

Navigating Industry-Specific Challenges: Niche Practices Create Financial Success and Growth

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NEW ENGAGEMENTS ARE THE LIFEblood of accounting firms and, for most clients, industry knowledge and expertise are critical requirements when seeking financial advice. Thus, accountants who specialize in specific practice areas or industries are always in high demand. It is not unusual for CPA firms to have many successful niche practices, and mergers and acquisitions often try to build on areas of industry synergies.

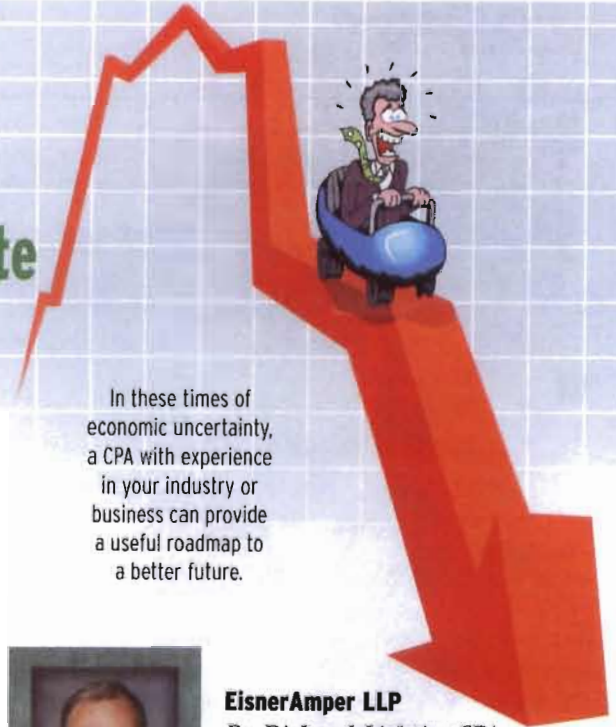
Specialized CPA advice and practice areas dedicated to specific industries continue to provide new clients, profits and growth potential to accounting firms, and the trend seems to suggest this will continue for the foreseeable future. Here are some success stories that showcase how New Jersey CPA firms are succeeding with niche practices.



Bederson & Company LLP

*By Tim Brennan, CPA, MST,
Tax Manager*

Many states, hard-pressed for tax revenues, are imposing statutory residency status on non-residents working within or visiting their state who also have access to a "permanent place of abode." Many clients find themselves in this situation where they have a vacation home, apartment or rental property in another state where they also work or spend a sufficient amount of time. New York is particularly aggressive when it comes to these audits. In our Tax practice, many clients spend less than 183 days in a state where they also maintain a permanent place of abode. In many cases, we have to work with our clients to provide significant documentation of their whereabouts to avert an audit. In one case, New York was trying to impose New York residency on our New Jersey client who lived and worked in New Jersey. His wife worked in New York and lived there in their jointly-owned apartment from Monday through Friday. State returns were being filed separately. To prove our client (the husband) was not in New York 183 days, we provided extensive documentation of his time through diaries, appointments and other evidence such as credit card receipts. New York rescinded its claim.



In these times of economic uncertainty, a CPA with experience in your industry or business can provide a useful roadmap to a better future.



EisnerAmper LLP

*By Richard Lichtig, CPA,
Tax Partner*

Business owners often view their company as "simple" or purely "local." Unfortunately, state and local tax authorities often think otherwise. States impose taxes on companies doing business (having "nexus") within their borders. The definition of nexus varies not only by state/city, but also by the type of tax involved. In a meeting with a new client ("simple," of course) we were told how they conduct their business—operating matters, not financial. It became apparent that the company had nexus in as many as five states in addition to New Jersey. To minimize the exposure to prior years' taxes, penalties, and interest—years for which tax returns weren't filed—we recommended that they enter into "voluntary disclosure agreements" (VDAs) with those states. The result was a de minimis amount of incremental taxes. Whereas they paid taxes to five new states, they got New Jersey refunds (i.e., they allocated income out of New Jersey). The outcome could have been far worse if the other states became aware of the company doing business without participating in a VDA program. Most states have VDA programs, each with different rules for participation. Business owners, even "simple" ones, should review their operations to minimize tax liabilities.



Fazio, Mannuzza, Roche, Tankel, LaPilusa, LLC

*By Robert A. Raiola, CPA,
Sports & Entertainment
Group Manager*

A New Jersey-based professional athlete asked me to prepare his 2010 individual income tax return and to handle the ongoing IRS audit (employee business expenses) of his 2007 and 2008 tax returns. Since the

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