

Complimentary income tax review results in over \$150,000 in refunds for Texas pharmacy

While attending a pharmacy conference, the partners of Stonegate Pharmacy in Austin, TX were introduced to Chris Fleming of Fleming Advisors. The introduction would prove to pay large dividends over the next several years.



OVERVIEW

While attending a pharmacy conference, the partners of Stonegate Pharmacy in Austin, TX were introduced to Chris Fleming of Fleming Advisors. Stonegate pharmacy was working with a large, reputable accounting firm in Texas but they lacked insight into the tax & accounting nuances that impact pharmacies. Shortly after the conference, Stonegate Pharmacy reached out to Fleming Advisors and decided to take advantage of their complimentary income tax review.

CHALLENGES

From a tax and accounting perspective, everything seemed to be going well as far as Stonegate Pharmacy was aware. However, the partners had heard very good things about Fleming Advisors from their colleagues in the pharmacy industry and decided it wouldn't hurt to have them take a fresh look at their taxes and accounting.

RESULTS

After performing a complimentary income tax review, Fleming Advisors uncovered tax deductions and credits that Stonegate Pharmacy qualified for were omitted from their previously filed income tax returns for multiple years. Amended tax returns were prepared for tax years 2012, 2013 & 2014.

Fleming Advisors uncovered that even though the pharmacy began business in 2005, unfortunately, due to IRS statute of limitations, refunds could only be claimed for the past three years.

As a result of the amended tax returns, the IRS audited tax years 2014 & 2015. Fleming Advisors represented Andrecor Management (Stonegate Pharmacy's management company) through the examination process. After several months, the IRS notified Stonegate Pharmacy that "no changes" would be made by the IRS. The combined refunds exceeding \$155,000 were issued as requested and the IRS paid interest on the balances due. Check out the letter from the IRS on page 2.

SPOTLIGHT ON STONEGATE PHARMACY

- Stonegate Pharmacy is a compounding pharmacy with locations in Austin & San Antonio Texas.
- The two partners, Rene Garza & Andy Ruiz are both graduates of the University of Texas College of Pharmacy.
- Rene Garza is a past President of the Texas Pharmacy Association.
- Andy Ruiz is an Adjunct Assistant Professor at the University of Texas College of Pharmacy.
- Andy Ruiz has published his own original research on Bioidentical Hormones and Infectious Disease.

We were introduced to Fleming Advisors at a conference through a mutual colleague. They advised us on minor questions we had while we were at the conference but never pushed their services on us. We sought out Rx Advisors to give us a quote and to see what they could do for us and that was probably one of the best decisions we have made in the business.

Andy Ruiz | Partner, Stonegate Pharmacy



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Internal Revenue Service
Small Business/Self Employed
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Room 200 Mail Stop 4123 AUNW
Austin, TX 78758

→ Stonegate Pharmacy

Andrecor Management LLC
2501 W. Williams Cannon
Ste 203
Austin, TX 78745

Date:
08/28/2017
Taxpayer ID number (last 4 digits):
[REDACTED]
Tax years:
2014, 2015
Form number:
1120S
Person to contact:
[REDACTED]
Employee ID number:
[REDACTED]
Contact telephone number:
[REDACTED]
Contact fax number:
[REDACTED]

Dear Andrecor Management LLC:

I have completed the examination of your tax return for the year(s) shown above. I am pleased to inform you that I am proposing no change to your tax return. As indicated in the enclosed Form 4605-A, *Examination Changes - Partnerships, Fiduciaries, Small Business Corps. & Domestic Intl. Sales Corp.*, my findings are subject to approval. You will receive a final no change letter when we finish processing your file.

If you have any questions, please call me at the telephone number shown above within 10 days from the date of this letter. If you write, please include your telephone number and the most convenient time for me to call. I have enclosed Publication 3498, *The Examination Process*, for your information.

Thank you for your cooperation.

Sincerely,

Revenue Agent

Enclosures:
Form 4605-A
Publication 3498