

Overview

The first of its kind in scope, the Tax Cuts and Jobs Act CPA Survey was administered to members of the Michigan Association of CPAs in an effort to obtain their feedback and impressions on the impact the Tax Cuts and Jobs Act will have on their clients. Below are the findings from the survey.

Key Points

- ◉ With over 350 CPAs participating, this survey resulted in a statistically significant sample size
- ◉ The 22-question survey was administered online
 - Most respondents said they have been a CPA for more than 25 years
 - Most work in public accounting (approximately 76%)

Results

- ◉ **Does the Tax Cuts and Jobs Act really affect clients?**
 - CPAs believe it will. Nearly 95% responded that the TCJA is *likely to extremely likely* to affect their clients, with approximately 60% specifying *extremely likely*.
 - The results for business clients were similar — around 92% of respondents said it was *likely to or extremely likely* to affect their business clients.
- ◉ **How will the TCJA affect charitable giving?**
 - Charitable giving will most likely decrease. Over half of the respondents (about 54%) anticipate that the TCJA will affect clients' charitable giving by making contributions *somewhat lower or much lower*.
- ◉ **How many people will be affected by state and local tax deduction limitations?**
 - Respondents believe a significant number of clients will be limited by SALT. Approximately 50% of CPAs said that 50-100% of their clients will be limited, and about 23% said 25-50% of their clients would be limited.
- ◉ **Will the TCJA's new pass-through provisions affect clients' businesses?**
 - Nearly 83% answered that the TCJA's new pass-through provisions would be *likely to or extremely likely* to affect clients' businesses.
- ◉ **How will the TCJA affect capital expenditures subject to the full-expensing treatment?**
 - It will likely increase capital expenditures. Over half (approximately 56%) said the TCJA is *likely to or extremely likely* to increase clients' capital expenditures subject to the full-expensing treatment.
- ◉ **Will the TCJA significantly affect client borrowing?**
 - Most responded that the TCJA's restrictions on interest deductions would not significantly affect clients' borrowing. About 45% said there was a 1-33% chance it would affect borrowing and approximately 22% said there was a 0% chance it would.
- ◉ **Will the TCJA intensify the next recession?**
 - CPAs don't think it will. When asked if the TCJA would exacerbate the next recession over the next two years, nearly 42% responded that it *likely would not*, and approximately 23% said it was *only somewhat likely to*.

Summary

- ◉ The CPAs surveyed overwhelmingly agreed that the new TCJA would affect their clients.
- ◉ Respondents specifically think that charitable giving will be negatively affected and that client businesses will be affected by capital expenditures, SALT deduction limitations and pass-through provisions.
- ◉ However, CPAs do not believe that client borrowing will be significantly affected and respondents did not think the TCJA would necessarily exacerbate the next recession.

To view the full survey data, [click here](#).