



Liberty Financial Consulting, Inc.

A leader in small business accounting, Quickbooks support, and tax preparation

Presidential Trivia

1. State from which most presidents have come.
2. First president born west of the Mississippi.
3. President who has a National Park named after him in North Dakota.
4. President who died after 31 days due to illness resulting from lengthy inaugural address given in inclement weather.
5. Future president who served on the House Un-Americans committee during 1950's to root out communists in Hollywood.
6. President at the time Trans-continental railroad completed.
7. First Vice President to ascend to the presidency due to death of the President.
8. President during California Gold Rush.
9. President who broke precedent by running for 3rd and 4th term.
10. President during time the 16th Amendment (Income tax) was ratified.
11. Vice president who became President after resignation of the previous president.

Spring/Summer 2020

The first few months of this year shows how quickly things can change. The country was progressing well since 2016 with GDP growth at 2% to 3% per year and job growth of tens of thousands of new jobs per month. Now, due to the Coronavirus, we have millions of people thrown out of work due to stay at home orders by state governments and a contraction of economy that has wiped out much of the gains since 2016.

There has been legislation by the federal government to provide funds to businesses to get through the lockdown

but demand has been extremely high and now funds from the initial legislation have been exhausted. This initial bill was for \$349 Billion but calls for more funds have already surfaced.

It will be interesting to see how the weeks and months ahead progress. Once the stay at home orders are rescinded and the economy begins to move forward, it will be important for it to happen quickly. It does appear at this time, many states are implementing a staged process in re-opening their economies.

Thank you!

Liberty Financial Consulting (LFC) would like to take this time to thank its clients for years of commitment and loyalty. LFC has been dedicated to providing quality services to our clients and we have been fortunate to have them with us for many years.

Businesses can count on LFC for great service in all it does from general bookkeeping and tax preparation to Quickbooks support.

Recap of 2017 Tax Cut

The 2017 federal tax cut is mostly responsible for the growth in the economy we have experienced in the last 2 1/2 years (up to the Coronavirus). This, in conjunction with deregulation, has caused the economy to get back on track since the 'Great Recession' of 2008 & 2009.

Some of the significant aspects of the tax law include:

- Reduced tax rates
- 20% deduction on business profits for those

enterprises that are pass-through entities (self-employed, partnerships, S Corporations)

- 21% flat tax rate for C Corporations
- Cap on deductible state income and property taxes to \$10,000
- Increased to 60% of AGI for total charitable deduction allowed
- Elimination of dependent exemptions
- Increased child tax credit to \$2000
- Increased Standard Deductions

LFC has analysis of these

features and their impact on taxpayers:

- New law is a move toward simplification (fewer taxpayers are itemizing deductions)
- Significant tax savings due to lower rates and increased child credit
- Businesses experiencing significant savings due to 20% deduction on profit.

It will be interesting to see if Congress continues the momentum to help further simplification of the tax code and provide additional tax savings to taxpayers.

What does LFC do?

Over the years, when asked the question 'Brian, what does LFC do?', it has at times been a struggle to define since the company has been involved in many different things.

Over the years, the major focus of the business has been:

- General accounting system setups for businesses large and small
- Conversions from other software to Quickbooks
- Implementing third-party applications into Quickbooks
- Payroll systems setup
- Quickbooks training seminars
- Provide general bookkeeping and tax preparation services to individuals & businesses in a wide range of industries
- Consultation services to fix software problems

Yet, during its history, the company has

always remained responsive to changes within the industry and to business in general. For example, major pieces of legislation or court cases have had great impact on business and LFC has had to be on top of them. Some recent developments include:

- Sales tax decision by Supreme Court in 2017 that impacted the way small business collects and remits sales taxes
- 2017 Federal Tax law changes
- Recently passed CARES ACT to combat economic impact of coronavirus

LFC has had to adapt to many changes in the industry, whether it is changes in technology, tax legislation, or economic conditions. A company that is nimble and pro-active despite the changes can serve its clients well and clients know they can depend on LFC.

LFC Response to Covid-19

Like many small businesses in the state of Minnesota, LFC has been impacted by the Coronavirus. Fortunately, LFC is deemed an 'essential business' as part of the bookkeeping/accounting industry.

Nonetheless, reduced business activity has resulted in LFC providing less services to clients. However, LFC has been involved in helping some clients with data gathering for CARES Acts Applications. These clients have attempted to take advantage of relief that is available due to major legislation passed by Congress. The payroll protection program and available tax credits should provide much needed funds to get them

through these difficult times.

The most important aspect of the current situation we find ourselves in is for how long. Although LFC welcomes some of the relief made available to small business owners, we are worried that if the situation goes too long that it may be too late for some businesses and the financial impact of a long shut down will be too difficult to overcome. Thus, many businesses will not return.

LFC is cautiously optimistic about a return to normalcy soon.

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Quickbooks Software

Since 2002, LFC has been working with clients to find the best software product solution for their businesses. Quickbooks provides products for businesses of any size and in any industry. From the simplest data processing systems to complex manufacturing, Quickbooks has the products for any situation.

Quickbooks primary desktop product offering consists of:

- Pro
- Premier
- Enterprise Solutions

In addition, Quickbook offers an online product for those wanting a web-based solution.

LFC has partnered with a Intuit reseller to provide great pricing on all Quickbooks products.

Contact LFC to learn how we can help you with selecting the products that best fit your business.

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**Trivia
 Answers**

1. Virginia
2. Herbert Hoover
3. Theodore Roosevelt
4. William Henry Harrison
5. Richard Nixon
6. Ulysses Grant
7. John Tyler
8. James Polk
9. Franklin Roosevelt
10. Woodrow Wilson
11. Gerald Ford

**Who pays federal income taxes?
 Tax Year 2016**

AGI % Ranking

Top 1%	37.32%
Top 5%	58.23%
Top 10%	69.47%
Top 25%	85.97%
Top 50%	96.96%
Bottom 50%	3.04%

Source:

National Taxpayers Union Foundation
 2/14/2019

LFC History

In 2020, LFC will be in business for 18 years. Back in 2002, the business start with a handful of clients starting new business that needed accounting and tax services. By 2005, LFC began working with its first multi-million dollar sales client.

2008 was a challenging time for the business. The Great Recession of 08 & 09 saw LFC lose a considerable amount of business due to business consolidations, business terminations, and the general slowdown of the economy.

By 2012 to 2014, business began to get back to pre-2008 levels. Several new

clients were obtained. Different types of businesses and organizations were added to the industries served. During this time, LFC began serving non-profit entities along with larger companies with much sophisticated accounting needs. LFC also began partnering with another local Quickbooks Support company to contract accounting services to their clients. This relationship has allowed LFC to leverage the resources of this larger company to provide discounted software products and other services to its clients.

By 2017, LFC obtained another large multi-million dollar sales client which has provided a great opportunity for growth.

At the beginning of 2020, LFC was continuing to expand until March when the country became plagued by the coronavirus. Since that time, much of Minnesota has been in lockdown and much business has been put on hold.

Yet, LFC has been able to move forward and service its client through primarily remote access work. Some clients have been willing to allow LFC to work at their facilities so business has been able to progress despite much of the state being on stay at home orders.

LFC is hopeful the country will be getting back to work soon and 2020 turns out to be a great year for business!

LFC- Reflections on its industry

Over the years, we have served a wide variety of clients. Some very small and others multi-million dollar enterprises. All with different needs regarding accounting services and software applications.

One of the most enjoyable aspects about being in this industry is that you get to see businesses grow from the proverbial 'accounting in a shoebox' to becoming an enterprise that has several employees and large sales volume.

Additionally, the technical

advancements made over the years has been fascinating. The financial software and applications that have been developed to streamline the accounting process and capture transactions has been remarkable when you consider the number of avenues of sales that are available: websites, Point of Sale, Invoicing, etc. This has made the accountant's work more complicated. But it also has made it more important for the success of any business or organization.

When LFC hitched its wagon to Intuit back in 2002, we have watched this company grow from its initial offering of Quicken software in the 1990s to where it is now the major force in the small business accounting software industry.

LFC is looking forward to the years ahead in this tremendous industry.