refund isn't free money - it's your money! By overpaying on taxes year after year, you are affording the government an interest free loan rather than using it towards investments, savings, or paying down debt.

There is a tremendous level of value of having a skilled CPA firm on your professional advisory team.

At Neumeister & Associates, we welcome the challenges of tax season and would love to work with you. Connect with us and we will help turn tax season into a seamless process!

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