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MARKETS

Who's the Center of Attention at Holiday Parties? Your Tax Accountant

Accountants face long hours, anxious clients, but 'it's never been a better time to be a CPA'

By Michael Rapoport

Updated Dec. 28, 2017 10:03 a.m. ET

When Mark Astrinos is asked what he does, the response is typically muted. "I'll just say, 'I'm a CPA,' and the conversation will end," said the certified public accountant and financial planner with Libra Wealth LLC in San Francisco.

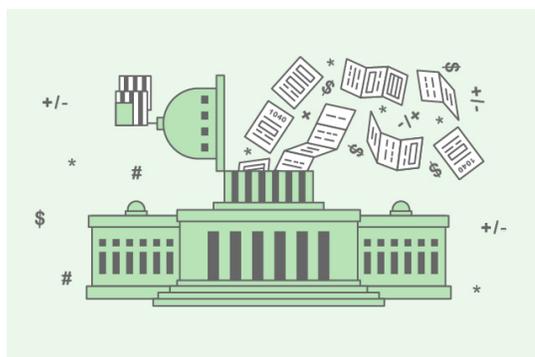
Not lately, though. Thanks to the sweeping tax-overhaul bill passed by Congress and signed this month by President Donald Trump, people now "light up and they're so intrigued and they want to know how they'll be affected," he said.

In part because of the attention, Mr. Astrinos said, "It's never been a better time to be a CPA."

Tax professionals suddenly have found themselves at the center of the cultural conversation. Fine points of pass-through business income and the state-and-local-tax deduction are now the stuff of everyday small talk.

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"You realize how relevant it is, and you realize how important it is to helping your clients," said Adam Katz, a PricewaterhouseCoopers LLP tax partner specializing in international taxes. "You find yourself at the center of a lot of very important discussions."

But CPAs are paying a price for that cachet: 16-hour days, carry-in pizza for every meal and postponed or canceled time off for the holidays. They have had to scramble to bone up on each

complex, shifting version of the tax overhaul and field waves of inquiries from anxious clients.

"I've been in every morning about 6:30, go home to eat around 6, back online, check out around 9:30," said Jeff Watkins, a tax attorney and CPA who works with wealthy clients at EKS&H LLLP in Denver. "I sent an email yesterday to a bunch of clients saying I'll work through the weekend trying to figure things out."

Ken Bagner, a CPA who heads the tax practice at Sobel & Co. in Livingston, N.J., plans to still stay home with his family between Christmas and New Year's. But he expects to have to work a good deal during that time, too, to make sure his clients are prepared. The firm, for instance, hosted a webinar for its clients this week on the new tax bill.

I'm going to have to walk them through it," he said. "My wife might not be so happy."

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It hasn't been easy for tax experts—even if the measure's complexity makes it likely to prove lucrative for them.

“I chuckle in one breath and start sweating in the other,” said Michael Eisenberg, a principal with Squar Milner Financial Services LLC in



Ken Bagner, a CPA, heads the tax practice at Sobel & Co. in Livingston, N.J. PHOTO: BRYAN ANSELM FOR THE WALL STREET JOURNAL

Encino, Calif.

Mr. Eisenberg said he and his colleagues have been “getting inundated by clients with questions.” They have been working extra-long hours so they could spend the Christmas holiday at home, but afterward “it’s going to be crazy again.”

The process has been even more difficult because the provisions of the overhaul kept changing, right up to the final version in mid-December.

Some CPAs felt compelled to quickly learn each new version and follow every twist and turn. “You find yourself reading pages and pages of legislation trying to figure out what it means,” PwC’s Mr. Katz said. “It’s like a big jigsaw puzzle.”

Others preferred to wait until the law was finalized. “I was trying to stay away from learning about laws that are not yet law,” said Jeffrey Baddish, a CPA at Shalik Morris & Co. in Woodbury, N.Y.

December is always busy for tax preparers as they help clients position portfolios before a new tax year begins. But the rush to get the tax overhaul enacted by Christmas, and the uncertainty about many of its provisions until the very end, has made the pace especially hectic this year.



Sobel & Co.'s tax document filing room. PHOTO: BRYAN ANSELM FOR THE WALL STREET JOURNAL

Mr. Watkins, of EKS&H, is trying to help some clients with multiple homes prepay their property taxes by the end of the year, before the new law limits taxpayers’ ability to deduct those taxes. One client who has two

homes in Colorado and a home in Hawaii could save tens of thousands of dollars by prepaying. “We’re trying to figure out the math,” he said.

Sushma Pansari, a CPA at Optima Taxes in San Mateo, Calif., had been advising some Uber Technologies Inc. employees on whether they should accept a SoftBank Group Corp. tender

offer for their Uber shares. But that calculation got affected dramatically by a tax-bill provision allowing employees of some private companies like Uber to defer income from their company-granted shares for up to five years.

That led to Ms. Pansari's firm "ripping up whatever planning we already did," she said, to revise its analysis and help clients sort out what to do. "There's a lot of rush to figure it out."

'We're almost like a financial therapist, if you will. We're trying to calm people down.'

—Michael Eisenberg, of Squar Milner Financial Services LLC in Encino, Calif.

Mr. Eisenberg, of Squar Milner, has a client in her 80s who has dementia and significant health-care expenses, and at one point during the consideration of the bill it appeared the deduction for out-of-pocket medical expenses could be repealed. Ultimately, it was retained and temporarily expanded, but "her family members were concerned 'is she going to run out of money'" if those costs were no longer deductible.

Mr. Eisenberg analyzed her situation, and "we believe she should still be OK," he said. "We're almost like a financial therapist, if you will. We're trying to calm people down."

All that work will have a payoff, at least: CPAs acknowledge the complexity of the new overhaul is likely to ensure demand for their services remains high. There is no more talk that tax rules would be so simple that returns could fit on a postcard.

In particular, changes in the pass-through rules, which govern businesses where the income is reported on the owner's individual tax return, are "going to create so much work for us," said Mark Soukup, president of Soukup Bush & Associates, a Fort Collins, Colo., accounting firm. "I hate to be flip, but it's going to be an accountant's retirement act."

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