

Can't my CPA execute the same tax reducing strategies you're discussing?

In other words, why do I need you, too, Brian?

Let's See how SoCal's Premier CPA (W Murray Bradford) answered those same questions:

"No, and here's why: Your accountant is busy 50 to 60 hours a week (more during tax season) preparing client tax returns, doing audits, helping clients negotiate loans, and a zillion other things. The only tax education most practicing CPAs get is the occasional tax seminar they attend, maybe one or two during the year".³



We primarily use two practices to accommodate Business* Income TAX REDUCTION

**referring to entities filing any of these tax returns - 1120S, 1065, LLC, Sole Prop Sched C, Sched E for Rental RE*

Client Initiated request specific to one domain of business taxation–

e.g., prepare a business for a stock sale in two years' time; sell depreciated equipment without recognizing recaptured gain; prepare a former "personal" use Turbo Prop Jet for business use & bonus depreciation starting Jan 1

Client requests or agrees to a business tax and financial review. The purpose is to

identify opportunities for tax reduction including use of available tax credits. Afterwards, the pros and cons are thoroughly discussed with the client and determined to be executable, good idea but bad timing (consider next year) or not appropriate based on client's unique circumstances.

Consultant's Qualifications and Resources

Brian's education includes a Master of Science in Taxation (MST) from Northeastern University's D'Amore-McKim School of Business. This degree enabled Brian to break through all real or imagined barriers to achieving client goals at reduced costs by designing & **facilitating the execution of researched tax "reduction" strategies.**

The MST Degree for Financial Planner or CPA is the

equivalent of the Attorney's LLM (Latin acronym – in English "Master of Law" in Taxation degree); attorneys with LLM's are often approved to represent clients in Federal Tax Court. Another difference -- Brian vs CPA or Tax Attorney is that the latter two are permitted to represent clients before the IRS and advise clients on tax matters without any disclaimer passing off the responsibility to some higher

authority; advising CPAs and attorneys to retain the responsibility and in certain instances, liability for not being diligent regarding accuracy. THE PRECEDING is described in detail in Unites States Treasury Circular 230*

MST Tax Reduction remains committed to diligence while striving to work in a collaborative manner– we always work in conjunction with client's CPA & Tax Attorney; we do so without burdening them with additional work other than requests to review & assess our work product – and then report the changes using the applicable IRS or FTB forms, our supporting documentation & our recommended timing of submittal.



MST Tax Reduction has advantages over both tax Attorneys and CPAs. Brian's mindset is that of a CFP (Certified Financial Planner™ practitioner); it's a planning mindset where forward looking "what-if's" are anticipated and addressed.

VS

The typical transactional mindset that is common in both CPAs and Attorneys - where little attention is given to cause & effect for any period beyond the present or prior tax year.



MST Tax Reduction **does not replace these other professionals – such as CPAs or Attorneys –** but we do reduce their cost and the client's total cost for professional services. Brian naturally acts as the professional team's quarterback, and this results in increases in efficiency and tax optimization (less misunderstanding and less frequent mistakes & a lower tax outlay).

RESOURCES

The consultant's libraries & databases {below} are his annual capital contributions to his "Tax Reduction Planning" enterprise.

- The consultant's knowledge regarding "How To Effectively Use and Apply" the commentary within his libraries & databases is his learned and ingrained intellectual property

Annual Subscriptions to Thomson Reuters' **Checkpoint Edge** (research) & **Practice Forward** (advisory)
Cost \$10,000 per annum

Thomson Reuters Checkpoint –

Complete Access with commentary -- to all Federal Tax Litigation Decisions, within these venues: The US Tax Court; Federal District Court; Court of Federal Claims; Court of Appeals; The Supreme Court
Complete Access with commentary to each of these Checkpoint databases: Checkpoint Federal Focus; Checkpoint Business Tax Planning; Checkpoint Individual Checkpoint Federal Focus; PPC Guide to Buy/Sell Agreements; Checkpoint Edge Estate & Gift Tax Planning; PPC Guide to Personal Financial Planning

Access to all Federal: Code, Regs, Proposed Regs, Rulings, Private Letter Rulings, Procedures, Technical Advice Memorandum, Additional IRS Pronouncements, etc.

Bradford Tax letter

Brian McNamara is listed in **Bradford's Tax Advisor Directory**



Practical ideas for reduction of Business Taxable Income provided daily.

Webinars provided on critical relevant topics before most tax pros have access or knowledge of the critical topic.

Example: PPP Webinar Series in April 2020 {when the CARES law was ambiguous & lacking in all areas of guidance} & repeated each time the CARES act was further codified.



Photo of soccer player (edited by BPM) is MST Tax's former employee, Ian Fletcher playing pro-soccer in Belfast, Northern Ireland. Ian is our only elected Board of Directors member. While Ian is no longer an Employee of MST Tax, he does advise us on tax &

economic policy changes in Ireland and more so, Europe generally..
Read more about Ian on our website www.MSTTaxReduction.com



Brian McNamara, MST, CFP®

Northeastern University Master of Science in Taxation (MST).

Brian has OPERATED as a Certified Financial Planner™ Practitioner (CFP®) since 2002. Brian has over twenty years of experience working exclusively with small business owners to maximize their Net post tax income.

An Example of a favorable Tax Reduction Outcome for a hypo Veterinary, Private PRACTICE = despite the practice's SSTB Status as a Professional Health Service Provider.

A phase out of IRC 199A's 20% Qualified Business Income deduction (20% of QBI) FOR Specified Service Trade or Business – aka SSTB occurs when Owner's income exceeds \$315K MFJ AND IS phased out completely at \$440k MFJ.

We calculate **tax by Entity type** using your parameters (revenue, expense, wages, etc.) as data inputs to our **proprietary** excel calculators. Our purpose is to assess the tax differential between entity types (Partnership, S-Corp, Sole Prop LLC and LLC Filing as a Corp or Partnership) and discuss why a large variance (in total tax paid) may exist. SSTB incomes are subject to phase out of 199A deduction eligibility, and the phase out applies to income from the practice of Veterinary Medicine. However, hypothetically, the Vet could have a dog food production company under the same umbrella LLC as the Veterinary Practice and have favorable treatment (no phase out) of Dog Food profit QBI as long as that Veterinarian --for all intents and purposes-- treats each as a separate business including EE's and Payrolls.

- If Medicine and Food are treated as separate businesses under IRC 162, eligibility phase out of 199A will NOT spread to income from Dog Food.

PRELIMINARY COST-BENEFIT ANALYSES OF ANY PROPOSED TAX REDUCTION STRATEGY, is performed....

...Before diving into any recommended tax-saving/ tax reduction strategy, we'll do a hypothetical cost-benefit analysis that includes current and future tax effects (e.g. cost seg of a new purchase building may increase depreciation current but cause large tax expense later).



Brian Peter McNamara, MST, Inc.
a Professional Services Corporation