

The enrolled agent's life is one to live! Pick a life and jump in.

Carlton P. Johnson, Jr., EA, MBA

My enrolled agent career started in 1987 when I received my master's degree in accounting and finance from Regis University. Working at my own practice, JCP Financial, Inc., has been a wonderful ride of helping people with the many questions that arise on how to file their business, personal, trusts, and estate taxes. Over the years, I have had the opportunity to work with an array of industries and clients from the self-employed to the large oil and gas companies in the region working with hundreds of contractors to get the job done daily.

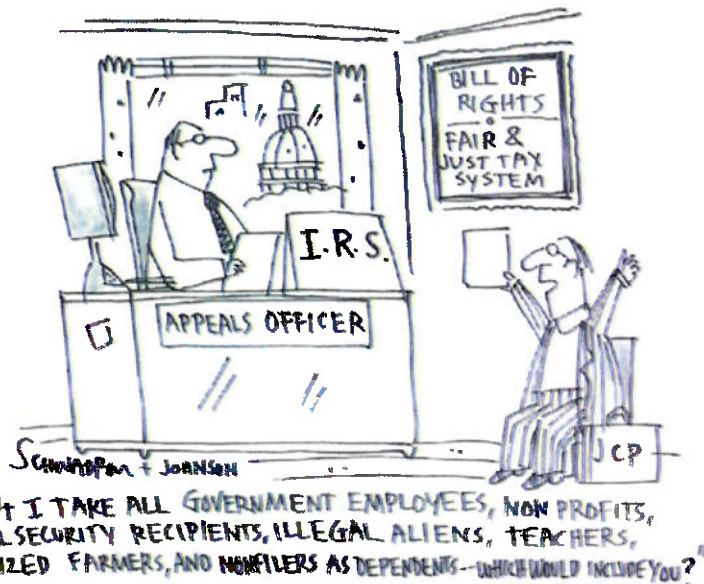
I have worked in the tax industry for 31 years and the more things change, the more they stay the same. Every year, there are five or six clients that will come to me with last-minute paperwork to file their personal taxes by the extension deadline. It is amusing to see that we all are individuals with unique lifestyle clocks; late filers always have excuses, but they are the same people every year, and I have learned to work with their situations. Humor has always been a factor in my practice. Some people try to justify tax deductions when they are simply not applicable or they find a reason for it to be deductible.

Math was not my strength in high school, but I realized I had to make something of myself, and in Upper Michigan (a.k.a., UP or Yooperland), there was little work in the early 1980s for young professionals.

For the last two years I enjoyed being the president of NAEA's Colorado Society of Enrolled Agents (CoSEA). We have members who have their own practices or who work in larger companies that market to and assist the non-paying tax payers in the negotiation and resolution side of an enrolled agent's duties. We are a good group of workaholics and share ideas during our quarterly meetings or

sometimes we call one another and ask for advice. While I love working with people face-to-face to collect data for my clients, that has become challenging. The record for most total methods to providing information for one tax return in 31 years was six: fax, email, pie chart by phone, text, in-person meeting, and FedEx (Form W-2). What an ordeal!

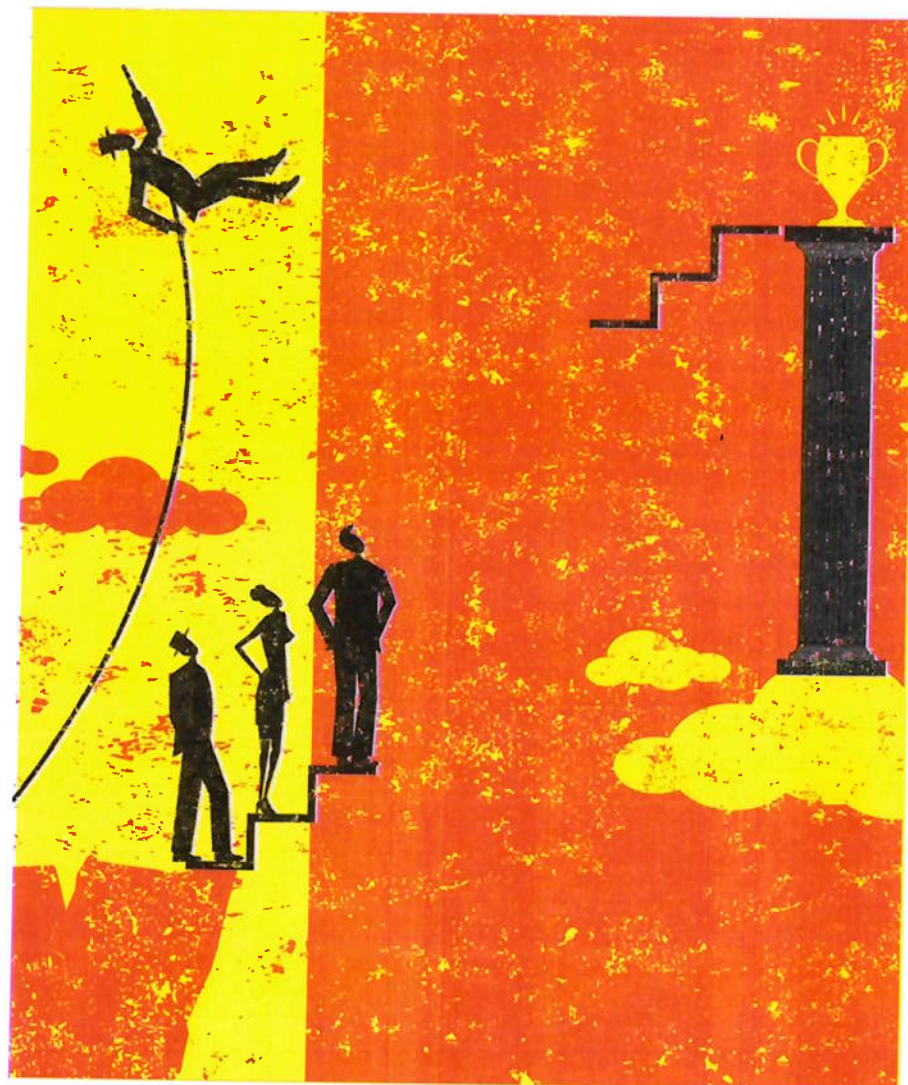
My recent goal for my practice is to educate the public on the tax idea of Kid Roths (www.rothira.com/roth-iras-for-kids). I inform clients of the required documentation needed to set up payroll



deductions for their children at 14 years old. A child can receive up to \$5,500 per year for a wage and receives a Form W-2 at year-end. This could be for a deductible wage for the parent's taxes, but it does not have to be written off for the parent to see a benefit. The real benefit is that the wages of \$5,500 is tax free of Social Security and Medicare, and goes into a Roth IRA account mostly tax free, if this is the only source of income. The contribution, growth, and distribution of Kid Roths allow parents to deduct this amount on their taxes. For example, this can turn a \$25,000 wage into a \$1.2 million retirement for each child with all kinds of tax benefits for their needs in life. I love this idea and have tested it for the past 10 years, and will soon market it nationwide to the financial world. Other options include the school savings plans, gifting, or life insurance, which covers children after a parent's death.

The work is substantially busy during the tax season, which runs from February 1 to April 15 (minus Fridays or SKIDAYS). I moved to Colorado for skiing and golfing, so every Friday is my personal day to enjoy these activities. I told my college professors if they had to work nine months for their income, then I was going to work only three months for mine and I have done just that!

I would not change a thing in my life as I started in 1980 with the \$6,000 cosigned by my parent's loan on my 1976 Monte Carlo, \$450 in my wallet, and a college degree, telling myself as I drove off the UP grid, I will become who I choose to be, and make or break it on my own efforts. The lessons I learned in church have guided me, allowing me to help people in need. I have taught my children, Britt and Allie, the meaning of



working hard to accomplish their goals and placing money away for the future, using the time value of money as an asset.

Set your goals and go after them because you only have but one life to live!

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