

TAX PLANNING DISCOVERY

Proactive plan to reduce or eliminate taxes while complying with federal, state, and local law.

Review of deductions, legal entity design, retirement, insurance, loopholes, TCJA, FFCRA, CARES, advanced strategies and industry specific strategies.



**HAMMERNIK
TAX
ACCOUNTING**

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Planning vs. Preparation

There's a distinction between reactive, past looking preparation and forward looking, proactive planning.

Tax Planning

The process of looking at a person's life, business, and regulatory requirements to legally reduce taxes.

Before Year End

Tax Preparation

The process of reviewing the years financial results and preparing tax returns for submission to the IRS.

After Year End

12/31/2021



Your Estimated Tax Savings

Based on preliminary information, this is how much we estimate you can save in taxes based on your current situation and projections.

2020		2021		2022
Estimated Overpayment	\$8,638	Estimated Overpayment	\$27,867	Estimated Overpayment
				\$25,506

These are estimated tax savings based on the information we have received from you via conversations, emails, tax returns etc. These are preliminary estimates and will change if we decide to engage in a tax planning engagement.



What You Lost Last Year

If you had worked with us last year, how much would you have saved compared to your current accountant?

$$\begin{array}{ccccccc} \text{2020} & & & \text{2020} & & & \\ \text{Fee To} & ? & + & \text{Estimated} & & \$8,638 & = & \text{What you paid. It's just that the} \\ \text{Accountant} & & & \text{Overpayment} & & & & \text{accountant split it with the IRS...} \end{array}$$

These are estimated tax savings based on the information we have received from you via conversations, emails, tax returns etc. These are preliminary estimates and will change if we decide to engage in a tax planning engagement.



Categories of Tax Planning Strategies

We will review hundreds of strategies and their combinations. Here are a few of the categories we will assess.

- Deductions
- Legal Entity Design
- Retirement
- Tax Cuts & Jobs Act (TCJA)
- Families First Coronavirus Response Act (FFCRA)
- Coronavirus Aid, Relief, and Economic Security Act (CARES)
- Insurance & Asset Protection
- Legal Loopholes
- Niche Specific Strategies
- Advanced Strategies
- International
- Asset & Gift Freeze
- Tax Advantaged Wealth Management
- Exit & Capital Gains



Stages of Tax Planning

While tax planning starts with a plan, that plan needs to be implemented in a legal manner, maintained, and reflected in the tax return.

Planning

The planning is the most important part of our engagement.

We are performing a review of your tax position and making recommendations for how much you can save with proactive tax planning strategies.

Some savings may be from prior years, but most will be in the current year and beyond

Implementation

Once we complete the tax plan, we will present to you anywhere from 1-25+ strategies depending on the circumstances.

Some of the strategies require minimal implementation, others may be complex and involved 3rd parties.

We'll guide you every step of the way.

Quarterly

Keeping up with the compliance to ensure the savings are defensible, and realized in the returns, is where tax planning gets finalized.

If we decide to work together on a quarterly basis, this includes basic planning, implementation of basic planning strategies and a review of financial results to make proper estimated payments.

Preparation

The preparation of the returns is the last stage of the process.

At this point, we can actually calculate what your final tax payment will be and compare it to what you would have paid without doing proactive tax planning.

The preparation does not cover monthly accounting, clean up, or closing the books.

- *This does not include back-end fees or commissions from 3rd parties
- *There may be additional planning fees for large or complex implementations
- *This includes support for 1 business return, and 1 personal return
- *This does not include any bookkeeping, or clean up
- *We may bill hourly if we go over in scope or time in the implementation of these changes



Tax Engagement Options

	Planning	Planning & Core Implementation	Planning Implementation Preparation Quarterly
The Tax Plan For Current Year & Beyond	✓	✓	✓
Deduction Review & Strategy Planning	✓	✓	✓
Legal Entity Optimization Across LLC, S Corp, C Corp, Partnership	✓	✓	✓
Retirement Options To Save While Minimizing Taxes	✓	✓	✓
Insurance Review To Protect Assets & Reduce Taxes	✓	✓	✓
TCJA, FFCRA, CARES Review For Liability Minimization	✓	✓	✓
IRS & Court Case References Support Positions	✓	✓	✓
Core Strategy Implementation		✓	✓
Business Tax Preparation			✓
Individual Tax Preparation			✓
Quarterly Estimated Payments			✓
Quarterly Core Tax Planning & Implementation			✓
Quarterly 1-on-1 Review Tax Position & QBO Review			✓
	one-time	one-time	quarterly

*This does not include back-end fees or commissions from 3rd parties

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*This includes support for 1 business return, and 1 personal return

*This does not include any bookkeeping, or clean up

*We may bill hourly if we go over in scope or time in the implementation of these changes

Frequently Asked Questions (FAQ)

Q: What strategies do you cover?

A: We cover hundreds of strategies when you consider strategies and their combinations: deductions, legal entity, retirement, insurance, loopholes, new legislation TCJA, FFCRA, CARES, advanced and niche strategies.

Q: Why doesn't my current accountant know this?

A: Most accountants are compliance oriented, reactive, and focused on historical analysis. We are proactive, forward-looking, and plan for the future. It's a completely different mindset, service offering, and result that we achieve for our clients.

Q: How do you come up with an estimated savings?

A: Before we engage in a formal tax planning relationship, we gather limited information from our conversations about income, projections, legal structure, current planning and we can develop an estimated savings which will be finalized once we perform a tax plan.

Q: Is this the only tax plan I'll ever need

A: Hopefully not. As your income grows to new levels, a new set of planning strategies are needed. While not typical, the most successful clients need tax planning every single year. However, if there is no major change to the business from one year to the next, we may not need another tax plan for years.

Q: Are there any other costs of the plan?

A: If you chose to implement certain retirement, insurance, or legal structures, there may be additional fees or costs associated with the implementation of the strategies.

Q: Can you guarantee these savings?

A: We can't guarantee any of the savings. The nature of tax planning is that it's forward looking and based on projections of income and expense. If those income and expense numbers change for any reason, savings will be impacted.

Q: Can I keep my current tax preparer?

A: Yes, many of our clients all keep their current tax preparer. However, if you choose to do tax preparation with us, we can accommodate that as well.



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