

Long Island Business News

It's all in the planning

By: Bernadette Starzee January 8, 2018

As 2017 came to a close, accountants across Long Island were busy fielding questions from clients in the wake of the federal government passing sweeping tax reform. In the last days of the year, many Long Islanders were immediately concerned with whether they should pre-pay their 2018 taxes so that they could take the deduction in tax year 2017, before a \$10,000 limit to state and local tax deductions goes into effect.

As the calendar turns a page, the questions are continuing in what is shaping up to be a particularly busy year for CPA firms as businesses and individuals seek professional advice on tax planning as the new law takes effect.

"We expect there to be a lot of activity for all of 2018," said Carolyn Mazzenga, office managing partner for the Melville office of national accounting firm Marcum.



CAROLYN MAZZENGA: The entire year will be busy as accountants guide their clients through tax planning in the wake of the tax overhaul.

Like taxes themselves, annual changes to the tax code are one of life's certainties, and accounting firms are used to dealing with the time crunch that late changes bring each year.

"But with what appears to be the largest change to the tax code in over 30 years, it will be more chaotic than usual," said Larry Lucarelli, a partner at Albrecht, Viggiano, Zureck & Co. (AVZ), an accounting firm based in Hauppauge.

Lucarelli expects there will be a “significant amount of additional meetings” with clients versus a more typical year.

“Clients are very anxious to learn how these changes are going to impact their business as well as their personal tax situations,” Lucarelli said. With the tax law finally in place after months of speculation, the firm can “give our clients the guidance they need.”

AVZ has started to contact clients to review the impact the new rules will have on them, Lucarelli said.

Firms around Long Island are busy preparing for what will come in the coming months.

“We are already dissecting the law and how it will impact our clients and, more importantly, what planning needs to be done,” Mazzenga said.

“Much of the expected chaos can be avoided by proper planning and understanding the impact of the tax law changes, and our tax department is working as a team to handle client questions,” said Shashi Singal, a tax senior manager at Grassi & Co. CPAs, which is based in Jericho. “We expect the first quarter of 2018 to include a lot more planning and informing clients about how the tax overhaul is going to affect them.” When accountants sit with their clients to discuss their 2017 tax returns, for instance, it may be an opportune time to also talk about what needs to be done differently for next year, she added.

As CPAs prepare for the year ahead, “it’s going to take a lot of reading and seminars to get a handle on all of the changes contained in the new bill,” Lucarelli said.

“We are reading materials from our tax research platforms and keeping as up-to-date as possible,” Singal said. “We have also been having internal meetings with our staff to ensure everyone understands.”

Grassi also plans to host a tax conference at the end of January to “help keep clients informed about the changes and how they will be affected.”

That’s in addition to one-on-one meetings the firm has begun having with clients “to help them plan for the new year under this new tax structure,” Singal said.

Marcum has a “deep technical bench” that has been teaching the “entire tax department about what the changes are and how it impacts our clients,” Mazzenga said. “Our own people know our clients the best, so we are able to make sure we apply the law and do the right planning for our clients. Planning is not only about saving tax dollars. You also need to understand what the client’s future objectives are. You could have the best planning idea in the world but if it doesn’t fit with the client’s goals, you need to change your ideas.”