

client success story

PROVEN EXPERTISE THAT DRIVES RESULTS

THE CLIENT

Located in Bangor, Maine, Hartt Transportation Systems, Inc. (Hartt Transportation) has been servicing the dry goods carrier needs of its clients for more than 65 years. With terminals in Auburn, Maine and Sumter, South Carolina, the company is a dry van carrier providing transportation services for national and international customers, servicing the 48 contiguous states in the U.S. as well as Ontario, Quebec, and Maritime Canada.

THE CHALLENGE

With the company experiencing significant growth, Hartt Transportation's longtime accounting firm was unable to provide the level of customer service that was needed. Compounding matters, the firm also lacked specific transportation industry experience. Additionally, Hartt Transportation's shareholder was considering succession planning options. In short, the company needed a firm that could structure a tax plan around its growth strategy and offer advice on how to facilitate the transfer of ownership to the next generation.



"KSM's commitment to the transportation industry, focus on client service and knowledge of tax issues affecting our industry has made them an ideal business partner. KSM provided us with tax-efficient corporate restructuring and added considerable value in advising on family succession and estate matters."

William Hartt, President

— *Hartt Transportation Systems, Inc.*



“As a result of Hartt Transportation’s new tax strategy, KSM recommended changes that helped the company save and defer significant tax dollars that could be reinvested for future growth.”

THE SOLUTION

Based on materials provided by Hartt Transportation’s leadership team, Katz, Sapper & Miller (KSM) quickly identified areas in which the company could realize substantial tax savings. After being selected as Hartt Transportation’s tax and audit firm, KSM’s experienced team implemented a long-term tax plan centered on electing S corporation status and converting to the cash method of accounting. At the same time, KSM recommended creating an advisory board that would keep the company’s future owners abreast of vital business matters.

THE RESULTS

Trucking is a challenging business. Taxes can be complex and cumbersome. As a result of Hartt Transportation’s new tax strategy, KSM recommended changes that helped the company save and defer significant tax dollars that could be reinvested for future growth. For example, KSM’s plan allowed the company to utilize like-kind exchanges on equipment sales that might otherwise have been subject to corporate-level taxation. From a succession planning standpoint, the newly formed advisory board continues to serve as a critical knowledge base for the company’s next-generation owners, helping pave the way for a seamless transfer of ownership.

ABOUT KSM’S TRANSPORTATION SERVICES GROUP

KSM has provided tax and business consulting services to the trucking industry since its founding in 1942. Through the firm’s experience with more than 100 trucking and logistics clients throughout North America, KSM has become a national service provider to the trucking industry.

FOR MORE INFORMATION PLEASE CONTACT:



Mark Flinchum, Partner

 mflinchum@ksmcpa.com

 **317.580.2018**