Ep #156: Ed Lyon - Navigating the New Tax Reform Bill

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Dr. David Phelps

Dentist Freedom Blueprint with Dr. David Phelps and Evan Harris

Ep #156: Ed Lyon - Navigating the New Tax Reform Bill

Mr. Ed Lyon: You can organize your business as a C corporation, pay a 21% tax, leave the profit in the business. Then at your death, as the estate planning move, the C corporation gets a stepped-up basis. Your heirs get everything in that corporation with no additional taxes.

You are listening to the *Dentist Freedom Blueprint* podcast, with David Phelps. Navigating you through the uncharted waters of a turbulent economy with straight-forward advice to, transform your practice into a self-sufficient cash machine, compound your net worth assets, and multiply, multiply, multiply your passive cash flow streams.

Dr. Phelps: Good day everyone. This is Dr. David Phelps with the Freedom Founders Mastermind Community and the Dentist Freedom Blueprint podcast. Got a really interesting guest on today, someone who I am actually meeting for the first time but is a partner in a firm that ... another person I'm good friends with. Our guest today is Mr. Ed Lyon. Ed, how are you doing, sir?

Mr. Ed Lyon: I'm rocking and rolling today.

Dr. Phelps: Excellent, excellent. Well just to speed things to the chase here, Ed is nationally known as one of the top experts on tax planning, and relevant, particularly in this season of the year right now, first quarter of January 2018. We just had the big tax reform act passed and signed into law by the president right before the end of the year. A little bit more about Ed. Ed Lyon is a graduate of Hamilton College in the University of Cincinnati College of Law, where he served as executive editor of the University of Cincinnati Law Review.

Mr. Ed Lyon: Please don't hold that against me.

Dr. Phelps: Well we do let a few people that have law degrees in our midst, but they have to be fully vetted, Ed.

Mr. Ed Lyon: Okay.

Dr. Phelps: So, you met the muster. We won't hold that against you. We're actually very glad to have you. Thank you for that. Ed began his career as a staff aide to Representatives Jack Kemp — that's awesome and what a great guy — and Dick Cheney. He's written and edited tax oriented publications for the National Underwriter Company, advised clients as a financial consultant for Merrill Lynch, and has developed his own planning-based practice specializing in real estate agents and investors. Ed is the creator of the TaxCoach software planning system where he has helped thousands of accountants and financial advisors use proactive tax planning to develop their practices.

He serves today as the chief tax strategist for tax code software and Financial Gravity, a Dallas-based provider of Fractional Family Office Services, and that's my good friend John Pollock who we mentioned before we jumped on the air here. Ed has delivered over 300 live presentations in 500 radio and television broadcasts including appearances on CNN, Fox News, MSNBC, CNBC and even Roseanne Barr's short-lived talk show where she dubbed him "the funniest tax guy in America." Okay. We got to run with that. I mean, what funnies are you bringing us today as the tax expert, Ed?

Mr. Ed Lyon: Well, the really funny thing is that there is a niche of funny tax guys. It's not a very big one, but it's good to be the big fish in the very little pond there.

Dr. Phelps: Exactly, exactly. All right. So yeah, big news came out, all through December, as we're getting ready to see if this tax reform Act was going to roll through. It actually did. Why don't you give us a little bit about this, how much change is really being affected by what was passed?

Mr. Ed Lyon: Well it's the biggest change in 31 years, but I think that's more a function of the fact that Congress, the Republicans and the Democrats, can't cooperate on doing much more than naming a post office these days. So, in the big scheme of things, on the business side, it really is a pretty big deal. Really, it's a fairly conventional Republican tax bill, but it focuses on cutting corporate tax rates, and that's a bipartisan goal. President Obama at one point supported bringing the corporate tax rate down to 28%. Now, that's not as far as this bill ultimately does with 21%, but it is a real bipartisan goal, and I'll go out on a limb and say that if the Democrats on Capitol Hill weren't so interested in not cooperating with the Republicans, we would have seen a lot of support for those provisions.

So on the corporate side, that's a big deal, and for dentists, it makes a big difference because it used to be that dentists and healthcare professionals had less opportunity to do planning with C corporations because of the personal service corporation rules. Those rules have been eliminated, so that's going to create some opportunity for dentists, and we may talk about some specific strategies that they can take advantage of. On the individual side, there really isn't as much going on. Rates are lower. Standard deductions are higher. Personal exemptions are gone. Child tax credits are a little higher. We're lowering the rates. We're broadening the base a little bit, But there is one little goodie that may also play a part for DFB members, and that is this idea of qualified business income. See, most businesses aren't taxable corporations. So if you lower the rate on taxable corporations without lowering the rate on pass-through businesses, you set up a disparity. So, at the very last minute, Congress came up with this concept of qualified business income where you can deduct 20% of your actual income from your taxable income, with some limits, and one of those limits involves a specified service business income, which pretty squarely applies to part of what dentists do but not everything that they do.

So there are some planning opportunities there, and when critics of the tax bill say that it's just going to encourage gaming the system, this is the Olympics. This is ground zero of gaming the system.

Dr. Phelps: No doubt about it. So, do you want to take that and go just a little bit deeper on qualified business income and help our audience, which as you said, is pretty much professional practice services owners who also do a fair amount of investing in real estate, but let's go down to professional services aspect first, and gives a little more definition and how they need to look at or talk to their consultant and tax advisor about that.

Mr. Ed Lyon: Okay. So the qualified business income is the profit that they earn from their business. So, if you're a dentist, and you're set up as an S corporation, and you pay yourself an $80,000 a year salary, the salary doesn't get to take advantage of those qualified business income rules. But if you pay yourself an $80,000 salary and you have a $120,000 pass-through income, the $120,000 will be able to take advantage of those rules. But here's the twist, here's the big twist. The rules, if your business comes from ... If it's specified service income, which the law specifies, includes healthcare, then there's a cap on how much qualified business income you can deduct.

If your income, if your taxable income is over 157,500 for a single person or 315,000 for a married couple filing jointly, you start to lose the benefit of these rules and 50,000 for singles, 100,000 for married couples above that amount. They're phased out entirely. If you're a dentist, you're married, your taxable income's under about $300,000, you got a nice windfall. If your income is higher than that, or if you're not married and you have the lower threshold, there may be some planning that you can do to segregate part of your income, so that it doesn't come from a specified service income.

If you sell products on the side, selling the products, maybe segregate it into a different entity so it doesn't hit that limit. You might break out part of your business and send it to a C corporation to help keep your overall income below the limit. You might segregate part of your business into marketing, billing management, patient acquisition. Not the same thing as treating patients-

Dr. Phelps: Right.

Mr. Ed Lyon: ... but the business of acquiring patients, and by segregating that income out, that may give us some opportunities to avoid those limits as well. Here's one of the funny things about the tax law, and this isn't me being funny, this is Congress being funny. When Congress releases a bill, the conference committee, the managers on the House and Senate side, release a report that explains the bill. Their report explaining qualified business income says, "We do not anticipate that this will increase any controversy with the IRS, and we don't think that there will be any regulations necessary to support it."

Dr. Phelps: Oh my gosh. Are you kidding?

Mr. Ed Lyon: That's funnier than anything Chris Rock does on stage.

Dr. Phelps: No kidding.

Mr. Ed Lyon: It's amazing.

Dr. Phelps: So, if I understand you, obviously, there are many different aspects that go into the delivery of healthcare. You just mentioned billing and marketing to bring the patients in and to do the other aspects that are outside or ancillary to the direct care, but how do we break those out into other entities? How do we allocate the income that comes in ... The patient pays the bill, and now, is the income also allocated to these different entities, so there's offsets there? Is that how it works?

Mr. Ed Lyon: Absolutely. So the fees that come in from the patients and the insurance company would come into one common source. In most cases, what you're going to do is you're going to break off a separate entity, and then you're going to set up a contract with that entity, and the payments have to be reasonable.

Dr. Phelps: Right.

Mr. Ed Lyon: Now, tax lawyers love the word reasonable. More tax lawyers have billed more hours arguing over the meaning of reasonable than any single word in the English language. But it does have to be reasonable, but you can look, for example ... and I'm not familiar with vendors in the practice marketing area in the dental field, but I assume there's some rule of thumb for the value of acquiring a patient. Well why not just pay it to your own business rather than paying it to an outside business?

Dr. Phelps: Got it. Got it. Yeah, so there's always some kind of a test for reasonableness. So as long as you're using something within that framework, or how you determine that, then you probably should be okay there.

Mr. Ed Lyon: Right, exactly.

Dr. Phelps: Okay. Again, talking about our audience today, professional services, doctors, dentists, veterinarians, if they did nothing at all, and let's say ... I know you said that, you know, blow the thresholds whether you're single or married, 157 or 315, below those, there's going to be some definite benefits just because of the lowering of the brackets. But let's say above that, if those doctors did nothing at all, did no tax plan at all, in general, would they be helped or hurt by this new tax law?

Mr. Ed Lyon: In general, they're going to be helped by the new tax law, and they're going to be helped simply because the rates are lower, and they'll still get the benefit of the new qualified business income rules if their income is below those specific 157 and 315 rules, so they'll double the benefit. But if somebody is going to give you a slice of cake, and all you have to do to get a second slice of cake is ask for it, wouldn't you kick yourself after you leave the table for not asking for that second slice of cake, even if you just wrap it up in foil and take it home for somebody else to eat?

Dr. Phelps: Well that's me. That's me all the way.

Mr. Ed Lyon: Okay. See, I'm not a have-my-cake guy. I'm an eat-it guy, but you don't the choice if you don't ask.

Dr. Phelps: Yeah.

Mr. Ed Lyon: So the new tax law will give some advantages. It probably won't be as big a deal for most professionals as it's being advertised. So, really, planning gives you the opportunity to make the most of the new tax law.

Dr. Phelps: Yeah, all right. Very good. Are there any hidden windfalls that we need to know about, Ed?

Mr. Ed Lyon: The real hidden windfall that I think a lot of people are not going to be looking at is the chance to bring a C corporation into the mix. As far as taxes are concerned, there are two kinds of corporations. There's an S corporation where the profit gets passed directly through to you. That's the one that qualifies for that QBI deduction. There's a C corporation that pays its own tax. Now, traditionally, it's not made sense for professionals to leave profits in a C corporation, because under the personal service corporation rules, they were taxed at a flat 35%. Those rules have changed. Now, they're taxed at a flat 21%, and you don't necessarily have to take the money out right away.

So if you're a high-income professional, you're in a 35% tax bracket, you might say, "You know what? I'm going to put some of my income in the C corporation and I'll go ahead and I'll pay the 21%, and I'm going to stop the taxes right there. I'm going to use the inc. I'm going to use the funds in the C corporation. They'll grow. Maybe I'll look at growing a side retirement fund for myself. Maybe I'll use the money in the C corporation for the down payment to invest in a new building." Here's an opportunity that a lot of people won't think of.

Let's say you're older, you're semi-retired, but you're still working because you like doing what you do. You have patients you've had lifetime relationships with and you like keeping your fingers in in the business. You can organize your business as a C corporation to pay a 21% tax, leave the profit in the business. Then at your death, as an estate planning move, the C corporation gets a stepped-up basis. Your heirs get everything in that corporation with no additional taxes. So what you've done is you've taken a little bit of that part-time, late retirement income and permanently lowered the tax on it for your family. What a great way to give a little boost to your legacy.

Dr. Phelps: Yeah. No, that's outstanding. That falls a little bit into obviously legacy and retirement planning, estate planning, so that's a good one, that's a good one there. So really, as you said, 31 years since the last significant tax reform was passed, back in '86. I remember those days as I know you do too. And prior to that, that's when the C corporations were used a lot more. After '86, took all that away for a lot of small businesses, and now, we're kind of back again, back to those right so those same strategies, right?

Mr. Ed Lyon: Right, right.

Dr. Phelps: It's just reversal. So people who didn't grow up in that era prior to '86, this is kind of like ... This is all brand new for them. They're seeing for the first time.

Mr. Ed Lyon: Right, right. For young practitioners, they're seeing it for the first time. It's opening up a new opportunity that they're not familiar with, but everything old becomes new again.

Dr. Phelps: Well said. All right. So, what else regarding tax planning? You just talked about stepped-up basis of corporations and how that can pass on significant amounts of wealth to the next generation. What else about retirement planning has changed from this tax reform act that would be, again, applicable?

Mr. Ed Lyon: This really has not done much to traditional retirement planning. There have been no changes to the qualified plan rules, SEP, simple things like that. The question becomes, are they still valuable in a lower tax environment? See, here's the theory behind all of those retirement plans. The theory is you're in your prime working years. You're paying at your highest tax bracket you'll ever be paying. So you take the tax deduction now. You stick money in a plan. You defer it, and when you retire, you'll be in a lower tax bracket, and you've deferred the tax, and you've lowered the tax by shifting it from your high tax years to your low tax years.

Well you know from working with your members that's simply not the case in a lot of cases. Two reasons, one, we are in a historically low tax rate environment. You mentioned 31 years ago, with the '86 tax reform act, we'll go back a few years before that. The top marginal rate was 70%.

Dr. Phelps: Right.

Mr. Ed Lyon: There are a lot of people who will tell you, "At some point, the Democrats are going to come back into power. Tax rates are going to go up." I know that I would be pretty peeved if I had deducted money at 35%, put it into a retirement plan and had to pull it out and pay 40 or 45 or 50% taxes. So, we don't know what the tax rates are going to be. Second of all, the assumption is you're going to retire on a lower income. I don't know a lot of professionals who are happy to make $300,000 a year and provide well for their family, and say, "But you know what? When I retire, 120 is going to be fine. The kids are out of school." Yeah, the kids are out of school, but that's when you've got a chance to travel.

That's when you've got a chance to see friends. That's when you've got a chance to take up really expensive hobbies like flying or scuba diving. I don't want to retire on less income. You probably don't, and I don't think many of the people listening to us are part of DFB, so that they can retire on half their income.

Dr. Phelps: I'm so glad you said that, because don't we read all the time, Ed? Traditional financial planners talk about that very thing about you'll be in a lower tax bracket when you retire. Well as you said, how the heck do they think they know that? And looking at our national debt and the entitlement spending, I don't see how that'll ever be the case. We are definitely at the lowest tax bracket the US will ever see. And then the other point, you know, why would you ever want to work all your life, work hard, take all the risks that entrepreneurs do only to have to reduce your lifestyle spending? I mean, is that really the goal? Is that really the vision of those who take that kind of risk? I would, again, say flat ... flat no. Absolutely not.

Mr. Ed Lyon: No, no, no. A group of professionals who are entrepreneurial enough to open their own practice in this era of very challenging medical economics and transitions with insurance, particularly in the dental field, where insurance coverage isn't very good and most patients are private pay for the really expensive stuff, I know. You don't do that so that you can retire. The traditional retirement, what? Move to Florida, watch Fox News and wait for the doctor to call with a bad biopsy? No thank you. So, I mean, for part of that ... So the new tax law doesn't affect those particular retirement planning strategies, but I think that those strategies aren't appropriate for the bulk of the listeners of this podcast.

I mean, that's why I'm a fan of real estate, because you can get out of those qualified plan limits. No, you don't get the same upfront deduction, but there are enormous tax advantages to being in real estate. When you get out of real estate, there are tax advantaged ways to get out of real estate. Whereas if you're putting all your money in a 401k, once you start taking it out, you're paying ordinary income tax rates on it. Whereas with real estate, if you've got a million-dollar apartment building to sell or something like that, I know several ways to help you sell that property tax-free and generate income. So those are probably better strategies for ambitious professional entrepreneurs anyway.

Dr. Phelps: I agree 100%. I used some of the qualified plans, but I don't put it all there. I don't work those super hard. I allocate a little bit between the two, and really, I prefer to have what I could call unfettered money. I can unfettered money that's not tied up in regulation, right?

Mr. Ed Lyon: Yes.

Dr. Phelps: Because I can move with it and I don't get tied up in laws, and really, I really don't want the government to come down and have the oversight that they have over all of my plans to come in and audit the plans and look at that and maybe push back stuff that I've done. Not that I go super in the gray areas, but I mean, they always have that that opportunity to do that. When there's low-hanging fruit, you've got some big, big plan you've grown over the years, where are they going to look for that money? Where are they going to look? I mean, to me, that's the first place they go.

Mr. Ed Lyon: I agree. The qualified plan system is, I think, much better suited for middle America and corporate employees, but it's not designed for an entrepreneurial or professional audience.

Dr. Phelps: Ed, we are on the same page and that does not always happen, but I'm glad we are. All right. So let's talk about real estate, because we both love real estate. So what's changed? What's advantageous? What's maybe particularly ominous, if there's anything in the new tax law regarding real estate investment?

Mr. Ed Lyon: I'm not going to say that there's anything ominous. The best news here is that real estate retains its status as the most tax favored investment, and there's nothing that specifically ... There's very little that specifically affects real estate. There are some provisions in the depreciation rules. One of the reasons that you buy real estate is because you can create some pretty juicy non-cash deductions for depreciation. So you're depreciating something that doesn't necessarily match with the cash that you're putting into it, but that slows you down sometimes if you buy specific pieces of real estate.

So the law expands the definition of property that's eligible for first-year expensing to include some real estate components: Roofs, heating, ventilation, and air conditioning property, fire protection and alarm systems, and security systems. So those are some things that you can now deduct instead of having to depreciate over time. That's kind of nice. It bumps up the depreciation limits on vehicles that you use in the real estate portion of your business. And other than that, it doesn't do much. If you have a large real estate business, there's some twists that will help create qualified business income.

Here's a planning opportunity that I think we might see. There's a vehicle called a real estate investment trust. Income from a real estate investment trust qualifies for that QBI deduction, that 20% deduction. It's not specified service income. So if you segregate part of your income into real estate, particularly in the form of a real estate investment trust, then there are some real opportunities there. Now, there are some technical requirements. A real estate investment trust has to have 100 shareholders, but there are services available that will help you find 100 nominal shareholders to qualify your business as a trust.

I'm also starting to read about an opportunity with qualified cooperatives. Now when you think of company-ops, you think of agriculture, and this provision was put in the tax law by a couple of senators from North and South Dakota. But, if you have a group of dentists in a partnership or a group of attorneys, a group of professionals in a partnership, it may be possible to structure that partnership so that for tax treatment, the income that comes out of the partnership is treated as a co-op distribution. In which case, it will qualify for that 20% deduction even if the underlying source of the income is specified service income.

You can be sure that devious little tax lawyers are holed up in their offices right now trying to figure out how to interpret the rules that way. But if they do it and do it well, I mean, there's a reason why tax lawyers drive Jaguars.

Dr. Phelps: Exactly, and so, what about that? I mean, they're holed up in their offices trying to figure this stuff out, but we haven't had the regs written yet, regulations.

Mr. Ed Lyon: Oh, and of course, this is the regs that congresses aren't even going to need to be written. No, of course, we have not had the regs written, and we have not had any audits, which would be ... or a year, and probably two years away from any audits on this issue, and two years beyond that on any court cases with the regulations. And so, right now, it really is the Wild Wild West.

Dr. Phelps: You have to decide where you're going to play.

Mr. Ed Lyon: You have to decide where you're going to play. You have to have a conversation with your tax advisor, and you need to know where they're going to play because some tax advisors will be more comfortable taking these sorts of positions than others, and there's nothing necessarily wrong with a tax advisor who's not comfortable, but you would at least need to know what you're talking about. A lot of tax preparers, most tax preparers are very conservative. Most tax preparers ... Here's my frustration with tax preparers in general. They do a perfectly good job putting the right numbers in the right boxes on the right forms and get them filed by the right deadline, but then they call it a day.

They don't do any proactive planning to help you write your own history. They record history, but they don't write history. Our mutual friend John Pollock says he wishes he could trademark the term, and I'm not comfortable with that, because he, here, said so often from accountants, say, "They look at something, they say, "Eh, I'm not comfortable with that." Well if the accountant's not comfortable with that, ask them, "Whose money are you leaving on the table? Are you leaving your money on the table? Are you leaving my money on the table?" So, really it is important to find somebody who is comfortable looking at the opportunities.

Here's just an overall way to look at the tax code. It's a series of red lights and green lights. So Section One says here's the tax rate. That's a red light. You got to stop and pay tax Section 1311, I think, is the self-employment tax. You got to stop and pay tax Section 1316 is the net investment income tax. You got to stop and pay tax. But then, there are all sorts of green lights, like Section 105B, which says, "Employer provided health benefits are not taxable." Section 170, which says, "Charitable deductions are not taxable." Section 162, which says, "Business expenses are deductible."

Most accountants focus on the red lights, and that's important, because when you blow through the red lights, that's how you get in trouble. But they're so busy making sure their clients don't blow through red lights that they don't look for green lights. There are a lot of times when you can turn red on a red light. A lot of accountants won't turn right on a red light. It's legal. You make sure nobody's coming. You make sure you're not going to get blindsided, and then you turn right on the red light. A lot of accountants won't do that. So you want to find someone who's looking for green lights.

Dr. Phelps: So that's a great point, and so, let me just go deeper with you on that, Ed, and that is, what about the risk and liability of the actual accountant CPA, the licensee has in reporting accurately? Because I think a lot of it's CYA, isn't it? I mean, I a lot of them want to be-

Mr. Ed Lyon: Of course, it is.

Dr. Phelps: They want to be conservative because they don't want to get themselves in trouble, so they just play safe. They just do the green lights. So how does somebody who wants someone who will actually look and look for the opportunities find that kind of person? Can you help with that a little bit?

Mr. Ed Lyon: Well, first of all, you have to have that conversation. You have to put that conversation out on the table. Here's the great thing about where we are right now. There are no regulations. There's very little to tell an accountant. You can't do this if it's a reasonable interpretation, and that's what it's going to come down to. Does the accountant think that peeling off part of your dental practice income in a business that sells tooth whitening products, for example, do they think that's a reasonable thing to do and a legitimate reaction to the law? Or do they not and get a sense of how comfortable they feel? If an accountant blatantly signs a return that they know is blatantly cheating the IRS, they deserve to get in trouble for that.

But this is not blatantly cheating the IRS. This is a judgment call on how the law is written and what advantages they can take for their clients. So it's a client decision. It's an accountant decision, and you want somebody who's proactive and planning oriented. But you're right, it's not easy to find.

Dr. Phelps: And there's the other side of it too. It takes time and effort for someone to study, actually study a lot, and you said, hole up in an office where they're actually working on this versus just doing historical returns and making their gentlemen's cut from doing that service. So again, you've got to find the person who's willing to step out and be different.

Mr. Ed Lyon: Yeah. Right now, as we're recording this podcast, there's a roomful of accountants somewhere learning how to do taxes under the new law, and that's important. Doing taxes is important, but they're paying less attention to learning how to use the new law for the benefit of their clients, and that's what you really want.

Dr. Phelps: Yeah. Ed, any single biggest danger mistake that we can make with this new law that we haven't already covered?

Mr. Ed Lyon: Well, the single biggest mistake is failing to plan, and I touched on that earlier when I said, "If you get a slice of cake, you can ask for a second slice of cake." The new law gives you a slice of cake in the form of lower tax brackets and the qualified business income deduction, but if you just take what you're given, and you don't ask for more, I mean, really, the worst that can happen is they say, "No. You can't have more." But you do planning, and again, that's where most accountants fall down on the job. It's like driving a car using just the rear-view mirror. You would not do that. So, why would an accountant focus solely on the past?

The other thing, the other big mistake is treating taxes like they're a once-a-year distasteful event on April 15th, and saying, "Okay, I'm going to record them, and now that I know what they are, oh great, I got a refund. I can breathe easy till next year," or, "Oh, I wrote a check. I don't have to wait till next year." The taxes, if you're self-employed and you make quarterly estimates, that means you're writing the IRS four checks a year and you're not waiting until April 15th. If you have a corporation and you've got a payroll from your corporation, let's say you're getting paid once a month, you're paying taxes every month.

You need to be looking at that every month, and why wait until the end of the year to get that done? I mean, it's like the best patients. The best patients are the ones who say, "I love getting my teeth cleaned, because when I get out of the chair, I just feel so good. I want to go on a first date. I want to kiss a pretty girl. I want to ... I love getting up from the dentist's chair because my teeth are clean and I feel great. I'm a good patient. The best tax clients are the ones who say, "Hey, there's this new tax law. I'm excited. Are there any opportunities for me?" I'm going to ask the question to all of the listeners, what is your tax professional doing right now to help you make the most of this new tax law?

Dr. Phelps: Excellent. All right. I want to put in a plug for you and our good friend, my good friend, also John Pollock, and Financial Gravity. Can you talk a little bit about, just briefly, how you guys came together? And again, I know you service and provide a lot of help for accountants and tax planners to be more proactive. What about other clients? Speak to that a little bit, Ed.

Mr. Ed Lyon: Well, Financial Gravity works with clients across the country to help them accomplish exactly this goal. So John and I met back in 2010. He started out as a user of our software and our marketing system. He was a financial adviser looking to build his business around tax planning, because it really is the tip of the spear. It really is where everything starts. So he made the choice to go national to build ... to turn his practice into Financial Gravity and work with clients across the country. Since we had been a core part of his marketing system, he thought it made sense for the two of us to join together, so we merged our businesses.

TaxCoach, the company I started 13 years ago, is now a wholly-owned subsidiary of Financial Gravity. I spend my time primarily with Financial Gravity advisors and outside accountants and financial advisors, helping them find ways to save money for their clients.

Dr. Phelps: So I just pulled you out of one of those conference rooms where you've been holed up, but did you just step out? Because you're one of the guys in there that are doing this stuff. I mean, that's where you put your focus, don't you?

Mr. Ed Lyon: That's where I've put my focus for most of the last six weeks. I do have a brand new book out on Amazon called The New Tax Law: How To Make It Work For You And Your Business. So I've spent most of the last six weeks writing that book. But now, I'm on the road, and I'm the Pied Piper of the Value of Planning. Don't just take advantage of what the new law is obvious in giving you, but take a closer, deeper look to see what opportunities that you can uncover that are less obvious.

Dr. Phelps: Yeah. Well said, well said. So, this is Ed Lyon. A new book just came in on Amazon. Good for you for getting a book out that fast. The New Tax Law, Ed Lyon. L-Y-O-N. Chief tax strategist, Financial Gravity. It's been a real pleasure. Thanks for some of the insights, that you said.

There's so much, so much stuff out there in the media. There's so much confusion. I think just breaking it down into the key steps, that's the first place where people start, then they can go deeper, right?

Mr. Ed Lyon: Right, right, right. Pay attention to planning. If you learn nothing else from this podcast, don't just take what the law gives you, but pay attention to the planning.

Dr. Phelps: Excellent. Thanks so much, Ed.

Mr. Ed Lyon: Thank you.

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