



CASE STUDY

Identifying a Major Tax Error for a Machinery Manufacturer

MGO's dedication to quality helps an innovative manufacturing company discover a million-dollar mistake.

Background

A metal fabrication company that manufactures lasers, based in San Diego, had a tenured relationship with its CPA firm. However, a referral to MGO led to a review of the organization's taxes that would make them question the quality of that firm's work.

Opportunity

During our review of the client's tax returns, MGO's team discovered the previous CPA firm was off \$1 million in the client's total income. This unfortunate news meant the company now owed substantial additional income taxes.

Approach

The professionals at MGO pride themselves on always being straightforward and honest. MGO contacted the owners of the company and let them know about the \$1 million error. Our team then worked closely with the client to correct the error, updating the return to accurately report the client's income.

Value to Client

By identifying the error and bringing it to the client's attention, MGO earned the client's trust. While the client could have worked with the previous CPA firm to quickly correct the error at a lower cost, they chose to have MGO make the correction. Although the amended return required the company to pay out additional tax dollars, it could have cost them even more (in penalties) had the error not been discovered.

Need a trusted team to assist with your taxes?

MGO offers individual and family tax services that include business impact planning, estate tax, real estate analysis, and international tax. **Reach out to us today to learn how we can help you.**

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mgo.

Let's Talk