

# LACERTE

## Lacerte® Tax Planner Helps Accountant Save Client \$150,000

### BUSINESS CHALLENGE

With high-income clients needing alternative strategies to ease their substantial income tax liabilities, Michael Deutsch wanted a reliable, easy-to-use solution that he could utilize to provide his clients with sound suggestions and that anticipated tax law changes.

### SOLUTION

- Lacerte Tax Software
- Lacerte Tax Planner

*Michael S. Deutsch & Associates also uses:*

- Lacerte Document Management System
- QuickBooks®: Premier Accountant Edition

### BENEFITS

- Enables Michael to offer clients a higher level of service than his competitors.
- Produces highly detailed tax planning reports effortlessly—in just seconds.
- Offers multiple “what-if” scenarios that enable clients to make smarter business and individual decisions.
- Tax planning services are easier to sell and more appreciated by clientele.

### CUSTOMER PROFILE

- In practice since 1979.
- Four full-time employees
- Prepares approximately 100 business returns and 500 individual returns annually.
- Uses Lacerte Tax, Tax Planner, Document Management System and QuickBooks: Premier Accountant Edition.

*“In public accounting, you’ve got to be just like an Emergency Room doctor. When clients come in here, they’re looking for fast, competent answers to their problems. Lacerte Tax Planner enables me to help my clients quickly, and provide solutions I know I can trust.”*

—Michael Deutsch  
Michael S. Deutsch & Associates

Michael Deutsch has been using Lacerte Tax software products in his Wisconsin accounting practice since the middle-80s. He likes the way its unique design maximizes his productivity by following the natural flow of a tax return. He also likes how Lacerte delivers the speed and accuracy he and his staff of four needs to prepare 100 business and 500 individual tax returns each year.

Where Michael sees even greater business potential, however, is during the “other” tax season—the one that starts right after Labor Day. He calls it “Tax Planning Season,” and again he turns to Lacerte software to help make him profitable; this time Lacerte Tax Planner.

“To me, [Lacerte] Tax Planner is the most undervalued program the company has,” says Michael. “With it, I can offer my clients a higher level of service than what other accountants in the area have been providing, so they tend to remain with me. My attitude has always been that I’d rather do more for my current clients instead of spending the time to go out and acquire new ones.”

According to Michael, tax planning services are a more valued service and easier to sell than tax compliance services. Tax planning helps build stronger client relationships, he says, yet relatively few in the profession go after that part of the business. “When you consider how appreciative clients are when you show them what their future tax bill might be, and what possible steps they could take to minimize that liability,” says Michael, “that’s where I think our profession, as a whole, fails to realize the high dollar value of what we can do for existing clients.”

And Michael clearly demonstrated that value just recently when he helped a wealthy client realize a substantial savings on his annual income taxes—thanks to Tax Planner.

### Discovering Potential \$150,000 Savings for Grateful Client

Michael and his staff work with several high worth clients, one of whom is a very successful, very tax conscious physician. As Michael explains it, his long-time client came into the office at the beginning of September to get his annual tax planning report. In the detailed report that Michael had created by first importing the client’s Lacerte tax return file, he presented a couple of comparison scenarios—one showing what his client’s tax liability would be if he did nothing, and another showing what he might save if he took certain steps. By retaining a proper proportion of income within his corporation and calculating an optimal amount of funding for his retirement account, plus computing the value of outside tax-favored investments, Michael was able to show his client how the second scenario could save him approximately \$150,000.

“He had a big smile,” says Michael. “In his case, I’d done a lot of pre-work, but the ability of Tax Planner to display the effects of different scenarios on the screen while he was sitting here really impressed him. Since then, he and I have probably had 3-4 hours of billable follow-up work on other questions that it’s generated. Tax Planner has created a significant revenue stream additional to my regular tax work. I can earn with it every time a client has a complicated financial situation come up.”

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Another example of how Tax Planner helps Mike in his practice is the client who was recently looking to sell 80 acres of farmland. Using Tax Planner, Mike was able to quickly calculate what the anticipated tax liability would be, and then present the client with a couple of tax saving alternatives rather than just sell the property directly.

In yet another case, Michael received a phone call from a person who had been fortunate enough to win \$5,000 from a church lottery and wanted to know what her tax liability might be and if an estimated tax payment was required. In a matter of five minutes Michael was able to provide a report that showed what her tax liability would be on those winnings.

“The way I see it, for the level of my clients Tax Planner enables me to answer all those complicated questions very quickly,” Michael says. “And with new reporting capabilities and enhanced professional-looking reports anticipated for Tax Planner in 2007, it’s going to be even more impressive.”

### **Why Tax Planner is more accurate than simply making tax return adjustments**

Some accounting professionals feel that they can get the same results as Tax

Planner just by saving a separate copy of a client’s return and making adjustments. Michael cautions strongly against this approach. It all has to do with tax law changes.

He cites a perfect example:

“Several years ago, I had a client that had won approximately \$25,000 in gambling money. I could have tried to map out some scenarios simply by making adjustments to his most recent tax return, but that approach couldn’t account for tax law changes. And that’s the important difference. When you copy a return and make changes, you’re still applying the same year’s tax laws. Tax Planner, on the other hand, is updated with all the changes for upcoming years, and in this case those changes were significant. There was an approximate \$1,000 difference in the client’s tax bill because tax rates were increasing. Had I based the client’s estimated tax payments by copying and adjusting his then current tax return, then he would have underpaid and he wouldn’t have been happy with me at all. And 99% of the time, accountants that want to do tax planning don’t realize they have to account for these upcoming changes,” Michael says. “That’s a mistake we don’t want to be making. With Tax

Planner I don’t have to remember to factor in future changes. They’re built into the software, so I have total confidence that any suggestions I make to my clients are valid and accurate. Tax Planner makes it effortless.”

For Michael, tax preparation is only a part of his practice. Using Lacerte Tax Planner in addition to other Lacerte and Intuit products enables him to generate significant revenue from the “second tax season” of the year—the tax-planning season.

### **Helping Build Your Business**

For more than 20 years, Lacerte and QuickBooks have worked with accounting and tax professionals to develop tools that will help them succeed. Lacerte has received the highest overall product rating among AICPA members, while QuickBooks software has won PC Magazine’s “Best of the Year” Award.

## FOR MORE INFORMATION

For more information about Lacerte software products, visit [www.lacertesoftware.com](http://www.lacertesoftware.com) or call (800) 669-7953. For QuickBooks products and services, visit [www.quickbooks.com](http://www.quickbooks.com), or call QuickBooks Sales at (866) 272-8735, ext. 2006.

### **Free Evaluation Kit**

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