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BY Ted Williams, Growth Management Group



MiBiz[®]



Michigan Company Helps Find Millions in Tax Breaks for Small and Mid Sized Companies

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For many businesspeople, the word “stimulus” might as well be a four-letter word. For Flint-based Growth Management Group, tax incentives are no dirty word, but rather spell opportunities for businesses to find federal and state incentives to help their bottom lines.

The company seeks out the tax incentives, energy savings and hiring incentives that businesses and many certified public accountants miss during their tax preparation. The company began in the mid 2000s as a lean consulting firm, helping manu-

facturers remain competitive. By chasing incentives that manufacturers left on the table, GMG stumbled upon a business opportunity as manufacturers in the state were battered by the economic downturn.

Jeremy Harrison of Growth Management Group took time to speak with MiBiz about its role turning over

the rocks in companies’ books looking for the untapped tax incentives there.

MiBiz: How much is out there for companies in terms of untapped incentives?

“The areas of the programs are anywhere from commercial property owners to manufacturing research and development and payroll.”

Harrison: We target the small to medium size business. The state and federal programs are called stimulus incentives when really they are tax based. If someone is getting ready to write a check (for taxes), they should be looking at every single program to help offset them. The areas of the programs are anywhere from commercial property owners to manufacturing research and development and payroll, such as the HIRE act. That is just part of the hiring incentives out there. There are hundreds of incentives that vary by state and by some municipalities.

For our average client, we can save around \$200,000. For some people, it is significant. For others it is a drop in the bucket. We don’t go after the GMs or Fords of the world — they’ve got their own teams of lawyers and accountants looking for these incentives. Even a client who may have only paid a couple thousand in taxes over the last couple of years, they’re excited about getting that back.

MiBiz: What’s preventing companies from tapping these programs themselves?

Harrison: The number one roadblock is that your CPA is not your consultant in these areas. If you have a large firm, they may have an entire division devoted to finding tax incentives. We have 200 attorneys (in our network) and can tap them when needed.

A normal CPA is already buried up to their eyeballs with paper-

work for their clients. People assume that their CPAs have a grasp of all the incentives that are out there, (but) almost every CPA says they know the programs are out there. They have been to a seminar and know about them, but are they taking it to the next level and able to file all the necessary paperwork? Standard CPAs don't have time to dig into those areas without some help. We help the CPAs consult with their clients.

We don't want Michigan businesses to lose money because of the disconnect that is out there.

MiBiz: The stimulus was a major campaign issue, with many business interests coming out in opposition to the ARRA. Are you encountering reluctance to take part?

Harrison: We hear that "we don't want any of that Obama money." There has been stimulus money out there as long as there has been a United States. Nobody paid attention until there was the economic downturn. Until the government came in with TARP and ARRA, no one paid much attention.

Many of these incentives came in the tax reforms of 1986. A lot happened in both Bush Administrations. Manufacturing incentives have been around almost as long as there have been manufacturers. The government makes (these incentives) extremely difficult to get. We have the expertise. That is not money that is out in the middle of nowhere. We are lowering the amount of money you are paying in.

We do have a challenge that customers have to know that there are incentives for them. Mileage is a deduction on a tax return. Now imagine if (the government) said that you have to have a 500-page technical report for that deduction — that is what we're talking about.

MiBiz: Where do you see opportunities going forward?

Harrison: The manufacturing credits sunset at the end of the year. It is annually updated and used as a political bargaining chip. They never sunset, but it has always been threatened. President Obama himself said that he wants to make these credits permanent. He said that, but it hasn't happened.

I see the hiring incentives as becoming increasingly important. With the economy and unemployment rate where it is, the government really wants to be seen helping improve the employment picture.

On the energy side, everyone under the sun knows energy is a hot button issue. Government is pushing a number of mandates about renewable energy, federal and state incentives are being

talked about at various levels. We truly feel that energy will be at the top of the chart of things that we are going after for clients.



Smarttax will work with you and your CPA to gather the information needed for a tax review. There is never a fee for the review unless the client chooses to use our services. Once the review is complete, your Smarttax consultant will review your findings with you and your CPA.

GMG Partnership with Smarttax

Smarttax has partnered with Growth Management Group (GMG) to deliver specialized tax incentives. GMG believes wholeheartedly in building Strategic Partnerships and actively reaching out to industries and organizations that would benefit from such a partnership.



GMG Audit Guarantee

Smarttax works with GMG to provide the tax savings benefits. If at anytime GMG's work, methodologies or calculations are challenged or scrutinized by the IRS, GMG will offer the defense support necessary to explain or illustrate their findings. GMG follows strict IRS Guidelines, revenue rulings and case law. To date, GMG has had had zero dis-

allowances. GMG also has engineering studies in all 50 states serving clients in multiple disciplines including: *Cost Segregation, Research & Development Credits and Property Tax Appeals.*



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