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# Tax reform leads to a 'Super Bowl' for accountants

## Firms expect big growth as New Yorkers seek help with federal tax overhaul

By Jessica Seigel
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The smartphone pings again. It's another text from a client glued to coverage of the congressional tax bills, asking what it means for his business.

With the hand-scribbled ink still wet on Washington's shifting legislative efforts, accounting executives such as Joseph Perry and his team at Marcum are fielding an onslaught of inquiries. One big-money client, weighing the major impact on New York of the likely reduction or total loss of the deduction for local and state taxes, asked if it would be cheaper to buy a $2 million jet, decamp to low-tax Florida and fly back as needed. The answer for some multimillion-dollar earners: Absolutely. Next?

"I look at this as the Super Bowl or World Series for tax accountants," said Perry, Marcum's tax and business services leader.

But unlike a football team that makes the championship game once every 30 years, New York City's top accounting firms aren't worried about losing on the green—they'll be making it. Just as the last major tax-code overhaul, in 1986, spurred major accounting industry growth, executives expect that the needs of middle-market business and high-enders will drive new billings and hiring, with longer hours for all already a fact.

To keep up, Steven Eliach, principal-in-charge of tax services at Marks Paneth, has been devouring the House's regulatory tome "at home, over coffee in the morning, on the bus, on the train, wherever I'm traveling," he said. "I read all 490 pages."

Years of work ahead

Complexities include a proposed corporate income tax rate drop to as low as 20%—a number still in play. But business owners in flow-through entities such as LLCs, LLPs and S corporations would still pay individual rates up to 39.6%. Should they restructure into a C corporation, which can be difficult to undo? That's the question of the minute, with accountants disagreeing widely on hypothetical scenarios.

“Restructuring companies and rethinking the planning can be a few-year process,” said Eliach. “This is not a short-term increase in work” for accounting firms.

Hired fresh out of law school by his current firm 31 years ago, Eliach said that the tax code’s last revamp helped Marks Paneth expand from 100 people then to 700 today. “A significant portion of growth comes from the complexity of the tax law and increased burden on entrepreneurs,” he said, predicting similar hiring today especially for accountants, lawyers and possibly economists.

Many firms also expect more recruiting from the STEM fields. “We’re using many of these folks to run technology models,” said Robert Weber, tax managing partner and principal of the Northeast region for accounting giant EY.

It’s an exciting time for accountants, particularly recent graduates, said Shivani Jain, tax leader at Sax. “The new generation especially will learn everything firsthand and build their careers off it,” she said.

Calling herself a “tax geek,” she grew animated as she discussed the ins and outs of expected impacts, such as the loss of deductions in New York City and other high-tax regions. The planning must start now, she said, advising the payment of all state taxes by year’s end—while they are still deductible—rather than waiting for mid-January deadlines or a finalized congressional bill. Roger that.