1. Target Keyword: How to hire the right accounting firm for your company
Page Title: How to Hire the Right Accounting Firm for Your Company

Are you wondering how to hire the right accounting firm for your company? Finding the ideal accounting professional requires that you follow a careful process. This process will differ slightly, depending on the size of your company, the industry in which your company operates, and the extent of your internal accounting needs. Once you consider these factors, you can decide whether it would be better to hire an accountant to join your company, or outsource your accounting needs to a firm.

Evaluate Your Needs

If you run a small business, here are some good indicators that it's time to hire an accountant:

- You or your employees are falling behind on your accounting duties
- You've encountered an accounting problem you don't know how to solve
- You're not sure about your accounting, income reporting, or taxation requirements/obligations

Mid-sized and larger companies should always enlist the assistance of accounting professionals.

Next, you need to consider the industry in which you operate. Some industries have specific accounting practices or requirements to consider, and you should work with someone who has the commensurate skills and experience. For example, if you operate a used car dealership, you need to know how to account for any vehicle depreciation which might occur as unsold inventory sits on your lot over a period of time. Without an accountant who understands the specifics of your situation, you may wind up paying more than your fair share of taxes or missing out on income opportunities.

Finally, consider the extent of your accounting needs. Do you require assistance managing the accounting needs of your day-to-day operations, or do you just need help come tax time?

Add Someone Internally or Outsource?

Once you have evaluated your specific situation and have a clear idea of your needs, you can then decide whether to hire a full-time accountant internally or outsource your needs to a firm.

As a general rule of thumb, it might make more sense to hire someone if your business has grown to the point where you can no longer manage your own accounting needs, but you need to keep careful track of all transactions.

Outsourcing may be a more cost-effective solution if you only require occasional assistance.

Regardless of whether you decide to hire internally or externally, always interview the professionals you're considering, and carefully compare rates and services. If possible, collect references from other businesses in your industry and choose someone with experience. If you're hiring internally, consider tying the accountant's compensation to performance -- that will motivate the accountant to find hidden cost savings and help boost your company's profitability.

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2. Target Keyword: Tax Proposals for Entrepreneurs to Watch
Page Title: Three Key Tax Proposals Entrepreneurs Should Keep an Eye On

The Washington Post recently published an economic analysis report prepared by Ernst & Young, a major accounting firm. Three tax proposals which are currently before Congress were highlighted in the report, and all three of them could significantly change the business landscape for entrepreneurs in the years ahead. If you're a business owner, or if you're thinking about starting your own business, these are three tax proposals for entrepreneurs to watch:

Proposal #1: Extension and Expansion of Capital Gains Exclusions

The first of the three tax proposals for entrepreneurs to watch involves an extension and expansion of capital gains exclusions for people selling qualified stock. To qualify for the exclusion, the stock must be issued by an eligible small business, and the exclusion limit would be raised to $150 million. Insiders suggest that this proposal could create as many as 350,000 new jobs.

Proposal #2: Changes to Losses for Taxable Income Reporting Purposes

The second of the tax proposals for entrepreneurs to watch originated with the Senate Financial Committee, which tabled an amendment which would allow entrepreneurs to carry forward losses they accrued by investing in small businesses operating in research-intensive capacities and apply those losses to offset capital gains in other investments. This proposal would reduce the cost of investing and make it easier for businesses and entrepreneurs to generate capital. Ernst & Young estimates that this tax proposal could stimulate over $10 billion in new investments each year.

Proposal #3: Ownership Changes and Net Losses

Under the last of the three tax proposals for entrepreneurs to watch, the new owner of a company or the company that acquires another business would be permitted to apply that business's net losses to a small company's taxable revenue. *The Washington Post* report indicated that this proposal could stimulate as much as $5.5 billion in new entrepreneurial investment annually while creating an estimated 85,000 new jobs.

These three tax proposals are all emerging from a concerted effort to make the United States a more competitive country in the global economy. The proposed tax code changes also reflect the increased pressure being placed on the Obama Administration to simplify small business taxation procedures to stimulate growth and create jobs. As part of the tax code simplification process, U.S. Senators were invited to submit their own proposals to *The New York Times,* which reported receiving more than 1,000 pages of confidential documents containing amendment proposals and tax code changes.

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3. Target Keyword: Single Most-Common Error Made on Start-up Tax Returns
Page Title: Avoid This Common Start-Up Business Tax Return Error

The Internal Revenue Service says that it commonly sees errors in start-up expense reporting on tax returns filed by new businesses. According to IRS representatives, the single most-common error made on start-up tax returns is the incorrect claiming of start-up expenses. A common related error is the failure of new small business owners to correctly declare all possible tax deductions.

Know What Qualifies as an Expense

The IRS defines start-up expenses as costs you incur before you actually commence business operations. Common start-up expenses include business travel, communications, the purchase of supplies and equipment, pre-operational wages paid to employees, advertising and utilities.

You are also entitled to claim expenses associated with investigating a potential business opportunity before you actually engage in business operations. Examples of such investigation include:

- Conducting a review of market conditions in regards to a prospective business opportunity
- Expenses related to the assessment of potential office locations and/or job candidates in a specific community
- Wages paid to employees during a pre-operations training period
- Travel costs and other expenses related to the procurement of supply chain and/or distribution partners
- Advertising and marketing expenses incurred before the business opens
- Wages and fees paid to consultants and other professionals during your investigation

Note that the IRS draws a distinction between investigating a business opportunity and performing research or experiments as part of an existing business. Expenses related to the former category are tax-deductible, while expenses related to the latter category may not be.

What Deductions Can You Legally Make to Reduce Your Taxable Income?

While this is not the single most-common error made on start-up tax returns, you should also be aware that certain expenses can qualify as tax deductions on your business income. If you do decide after an investigation to start a business, you may be eligible to deduct additional start-up expenses if you choose to do so.

Here's how:

- Total up all the start-up expenses associated with your business or trade
- If expenses exceed $50,000 in total, reduce the total amount by $5,000
- The remainder of the expenses can be claimed as tax deductions, spread out in equal amounts over a period of 15 years

If you need help navigating the complex waters of start-up expenses and tax deductions, don't hesitate to reach out to a professional for help. You may be able to save thousands of dollars in taxes by finding deductions you didn't know you could claim.

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4. Target Keyword: WHAT DO THE NEW TAX LAW CHANGES MEAN FOR YOU?
Page Title: What Do the New Tax Law Changes Mean for You?

As of January 1, 2013, the Internal Revenue Service has implemented changes to individual tax laws which could affect your future tax filings. There are five key points in the new tax laws which you should know about before you begin to prepare your 2013 return. They affect people in upper tax brackets -- those who earn $200,000 a year or more.

Here is a summary of the four major changes to individual tax law:

1. **Medicare payroll tax.** Individuals with incomes exceeding $200,000 and couples with incomes in excess of $250,000 will be asked to increase their Medicare payroll tax contributions. The increased Medicare payroll tax is set at a 0.9 percent increase over current levels for individuals and couples whose incomes exceed defined thresholds.
2. **Medicare surtaxes on investment income.** Individuals with a modified adjusted gross income (MAGI) of $200,000 or more, and couples with a MAGI of more than $250,000, may have to pay a surtax on qualified investment income. Under the new rules, qualified taxpayers will have to pay a 3.8 percent surcharge on their income investment for the year, or on the amount by which annual individual income exceeds $200,000 or joint income exceeds $250,000 -- whichever is less. For example, if you made $105,000 through investments and had a total MAGI of $220,000 for the year, the 3.8 percent tax would be applied to only $20,000 of your income, for a total tax liability of $760.
3. **Changes to personal exemptions.** Taxpayers with an adjusted gross income of more than $250,000 (for individuals) or $300,000 (for couples) may be subject to changes in their personal exemption limits or reductions in their itemized deductions.
4. **Hike in high-income tax rates.** Individual taxpayers earning more than $400,000 a year and couples earning more than $450,000 a year will now be taxed at a marginal income rate of 39.6 percent. Taxpayers in this bracket also face higher long-term capital gains tax rates and higher taxes on dividend payments from qualified investments.

If you belong to one of these higher-income categories and you have questions about the new tax laws, it is recommended that you contact a professional tax accountant or certified financial planner before filing your 2013 tax return. It is important that you fully understand your tax obligations under the new laws and do not apply outdated tax laws to your future returns. The IRS will be checking carefully to ensure all high earners have accounted for the changes correctly.