

# Small-business owners should plan ahead for tax time

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**NEW YORK** — It can be tempting for small-business owners, once their income tax returns are filed, to put the whole issue of taxes behind them.

Resist that urge. Owners who don't grasp the idea that a company's tax planning — in reality, overall business and financial planning — is a year-round process may be setting their businesses up for an even tougher time in this difficult economy.

They might also miss out on some tax law changes that are designed to help small businesses get through the recession.

"They've got to keep their eyes open relative to what's happening on the budget level," Barbara Weltman, a tax attorney in Millwood, N.Y., and author of *J.K. Lasser's Small Business Taxes*, said of business owners.

It's hard to run a business and keep up with tax law or economic stimulus legislation. That's a good reason to stay in touch with a tax or

financial adviser whose job is to know what changes are coming down. And it's not just the federal government that's making adjustments; states are also passing laws.

Some changes in federal tax law for this year are already known. The IRS Web site, [www.irs.gov](http://www.irs.gov), has a section devoted to the provisions on its home page. Click on Update on Recovery Tax Provisions for Individuals and Businesses. Or, you can go straight to changes aimed at small businesses by clicking on [www.irs.gov/newsroom/](http://www.irs.gov/newsroom/)

[article/0,,id=205330,00.html](http://www.irs.gov/newsroom/article/0,,id=205330,00.html).

Weltman said owners should be sure the professionals they hire are "more than just tax advisers, that they're business advisers. ... Maybe you're not doing things right with your inventory, maybe you should be warehousing differently. Whatever the issue is, you need someone who can help you."

Owners need to take advantage of that help on a continual basis. That means not just calling for advice about big purchases or other strategic decisions, but also

scheduling semiannual or, even better, quarterly meetings with their accountants or advisers.

You can argue that working closely with an adviser is a good business practice in the best of times. Given the flux in the economy and therefore the evolution in laws that affect small companies, right now it can be critical. It not only keeps your company operating better, it frees you to focus on your customers and employees and preparing your business to benefit from an economic recovery.