

WHAT'S YOUR TIME WORTH?

Because
you have
better
things to
do than

Overpaying Taxes

TIME IS MONEY

SO WHY KEEP WASTING IT?

"The IRS is a lot better at finding underpayments than overpayments, "That's a real shame. Congress enacts a tax benefit with the intention of every eligible person taking advantage of that benefit. If the majority of eligible taxpayers don't know about the benefit, then the IRS has to do a much better job of educating people. I'm very concerned that tens of thousands of taxpayers aren't taking advantage of the available tax provisions. Even worse, a lot of paid tax preparers were in the dark. There's no point in paying somebody to do your taxes if those folks don't do you any good." U. S. Senator Charles Grassley



Are you substantially overpaying your taxes? Enough to make your yachting lifestyle Net Worth Neutral?

Probably.

The higher your income, the greater your chance – more than 99.5%!

- Congress estimates **over 50%** of all taxpayers overpay their taxes by not taking advantage of available tax provisions.
- **89%** of taxpayers that overpay their taxes use “professional” fee paid tax preparers such as CPA’s.
- A report from the Treasury Inspector General for Tax Administration showed that less than half of the eligible taxpayers took advantage of available income tax provisions and found that paid tax preparers didn’t know about key changes in the tax code, didn’t think their clients would benefit, or used preparation software that led them to believe there would be no benefit.
- The General Accounting Office found that **71%** of S corporations using paid tax preparers submitted returns that contained errors.
- **It’s worse for high income earners. The IRS reports for those earning over \$200,000, less than ¼ of 1% take full advantage of all potential benefits and deductions available to them.**

How is this possible? How do those with the “best” CPAs, attorneys, and other advisors substantially over pay their taxes year after year by failing to take full advantage of all the available deductions? Even with all the continuing professional educational requirements, many tax, legal, and financial advisors are simply being overwhelmed by the rapidly expanding tax and regulatory environment and unable to focus adequately on how the changing tax code may affect some of the more specialized applications.

For example, the Code of Federal Regulations, where all regulations are detailed, has ballooned from 71,224 pages in 1975 to over 174,545. Accordingly, a study asking 1,000 “professional advisors” about their specific area of expertise found that no group answered more than 70% correct. **On average per group, CPA’s answered only 30% correctly, financial advisors 45%, and attorneys 65%.**

U. S. Congressman Kevin Brady emphasized this point citing a recent policy paper "**Experts Agree They Can’t Agree on Tax Bills**", "For many years, Money magazine’s annual test of tax preparers for a hypothetical household proved that paid professionals often make huge mistakes. In 1998, the last year Money administered the test, all 46 tested tax professionals got a different answer, and none got it right. The professional who directed the test admitted “that his computation is not the only possible correct answer” since the tax law is so murky. **The tax computed by these tax professionals ranged from \$34,240 to \$68,912.**

Not one CPA got it right. A small sampling of just 46 CPAs, for a minimal simple family return, the tax liability varied by a range of more than 100%. What’s the variance in complex tax returns? The paper concludes the situation has probably worsened in recent years. Unfortunately, pride and human nature as it is, too few advisors admit their shortcomings for fear of “possibly losing clients”. As documented, **CPAs admit never suggesting any strategy to help their clients - no matter how good it may be for the clients- if the strategy is suggested by someone else.**

The New York Times

ECONOMY | BUYING POWER

For the Wealthiest, a Private Tax System That Saves Them Billions

The very richest are able to quietly shape tax policy that will allow them to shield billions in income.

By NOAM SCHEIBER and PATRICIA COHEN DEC. 29, 2015

What’s the cost? To you, your family, and society? Overpaying taxes costs millions of dollars over the long run. It’s not just the actual dollars over paid in tax the first year – but also what those dollars would have earned if they had been properly invested. **The opportunity cost- in lost time and money could be more than enough to pay for the yachting lifestyle without adverse effects on net worth.** Recent research on the subject reveals taxes can have up to 10 times greater influence over long term wealth accumulation than asset allocation or investment portfolio returns. The continued, substantial, overpayment of taxes has 10 times more impact on one’s wealth, and yet it goes largely ignored - or accepted – and especially by the most affluent.

Since tax professionals offer such drastically different advice on relatively simple tax returns, is it possible your team may be overlooking something in your complicated and sophisticated businesses and wealth preservation programs? **How do you know?** Do they share your passions? Your priorities? Your values? Perhaps a fresh set of eyes, with a different perspective may find something valuable. The more sophisticated and complicated your business and financial situation, the more likely it may be to overlook something.

After 30 years working with the world’s leading tax and legal advisors to the “super-rich”, we now regularly identify and apply often overlooked tax provisions that can **reduce tax burdens of high income earners 20 to 50% - and sometimes even more.** That means you can actually work less but take home more money after tax. **It’s not what you make but what you keep. We help you keep more.** Likewise, we trust you have more rewarding uses of your time and treasure, than working more- only to pay more taxes than necessary!

Thus, to help yacht owners maximize their yachting investments, and reward supporters of worthy charitable organizations, we are donating a limited number of economic consulting services - **starting with confidential tax assessments - estimated value of over \$4,625.** (Our hourly rate is \$925). At your convenience, just provide us with your purchase code to begin your confidential tax assessment.