

Tax Maven

The Contemporary Tax Journal's Interview with Ms. Claudia Hill

By: Surbhi Doshi, *MST Student*

Claudia Hill, EA, is the founder and President of Tax Mam, Inc., in business for over 40 years. She started her career in the early 1970s after she completed her bachelor's degree in Business Administration, Management Systems. Later, she earned a Master's in Business Administration from San Jose State University and started her own business specializing in taxation. She has served as the editor-in-chief of the CCH journal *Tax Practice & Procedure* for over 20 years. Her passion for taxation along with her interest in sharing her knowledge led her to teach classes not only in the U.S. but also in some parts of Asia. She believes that if you enjoy what you do, it goes all the way along!

How did you get involved in the tax field? Was that your plan when you were in college?

My bachelor's degree is in Management Systems and that's what got me my first job in 1972. I had just started my career and got a job outside the scope of the traditional jobs that women had during that time, and then I had a baby! I was not sure if it was going to end my career which was the case for most women back in the time. The job opportunities I was offered after the child was born wouldn't have paid for the day care and so I looked around for other options and started my own business. Within a year, I enrolled for the MBA program at San Jose State, but I took all my electives in the field of taxation because I enjoyed that, and I did part of my master's work evaluating a business startup in taxation. I had to decide whether to specialize in tax or accounting and because of my interest in taxation along with the flexibility it gave me, I started my business as a tax practitioner. My business grew faster than the kids did and provided much more than I thought it would in terms of ability to support me.

What stands out as one or two of your most significant accomplishments in your career?

Well, I set up my business in 1973-74, so it's been more than 40 years now. It has survived and done well for me over all these years. I had an opportunity in 1987 to serve as an advisor to Lawrence (Larry) Gibbs, Commissioner, IRS (1986-1989), on what was then the Commissioner's Advisory Group. Although I was active in my professional association beforehand, working as an advisor to Commissioner Gibbs was a boost to me as he took the people on the advisory board very seriously and invited us back to work on legislative projects and other programs. I always thought of him as a mentor in terms of how he managed client controversies. Larry told me one time that the focus of your job is to put the best face on your client's situation when representing them. Thinking of that continues to help me to this day.

I also helped found the National Association of Enrolled Agents Tax Practice Institute. I was the first woman who taught in that institute and served as dean of it for some time. I have continued to teach at their annual events on representation. Also, 20 years ago, getting selected to be the editor of the CCH *Journal of Tax Practice & Procedure* opened another

avenue for me. There have been interesting opportunities to testify before the House Ways and Means Committee and the Senate Finance Committee. I have learned from and enjoyed these opportunities, and these have added greatly to my experience.

I have clients whom I have seen every year for the last thirty to forty years and I think that it is a blessing, to be so integrated in the lives of my clients. It gives a sense of satisfaction to see the clients come back year after year, and I have generations of families where I may be doing tax returns of the grandchildren from children of my original clients.

How do you keep up to date with changes in tax and new types of business transactions in the digital time?

I read all the time! One of the driving forces is that I teach classes and also because I am the editor of the Journal, I must stay current with the changes. With the Journal, I have to look out about six months ahead in terms of what kind of activities and trends I'm seeing in the industry, what topics the IRS going to be looking at, what are the tax practitioners interested in? I think it has been made harder by the significant amount of information that comes out. Thirty years ago, we did not have to worry about a daily tax report because it was delivered by paper once a week while today you can get a bunch of tax reports each day.

What do you think is one key area of our federal or state tax system that should be or could be improved and why?

Something that should be improved at the federal level is the tendency of the Congress to starve the IRS of the budget that it needs to administer the law. The real issue goes back to the voluntary compliance system and that people have to believe that the system is fair, they have to believe that there are consequences of not following the rules. It is frustrating that the people who are administering the law aren't given the tools and the money to do. In the long term that can have bad consequences to the system itself.

What do you think is the biggest challenge facing tax professionals today?

Staying current not only with the tax law but also current with technology. I used to joke that the only thing I need to know was tax. If I understood taxes, I could do the tax return. Now it's not just tax I need to know but also how various technologies work and how to implement systems. I also have to worry about protecting data. If someone wanted to steal my client data a decade ago, they would have to steal the computer sitting at my office and it would be a physical theft. Now, we must watch out constantly for people trying to hack into your system. As tax practitioners, we are bigger targets for the hackers, as we have clients' SSNs, their bank account numbers and even driver license numbers due to the state requirements. I have my IT person running deep scans and making sure that I am trying my best to protect my client's data. It is an ethical requirement we have towards the client, too. In terms of impact on your business if you do get hacked, it's an issue of trust that can take away far more than just the cost to clean it up.

What advice do you have for students preparing their career in tax?

Tax isn't just one category; there are so many pieces to it. You should find your niche, find what you enjoy and how to make it work for your life. When you are going into the tax field, there are areas you can specialize in like individual tax or corporation tax, or litigation. If you want to work for another firm or corporation which is a 9 to 5 job, go for it. Being self-employed is not 9 to 5, but go for what you enjoy. Tax gives you a glimpse into people's lives; there is so much to learn from your client's lives, and so much to laugh about. I have never felt I have missed anything by not getting to watch soap operas because interesting lives parade through my office on a daily basis.

If you could have dinner with anyone, who would it be?

I enjoy having dinner with my grandkids because they are special people to me, and I want them to know they are special. There is so much potential in them and I want to encourage them to do everything they can.

What is the most unusual item in your office or something in it that has a special meaning to you?

Well, I have won a few awards and plaques over the years. One of the awards says the "Initial Life-Time Achievement Award" and that always seems strange to me. I mean, what did they know about how many lifetimes I am likely to have? That one always makes me smile when I see it!



Surbhi Doshi and Claudia Hill, EA; May 30, 2019