

# Tax Reform: Be a Part of the Process

By Charles A. Pierce, CPA



**T**ax reform remains one of the hottest topics in both Jefferson City and Washington, D.C. More than at any other time in recent history, legislators at both the state and national levels believe it is time for a substantial overhaul of the tax system. While there is strong consensus that things could be improved, there is substantial disagreement on what that “improvement” should look like. This debate is volatile, sometimes even polarizing. CPAs are obviously well qualified to comment on what changes will have the most effect on business. Likewise, the MSCPAs has a long history of both grassroots and professional efforts of government advocacy. As a result, the profession, represented by the MSCPAs, is actively engaged in tax reform, but the question becomes, “How can CPAs best make their voices of reason heard in the din of political debate and not become frustrated by the process?”

One thing CPAs should remember is that because tax reform must be conducted in a legislative environment, it will never be done exactly right. Legislation is mostly negotiation. Therefore, there must be a balance between what will pass, and what will work. The precise details of how a tax change will work normally follow the acceptance of the concept by both sides. If both sides have agreed to a change, neither wants to hear that it doesn’t work very well. Certainly if it is unworkable, that is one thing; if it is just difficult or complicated, that is another. The MSCPAs model for governmental advocacy works on this premise: the society provides as much input and suggestions to improve bills as possible, given the goals of the legislative sponsor. In this way, hopefully, anything that passes will be workable—albeit maybe not what CPAs would have designed—and the MSCPAs stays relevant to the debate. If the MSCPAs only criticized proposed legislation, it would quickly be shut out of the process.

It is also important for CPAs to remember that the legislative process for something as complex as tax reform is a long one, so patience is a must. Just because a bill is introduced, does not mean it will pass. Also, if a bill passes with some flaws, it can always be corrected in a future legislative session. This is certainly not the ideal circumstance, but it is the reality of the legislative process and a common practice. Therefore, it is important not to overreact to a flawed proposal.

While the process is not one you would likely design, it is one CPAs should still participate in. By being involved, CPAs add to the quality of the final product. Even if not perfect, legislation is certainly improved by the process of the MSCPAs’s review and comment, and it makes you more helpful and valuable to your clients. Change is not always welcomed or easy, but if it is to occur, it is best to be as involved as possible.

CPAs who are involved with the MSCPAs and follow its legislative activities are well prepared to talk about updates with their clients. Regardless if you agree with the changes made, they will impact your business. The very act of revising the tax code creates an opportunity for you to engage in tax or business planning with your clients. Many times, the publicity alone surrounding proposed legislation causes clients to contact CPAs with questions—both in general and in relation to the proposal.

In summary, CPAs should not let the perfect be the enemy of the good when it comes to tax reform. You likely agree that there is much room for improvement in the current system. If CPAs stay involved and work within the system as it exists, no matter how frustrating, the improvement will come and will be better for CPAs having been involved.

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