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Have you considered the possibility that the bills you currently send out to your clients might become part of an IRS audit?

This scenario begins when your client claims a deduction of legal fees and costs on his or her personal or business income tax returns. It could put you into the middle of a conversation with your client, your client's tax preparer, and federal and state income tax authorities.

The questions in this scenario are whether you use Easy Soft's legal billing software and whether you use it to your client's strategic income tax benefit?

At issue could be hundreds of dollars in income tax liability for your client.

Lawyers' fees carefully documented through our attorney billing software may be eligible for income tax deduction if they are incurred to create taxable income. In the family law arena, for example, money paid by clients to lawyers to create income in the form of alimony and alimony collections might be deductible on clients' income tax returns.

So how do you use Easy Soft's attorney billing software to help your client appropriately deduct legal fees, save on taxes, and become a hero in the process?

First, identify the potential income tax deduction for your client as soon as you start to work on the case. Notify your client of the tax deduction opportunity and recommend a conference with the client's accountant or tax preparer. Itemize all of these activities, using your Easy Soft lawyer billing software.

Second, use your Easy Soft legal billing software to record descriptions of professional services and expenses that clearly describe your services as income-generating activity for your client. For example, in your time entries in your Easy Soft attorney billing software, use phrases like "compute temporary alimony utilizing New York's mandatory formula" and "create alternative alimony scenario for settlement proposal" or "produce reports to discuss alimony figures with client for her pre-approval to include in settlement proposal."

Third, take a good look at the information you are inputting into your Easy Soft attorney billing software. Are you being paid with a personal check for personal work and a business check for business work? The deduction scenario can also crop up when a client claims a business expense for legal fees that have nothing to do with his or her business.

In any one of these scenarios, your best response will come from having created and maintained accurate and detailed billing records using your Easy Soft lawyer billing software. With our legal billing software, you retain your database of entries, you can retain electronic .pdf and/or Word copies, and you can generate and store paper copies.

Our attorney billing software may just be the best antacid we can legally prescribe for a client income tax audit.

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[Ivon Lerdorf](#) - About Author:

A comprehensive guide for law firms to understand, evaluate and select proper a [lawyer billing software](#), a [law office management software](#), a [legal time and billing software](#)

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