

**Santa Monica College  
Tax Advisory Board  
Meeting Minutes  
Friday May 29, 2019**

**Present:** Cesar Rubio, CPA (SMC Full Time Faculty), Alberto Contreras, Business Analyst (Latino Tax Professional) and Pascual Garcia, EA (Golden Crown Professional Services).

**Introduction:** The tax advisory board members have over 29 years of tax preparation experience, and they are closely related to the tax preparation industry. Both members are Enrolled Agents, and they are highly ranked in their organizations. Alberto Contreras is a Business Analyst, and Pascual Garcia is an owner.

Latino Tax Professional's mission is to provide knowledge, professionalism, and community to those who serve the Latino taxpayer. Their goal is to help you grow your practice and increase your profits by attracting more Latino clients, and their vision is to provide the best tax preparation training available in English and Spanish.

Golden Crown Professional Services is a full-service accounting and tax practice, including accounting, audits, write-ups, bookkeeping, payroll and tax preparation services.

**Meeting set-up:** Cesar Rubio created a list of tax industry questions for the board members to answer and provide input. The list of tax questions was emailed to the members on May 23, 2019. On May 28, 2019, Pascual Garcia replied and provided his input. On May 29, 2019, Alberto Contreras replied and provided his input.

**Meeting Summary:**

- There is a demand for tax preparation services since tax laws are changing and becoming complex.
- Obtaining formal training in tax preparation is essential, including the minimum 60 hours required by CTE.
- Additional training in taxation could be beneficial such as CPA or EA.
- Learning how to run a business or become an entrepreneur is extremely important to succeed in running their own tax practice.
- Individuals operating a tax practice need to understand that tax preparation is typically a seasonal operation and should provide other type of services such as payroll or bookkeeping.
- It is vital to learn how to build clientele to grow the tax practice, so understanding how to deal with customers is important.

***The following tax questions were asked to the advisory board member:***

Question: What is the name of your organization?

**Alberto:** Latino Tax Professionals

**Pascual:** A. Hayward Bay Investments Corporation dba Golden Crown Professional Services.

Question: How long have you been preparing tax returns?

Alberto: 36 Years

Pascual: Since 1990 (29 yrs).

Question: What kind of tax returns do you prepare?

Alberto: Individuals and Businesses

Pascual: Forms 1040 Series, 1065 Partnerships, 1065 LLC Limited Liability Company, 1120S S-Corporations, 1120 C-Corporations

Question: Do you see a future for tax services? What type?

Alberto: Sole Proprietors, Rentals, Subcontractors, etc.

Pascual: The future of tax service is and will be in high demand...the taxpayer needs the expertise of the tax practitioner to obtain the most current new tax laws and changes in order to manage both current and future tax liabilities. They require the experience and expertise of a professional to accurately and efficiently prepare their return in all type entities, Individual, Corporations, Partnerships, Trusts, Estates, and Non-Profit Organizations as well as IRS Audit Representations.

Question: Do you see any type of trends in the tax preparation industry?

Alberto: More Do It Yourself (DIY)

Pascual: Yes, the tax practitioner require that they stay up to date on the past, current and future laws, keep up with technology and maintain awareness of cyber security.

Question: Do you believe tax preparation software designed for non-tax preparers (i.e. Turbo Tax) would eliminate the need for a tax preparer or tax services?

Alberto: No, if you have any kind of complication, Turbo Tax will not be your solution, i.e. 401(k), starting a business, rental, sale of business assets, partnerships, etc.

Pascual: Absolutely Not, tax preparation software are great for those taxpayer that has a very simple return but definitely does not replace the expertise of a practitioner...it has been my experience that the taxpayer that has any type of situation beyond simple meaning just a W2 will generally have a difficult time preparing their return with accurate results.

Question: What type of tax education do you believe a tax preparer should obtain to succeed as a tax preparer?

Alberto: Enroll in an education or vocational program that provides a career path in the tax preparation industry.

Pascual: Minimum the 60 hours required by the State of California and continuing education is crucial for the growth of a tax practitioner. I am an advocate of continuing education and achieving the IRS most prestigious designation of Enrolled Agent.

Question: What type of tax education do you believe a person should obtain to start and operate their own tax practice?

**Alberto:** Enrolled Agent or CPA training is a must, as well as an entrepreneur program to help manage expectations.

**Pascual:** Minimum 60 hours required by the State of California, continuing education and a minimum of 4 years of hands on experience with the returns you plan on offering in your own tax practice.

Question: Do you think starting a tax preparation office is a sound and practical idea? Does it sustain a respectable financial lifestyle?

**Alberto:** Yes, very much so, it needs to be full time and open year-round, must also provide ancillary services.

**Pascual:** Great question, this is a seasonal industry and realistically it is like any other business or profession...its all about selling yourself, obtaining and growing your book of business, marketing, customer service and staying up to date on the new tax developments. By the same token it is also a business that allows you to add services during non-tax season like Accounting, Bookkeeping, billing or payroll process services, business consulting, workshops for small businesses, etc....

Question: Would you recommend and/or advice a student to start a tax preparation office? What are the Pros & Cons of opening and operating a tax preparation office?

**Alberto:** This is a complex question. There are very many variables to opening and operating a tax prep office, the biggest challenge is maintaining a pipeline of qualified tax preparers to keep your practice growing, you can do this with an in-house training system, which we offer.

**Pascual:** Yes, if their interest is becoming an entrepreneur. An important factor in working for others vs establishing your own practice is your personality. Your personal character, your work habits and very important your people skills is all the ingredients to an advantages practice and can determine the success of your practice at your early stages.

- **Pros:** Seasonal, allowing you time to do other things if enough revenue is generated. Personal satisfaction in helping other on the finances. Bigger rewards in your efforts. Opportunity for growth/expansion to multiple offices. The opportunity to Macro Manage your business.
- **Cons:** Need to build a clientele through personal efforts, reputation and marketing and significant time and effort in networking and salesmanship to exploit those markets. Administrative overhead, your time is divided between providing the billable services that bring revenue, perform daily and weekly administrative tasks of running a business, like keeping your own books, complying with local authorities, purchasing equipment, stationary, professional tax software and possibly hiring and supervising employees.