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The Point of No Return: Grow Your Tax Practice

Leverage 4 Profitable Niches with IRS Tax Transcripts

Nurture Year-Round Niches Using Tax Transcripts to Create New Opportunities for Your Firm

On a strategic level, there are several key ways that your firm can leverage the benefits of Canopy's Tax Transcript Tool to support new revenue opportunities by expanding its services in the following niches:

1) IRS Resolution

2) IRS Representation

3) Expert Witness Services

4) Tax Planning

The Changes to IRS Transcipt Access in 2021

In 2021, the IRS changed the way that taxpayers and third-party tax preparers can access tax transcripts to provide a higher level of security. In the process, the IRS reduced the number of third-party organizations able to provide access to tax transcripts.

While other third-party electronic transcript tools have previously been available, going forward, only tools approved to access a new IRS API will be able to pull transcripts online via a third-party platform. Canopy was selected as one of just a handful of companies to be an official IRS partner in their new API transcript process.

Canopy's New Tax Transcript Tool Provides Easy, Secure Access to IRS Transcripts

As an official IRS partner, Canopy has developed a new Tax Transcripts Tool which allows you to instantly pull transcripts in a clean, easy-to-read format, complete with actionable recommendations. While this tool is essential for tax season return preparation, it also opens up several new service opportunities for accountants and tax preparers to create profitable niches beyond tax season.

Tame the Stress of Tax Season With Help From Canopy's Tax Transcript Tool

There is snail mail, the IRS website, and then there is Canopy—the fast, reliable, secure, and IRS-approved way to get tax transcripts. Once you have established access to client records via Form 8821 or 2848, Power of Attorney, you can manage transcripts electronically within Canopy from pulling to sharing and submitting with Canopy's secure client portal exchange and e-sign capabilities.

During tax season, you can use Canopy's Tax Transcript Tool to vet potential clients and verify information they provide to you with ease and efficiency.

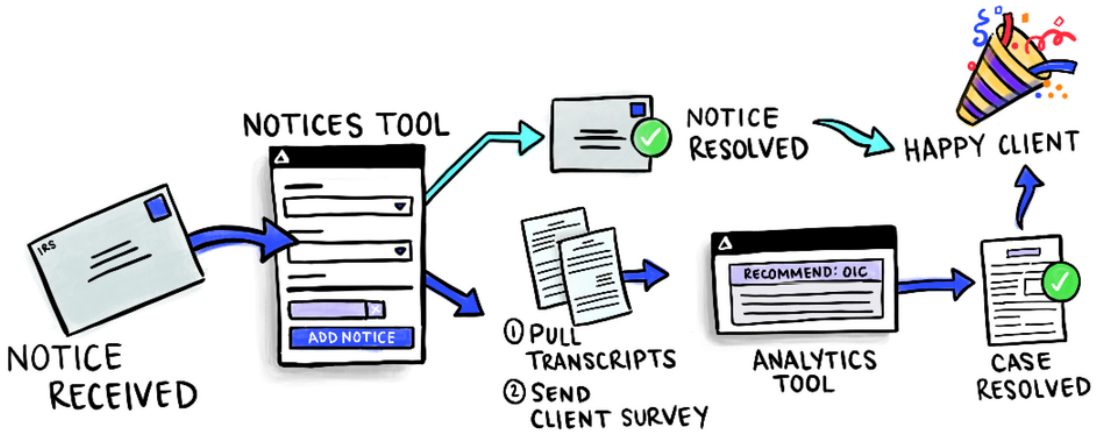
Canopy eliminates the pain point of pulling transcripts. While other third-party electronic transcript tools have previously been available, going forward, only third-party platforms approved to access the new IRS API will be able to pull transcripts online.

Perhaps the way you are used to pulling transcripts is no longer working. Or maybe you just want to make the whole process less of a hassle. Either way, it's time to take a look at Canopy. Plus...spoiler alert!...the team is deep into additional developments to make this tool even better. Stay tuned for info on those upgrades.

The benefits of Canopy's new Tax Transcripts Tool include:

- Highest possible security
- Improved data reliability
- Increased tool stability
- Access to electronic transcripts plus an easily digestible, actionable summary

When you have clients who need IRS transcript support during tax season—and beyond—Canopy makes accessing IRS transcripts simple, seamless, and secure.



Leverage the Benefits of Canopy's Tax Transcripts Tool to Create a Profitable Niche for Your Firm

If tax preparation is the bedrock of your firm and you are looking to diversify your services, reduce the seasonality of your cash flow, and reduce the stress on you and your team, consider expanding into a new tax-related niche for added revenue and profit potential throughout the year.

From IRS representation and resolution to expert witness engagements and tax planning, there are several key ways that your firm can leverage the benefits of Canopy's Tax Transcript Tool to create new service opportunities. Consider the following examples of how other accountants are using tax transcripts to grow their tax practices beyond traditional return preparation.

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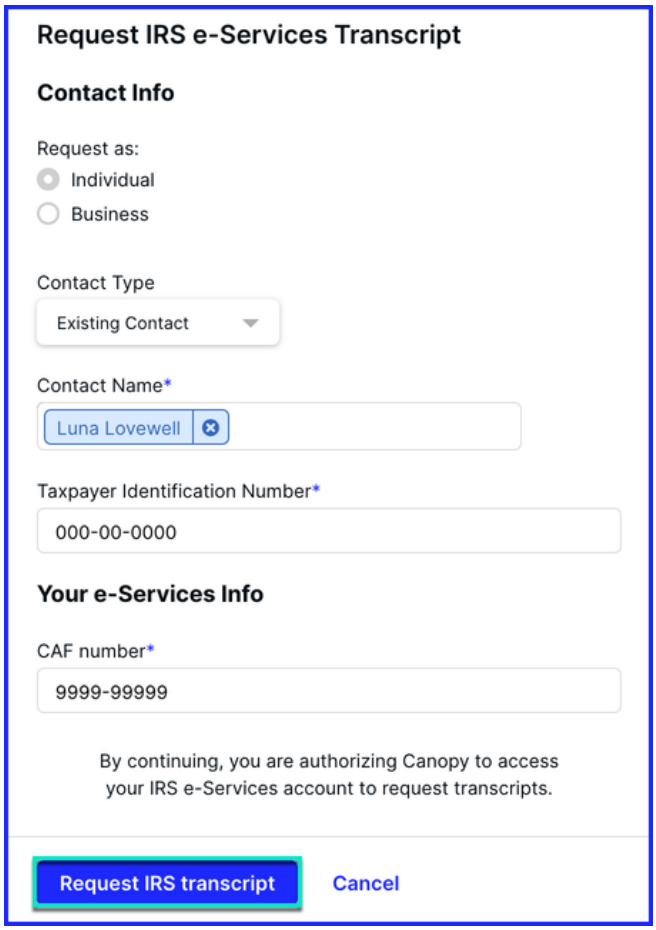
Pulling transcripts for tax season could be just the beginning of new growth for your practice:



Taxpayer representation involves specific skill sets. Hourly fees in excess of $500 per hour are not uncommon, and cases fees often average in excess of $3,500 per client.

Tax Practice Expansion Area 1: IRS Representation and Expert Witness Engagements Niche

Dawn Brolin, CPA, CFE, CEO Powerful Accounting, Ltd., Founder of Team Brolin, Author of The Designated Motivator and The Designated Motivator for Accounting Professionals

Location: Windham, Connecticut

Dawn Brolin is a CPA and certified fraud examiner with a thriving accounting and tax practice in Windham, Connecticut. While she loves working with her business clients to keep their finances and taxes on track, she has also expanded her practice by helping those individuals who have fallen out of the good graces of the IRS—usually unintentionally. This is where her specialization in IRS Representation for individuals and businesses becomes a literal lifeline for her clients who are often stressed and apprehensive about the next steps to take after they receive a notice from the IRS.

Part of the process for IRS representation cases like this is, of course, doing your own due diligence. When your client comes to you with a tax issue, you don't want to spend hours on IRM research—your time is valuable, and your clients want accurate answers to their questions quickly. That's where Canopy comes in.

Canopy's IRS Tax Transcript Tool in conjunction with the Canopy suite of additional tax resolution features are all built with you, your team, and your clients in mind so you can work together to resolve tax issues.

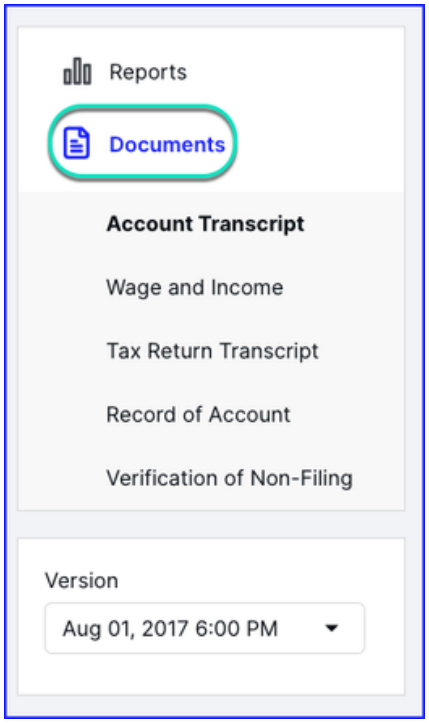
> ***Tax transcripts are the first tool I tap into when I start researching a case to understand what the fact base actually is when it comes to the issues and allegations at hand. Having them easily accessible, directly from the IRS in a completely electronic workflow is a true timesaver.*** - Dawn Brolin, CPA, CFE

A recent example of Dawn's own client whose story made the national news highlights the ongoing demand and the rewards of this type of work. "I recently represented a local middle school teacher in my area who accidentally racked up a $16,000 tax bill while raising thousands of dollars to help buy groceries for fellow community members during the pandemic," said Dawn. "He had received a notice from the IRS that he owed income taxes on the $41,000 he raised through a Facebook fundraiser. I worked with him and the IRS to provide the documentation and clarity on the actual tax situation. He ended up not having to pay taxes on the money he had raised and I helped him set up a charity so he can continue his good work for those in need without creating any more tax problems for him or anyone else."

Taking Tax Transcripts to Another Level with Expert Witness Engagements

Dawn's passion for being, as she says, "The FBI of the IRS, as a Certified Fraud Examiner" means that she's often engaged by legal firms and corporations to provide expert testimony in court proceedings and legal disputes involving tax crimes and fraudulent activity. "Tax transcripts are the first tool I tap into when I start researching a case to understand what the fact base actually is when it comes to the issues and allegations at hand. Having them easily accessible, directly from the IRS in a completely electronic workflow is a true timesaver."

You can learn more about how Dawn uses tax transcripts in her practice by scheduling a demo with Canopy [LINK] and by joining Dawn Brolin for *The Point of No Return* webinar, November 18, 2021 at 12 p.m.



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Tax Practice Expansion Area 2: IRS Resolution Niche

Jonathan Medows, CPA,
Managing Member, MEDOWS CPA, PLLC
Founder of CPA for Freelancers®

Location: New York, New York

Not every client requires a hearing with the IRS—and that's a good thing! However, there are many individuals and businesses who need help responding to and negotiating with the IRS when it comes to notices about problems with their tax payments and other tax situations.

There is a wealth of ongoing work in this area for your firm to carve out a niche by helping clients navigate and structure IRS resolution agreements and payment plans. From your existing tax preparation client base there are likely many clients who would be happy to pay you as their tax preparer or accountant to handle it for them!

That is exactly how Jonathan Medows, CPA, managing member of MEDOWS CPA, PLLC, and the founder of the online community CPA for Freelancers® expanded his practice. Jonathan specializes in tax issues for the self-employed and freelance community, many of whom will run into issues with estimated tax payment shortfalls or situations where they need to negotiate payment plans or offers of compromise with the IRS.

> ***"As a CPA I am often their first point of contact and can help them gain control over their tax situation which then grows the relationship into tax planning which is where the growth opportunities for both firms and clients are." - Jonathan Medows, CPA***

Tax resolution is an area where Jonathan's attention to detail and analytical skills give his clients peace of mind that he will provide the tax planning and advice they need to avoid tax issues in the first place. However, should they encounter a tax issue they know that Jonathan will be able to help them take action to resolve their tax issues once and for all. That way, they can move forward knowing how to better plan and prepare to meet their tax obligations throughout the year.

“Many self-employed people run into issues where they don’t understand what their tax obligations are and they end up being unable to pay estimated tax payments, or they don’t pay enough taxes,” says Medows, who is often quoted as a recognized expert on self-employed taxation issues in national media. “As a CPA I am often their first point of contact and can help them gain control over their tax situation which then grows the relationship into tax planning which is where the growth opportunities for both firms and clients are."

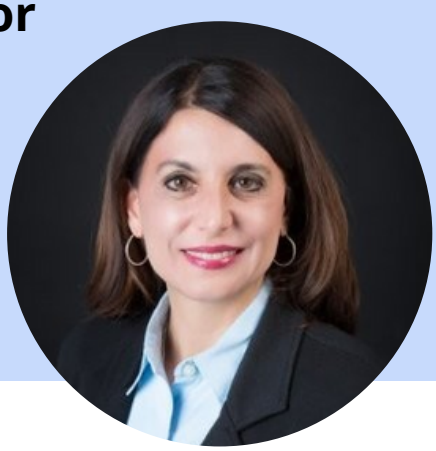
Using tax transcripts to see the history of tax payments and delinquencies is obviously a critical first step in the process of getting clients back on track with payment plans or other agreements with the IRS. Then they can be a on an ongoing basis making sure they stay there.”

Show your clients the value of tax planning by estimating it separately from implementation, preparation and quarterly taxes, consider billing based on a percentage of the dollars saved with the implementation of tax strategies.

Tax Practice Expansion Area 3: Tax Planning for Foreign-Based Businesses with U.S. Interests

Dawn Sabo, CPA, CEO, Sabo Accounting & Tax Services, P.C.

Location: Houston, Texas and Sun Valley, Idaho



Tax Planning for Foreign Based Businesses with U.S. Interests

Dawn Sabo's use of tax transcripts is varied and versatile. As a CPA managing her own firm, she serves businesses and their owners with comprehensive services including tax planning, tax preparation, accounting with a long list of career accomplishments in the corporate world, including working overseas for Shell Oil for many years.

For the individual tax returns, the transcripts tool assists her and her team when the information provided needs verification. For business clients, many of whom are foreign-based entities with U.S. subsidiaries or operations, Dawn is able to provide insights and information using tax transcripts about the corporation's U.S. tax situation, obligations, and a plan for moving forward to create the most advantageous tax position possible.

"As a firm with a niche in providing tax and accounting support to foreign-based businesses, we rely on transcripts as the 'instrument of truth' and for insights to help us see the complete picture of a business owner's tax situation on a personal and entity level," said Dawn. "For our firm, tax returns are just the beginning of our relationship with our clients. We're looking at their tax activity and monitoring the business and personal requirements to ensure we provide comprehensive guidance and cover all compliance requirements. Having IRS transcripts readily available is essential for our entire team."

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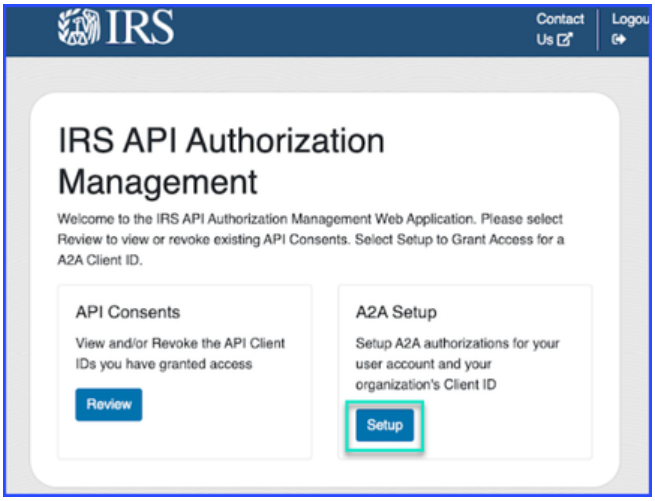
This look at how three different practitioners are all using tax transcripts outside of the traditional tax season offers insight for you to consider expanding your tax practice into these other areas. On a strategic level, there are several key ways that your firm can benefit from using Canopy's Tax Transcript Tool to develop new revenue opportunities such as those shared above.

The Point of No Return? Turn Tax Transcripts into New Opportunities for Your Firm

Transcripts are necessary during tax season but they are also the key to other revenue opportunities such as IRS representation, IRS resolution, tax planning. Canopy makes it easy to leverage these documents with their IRS Transcript Tool and its full suite of practice management tools:

Canopy is a full-suite practice management solution for accountants. Canopy offers project management, document management, and seamless client communications tools all in one cloud-based platform.

- CRM
- Document Management
- Workflow
- Client Portal App
- Payments
- Time & Billing



Canopy is a cloud-based practice management and tax resolution platform for accounting firms, tax professionals, and enrolled agents that integrates with dozens of key applications for accounting professionals. The suite of tools enhance efficiency while creating a connected client experience. This enables your accounting firm to keep everyone from employees to clients on the same page.

You need practice management software that will empower you, your team, and your clients to work together easily at every step. Canopy offers the tools for you to communicate effectively, track your time efficiently, and provide the ideal client experience.

See Canopy in Action – Schedule a Demo

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