

What your clients don't know could cost them

Hidden tax risks and missed incentives advisors need to watch for

Your clients may be confident in their tax strategies — but confidence doesn't always equal coverage. Complex rules and overlooked opportunities can quietly erode value or create future liabilities. For trusted advisors, spotting these blind spots early can strengthen relationships and position you as the one protecting client outcomes.

Hidden Risks

Even the most diligent businesses can face exposures they don't realize exist. These hidden risks often go unnoticed until they create penalties, disputes, or audit problems.

Unrecognized state & local exposure

- ☐ **Risk:** Expanding operations or remote work without addressing state and local tax (SALT) obligations.
- ☐ **Impact:** Surprise liabilities, penalties, and audits.
- ☐ **Referral Trigger:** Client adds locations, employees, or sales in multiple states.
- ☐ **Specialty Tax Fit:** SALT

Overlooked transfer pricing compliance

- ☐ **Risk:** Related-party transactions handled informally, erroneously or without documentation.
- ☐ **Impact:** IRS or international disputes and potential double taxation.
- ☐ **Referral Trigger:** Client has transactions with related parties or affiliates abroad, such as: buying or selling products, royalty or licensing arrangements, providing or receiving services, and lending or borrowing funds.
- ☐ **Specialty Tax Fit:** Transfer Pricing

Ignored notices or disputes

- ☐ **Risk:** IRS or state letters left unresolved, or issues managed without specialized guidance.
- ☐ **Impact:** Escalating penalties, strained negotiations, and costly litigation.
- ☐ **Referral Trigger:** Client receives notices, penalty assessments, or audit requests.
- ☐ **Specialty Tax Fit:** Tax Controversy; SALT

Missed Opportunities

While risks can create liabilities, there are also opportunities that many clients fail to capture. These untapped benefits can strengthen cash flow, reduce costs, and improve valuation when handled proactively.

Innovation tax credits

- ☐ **Opportunity:** R&D credits for engineering, software, or product development.
- ☐ **Impact:** Thousands in savings often go unclaimed due to poor documentation.
- ☐ **Referral Trigger:** Client invests significantly in innovation or process improvements.
- ☐ **Specialty Tax Fit:** Tax Credits & Incentives

Real estate and construction incentives

- ☐ **Opportunity:** Cost segregation and energy-efficient building incentives.
- ☐ **Impact:** Accelerated depreciation and better cash flow.
- ☐ **Referral Trigger:** Client builds, renovates, or acquires commercial property.
- ☐ **Specialty Tax Fit:** Tax Credits & Incentives

Expansion planning with a tax lens

- ☐ **Opportunity:** Structuring for growth across state lines or borders with proactive tax strategies.
- ☐ **Impact:** Reduced compliance risk and maximized savings.
- ☐ **Referral Trigger:** Client announces a capital investment or international expansion.
- ☐ **Specialty Tax Fit:** SALT; Transfer Pricing

Don't let unseen risks or overlooked incentives reduce client value. By bringing in the right specialty tax expertise at the right time, you protect your clients and deepen your role as their trusted advisor.

Connect with Kaufman Rossin's specialty tax team to discuss how we can help your clients uncover savings and avoid costly surprises.