



News, information, perspectives for households, investors, individuals  
and retirement minded clients of Nagel CPAs, LLC.

**We're  
Hiring!**

We are currently seeking to fill two positions:

- \*Mid-Level Tax Manager
- \*Director of Tax Planning and Compliance

Follow the link to our website for complete job descriptions. Please email resumes with a cover letter to [rlamar@nagelcpa.us](mailto:rlamar@nagelcpa.us)

### ***What's taking so long?***

As I sit here in my office on a Saturday morning reflecting on the peak filing season just passed, I suspect more than one of you reading this newsletter may be asking "Where's my tax return?"

While it is true that we filed a great number of extensions this year, (close to 50% of our annual portfolio - down from 60% in 2020) the data suggests the overall percentage of extended returns in progress was up only slightly. The biggest surprise for me is that we completed and filed 16% more individual returns than last year and 68% more than the year before!

That is amazing performance and deserves great compliments for the whole team. Let each of them know. They deserve it. All of them.

That said, why did we not finish returns that had been in progress for four weeks or more? The honest answer is, in many cases, we chose not to.

As we began to realize that work was arriving sooner, and at a faster pace than year's past, we also began to realize that several technical matters were slowing us down. For example, well over 90% of our individual tax returns were directly affected by Stimulus Payments, Child Tax Credits and/or virtual currency. These were new issues unique to this year's filing that took time to address properly.

Many taxpayers had uncharacteristically large capital gains this year. This was the direct result of a seller's real estate market and a peaking stock market. Capital gains distributions caught most of us off guard. Rather than rush things through, we intentionally took time to ask more questions and look for offsetting opportunities to reduce unexpected tax burdens.

Our firm has always been about quality over quantity. Everyone benefits from that philosophy.

The Great Resignation has affected many sectors of the economy. Our industry, even our firm, was directly affected. This month's Rio Rancho Observer article speaks to the effects of how the pandemic caused disruption in the IRS and state governments. Read it [here](#).

Fortunately, while we had unplanned turnover this year for the first time in our history, everyone stepped up. Chuck and Clark, seasoned veterans, helped tremendously and have convinced me that seasonal expertise is now a permanent part of our business. Even if at greater cost.

The greatest challenge we CPAs face, however, is the continuing growth in last minute new law and regulations, especially when applied retroactively. This creates barriers to our

processes and slows everything way down.

Some colleagues argue the system is close to imploding. Maybe it already has.

Consider this: to keep up with demand, many firms across the nation have outsourced fundamental tax processing to data entry operations in foreign countries. Originally an idea to save time and money, this year it became a choice for survival.

Unfortunately, in that model, quality control is nearly impossible.

Two colleagues with firms in Washington and Texas, found it necessary to terminate contracts with outsourced service providers midway through the season due to breach of quality and performance. In both cases, they only completed 10% of their annual portfolio by the April deadline.

That is not sustainable.

We truly appreciate the confidence you have maintained in our decisions to invest and manage growth for quality.

As we continue to improve, please know we are committed to serving our clients with discipline and professionalism.

We are grateful for your business. Thank you.

Roger C. Nagel, CPA/PFS, CMA, CGMA

Archer 2nd Quarter  
2022 Outlook

## Inflation - is it as bad as it seems?

*If you know someone that would benefit from the information provided in these newsletters please contact [rlamar@nagelcpa.us](mailto:rlamar@nagelcpa.us), or call 505-898-2558 to add them to our subscriber list.*

Visit our website



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