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Citation and resource guide

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The new tax law will change divorce tactics

The IRS explains the current tax treatment of alimony at www.irs.gov/taxtopics/tc452.

Stretching for yield...carefully

The SEC provides a guide to high yield bonds at www.sec.gov/files/ib_high-yield.pdf.

No tax deductions for business entertaining

The text of the Tax Cut and Jobs Act of 2017 that provides no deductions for business entertainment, amending Code Section 274 by Act Section 13304(a) can be found at www.congress.gov/bill/115th-congress/house-bill/1/text.

Practice development tip

Put market volatility into perspective

As of this writing, 2018 has been a tumultuous time in the stock market: a steep climb followed by stumbles. Clients tend to welcome volatility on the upside but can be alarmed by downside moves.

Misleading reporting may add to clients' fears. For instance, one day this year was labeled the largest daily *point* drop in the history of the Dow Jones Industrial Average. Along the way, the word "point" was sometimes omitted from media accounts, leading investors to believe the day was the worst ever for the Dow, which it wasn't. We're not back to 1929, at least not yet. Wall Street's feathers might be ruffled, but it hasn't laid an egg so far.

If such volatility continues, you can help keep clients calm by providing accurate numbers by email blast or website blog. To give a simplified example, if the Dow is at 25000 and loses 1000 points, that's a 4% decline. Clients probably won't be happy with a 4% loss of wealth, but that might not wreck their financial plans.

You also can inform clients that market losses are shared by the IRS in most cases. Just as growth inside traditional

retirement accounts will be partially due to the government when money is withdrawn, a reduced IRA or 401(k) balance means a lower imputed future tax obligation. Similarly, smaller paper profits in taxable accounts can equal lesser tax payouts on gains you might take.

Will this year's uncertainty turn into a panic, making this a good time to sell? Or will dips become buying opportunities? No one can know what the rest of 2018 will bring to the stock market.

In any case, you can use email or a blog to offer personal meetings on the tax impact of market volatility. For clients with holdings that trade below their purchase price, you might explain the potential tax benefit of taking capital losses. In addition, any severe market drop may reduce the tax impact of a Roth conversion for tax-free income in the future, but you can mention that these conversions can't be reversed under the new tax law. Such insights are likely to build your reputation as someone clients should consult for valuable advice in good times or bad.

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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.

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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.

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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]

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