

A PRACTICE LEADER'S GUIDE | 2027 FILING SEASON

THE 20-HOUR QUESTION

WHAT WOULD YOUR SENIOR TAX STAFF DO WITH 20 HOURS BACK A WEEK?

A capacity audit that costs nothing and a workflow you can defend when your name is on the return.



INSIDE THIS GUIDE

- 01 Where senior hours actually leak during peak weeks and which leak firms consistently underestimate
- 02 The line between 'needs a CPA' and 'just needs to get done
- 03 What the IRS said in June 2026 about AI and your signature
- 04 A one-page AI policy for your next partner meeting
- 05 A 90-day plan you can start on next Monday without buying anything
- 06 Six actions, consolidated into one page at the end



THE QUESTION

If every senior on your team got 20 hours back a week during the busy season; what would you have them do with it?

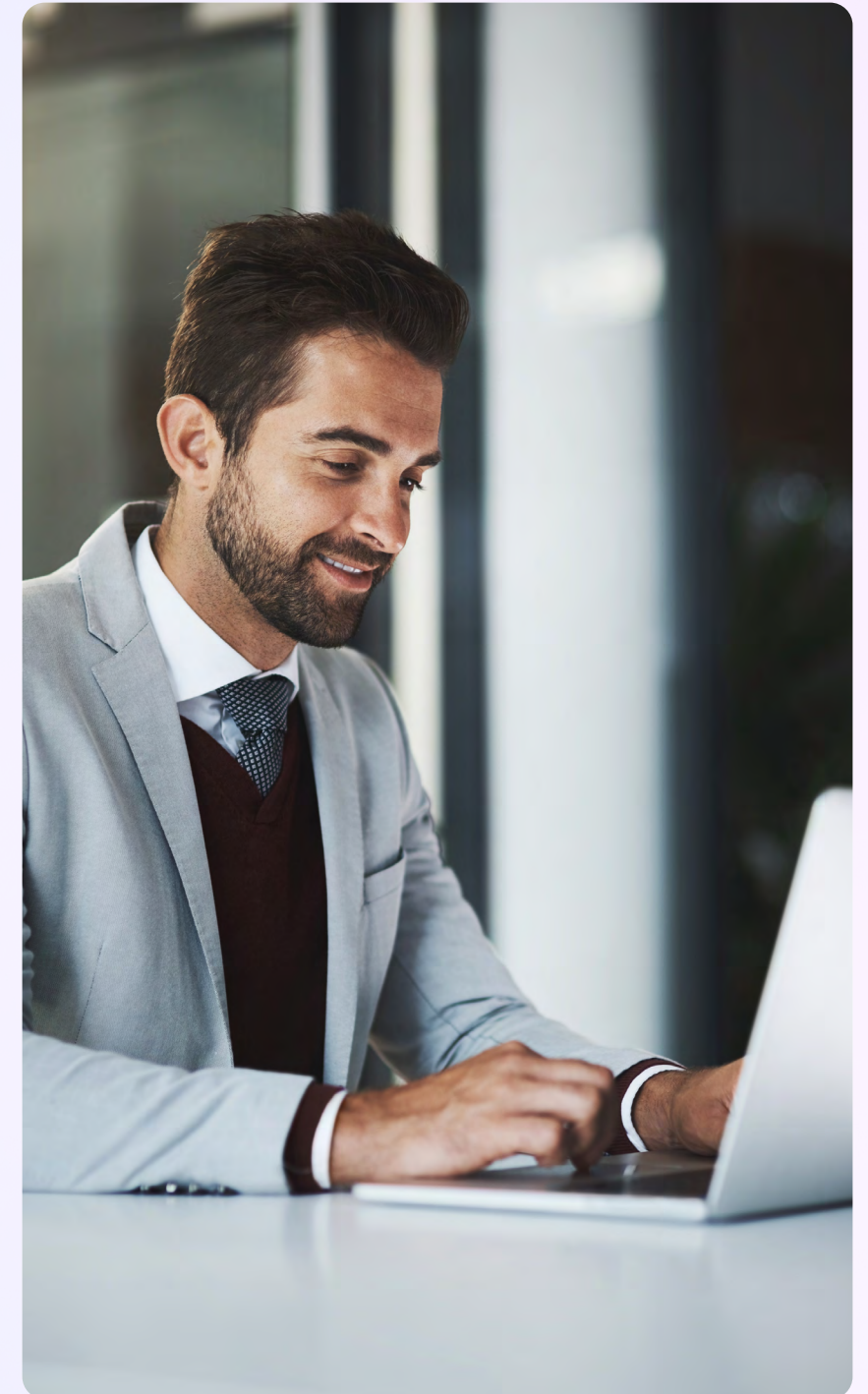
Hold that thought, because most partners answer it instantly. Advisory conversations that never get scheduled. The review queue cleared before the weekend. Three more good clients taken on instead of turned away. The succession work that gets pushed every single year.

The second question is the harder one: where are those hours sitting right now?

This guide is not an argument for automation. It is a method for finding hours you are already paying for, deciding which of them ever needed a licensed professional, and moving the rest, without handing anyone your signature.

A Note On Who This Is For

Written for the people who carry the season, the partner whose signature is on the return, and the director/manager who has to make the season actually work. Every action in it can be started without a purchase, a pilot, or a vendor call.



WHY THIS SEASON IS DIFFERENT

You do not need convincing that the market is tight. What has changed is the shape of the problem.

The pipeline math no longer resolves

Accounting enrollment at four-year colleges rose 8.9% in spring 2026; the third consecutive year of growth. That is genuinely good news, and it is irrelevant to your January. Graduates from that cohort will not be senior-ready for three to five years, while the 2026 Talent Shortage Index sits at 77% against a surplus of 108% the prior year.

What this means? CPA firms can expect some relief, but it arrives after the next four filing seasons.

Capacity is now costing you revenue, not just evenings

73% of accounting firms report turning away potential clients because of staffing constraints. That is the number worth putting in front of your partner group because turned-away work does not show up in a utilization report. It shows up nowhere at all.

The agenda has shifted from hiring to efficiency

In the Thomson Reuters 2026 State of Tax Professionals Report, efficiency was named the top strategic priority by 52% of respondents, up from 44% the prior year; ahead of growth, talent and client service.

In the AICPA's 2026 PCPS Top Issues Survey of 629 firms, managing change from technology and AI ranked number one for five-year impact across all six firm-size groups. Two years earlier, technology cracked the top five for only the smallest and largest firms.

Read those together and the story is clear: the profession stopped trying to hire its way out and started trying to engineer its way, and it happened fast enough that most firms have not updated their internal playbook yet.

What leaders assumed	What the 2026 data shows
Hiring is the top firm issue	Technology and AI change management now ranks #1 for five-year impact across every firm size
Efficiency is a back-office concern	52% of tax leaders name efficiency their top strategic priority for the year
Automation adoption is still early	Only 11% of firms report using no automation at all, down from 18% a year earlier
The shortage will ease soon	Enrollment is recovering, but that cohort is 3–5 years from senior-ready

One more number, and it is the uncomfortable one: only 18% of professional services firms currently measure their AI ROI. Four in five are spending without a feedback loop. That is the gap this guide is designed to close; starting with a measurement, not directly a purchase.

WHERE THE 20 HOURS LEAK

To put it straight word, It is rarely complex work. Complexity is what your seniors are good at and what clients pay for. The leak is the drip, drip of low-value work that lands on a senior's desk because it landed there last year.

The leak	What it looks like on a Tuesday in March	Who it actually needs
Document chase-downs	The endless 'did you get my 1099?' back-and-forth with clients and their advisors	Admin or workflow tool
Manual data entry	Keying figures from source documents a senior could do in their sleep	A machine
Passthrough wrangling	Waiting on K-1s, re-keying them, chasing amended versions	A process (not a person)
Extension babysitting	Tracking statuses by hand in a spreadsheet nobody else can read	A system of record
Review loops	Work bouncing back two or three times because prep was inconsistent	Better prep, not more review

The one firms underestimate

Review loops.

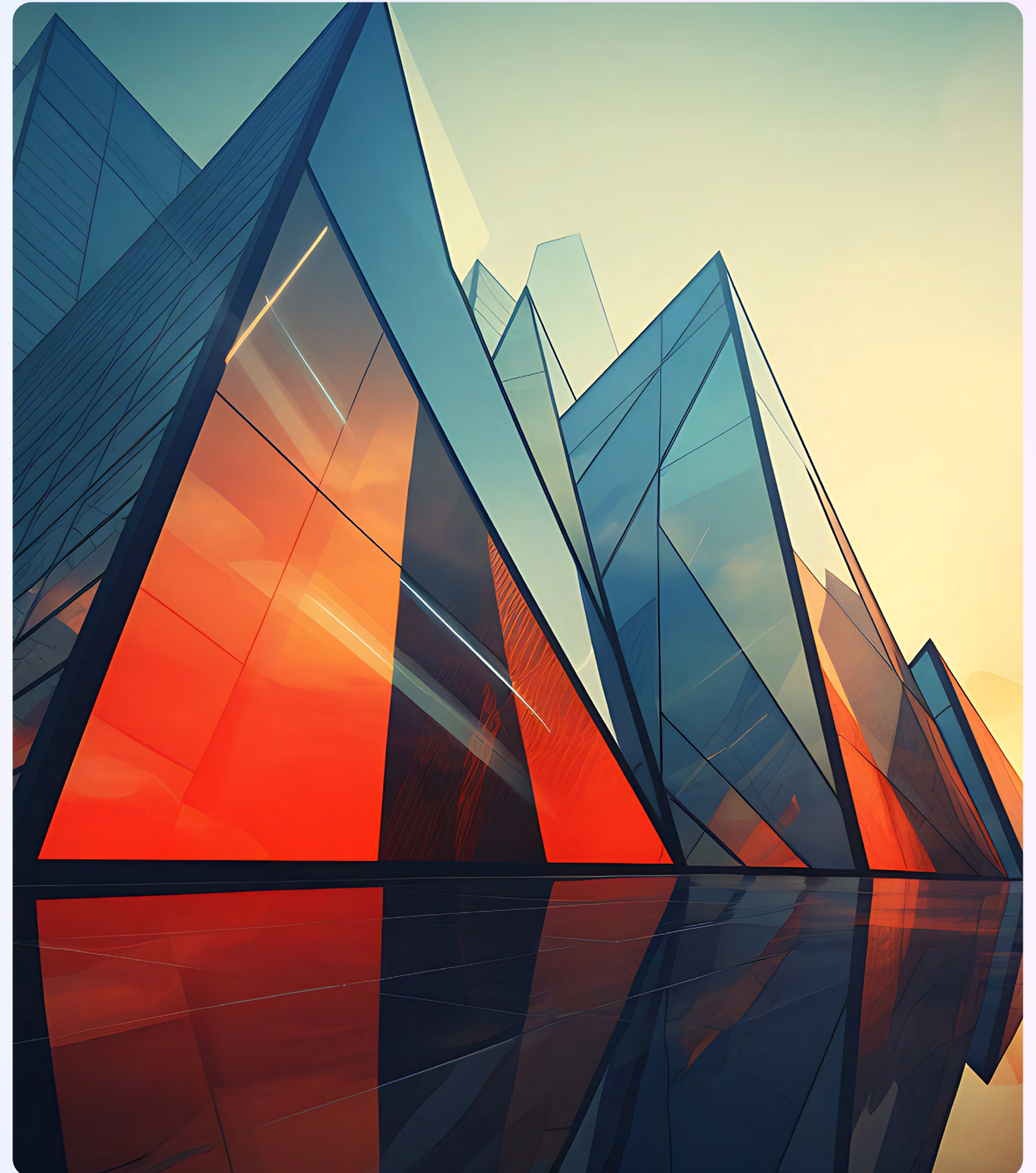
Every firm budget prep time. Almost none budget rework. And when prep quality is inconsistent, your best reviewer becomes the bottleneck; the one person in the building you least want stuck.

That is the quiet compounding cost. A second pass does not just consume the reviewer's hours, it re-opens the file, restarts the context, delays the client, and pushes the next return down the queue. In a compressed season, rework is the thing that turns a busy March into a bad one.

ACTION 01

Pick one senior and one leak point. That is your test case.

Do this tonight. Do not try to fix everything, just get one measurable test case going. Two weeks of honest tracking gives you a number your partner group cannot argue with.



THE LINE: NEEDS A CPA VS. JUST NEEDS TO GET DONE

Ask the sorting question about every task in your tax workflow: does this require professional judgment, or does it just need to happen accurately and on time?

Needs a CPA (Column A)	Just needs to happen (Column B)
Judgment calls and positions taken	Document ingestion and intake
Planning and scenario work	Data entry from source documents
Nuanced review and sign-off	Validation against source
The client conversation	Status tracking and follow-up
Anything your license is attached to	Assembly, routing, delivery logistics

Firms burn senior hours on the right-hand Column B. The fix is not working harder; it is moving that column off their plate. In most tax practices that is **15 to 25 hours per senior, every peak week.**

ACTION 02

Split your workflow into 'needs a CPA' and 'needs a machine.' Automate the machine side aggressively and keep a human on the signature.

One whiteboard, one hour, your top ten recurring tax tasks. The sort is usually obvious once someone writes it down, which is exactly why almost nobody does.

WORKED EXAMPLE

A 40-person firm runs the audit on one senior for two weeks in February.

Findings: 9 hours on document chase-downs and organizer follow-up, 6 hours keying source data, 4 hours on K-1 tracking and re-keying, 3 hours on returns that bounced back in review.

22 hours a week. None of it left of the line. At a standard senior billing rate, that is a number the partner group can act on in one meeting, and it took two weeks and a spreadsheet to find.

The Illustrative example is based on the leak categories above; run the audit on your own firm for your own number.

"Tax season is a high-pressure time for us. Before QX, it often felt like we were pushing the limits of our internal bandwidth. Now, we can handle more volume, faster, and with fewer bottlenecks. "

Kevin Castillo

3D Investments

WANT A SECOND PAIR OF EYES ON YOUR SORT?

Send us your ten tasks and we will tell you which ones we would move, which ones we would not, and why. Thirty minutes, no deck.

► **BOOK A WORKING SESSION**

CAN VS. SHOULD: THE HONEST SECTION

Let us talk about the elephant in the room. You have seen the headlines: AI now files returns end-to-end, no human needed. Some of that is genuinely real. So, the honest question for a room of practice leaders is not whether technology can do it.

The question is: should you let it and when it is wrong, whose name is on the return?

What is actually real

There are platforms today that will take a return from intake to finished product with no human in the execution loop, including complex returns. This is not science fiction anymore and there is no point pretending otherwise. You will fact-check it, and you should.

What the IRS actually said

On 24 June 2026 the IRS Office of Professional Responsibility issued OPR Alert 2026-19- its first formal guidance on AI in federal tax practice. It created no new rules. It applied the ones you already live under.

Circular 230 section	What it now means when AI touches a return
§ 10.22 Due diligence	AI output is a starting point, never a finished product. You must verify facts, citations, and calculations before anything reaches a client or the IRS.
§ 10.35 Competence	Technological literacy is now part of a competence. You are expected to understand how your tools generate output and where they fail.
§ 10.36 Firm procedures	Supervisory responsibility extends to AI-assisted work performed inside your firm.
§ 10.37 Written advice	AI-assisted advice must still rest on reasonable factual and legal assumptions.
§ 10.27 Fees	If AI cuts the hours, billing for hours not spent risks an unconscionable fee. Efficiency gains should reach the client.
§§ 6713 / 7216 Data	Client data handling obligations apply fully to whatever tool you put that data into.

The OPR's own framing: "Technology serves as a powerful tool, not a substitute for professional judgment." Final decisions must rest with qualified professionals. The alert cites real sanctions: financial penalties, public censure, mandatory ethics courses and referrals to state licensing authorities imposed on professionals who filed AI-fabricated content.

Whatever the tool, the CPA who signs is still legally liable.

Circular 230 does not care whether a human or a machine keyed the numbers. Your signature owns the outcome.

Is keeping a human in the loop a limitation, or a choice?

It is a choice, and a deliberate one.

- > The machine removes the reason your reviewer is drowning. The CPA still owns judgment and sign-off because the CPA still owns the liability.
- > Where guidance is new and untested, keeping a human in the loop is not the cautious option. It is the commercially smart one: you get the speed without betting the firm on an unresolved liability question.
- > The reframe: the question is not whether AI can prep the return. It is whether you have built a workflow you can defend when your name is on it.



What to realistically expect this season

Three concrete things, none of which require handing over your license. Use these as the expectations you hold a vendor to.

Expect	Because
Faster prep	Ingestion and data entry stop eating senior hours
Fewer review bounces	Data is validated against source before a human ever looks at it
Real visibility	Nothing sits in a black hole between intake and filing

What you should not expect and should be skeptical of anyone selling is an autonomous black box. The reclaimed capacity you can stand behind is engineered, not experimental, and defensible when it counts.

ACTION 03

Write down the three things you will hold from any tool or partner before you take a demo.

Faster prep, fewer review bounces, real visibility. If a vendor cannot show you how they deliver all three in your software, the conversation is shorter than you feared.

HAVE A QUESTION YOU WOULD RATHER ASK IN PRIVATE?

Liability, review standards, where the work is actually done; ask us the hard ones. No obligation, and we will say so plainly if we are not the right fit.

► **REQUEST A NO-OBLIGATION CALL**

THE ONE-PAGE AI POLICY FOR YOUR NEXT PARTNER MEETING

34% of professionals use AI tools their organization has not sanctioned, in ways it cannot see and usage climbs to **41%** among those who believe their firm is moving too slowly. Meanwhile, **60%** of professional services firms still have no organization-level GenAI policy.

-Those two facts together describe most firms: the tools are already inside the building, and nothing governs them. Here are six clauses. Fill in the blanks before January.



Clause	Your firm's position
Approved tools	Only these tools may touch client data: _____. Anything else requires partner approval.
Human review	No AI-assisted output reaches a client or the IRS without review by a qualified professional who verifies facts, figures and citations.
Competence	Anyone using an approved tool completes training on how it works and where it fails. Owner: _____.
Client data	No client data enters an unapproved tool. Data handling is reviewed against §§ 6713 and 7216 annually.
Vendor vetting	Before any tool is approved we document: where data is stored, who can access it, what security certifications exist, and what happens on termination.
Ownership	The signing professional owns the outcome. No exceptions, regardless of tool.

ACTION 04

Fill in the blanks and get this reviewed by your legal team before January.

It costs nothing, closes your biggest unmanaged exposure, and answers the client's question that is coming this season: 'Are you using AI on my return?'

THE HARDEST DOCUMENT IN YOUR WORKFLOW

K-1s are the classic capacity killer: late, in every format imaginable, and landing on your busiest weeks. They are also the clearest illustration of the line in this guide. Almost nothing about handling a K-1 requires judgment until the moment someone reviews the position.

Clause	Your firm's position
No standard layout across issuers	Everything is read manually
Arrive late, often after your deadlines are set	Rework concentrated in peak weeks
Amended versions arrive after work is done	WThe same return touched two or three times
Federal and state detail handled separately	Tracking burden falls to a senior

WORKED EXAMPLE

A passthrough-heavy firm was manually chasing, re-keying and tracking hundreds of K-1s in a spreadsheet; pure senior time.

What changed: workflow and status moved into their practice management system; ingestion and extraction were automated, and the pieces were connected end to end rather than handed between them.

The outcome: intake-to-filing tightened, the passthrough bottleneck stopped derailing peak weeks, and seniors came off K-1 data work entirely.



Specialist tooling exists for exactly this- K1x, for instance, handles the extraction and connection layer so passthrough data flows through rather than stalling on a desk. Worth a look if passthroughs are your constraint.

SEND US YOUR K-1 COUNT.

Reply with one number, and we will tell you honestly whether passthrough automation moves the needle at your volume or whether your constraint sits somewhere else entirely.

► START THE CONVERSATION

ACTION 05

Count your K-1 volume this season.

That one number tells you whether this is worth a conversation for your firm. Pull it this week, it is the fastest qualifying test in this guide.



THE 90-DAY PLAN

Everyone leaves with the concept. Fewer leave with the plan. Here is what the first 90 days look like if you act on this.

Window	Move	What you walk away with
Days 0–30	AUDIT. Pick one senior and one leak point. Measure the hours. You need the number, not a hunch.	A real figure, produced internally, at no cost. You can start on the upcoming Monday.
Days 30–60	PILOT. Take your highest-volume, lowest-judgment work — usually 1040 prep and automate that one slice. Prove it in a narrow lane first.	Evidence from your own files, not a vendor deck.
Days 60–90	CONNECT & REDEPLOY. Wire it into the rest of the workflow — passthroughs and K-1s are the usual next target, then consciously move the reclaimed hours into advisory.	Capacity with a destination, and a proof point you can scale.

By day 90 you are not theorising about capacity. You have a proof point and a real number to scale from.

THE STEP MOST FIRMS SKIP

Redeployment. Hours that are not assigned somewhere get absorbed by the next backlog within a fortnight, and by June nobody can prove anything changed. Decide what the hours are for before you free them.

ACTION 06

Name the destination for the hours before you free them.

Advisory conversations, review capacity, or new client intake: pick one and assign it to a person. Unassigned capacity always gets eaten by the backlog.

"The quality of QX candidates has been very consistent. It's great to have a reliable team that can get the work done. Our experience with the entire team has been really good."

Grace Cao

Goldin Group



QUESTIONS WORTH ANSWERING OUT LOUD

Put these to your partner group before January. The answers are more useful than any benchmark.

- > During peak season, how many hours a week do your senior staff lose to work a junior or a machine could do? Under 5 / 5–10 / 10–20 / 20+ and you have stopped counting.
- > What is the single biggest blocker to freeing up your seniors' time today? Manual data entry and document prep / K-1s and complex passthroughs / review bottlenecks / you do not trust automation to get it right.
- > If the honest answer to the last one is 'we do not trust it' — is that a judgment about the technology, or about the absence of a governance policy? Those are different problems with different fixes.

Two questions you might be asked

Question	You can structure your answer like this
Does this bolt onto our tax software, or is it rip-and-replace?	Bolt-on. Automation should populate into the tax software you already run; your practice management system orchestrates around what you already use. Any vendor who needs you to switch platforms is solving their problem, not yours.
What is the human side, how do teams react?	Overwhelmingly relief. Nobody became a CPA to key 1099s at 11pm. Take the grunt work away and your best people do what they trained for and retention gets easier, which matters in this market.

That retention point is not soft. One in four professionals who see a gap between what the technology can do and what their firm delivers are already considering leaving within two years if the gap is not addressed. Standing still has a staffing cost of its own.

WHERE QX FITS

Plainly: we are a governed capacity partner, not a black-box replacement for your professionals.

What we take	What stays with you
Document intake, chase-down and organizer follow-up	Judgment, positions and planning
Data extraction, entry and validation against source	Review standards and quality thresholds
Preparation to your review standard, in your software	The client relationship and conversation
Status visibility from intake to filing	The signature and the liability that comes with it



When we are honest that you do not need us

- Your constraint is partner-level review capacity, not preparation volume — outsourcing prep will not clear that queue.
- Your return volume is flat and your team is not turning away work.
- You have not yet run the audit. Without your own number, any conversation is guesswork on both sides.

SEE WHAT CAPACITY LOOKS LIKE AGAINST YOUR OWN NUMBERS.

Bring your audit figure and your K-1 count. We will map what would move, what would stay with your team, and what it would take to be live before filing opens.

► **BOOK A CAPACITY REVIEW**



YOUR ACTION LIST

Everything in this guide, on one page. Take it to your next partner meeting. None of it requires a vendor, a budget line, or a decision you cannot reverse.

#		By when	Costs you
01	Pick one senior and one leak point. Track the hours for two weeks. That is your test case.	Start tonight	Nothing
02	Split your top ten recurring tax tasks into 'needs a CPA' and 'needs a machine.' Automate the machine side — keep a human on the signature.	One hour, this week	Nothing
03	Write down the three things you will hold any tool or partner to: faster prep, fewer review bounces, real visibility.	Before any demo	Nothing
04	Fill in the six-clause AI policy and get it minuted/reviewed.	Before January	Nothing
05	Pull your K-1 count from last season. One number, fastest qualifying test in this guide.	This week	Nothing
06	Name the destination for the reclaimed hours and assign it to a person.	Before you free them	Nothing

Three of these produce numbers. Those numbers are worth having in the room whether or not you ever speak to an outsourcing partner.

BRING NUMBERS, NOT A WISH LIST.

When you have your audit figure and your K-1 count, a 30-minute conversation is enough to tell you whether outsourced capacity changes your season or whether it does not. We will tell you honestly if it does not.

SEE WHAT 20 HOURS IS WORTH IN YOUR FIRM
qxaccounting.com



The question is not whether AI can prep the return. It is whether you have built a workflow you can defend when your name is on it.

SOURCES

- IRS Office of Professional Responsibility, OPR Alert 2026-19, "Introductory Guidelines for Responsible AI Use in Federal Tax Practice," 24 June 2026.
- Journal of Accountancy, "IRS outlines AI risks, Circular 230 duties for tax practitioners," 26 June 2026.
- Thomson Reuters, 2026 State of Tax Professionals Report (600+ respondents worldwide).
- Thomson Reuters, Future of Professionals Report 2026 (1,816 professionals, 62 countries, March–April 2026).
- AICPA & CIMA, 2026 PCPS CPA Firm Top Issues Survey (629 respondents, 20 April – 22 May 2026).
- Advancetrack 2026 Accounting Talent Index, as reported in industry coverage (73% of firms turning away clients).
- 2026 Talent Shortage Index and AICPA/NASBA Trends enrollment data, as reported in industry coverage.



Market Leaders in Outsourcing

Contact:

 www.qxaccounting.com

 qxas@qxglobalgroup.com

 + 1 551 307 5522

