

CASE STUDY

Maximizing Tax Savings for a Medical Clinic Network

MGO's tax guidance helps a health and medical corporation uncover \$8 million in tax savings.

Background

A West Coast chain of medical laboratories worked with various national accounting firms over the years. The client was referred to MGO by both their attorney and an outside consultant, who recognized MGO's ability to provide exceptional service and identify potential tax savings opportunities.

Opportunity

During a review of the client's 2021 corporate tax return, MGO's team discovered the previous national CPA firm had failed to properly account for the newly introduced California pass-through entity (PTE) tax — which resulted in a loss of an \$8 million deduction for federal tax purposes.

Approach

MGO's experienced tax professionals thoroughly analyzed the client's financial situation and tax obligations, identifying the oversight regarding the California PTE tax. The team worked diligently to correct this error, enabling the client to receive the appropriate tax deduction.

Value to Client

By identifying and correcting the previous CPA firm's oversight, MGO was able to secure a substantial tax deduction for the client — totaling \$8 million. The savings proved extremely valuable to the shareholders, providing substantial additional resources for the company to reinvest in the business.

Get more from your tax strategy.

MGO can help optimize your business tax position with solutions for tax compliance and planning, tax provisions (ASC 740/FIN 48), IPO structuring and inversion analysis, and more.

Reach out to us today to learn how we can help you.

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mgo.

Let's Talk