

July/August/September 2018

Citation and resource guide

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Solving the annuity puzzle

The IRS explains the taxation of periodic payments in Publication 575, p. 11, at www.irs.gov/pub/irs-pdf/p575.pdf.

The new tax law will change divorce tactics

The IRS explains the current tax treatment of alimony at www.irs.gov/taxtopics/tc452.

No tax deductions for business entertaining

The text of the Tax Cut and Jobs Act of 2017 that provides no deductions for business entertainment, amending Code Section 274 by Act Section 13304(a) can be found at www.congress.gov/bill/115th-congress/house-bill/1/text.

Two five-year tests for Roth IRAs

The IRS explains the tax rules on Roth IRA distributions in Publication 590-B, "Distributions From Individual Retirement Arrangements (IRAs)," starting on page 30, at www.irs.gov/pub/irs-pdf/p590b.pdf.

Insuring key people at small companies

The AICPA provides details on key employee life and disability insurance at www.360financialliteracy.org/Topics/Insurance/Disability-Insurance/Key-Employee-Life-and-Disability-Insurance.

Practice development tip

Put market volatility into perspective

As of this writing, 2018 has been a tumultuous time in the stock market: a steep climb followed by stumbles. Clients tend to welcome volatility on the upside but can be alarmed by downside moves.

Misleading reporting may add to clients' fears. For instance, one day this year was labeled the largest daily point drop in the history of the Dow Jones Industrial Average. Along the way, the word "point" was sometimes omitted from media accounts, leading investors to believe the day was the worst ever for the Dow, which it wasn't. We're not back to 1929, at least not yet. Wall Street's feathers might be ruffled, but it hasn't laid an egg so far.

If such volatility continues, you can help keep clients calm by providing accurate numbers by email blast or website blog. To give a simplified example, if the Dow is at 25000 and loses 1000 points, that's a 4% decline. Clients probably won't be happy with a 4% loss of wealth, but that might not wreck their financial plans.

You also can inform clients that market losses are shared by the IRS in retirement accounts will be partially due to the

government when money is withdrawn, a reduced IRA or 401(k) balance means a lower imputed future tax obligation. Similarly, smaller paper profits in taxable accounts can equal lesser tax payouts on gains you might take.

Will this year's uncertainty turn into a panic, making this a good time to sell? Or will dips become buying opportunities? No one can know what the rest of 2018 will bring to the stock market.

In any case, you can use email or a blog to offer personal meetings on the tax impact of market volatility. For clients with holdings that trade below their purchase price, you might explain the potential tax benefit of taking capital losses. In addition, any severe market drop may reduce the tax impact of a Roth conversion for tax-free income in the future, but you can mention that these conversions can't be reversed under the new tax law. Such insights are likely to build your reputation as someone clients should consult for valuable advice in good times or bad.

Practice development and management resources from the AICPA

For more information or to order, log on to aicpastore.com or call 888.777.7077.

Understanding Business Valuation: A Practical Guide to Valuing Small to Medium Sized Businesses, Fifth Edition

Written by expert author Gary R. Trugman, this fifth edition simplifies a technical and complex area of practice with real-world experience and examples. The informal, easy-to-read style covers all the bases in the various valuation approaches, methods, and techniques.

[Item no. PBV1701P—AICPA Member \$129.00, Nonmember \$169.00]

AICPA Personal Financial Planning Membership Section

The AICPA Personal Financial Planning Section membership is voluntary for CPAs and other professionals who provide personal financial planning services to individuals and families. The PFP Section member benefits include *The CPA's Guide to Financial and Estate Planning* and numerous practice guides, as well as free web seminars led by renowned experts, award-winning newsletters like *Planner*, and invaluable networking opportunities with CPAs around the country.

[Item no. 03-NEW-2018—AICPA Member \$33.00, Nonmember \$99.00]

AICPA PCPS/CPA.com MAP Survey National Summary

The AICPA's Private Companies Practice Section (PCPS) partnered with CPA.com on the National MAP (Management of an Accounting Practice) Survey, which was fielded from mid-May through July 2016. This summary provides financial and other key benchmarking data from the survey. This product will provide you with comparative benchmarking data relative to firm size and region that can help you create strategic goals and maximize your firm's performance.

[Item no. PCPSSUR03—AICPA Member \$200.00, Nonmember \$300.00]

Management of an Accounting Practice eHandbook

This is your go-to resource for all things practice management. Streamlined online guidance for easy reading and quick reference on the topics you care about: employee

compensation and benefits, staffing, disaster recovery, firm organization, benchmarking, strategic planning, and more!

[Item no. MAP-XX—AICPA Member \$149.00, Nonmember \$189.00]

MAP On Track

Often, practitioners and small- to medium-sized firms find it challenging to stay on top of firm management responsibilities. The new *Management of an Accounting Practice On Track* (MAP On Track) will help keep you organized. This new scheduler is easy to download and functions as an add-in to Microsoft Outlook, adding tasks to keep your firm running throughout the year. As an added bonus, within the automatically scheduled tasks, you'll find useful links to relevant content within the comprehensive MAP eHandbook as well as PCPS tools that can inform your next steps.

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