

What a Business Owner Needs in a Good Tax Accountant

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A common question we get asked by clients is "do I have a good tax accountant?".

As a small or medium-sized business owner, finding the right tax accountant is crucial for ensuring that your financial affairs are in order and optimised for success.

In this blog post we cover what your tax accountant should be delivering for you and your business, including:

- The 3 specific traits a good tax accountant should have
- Which questions to ask your tax accountant to check if they're on track
- How to know if you're getting value from your tax accountant, and more.

What to look for in a good tax accountant

1. Effective Structure & Expertise

The first and foremost consideration when evaluating a tax accountant is their ability to analyse and optimise the structure of your business. A good tax accountant will review your current structure and assess its effectiveness in terms of tax efficiency. They should be knowledgeable about the latest tax laws and regulations, enabling them to recommend improvements to your business structure that align with your goals and can lead to substantial tax savings.

A competent tax accountant should be able to answer questions such as:

- Can your business benefit from restructuring to achieve a more tax-effective outcome, especially if you plan to sell the business in the future?
- Are your profits being distributed in the most tax-efficient manner?
- Would another accountant view your business structure as optimal, or are there potential areas for improvement?

Remember, the complexity of your business structure should be balanced with the overall tax benefits it provides. The right tax accountant will help you strike the perfect balance to ensure maximum tax optimisation while minimising unnecessary complexity and associated costs.

2. Proactive Strategies

A proactive tax accountant is an invaluable asset for any business. Beyond simply preparing tax returns, they should actively seek out opportunities to minimise your tax liability through legal and ethical means. By staying abreast of changes in tax legislation and industry trends, they can identify strategies that align with your business objectives and help you plan for the future.

Consider the following questions when assessing the proactive nature of a tax accountant:

- How frequently do they approach you with ideas and recommendations to minimise your tax burden?
- Are they proactive in informing you about legislative changes that may impact your business and tax obligations?
- Do they provide guidance on proactive tax planning, ensuring you are paying the right amount of tax and not overpaying?

A proactive tax accountant should act as a trusted advisor, providing insights and suggestions tailored to your unique business circumstances. Their focus should be on helping you make informed decisions that contribute to long-term tax optimisation.

3. Value for Money

While cost should not be the sole determining factor, it is important to evaluate whether your tax accountant provides value for the fees they charge. Value for money goes beyond just preparing financial reports or tax returns. It includes the quality of advice, understanding of your business goals, and the level of commitment they demonstrate towards your success.

Consider the following aspects when assessing the value for money provided by a tax accountant:

- Do they demonstrate a genuine interest in your business and its objectives?
- Are they knowledgeable about your industry and aware of the challenges and opportunities you face?
- Do they provide personalised advice and guidance that aligns with your business goals?
- Are the fees charged by the tax accountant reasonable and proportionate to the services provided?

Your tax accountant should be invested in your journey, passionate about helping you achieve your business goals, and committed to ensuring that you pay the least amount of tax possible without compromising compliance. Striking a balance between the value they provide and the costs involved will help you make an informed decision when selecting a tax accountant for your SME business.

Conclusion

Finding a good tax accountant for your SME business requires careful consideration of several factors. Look for a tax accountant who can optimise your business structure, provide proactive strategies to minimise tax liability, and offer value for money through personalised advice and guidance.

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