

February 2019

Citation and resource guide

Putting stock market volatility in perspective

The yearly highs and lows of the S&P 500 Index can be found at www.macrotrends.net/2324/sp-500-historical-chart-data.

Making stock sales less taxing

The IRS explains the rules on basis calculation in Publication 550, *Investment Income and Expenses (Including Capital Gains and Losses)*, p. 45, at www.irs.gov/pub/irs-pdf/p550.pdf.

New tax law enhances the appeal of C corporations

The IRS explains how corporations on a fiscal tax year, rather than a calendar year, may have to deal with the transition to new tax rates at www.irs.gov/newsroom/many-corporations-will-pay-a-blended-federal-income-tax-this-year-under-the-new-tax-reform-law.

Practice development tip

Use tax returns as a teaching tool

This year's tax filing season brings the first returns under the Tax Cuts and Jobs Act (TCJA) of 2017. Some features of the TCJA will be new to clients and may be startling. You can use these returns to trigger conversations and generate future tax-planning sessions.

For example, many married clients who generally itemize deductions will be taking the standard deduction for 2018, mainly due to the \$10,000 cap on state and local tax (SALT) deductions. (The impact on single filers won't be as great because the \$10,000 cap on SALT deductions is not far from the \$12,000 standard deduction for singles; couples have the same \$10,000 SALT cap and a \$24,000 standard deduction.)

Clients who take the standard deduction, rather than itemizing, will not benefit from charitable contribution deductions or large medical deductions. In planning for 2019, you might point out the benefit of taking qualified charitable distributions from IRAs once clients reach age 70½, so that reduced taxable income from required minimum distributions will offset the absence of charitable deductions.

Younger clients might want to frontload charitable donations to donor-advised funds in some years so they

can itemize donation deductions periodically. Similarly, elective medical expenses might be bunched in some years for possible deductions.

Another unfamiliar item on 2018 tax returns will be qualified business income (QBI), which can be 20% deductible for clients whose earnings come from certain pass-through entities. This is an extremely complex provision of the TCJA. Retirement plan contributions from S corporations, for example, may have a different impact than retirement plan contributions from LLCs due to QBI deductions.

Therefore, a discussion of QBI might lead to a future meeting for a detailed conversation about choice of business entity under the new tax law. Clients with QBI also might find Roth IRA conversions to be very tax-efficient, which could lead to future meetings on this topic.

Use these and other talking points to set up specialty conversations after tax season. At those meetings, start with the client's 2018 tax return and run some scenarios, showing the after-tax impact of potential tactics. Clients will appreciate a detailed look at some tax-efficient strategies.

Digital marketing tip

Wow prospects with display ads during busy season

No matter when your busy season is, consider adding graphical advertisements to your text ad rotation to gain access to new prospects, leads, and clients. They don't cost any more than a text ad, and they run on relevant websites where your clients are spending time.

How to create a graphical or display Google Ad

Using Google Ads (previously Google AdWords), log in to your account. If you don't have an account, you must have a Gmail account and credit card to begin this process.

From there follow these step-by-step instructions to see your ad come to life:

1. Go to the home screen (click the Google Ads logo).
2. Click Campaigns, then the (+) icon.
3. New Campaign > Website Traffic.
4. Click the Display box at the bottom.
5. Choose Standard display campaign.
6. Enter your business website > Continue.
7. Change the campaign name to Display (add a keyword phrase like, "Busy Season 19").
8. Click the radio button Enter another location (you can enter states, cities, or even a zip code). Keep this limited to maximize your ad campaign results.
9. Choose location options > People in your targeted location.
10. Language = English.
11. Change Bidding to Maximize Clicks.
12. Enter Maximum CPC of \$1.00.
13. Budget = \$10.00 per day.
14. Click Additional Settings > Ad Schedule.
15. Choose which days and times you'd like based on your budget.
16. Start /End Date (enter a starting and ending date for your campaign).
17. Change Devices > Set Specific Devices > check Computers and Mobile Web only.
18. Scroll down, enter an Ad Group name or an industry name, such as "Small Business Owners."
19. For Audiences, enter accounting below the Browse link, pick the topics from the list that appears, like payroll services, tax services, accounting services, bookkeeping services, and CPA. Click Done.
20. Click Demographics, uncheck 18–24 and 65+ and household income below top 21–30% (choose the right options for your audience).
21. Click Content Targeting > choose Placements.
22. Enter Small Business, click Websites that align with your target.
23. Choose the top two to four websites where you'd like to place the ad, such as FoodTruckEmpire.com and TheWorkAtHomeWoman.com. Click Done.
24. Scroll down to Create your ads. Click New Ad > Responsive display ad.
25. Create the Ad.
 - a. Enter the full URL for the landing page on your website, such as a services page, or specific page created for busy season.
 - b. Add image assets, such as your logo and images from their stock catalog > Click Save.
 - c. Write a Headline (up to 30 characters), like "Increase Business Efficiency."
 - d. Enter a long headline, up to 90 characters, such as "Payroll is hard. It doesn't have to be with our cloud-based services."
 - e. Add a Description (up to 90 characters), like "Wasting your time with payroll? Let us help so you can focus on what you love: your biz."
 - f. Add your business name.
 - g. Click More Options > Call to action text. Click the arrow next to Automated and choose the appropriate call to action, such as Contact Us.
26. Click Create Campaign.

Create additional ads (start with at least three different ads) to entice leads. Try different copy and images to see which ad(s) perform the best.

Also, consider different ad groups to separate target markets, for example, geographically you might use two different states or towns. If choosing gender, you'd have ads with men or women in the photographs, and so on.

Tips:

- A/B split testing just an image change can help you determine what your audience responds to. In this case, two ads were created, one with a woman and one with a man.
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- If you plan to use all the headlines and description fields, notice that the text rotates and combines to include a variety of options from both. Be sure the copy makes sense no matter what headline goes with a description, and vice versa.

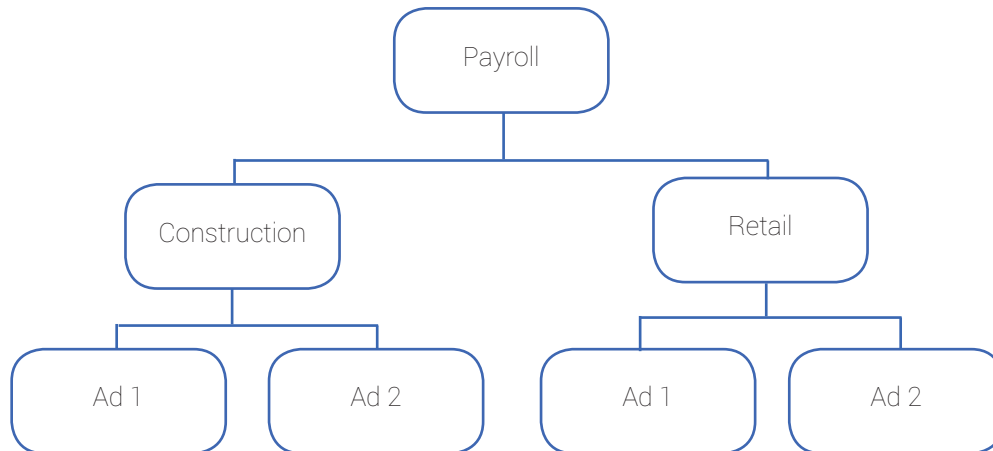
How do you know if your ad is successful? The easiest way will be to tell by clicks to your website's Contact Us form, as well as calls to your office. Additionally, you can tell through Google Ads reporting. Some of the key metrics to watch include impressions, cost, clicks, average cost per click, and clickthrough rate.

Organizing campaigns

Think of your ad campaigns as a file folder where you'd keep subfolders. The main folder is a topic, for example, payroll leads. The subfolders might be by industry, such as construction, retail, nonprofit, and so on. Then, you'd create ads for each specific ad group, under a campaign. It would look something like this:

According to WordStream,¹ for the B2B industry, a good display ad clickthrough rate would be 0.22%.

Now that you know how to reach leads via relevant websites, how to create graphical ads, and how to measure campaign success, will you add graphical ads to your online ad buying plan during busy season?



¹ www.wordstream.com/click-through-rate.

Practice development and management resources from the AICPA

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AICPA Personal Financial Planning Membership Section

The AICPA Personal Financial Planning Section membership is voluntary for CPAs and other professionals who provide personal financial planning services to individuals and families. The PFP Section member benefits include *The CPA's Guide to Financial and Estate Planning* among numerous practice guides, as well as free web seminars led by renowned experts, award-winning newsletters like *Planner*, and invaluable networking opportunities with CPAs around the country.

[Item no. 03-NEW – AICPA Member \$176.25]

Advanced Personal Financial Planning Conference – June 9–13, 2019

Any computer can collect data. What you can offer clients is something that far exceeds a machine. By building and expanding your consultation services, you'll be ready to meet future client needs and expectations. And you'll be ahead of changes in the profession that are just around the corner. The Advanced Personal Financial Planning Conference focuses on making you an invaluable voice in your clients' lives, starting today.

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AICPA PCPS/CPA.com MAP Survey National Summary

The AICPA's Private Companies Practice Section (PCPS) partnered with CPA.com on the National MAP (Management of an Accounting Practice) Survey, which was fielded from mid-May through July 2016. This summary provides financial and other key benchmarking data from the survey. This product will provide you with comparative benchmarking data relative to firm size and region that can help you create strategic goals and maximize your firm's performance.

[Item no. PCPSSUR03 – AICPA Member \$200.00, Nonmember \$300.00]

Management of an Accounting Practice eHandbook

This is your go-to resource for all things practice management. Streamlined online guidance for easy reading and quick reference on the topics you care about: employee compensation and benefits, staffing, disaster recovery, firm organization, benchmarking, strategic planning, and more!

[Item no. MAP-XX – AICPA Member \$149.00, Nonmember \$189.00]

MAP On Track

Often, practitioners and small- to medium-sized firms find it challenging to stay on top of firm management responsibilities. The new Management of an Accounting Practice On Track (MAP On Track) will help keep you organized. This new scheduler is easy to download and functions as an add-in to Microsoft Outlook, adding tasks to keep your firm running throughout the year. As an added bonus, within the automatically scheduled tasks you'll find useful links to relevant content within the comprehensive MAP eHandbook as well as PCPS tools that can inform your next steps.

[Item no. MAPTKD – AICPA Member \$229.00, Nonmember \$289.00]

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