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Tax Maven

The Contemporary Tax Journal's Interview with Mr. Andy Mattson

By: Hana Kwong, MST Student

Andy Mattson is a Tax Partner at Moss Adams LLP. He has been providing tax solutions to start-ups and other technology companies in Silicon Valley since 1985. His specialties include corporate, partnership, and individual tax and compensation planning; stock option taxation and planning; and international taxation.

Mr. Mattson received a Bachelor of Science Degree in Accounting from the University of Southern California and is a Certified Public Accountant (CPA) in the state of California. He has been with the San Jose State University (SJSU) Tax Advisory Board since 2013. Mr. Mattson is also an appointed member of the American Institute of Certified Public Accountants (AICPA) Tax Division committee or technical resource panel for over 20 years.

I had the pleasure to meet with Mr. Mattson on June 11 via Zoom. Our encounter was a short, yet a meaningful one. Mr. Mattson was eager to share his career experiences with *The Contemporary Tax Journal*.

1. How did you get involved in the tax field? Was that your plan when you were in college?

I attended the University of Southern California (USC) because of their accounting school. At USC, I gravitated towards tax, so I started with Price Waterhouse (now PwC) in the tax department. My preferences were confirmed when I was getting my 500 hours of audit time (that used to be required) and adding up payroll registers at an onion processor in Gilroy.

2. What stands out as one or two of your most significant accomplishments in your career?

I built my firm's South America practice, and I'm proud of that. We are now representing about 250 Latin American companies that have raised about \$6 billion in venture capital financing. I also enjoy the trips down there. I go just once a year, but its summer in January in the Southern Hemisphere. When I retire, I'll have made spots for two or three partners to take my place.

I'm also proud of the work I have done for the AICPA for a couple of decades. I have cosigned quite a few letters that have gone to the legislative and executive branches. I remember when there was a bill that was going to eliminate the IRC Section 911 exclusion, just for revenue raising purposes. We sent a letter out in less than a week that went to every member of the Senate.

As Professor Nellen can tell you, it is really rewarding to give back to the profession and not just for altruistic reasons. It can be engaging and at times exciting.

3. How do you keep up to date with changes in tax law and new types of business transactions of the digital era?

My firm uses the Lexis® Daily Federal Tax Tracker, I do read it everyday. I would also use it to forward articles to others, for example, the AICPA, people at the firm, etc. Keeping up to date is very important as there are a lot of concerns of being what is happening now, especially in terms of the clients.

For better or for worse, due to the stalemates in DC, the tax code is changing less frequently than it used to. But it is still not easy. Just last week I was working with a tax partner with a Big 4 firm in Sao Paulo with strong knowledge of U.S. tax law. But he was unaware of the repeal of IRC Section 958(b)(4) which has significant implications for international companies. Fortunately, my client didn't listen to him.

As far as new types of businesses in the digital era, this is what makes what we do worthwhile and exciting. If you look at the Fintech industries, for example, these are companies that are meeting the needs of historically "underbanked" individuals and companies that were ignored by the existing financial infrastructure such as traditional banks. It is easy to assume that countries outside of the developed world have financial systems like ours, but that is simply not the case.

4. How did you get involved with having tax clients in South America? What is something surprising you have learned from this experience?

I represented a single Argentinian client for many years. Then, the CFO at their Brazilian VC Fund asked if I'd take on a Brazilian client that they had just invested in. He subsequently referred a second one. He was nice and I basically decided to fly down to Sao Paulo to meet with him. Word quickly got out in the VC-backed tech community there, that a U.S. CPA was coming down and I probably had 20 meetings in two weeks. It grew from there and continues to grow. This has been a nice change in my career. I've been practicing in Silicon Valley since 1985 and these are also tech companies but on another continent.

This work involves investor tax reporting. I was able to handle it because I had represented so many individual clients in Silicon Valley who were receiving Forms K-1 involving complex international tax reporting. The tax person at a multi-billion dollar east coast VC firm told me once that we have a unique practice in this area.

What surprised me, and opened my eyes, was how sophisticated these South American companies are. I guess I was guilty of having a mindset without all the facts or an understanding of the business environment. Do you know that in Brazil, nobody uses checks? Everything is electronic. Many of these countries have leap-frogged the U.S. in terms of going digital. Also, did you know that Sao Paulo is the largest city in the Western Hemisphere & the fourth largest

in the world? Here again, I assumed that NYC, or maybe Mexico City had that title. Sao Paulo is 400 years old and has over 12 million people.

5. Why did you get actively involved with AICPA tax committees and how did that benefit your career?

My grandfather chaired the Antitrust Section of the American Bar Association (ABA) in the 1970s and was president of the American College of Trial Lawyers. He always talked about the importance of giving back to the profession and making it better.

I was performing a lot of international tax work and heard that the AICPA's International Tax Committee was having a meeting in Las Vegas in 1999 so I flew there to attend the meeting. After that I applied for membership and was appointed as a volunteer committee member. I was later appointed chair of this committee. I've been serving in an appointed role on committees since then and served on the AICPA Tax Executive Committee and later chaired the IRS Advocacy and Relations Committee.

In terms of benefitting my career, I'd say that participating made me a better adviser because I've been able to interact with many smart people from across the U.S. It also made me realize how important the work that we do is to our voluntary compliance system of taxation. It is genuinely enjoyable.

6. What do you think is one key area of our federal tax system that could/should be improved and why?

The requirements for disclosing international investments are burdensome and the penalties are highly punitive for minor foot faults. I understand that there are bad actors who moved money offshore to try to hide their assets, but the world is one big economy and many of the fundamental U.S. international tax rules date back to the Kennedy Administration.

7. What advice do you have for students preparing for a career in tax?

Being responsive to your clients is of utmost importance. How did you feel the last time you were at a store and could not find anyone to help you find the items you needed? That's an oversimplification, but always put yourself in the shoes of your client. Your client expects to be treated like you would expect to be treated yourself.

This is important because the clients you interact with will ultimately refer their colleagues to you if you simply treat them right. I was never much of a "marketing" person. I was always more technical. But now, because I have spent my career trying to do well for my clients, I happen to be in the top five percent at Moss Adams for new business.

What we do is complex and there are high requirements to entry, such as the CPA exam. So, the point is, if you wonder how you will bring in clients, the answer is easy: treat your existing clients right, and business comes to you.

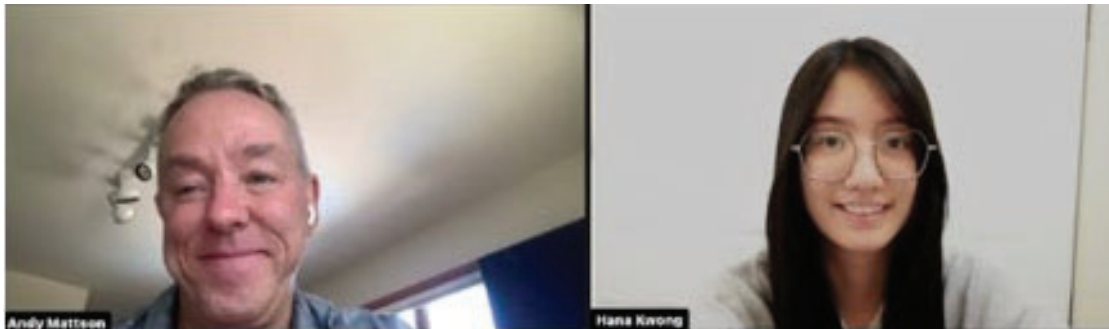
Fun Questions:

8. If you could have dinner with anyone (living or not), who would it be?

Sir David Attenborough. He is probably the most well-known environmental activists and he's still going strong at 95 years old.

9. What is the most unusual item in your office or something in it that has special meaning to you?

I have always loved photography. In junior high we developed film and then printed in a darkroom (yes, I'm that old). So, I've decorated my office with large prints that I'm proud of having taken.



Andy Mattson and Hana Kwong, June 11, 2021 (Zoom interview).