

Unknown Speaker 0:00

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Shawn Hill 0:38

Welcome to another episode of the nice job podcast. I'm your host, Shawn Hill. Thank you so much for tuning in, especially if it's your first time here. Welcome. Excited to have you be a part of our community. If you like what you hear today, drop us a review, share it with a friend. We'd absolutely love to keep our community growing. In today's episode, I talked with Lisa Bloomfield, co owner of Wasatch CPA services in Utah. So we talk about taxes, we dive into some of the nitty gritty of how you can prepare and really maximize your savings when it comes to tax preparation. At the end of this episode, I will have my key takeaways. But as always, we want to hear from you as well, you can drop us your comments at a podcast at nice job.co. All right, get that little green financial hat on, we're diving in with the sibling field. Originally, I talked about in this episode, I had thought about a clever title which was how to maximize your taxes and our guests. So I'll get to it in a second. Well, actually, you want to maximize your savings and minimize your tax. So if you're wondering where the knowledge level from the host is going to be coming in, in this episode, it's a bit low. But that's why we do this podcast, we want to try to answer questions you may not know or if you have a bit of knowledge, maybe enhance it a bit more. And I say each and every episode, we would absolutely love for you to comment, to share, to tell a friend to interact in any way you'd like. But if you don't want to do all that at the very least just give us a listen. Take something from this episode and just try it out. Try it out in your world, in your business, and let's see if it can make you a little bit better. If it doesn't then it's a live data set for you to work on and make better decisions in the future as well. But enough of all that, let's get to the guest right? If you just want to see me talk, I can do that on the weekends, we'll just have a solo show of just me. But my guest today is the CEO of Los Altos CPA services. Lisa Bloomfield joined us from Utah if I'm not mistaken. Lisa, thank you so much for joining me here on the Nice Job Podcast. Thanks for having me here, Sean, I appreciate that. And so we're talking taxes, business finances. And I hinted at it that I'm not very experienced with taxes, it tends to frustrate me, I tend to rely on professionals. So what I love to do in this conversation is I think our recommendation is if you're capable of having a professional help that is dedicated to what they're doing day in day out. That's probably some sound advice, you probably both recommend that. But I'd really love to dive into it all around. There's a bunch of different angles, you can approach some of these things. And perhaps here are some things you need to keep in mind or some things that will help you along the way. So don't feel like you have to tackle it alone. But if you're listening to this, and you're thinking about doing it, hopefully at least it'll give you some good advice here. And I guess it's safe to say that every situation is going to be unique. So at least perhaps I'll do that for you, a little caveat that the advice we're giving is a bit general to be some good tips, but make sure that you're always looking at your situation as it is unique on its own. I asked all my guests at least I think it's fair to

ask you as well. How did you get driven into this field? Or what brought you to being a co owner of your business today? And what made you want to go in this field? And what excitement do you get out of it?

Lisa Bloomfield 4:13

I fell into it. I was at 19 years old when I applied for a job to be a secretary who happened to be a CPA, I didn't know I was working for a CPA. In fact, only I could have told you what a CPA was at that point. I don't know if I had done any of my own taxes. My parents actually owned a business and so I just gave my tax documents to them. And it just magically happened. I didn't know anything about it. So I started working for the CPA. And so I'm learning a little bit about putting tax returns together. And so he had back in the day, but way before the internet, he gets to go to clients offices a lot and this new software called QuickBooks. It's got this big instruction book, like slides across the desk and he's like if you'd like to teach yourself how to use this. That would be great. 25 years Later, that's pretty much how that happened. Because it turns out I was a secret accountant who earned it in LA. And that software was like a big puzzle. And there was a literal shoe box of stuff. So I like putting it all in and seeing how it all works together. And the little puzzle pieces go together nicely. And I was like that is so much fun. And then we get into the role of taxes. And so now I'm starting to learn how to do tax prep. Once you have already worked for a CPA, every other CPA in the world who is hiring is like, you have experience in our field. It's very specific. They love it. And so I've pretty much only worked for CPA since then. There's a really small gig where I did something else, but at 28, I owned my own business, I was doing tax prep, and actually didn't go back to school till I was 25 and didn't finish my degree till I was 32. And so and that was more than a decade ago. So for me, it's just been working for CPAs just hands on and working with a lot of business owners. So I fell into it. And I love it.

Shawn Hill 6:00

I love that because you talked about like, once I started working with it, I discovered that little bit of a knack. And I enjoyed what I was doing. But we talked about learning the software, and it's going to give you not only the ability to do it, but understanding what's happening through it. You know that's great, somebody with software can make things a bit quicker, but you learn along the way. I'm sure what you've also learned over the course of your career, if you have probably heard a good amount of interesting questions or different questions, or perhaps just some myths that won't die is the one that comes to mind when someone brings it up like what's a big tax myth? Or what's something that a lot of business owners might come to you and ask this question? And you're like, Look, like I make the national FAQ right now I'm starting with this question. What is that question that you get most often? Um, if they pay with cash,

Lisa Bloomfield 6:49

I don't have to report that as income, right? Yes, unfortunately, if you are selling a product, and you are paid in cash, you're paid in Bitcoin, you're paid in dog food, you're paid in whatever, there has a value, you have to report it on your taxes, even if it's trade, you have to report that.

So that's the biggest one. Then I had one lady who was like I heard if it's under 3000, you don't have to report it. I'm like, no, that's not how that works. Either. We can get into hobby rules, we can get into expenses, and whatever, separately, but I'm like, technically, you do have to report it. So the big difference is going to be hobbies versus business. But if you're in business, the activity of your business is reportable, regardless of how you're paid.

Shawn Hill 7:33

I also think sometimes there's some reservations, because like I mentioned, a lot of professionals in a field will have the up to date news, things like that. But if you're already scared or intimidated by numbers and financials, news about tax changes, or tax code or things like that, you're probably scrolling on by or I did the flippin newspaper, remember that? You're probably scrolling by. I don't want to dive too much into nitty gritty because there's a lot that could happen. But in my perspective, I know a lot last year, seeing just to me casually looking at the news that there was new types of loans and new changes, how much has the landscape really changed over the past year or so let's just say from filing taxes this year versus filing last year, has there been significant changes or has just been a lot of news and noise out there,

Lisa Bloomfield 8:23

There has actually been a significant number of things that can impact your tax filing, if you received a PPP loan, if you received an ideal either advance or loan, if you happen to tell your payroll company that one of your employees had COVID. And they're like you're going to get a credit. They do something funny on your tax your payroll forms, they look a little different. All that impacts your taxes a little differently. But it's from even before this the tax, the tax cuts and JOBS Act, the Trump taxes that actually significantly changed the landscape. And so in the last four years, doing your own taxes, I honestly don't recommend to a business owner that they even try. It is like trying to fix your own car, you're going to waste a lot of time, bloody a lot of knuckles. And at the end of the day, your car's probably going to be broken in pieces worse than it was before. Just we hire professionals in taxes moved into that realm or for a business owner, very easy to make that a justified expense. You will always be happy about it if you really understand what you're getting diving into.

Shawn Hill 9:27

So I never love to date the episodes but I think in this instance it's a little appropriate so we're beginning of the March deadline is super close to things like that. Is there a top three things something like that, that if someone likes to look at? I've got so much going on everyone thought about it, like I understand that but right now, early March this amnesty to be done or make sure you have this ready to go and pass on to you to prepare anything like that. So what's the action plan for right now, early March.

Lisa Bloomfield 9:57

If you file as an S corporation or If you have partners in your business, so you file as a partnership, you are a C corporation, those tax returns are due March 15. Now typically, those organizations do not actually pay taxes on their own, it passes through to the owners. But if you don't ask the government for an extension to file your business entity tax return, you could be hit with a

penalty that is several \$100. And just simply because we're not you didn't file a business tax extension. So then you have another six months until September 15. to file that. Typically, a lot of people will file an extension of their business return, so they can go ahead and file it with their personal return, which is due regularly, April 15. That is not ever a bad idea. So I just recommend, hey, pay attention to what kind of entity you are. If you made an S corp election. file that extension if you don't have a tax preparer already doing it, and it doesn't hurt to email them, bother them, whatever, just make sure it gets done. Because it is super annoying to get a \$600 penalty for failure to ask for you to file your tax return a month late.

Shawn Hill 11:06

Yeah, no, I've already penalized that goes back to maximizing your taxes, actually maximizing your savings paying parties. Nothing ever ends up in savings in any language or any currency or anything like that. Going, pulling up out a bit and going a bit more broader. This is a question that I always have. And I don't know of any other business owners out there. But is there really no one way to do taxes, because situations are unique. But are there different strategies when it comes to taxes as opposed to write offs or things like that, that might help? I know, for me, from a personal standpoint, there's a point in my life where taxes were always very stressful, because I'm like, Look, I need as much cash as I possibly can at the moment. You know, like in a couple of months, I might be okay, or next year, I might be great. But like right now I need more cash in hand versus something that might cost me down the line? So is there a strategy? Or is this something I was made up of? Like taxes that perhaps could help short term versus long term or anything like that? Or is that just a crazy thing I thought of?

Lisa Bloomfield 12:07

No, there really is a lot that can be done. I mean, my firm specializes in tech strategy and tax planning. And tax prep is just one of those necessary four things that we do as well, because it's becoming a very real thing that a business needs to consider, at least quarterly is usually what I do with my clients is okay, where are we at an all the aspects of your tax pain, business, personal, and a lot of business owners, you know, US entrepreneurs and whatever, we can't keep our hands out of things. We could have real estate, we could have stocks, we could have retirement accounts, we're pulling money from multiple places, we got investors and stuff like that. A row gets crazy. And it's good to take a snapshot about at least every quarter, knowing where we're at, what the tax obligations are, what we can put off. For people who are always trying to maximize their financial investment in their business at all times, I actually recommend that if you are an entity, like an S corporate, you have to do a minimum payroll throughout the year, embed the federal and state estimated withholdings out of those payroll checks, just because it's a nice way to just get it evenly spread out throughout the year. And you don't have to actually physically write a check to the United States Treasury, or whoever your tax person is.

Shawn Hill 13:27

Yes, it's interesting, because like I said, I didn't know that was something that was Farfetch and had different ways to do it. But I just remember from the personal standpoint of having some short term needs or anything like that.

Lisa Bloomfield 13:43

Any business owner who voluntarily wants to send money to the IRS, they're more afraid of getting in trouble. But all business owners are all about putting their money back into their business. So yeah,

Shawn Hill 13:56

Well, that's long as I'm saying, I would love to have an extra little bit, but two things is one, I don't want to get in trouble of something where I find out down the line, I was playing too much in a gray area, or consequently like you might be able to do that now. But at some point you gotta pay the piper little phrase you want to use? Is there something I can do? I don't use the word loophole. Because if it sounds so, like, skinny, but is there something that not enough business owners are taking advantage of that is going to help them save, and perhaps if someone is unaware of it, somebody should look into, maybe for this year, but you've worked with their particular business?

Lisa Bloomfield 14:33

Right? Well, there's actually a number of them and the thing you're not looking into is the IRS code, which is only a few million lines and several 10s of 1000s of pages, but there's easily like 160 some odd strategies just right off the top of her head that could apply to most businesses. So, what we like to do is okay, let's just go through and we want to ask you all about your entire situation. Not just income level and expenses. I mean, what industry? Are you in? And do you apply for any of these extra credits? For my people in real estate? We're looking at cost segregation, are we thinking about a 1031 exchange? If you're in trades, and maybe you have projects that go really long? Well, are we talking about not doing cash basis or accrual, but we want to do something like percentage of completion, this works really well, builders and things like that. And so as we're doing these different types of things, there's just a lot of strategies out there. And if you Google, just tax strategies, you get some of the books, you're probably hearing them, buzzwords that are Augustus strategy, accountable plan, and all these things. Those are all very real, they all should be utilized to some extent, and most businesses, and the main thing where I tell people, I'm like, I can tell you the name of all the strategies, and all you have to do is make sure you know how to implement them and document them. So they're audit proof.

Shawn Hill 15:59

And that's what you like. Yeah,

Lisa Bloomfield 16:01

Yeah. So that's all you have to do is just make sure that you do it according to what the IRS wants. And that's where it helps to pay a professional because it's like your accounting can be done on Excel. Why does QuickBooks still make money, because they are simplifying and putting it together in a format you already want. So that's a weekend, like we're helping you make sure it's done correctly.

Shawn Hill 16:22

So yeah, and I said it, the one thing about professionals, and especially those that know how to use the software, things like that, like, it's what you're doing over and over and over. I'm sure a lot of our homes are especially off, there's our carpet cleaners and our window cleaners really rallied behind where you're, like you can wash on window, you can do your carpet, but if you got the thing that you need to get right, you got the in laws coming over, you need everything spotless, you're probably calling professional in that regard. I wanted to circle back, you talked about, you want to do things based on IRS code, but just want to make sure that you're doing it in a way that's not going to lead to an audit. One mindset notes out there that I wonder if you could shed some light on I love to get your opinion on? Is the IRS? Does it have a lot of gray areas? Or is it very cut and dry? I think the biggest thing people worry about the audit is they think of almost the sitcom II sort of thing where you forgot to dock this eye and cross this tee like you're going to jail. But then they also hear about, you know, big corporations paying a tiny little bit of money and things like that, in your experience. I know you never want to try to scheme or gray area and you want things hot and dry. But, you know, are there processes in place that avoid simple mistakes? Or, is it really important to bear down? What is your assessment of the IRS his personality?

Lisa Bloomfield 17:45

I guess you know, it really is not quite so black and white, because no business is black and white. So it's not that the IRS has left at all great. They're like how you can go ahead and just play with it wherever you want. No, it's that they left it so that it is broad enough to encompass all the businesses in the United States and all of the different things that could happen for your different industries. What is e-commerce isn't the same as you know, homebuilders are not the same as a person who owns a restaurant. So all these different industries, the code is meant to be flexible, and all of those, and this is where your professional knows that that gray area can be utilized better in one industry than in another. And you might look at it and go, it's just this or you talk to your friend who does a completely different business, and he does this, I'm just gonna do that too. That might not be the best for you. It's knowing that it is meant to be flexible, it's meant to be breathable, and it does really change throughout, depending on who's percentages and what's going on. I'm going to jail. Honestly, if you pay, if you withhold payroll taxes from people, and you send them to the government, you will probably never go to jail for not paying your income tax, they might send you a lot of nasty letters for a little while and you know Christmas with the IRS is a little weird, but you will never go to jail usually. So just know that there are a lot of things and those tax strategies that are in there where the corporations don't pay their taxes. They're not doing illegal things. None of these strategies are illegal. It's just that there are so many of them, and you need to know how to implement them. And if you go to your regular CPA and your regular CPAs get the best price in town, he is the cheapest guy who's going to do business taxes, and he's got 1000 people standing at the door. So you see two people doing 1000 tax returns, you're getting one and a half hours of his time, maybe that's not going to include him giving you instructions that's not going to include him taking the time to help you put these things in place. And therefore he's probably not going to do it. You need to be willing to pay that person who spends time with you, who will actually take you through, setting it up. So the relationship, you know however much you want to pay for the relationship with your

tax preparer is really going to hinge upon how much they can help you and how much time they can help you utilize the IRS code to your advantage.

Shawn Hill 20:10

And you mentioned that in your particular case that it's not just tax preparation, but also tax strategy throughout the year. So let's say the people that they have a good handle on what they're about to file either in March or April, wherever their deadline would be. Let's talk to the people that are going to be preparing for next year. Is there anything that in the recent news or, that perhaps business owners should be mindful of or are aware of or something perhaps that if a strategy that needs to be acted on now to really impact or have a noticeable benefit for I guess, your 2021 taxes that you paid in 2022, that part I was, is there anything that we should be doing now?

Lisa Bloomfield 20:51

Exactly, a lot of it should be done. Now, for most people, we actually work with us, we want to talk to them every three or four months, and we're wanting to do tax planning now so that some of it can benefit 2020. So if you have a valid 2020 taxes, and you're like oh my gosh, my bills are going to be high, there could be something that can be done for that year. So don't just file your taxes cheaply, and then go talk to someone, put yourself on extension, and then go talk to someone and see if they can help you. But if you're planning for 21, and forward, then now is a great time to start thinking about that. Because anything we wanted to do involved changing your entity's structure, then we want to go ahead and we want to consider maybe adding payroll in there, maybe you actually want a business retirement plan, some of those can take months to set up and then get all the paperwork done. Well, if it has to be done before December 31, you want to be on top of that before the end of August. So now's a great time to be getting a plan so that you're not running and running and running and trying to do it all real quick. Because we all know the year just disappears. Before we know it. Even in a pandemic the year just disappeared, which is really sort of disappointing, like you're supposed to drag out forever and ever. And so for your gear just start planning now. And then be willing to dedicate a little bit of time talking to your tax professional, and any of the other professionals they feel like you need in your business attorneys, and retirement stuff. Because this will it will save you, can save you a lot of money, especially if you're approaching six figures of net income, you were risking leaving a lot of money on the table, to save yourself a couple hours being able to keep doing your job unless you're going to until I asked people like unless you made \$20,000 in or \$30,000 in that few hours that he decided to skip out on a meeting with me. You know, that'd be the only way that would be justifiable.

Shawn Hill 22:51

Yeah, that's some pretty good advice there to talk about, what is your time actually worth. And I think in this instance, I think that's probably a proper figure there that if you're unless you're making that big, big bank, and that small thing, it's certainly good to sit down with your tax professional and get all these things in a row. And I really appreciate at least that I feel that you conveyed that whenever I talk to professionals like yourself, I'm always interested because you talked about that. Yes, it can seem complicated like that, but it's not something you have to fear,

it's not something that you should be afraid of approaching. And also, it's something that you're just gonna put off is never really going to fix itself. So sometimes you just have to dive in, you know, ask for help or something like that. But it's great to hear that there are strategies that are going to help beyond perhaps, whenever the next due date is and that the flexibility even within businesses that are the same or different sizes that maybe not as complicated as it is, or sorry, it's not as complicated or as scary as it is perhaps and God gave Tom time but it really helped a lot of our listeners kind of settle in of anyone I know this type of episode, we could go on for three hours talking about 900 different topics and I wouldn't be surprised if I never reached out to you again for part two on this episode maybe a little bit later down the year but for now someone's listening in and they want to reach out get in touch with you either pick your brain or or look into your services professionally. Where should we direct them to?

Lisa Bloomfield 24:15

My website, which is Wasatch CPA services.com You can find my name, you can google me Lisa Bloomfield. I am not an artist in Orange County, but I am in lots of places you'll see the accountant. Also I might be busy. My business partner is Jean G and a bot CPA. So either one of us you'll find us on LinkedIn. You'll find us on Facebook, you'll find us in lots of places so Wasatch CPA services. We are located in Utah, but we work with business owners all over the United States. If you are in any of the US territories, or if you're us residents who happen to have stuff going on in other countries, we help with that too.

Shawn Hill 24:57

Awesome. That's great. And if you're watching us on the live I'll put that information down the comments in just a little bit here, if you're watching on the replay already be there. And honestly, if you're watching on YouTube or listening to the audio only, just check the show notes and subscriptions, you'll see the appropriate links there as well. Well, Lisa, thanks again for your time. I really appreciate it. And it was a real pleasure talking to you. And I know our audience is gonna get a lot out of this conversation. It's great talking to you about this. Thanks again, Lisa. And for all of you that took your time to tune in today. We really appreciate it. Have you ever mentioned getting closer and closer to the end of season two? Which reminds me Actually, Lisa, I forgot to ask you the question that I've been asking everyone in season two. And so I want to make sure I get this in. And for those that have listened before they know what the question is going to be. And the concept behind the question is, if there are so many experts, and they have such great knowledge, but I know that experts are always working on something they don't know. So that's my question. You Lisa, what don't you know, now that you're either working on finding the answer to or just excited to get to explore?

Lisa Bloomfield 26:02

Oh, all of the Biden tax changes that are about to come down. So we'll probably see something in the next 12 months. Lots of things swirling around, and then the PPP, SBA loans, what's forgivable? How are they going to apply it? That's all something we are keeping a very close watch on and educating ourselves on because it's pretty much changing every time the Congress gets together and actually agrees on something.

Shawn Hill 26:28

So, sometimes it's few and far between when they're actually agreeing on things. But that's a whole nother different podcast, Lisa? Well, it's great. And again, if you heard that answer, and you're like, that would blow my mind. Well, that's what leads professionals like her working on keeping up to date on all these things. So you don't have to have any fear or anything like that. So, Lisa, thanks again. And for all of you, thank you so much for tuning in. We'll be back with another episode next Thursday. If you like what you heard here, feel free to share it with another fellow business owner, drop a comment. You can also review this podcast, US reviews are so important. We want to make sure that we're getting some hair on our podcast as well. But until then, we have a healthy hope of being safe. And don't forget to have a little fun out there as well. Before we get to that fun, here's a recap of the business. Really appreciate Lisa Bloomfield for taking time out during tax season. To join us here on the nice job podcast. I hope you enjoyed the conversation as much as I did. Here are my three takeaways from the conversation. As always, if there's something I don't say, let us know, send us a podcast email at podcast@nicejob.co. My first takeaway was about exploring your options. It's blown away when Lisa mentioned about 160 different strategies for most businesses. And depending on what exactly your businesses there might be a little bit more perhaps a little bit less. But they're all there for a reason. Things aren't always black and white. The IRS understands the nuances of different types of businesses, different business structures, and perhaps professionals can help you find out the best option for you. But if you want to take it on yourself, make sure you're exploring every possible opportunity. Second takeaway for me, don't wait till tax season, please talk about checks in with a lot of our clients on a quarterly basis. And perhaps that's a way to make sure that come this time of year, you don't feel like there's a crunch or a pressure weighing on you. When it comes to filing your taxes. Perhaps you can anticipate or get some strategy in place to make those burdens a little bit less. And my final takeaway, don't worry about it. Don't be stressed. Mistakes happen. The IRS understands that. But taxes don't have to be difficult. Now there are a lot of options we talked about in the first takeaway that really can help you maximize savings or lessen the burden as much as you can. But if you're getting stressed if you're getting concerned and worrying about dotting I's crossing T's to make sure that you'll end up with a super large penalty or even worse, least I felt did a good job of explaining how a professional can help but additionally, even if you're doing it on your own, how there's resources and knowledge available to make sure that you're doing the right thing. But if a mistake happens, it's not always an immediate penalty. If you try to cheat the IRS, you'll get caught. If you make a mistake, there's always a chance to correct it. What's that old saying? That's why pencils have erasers. Those are my three key takeaways. But I know there's plenty more so be sure to hit up our email. And if you've liked what you heard here, go rate this [podcast.com slash Nice job](https://podcast.com/slash/Nice%20job) podcast and leave us a review. You know us as Reputation Marketing experts, we always tell you that our reviews are so important. So we'd love to see it on our little podcast here. Until next time, I hope you are healthy or safe. And don't forget to have a little fun out there as well. See you soon