

## The Biz Beat Podcast – Episode 07: AI in Business, Tax Bill Stalls, and What to Do With Extra Edvest Funds

**Lee:** Hey everyone, and welcome back to The Biz Beat by SVA, the podcast that helps business owners stay sharp when it comes to taxes, business trends and smart strategies. I'm your host, Lee Schwartz, Director of Business Development and Sales at SVA, and I'm joined, as always, by Eric Trost, not just tax Principal, but as we announced last week, also SVA's new president. Eric, welcome back.

**Eric:** Lee. Good to see you.

**Lee:** Good to see you too. So you're, what, three days into being president? How does it feel?

**Eric:** It feels great. There's been no scandals yet. I haven't issued any executive orders as of yet, so I'm stepping in, still learning the role.

**Lee:** Okay, well, I will wait for the scandals to drop. Well, you'll hear it, or you'll hear it here first. All right, so listener, if it's your first time, each week, we break down what matters most in business and tax. We'll highlight a practical strategy, and we will answer a real question from our listener inbox.

### AI in Business

**Lee:** So let's jump right in our first topic, big topic. We teased this a few weeks ago. There's been so much other talk that we haven't really gotten to it, but it's time, Eric, we got to talk about AI. You and I were at a conference a few weeks ago. There was a lot of talk around it. Just in the last week, the CEO of Anthropic is making some pretty wild claims about what is going to happen to entry level jobs in just the next few years, but you can get that content elsewhere. Let's talk a little bit about what business owners should be doing to prepare for the upcoming AI revolution. What do you think they should be doing?

**Eric:** Yeah, right. So, I'll start with, there's a lot of talk about AI right now out there, and you're going to hear these like you said, wild claims. We just want to keep this in perspective. So starting with businesses. What should they look at? Forgetting about some of that other larger stuff, but just within their business, what should they look at for AI? And the first thing I'd be looking at is where you can start incorporating AI into your processes that can, where things can be automated, things

---

#### Madison, WI

1221 John Q Hammons Drive  
Suite 100  
Madison, WI 53717

**Phone:** (608) 831-8181  
**Fax:** (608) 831-4243

#### Brookfield, WI

18650 W. Corporate Drive  
Suite 200  
Brookfield, WI 53045

**Phone:** (262) 641-6888  
**Fax:** (262) 641-6880

#### Colorado Springs, CO

P.O. Box 62786  
Colorado Springs, CO 80962  
**Phone:** (719) 413-5551

#### Contact Us:

**Email:** [info@SVAaccountants.com](mailto:info@SVAaccountants.com)  
**Web:** [SVAaccountants.com](http://SVAaccountants.com)

that can be made, that are done in routine tasks, that maybe can now be done by automation, as opposed to what humans are doing right now, and that should really free up your workforce to do higher value work.

**Eric:** So one of the ways we're incorporating it here is we've got processes in place in our filing system and electronic filing system where we're looking at AI, where we can incorporate an AI, what they call a bot, that can start to read when tasks are done, and complete the filing system, but then also ask us questions like, "Are you sure you want to do this?", or "Is this where this goes?" so it can confirm with us where things are going to be done, and that's where the AI comes in, and trying to use intelligence to essentially finish up tasks for you.

**Eric:** I think that what businesses start looking at this, what they want to do is, they want to understand their businesses and processes in place, and the better they can document those and say, Hey, here's the same routines that we do every time. the more likely it is they can turn this into an AI completed function. Maybe starting in say, their accounting department, which is something we would be more familiar with, is, how do we get our accounting done here and what are the steps we take? The more you have something like that documented, the easier it is to be able to look at something like that and combine it with AI or have a bot do it that can now replicate what otherwise a human would be doing.

**Lee:** Right, and Eric, we talk to our clients all the time about making sure that they have documentation and policies and procedures documented so that in case a human leaves, that you can, the next person in can recreate what that what that person who left was doing. What you're saying is using that same documentation, you can create efficiencies and maybe rely more on technology.

**Eric:** Yeah, that's right. So part of a documentation process is to protect the company. Hey, if somebody leaves, you know, the legacy knowledge that a certain person had in a certain position, if that person walks out the door, does that legacy knowledge walk out with them? And the more you have that documented, the more the company's protected. So that was one reason and the largest reason for documentation. But now you're coming to a second reason, which is the more you can document and have processes in place that are followed every time, those are the kinds of routines that can be set up and made automated, and that automation is coming very quickly.

**Lee:** So what are maybe some other examples of ways in which you've seen either us internally using AI or some clients using AI?

---

**Madison, WI**

1221 John Q Hammons Drive  
Suite 100  
Madison, WI 53717

**Phone:** (608) 831-8181  
**Fax:** (608) 831-4243

**Brookfield, WI**

18650 W. Corporate Drive  
Suite 200  
Brookfield, WI 53045

**Phone:** (262) 641-6888  
**Fax:** (262) 641-6880

**Colorado Springs, CO**

P.O. Box 62786  
Colorado Springs, CO 80962

**Phone:** (719) 413-5551

**Contact Us:**

**Email:** [info@SVAaccountants.com](mailto:info@SVAaccountants.com)  
**Web:** [SVAaccountants.com](http://SVAaccountants.com)

**Eric:** Yeah, the other way to use it is in your reporting system, within the accounting function. We have not used this yet, but what we're exploring is how to get reporting out of our current system using AI, so that instead of writing a report or having to do coding to write a report or go in Excel and create a report, AI can be used to do that by simply asking an AI bot questions. And so one of the things we're exploring right now is using Microsoft Copilot, and that Copilot is essentially like a Microsoft Office, you have Excel, you have Word, you have PowerPoint. What Copilot does is it allows you to use an AI integration with all those systems. So we're looking at using that now. And instead of, say, go look up something in your Word documents for a policy or procedure, where you have to physically find that Word document within your files, you ask AI, hey, what's the policy and procedure for this example, and the AI will go find it within your Word documents and come back with a result.

**Eric:** So having that underlying AI is going to make your inner integration, or your integration with how you look at your system, much more quickly. Where you don't have to go into programs and find things, you're just going to have an AI sitting on top of the system that you can ask questions to and it'll respond to you.

**Lee:** Eric, I know one of the things we're we communicate a lot to our employees is how they can use external AI systems. So for instance, we want to make sure that we don't have anybody sharing, of course, you know, client data out with a system that isn't within our walls. You want to talk, maybe just for a second about how companies should be thinking about that as well, and what risks there are if people are using external AI tools?

**Eric:** Yeah, right. So typically, what happens with these external AI tools, and what we read about them, is that your conversations with those AI tools are actually helped, are helping that AI tool learn. So they're using that data, feeding it into its large engine of data, and helping it learn. What that means is there's no confidentiality or expectation of confidentiality that you can have when you're typing questions into that AI engine. So we do use an engine like ChatGPT here, and some people use Grok, but we never put any client data in them, and we don't put identifying data in them as well. So we don't put even data in them that would indicate what a company might be doing. And if we have a question, we are asking very generic questions, but it's very good.

**Eric:** The AI is very good at responding to those generic questions. It doesn't need all the facts that can somehow or could somehow lead to identifying a specific client. And the reason we don't want to do that is we don't want client data out there any more than the other CPA firms or lawyers want out there. So when you're using that, if you're using it as a company, you don't want to put your personal

---

**Madison, WI**

1221 John Q Hammons Drive  
Suite 100  
Madison, WI 53717

**Phone: (608) 831-8181**  
**Fax: (608) 831-4243**

**Brookfield, WI**

18650 W. Corporate Drive  
Suite 200  
Brookfield, WI 53045

**Phone: (262) 641-6888**  
**Fax: (262) 641-6880**

**Colorado Springs, CO**

P.O. Box 62786  
Colorado Springs, CO 80962  
**Phone: (719) 413-5551**

**Contact Us:**

**Email: [info@SVAaccountants.com](mailto:info@SVAaccountants.com)**  
**Web: [SVAaccountants.com](http://SVAaccountants.com)**

data or company data out there, because then it could be incorporated into its learning engine, and then who knows where it's going to pop up on some other screen for someone else.

**Lee:** Right. So the importance of, really, as you were talking about the example with Copilot the way we're planning on using it, is keeping it within, keeping all of the information within our quote, unquote walls, and not putting other information out in the, wherever it's going, that can that where others might have access to it.

**Eric:** Yeah. So for Copilot, we can sign up for our own incidents of Copilot, where we can keep all data within house. So in that case, when we have those licenses, we can use Copilot for client data within house, and it doesn't go outside the walls. But for ChatGPT, we don't do that. So there is no wall when we enter information in the ChatGPT that keeps it from going to the outside world. So when you use ChatGPT, what you're looking at is only putting in general data and general questions, so that you're not having your data out in the rest of the world.

**Lee:** It's, there's so much to think about here. This, from everything we've read, depending on whether you believe the sky is falling or not, this is going to significantly change the business landscape. And as a business owner, we want to make sure you're thinking about this, and so we're having these conversations with our clients. Eric, thanks for this overview.

## Tax Bill Stalls

**Lee:** The other thing our clients are asking about all the time, Eric, on not just a weekly but a daily basis, is the tax bill. So, our second segment, as always, is going to be, what's the update on the tax bill? Where are we at right now?

**Eric:** Right. So, a quick recap. The tax bill had passed the House, and now it sits with the Senate, and some Senators have spoken up since then and said they really don't like some of the things that are in the tax bill, and it's getting pretty clear that the Senate is not going to pass this tax bill as it stands. And in fact, Elon Musk, who did work or maybe still currently does work for the government in the DOGE department, the Department of Government Efficiency, he just came out and said on his Twitter account, or really his X account now, he called the bill a abomination. Now I'm not exactly clear what that word abomination means, but in the context, it's nothing good.

**Lee:** I think it's negative. I think it's a negative word.

---

### Madison, WI

1221 John Q Hammons Drive  
Suite 100  
Madison, WI 53717

**Phone:** (608) 831-8181  
**Fax:** (608) 831-4243

### Brookfield, WI

18650 W. Corporate Drive  
Suite 200  
Brookfield, WI 53045

**Phone:** (262) 641-6888  
**Fax:** (262) 641-6880

### Colorado Springs, CO

P.O. Box 62786  
Colorado Springs, CO 80962  
**Phone:** (719) 413-5551

### Contact Us:

**Email:** [info@SVAaccountants.com](mailto:info@SVAaccountants.com)  
**Web:** [SVAaccountants.com](http://SVAaccountants.com)

**Eric:** Pretty negative. And I think he put an adjective in front of the word abomination, and that adjective was disgusting. So, I think he called it a disgusting abomination. So those two words together make me think that he's not fond of it at all. And really, I think his biggest unfondness of it, which is what some other Senators have said as well. In fact, the Senator from Wisconsin, Ron Johnson, the Senator from Kentucky, Rand Paul, has said it just creates too much deficit, or it adds too much to the deficit.

**Eric:** Right now, the CBO has projected, which is a Congressional Budget Office, has projected that the deficit would rise about two and a half trillion dollars should this bill be signed and come into law, and that is just too much for some of the Senators to swallow. There's other Senators, though, that they don't like the tax or the spending cuts within the bill, which would create even more deficit. So the, and these are all Republican Senators, by the way. The Democrats really haven't said much about it, other than, of course, that it's a big tax cut for the rich, and they're spending cuts funded on the backs of the poor for it. So they've, you know, came forward with their standard lines on it. But in the reality is this doesn't need any Democrats to vote for it to pass, but it does need 50 Republican Senators out of 53 and currently they do not have that.

**Lee:** Right. So as you said, it's sort of the same conversation we had before it passed the House, which is that push and pull between the two ends of the Republican side, the ones who want this to be budget-neutral, and the ones who want to see fewer budget cuts to things like Medicaid. What, what do you think the next steps are?

**Eric:** Well, they still want to get it passed by July 4. That's the Presidential mandate. Hey, let's get this done by July 4. You can picture that he wants to sign this in front of a fireworks going off on July 4. I don't know that it's going to get there. They are now starting to draw some lines in the sand. And so the negotiations, I'm sure, are going on fast and furious right now. Certainly the Republicans, as a whole, would like to meet the Presidential, I guess, I don't want to call it a mandate, but it's certainly a suggestion that they get done by July 4. But I'm just not sure how they're going to do it as this now devolves into where the positions are, and that is, the deficit hawks don't seem like they're going to get on anytime soon. And those that don't want to cut the Medicaid, they don't seem like they're going to get on anytime soon. So we're just not that close right now as what's happening with the Republican Party.

**Lee:** Yeah, all right, so stay tuned. Rest assured, we'll not only be covering this week-by-week on the podcast, but once we're, once it looks like this legislation is moving forward, and certainly once it does, we will be much more involved and have information out there, not just via email, but via

---

**Madison, WI**

1221 John Q Hammons Drive  
Suite 100  
Madison, WI 53717

**Phone:** (608) 831-8181  
**Fax:** (608) 831-4243

**Brookfield, WI**

18650 W. Corporate Drive  
Suite 200  
Brookfield, WI 53045

**Phone:** (262) 641-6888  
**Fax:** (262) 641-6880

**Colorado Springs, CO**

P.O. Box 62786  
Colorado Springs, CO 80962  
**Phone:** (719) 413-5551

**Contact Us:**

**Email:** [info@SVAaccountants.com](mailto:info@SVAaccountants.com)  
**Web:** [SVAaccountants.com](http://SVAaccountants.com)

webinar. We'll be doing presentations out in the marketplace. So stay tuned. SVA is going to be a great place to get the update on what changes you need to be thinking about once this legislation does eventually pass.

## What to Do With Extra Edvest Funds

**Lee:** Okay, so let's move on to our third segment the inbox. If you have a question, please send it to [bizbeat@sva.com](mailto:bizbeat@sva.com) or you can submit it at [sva.com/bizbeat](http://sva.com/bizbeat). So, here's this week's question Eric: what can I do with excess Edvest funds?

**Eric:** Yeah, so excess Edvest funds, I think what they're asking here, and I saw that question, is, think they're saying, my kids out of college, right? So Edvest is an account you use to save up for college and then you use for college expenses, but now my kid's out of college and I have excess funds. What do I do with them? And there's a couple things you can do with them. Number one, you can take them out. That's the most expensive thing to do with them, because at that point, any earnings would be taxed, and they're also subject to a 10% penalty. So you can take them out, you can get access to them, but that's an expensive way to use those funds.

**Eric:** Second thing you can do is you can roll them into another family member's account. So let's say it's the oldest child that had their college paid for. They still have some Edvest funds left. They could be rolled into another sibling's account. They could be rolled into a grandkids account. They can be held there, let's say, until that child, let's say they get married and have a family and they have a baby, they could be rolled into that account, so a grandkids account. So you can roll them tax-free into someone else's account.

**Eric:** The other thing you can do is roll the funds into a Roth IRA for that original beneficiary. So the child that graduated and there's excess funds left, that money can be rolled into a Roth IRA for that child. There are a lot of restrictions on that and how it works, so that is something you want to talk to your tax accountant or financial advisor before you do that, but there is a way to get those into a Roth IRA so they can grow tax-free. Those are the basic things that you can do with those funds. And I recommend, if you can, doing the second two, rolling it into another account, or putting it into a Roth for the child, because both of those are tax-free.

**Lee:** Eric, is that, is that sort of a new rule, being able to roll it into a Roth, or has that always been there?

---

### Madison, WI

1221 John Q Hammons Drive  
Suite 100  
Madison, WI 53717

**Phone:** (608) 831-8181  
**Fax:** (608) 831-4243

### Brookfield, WI

18650 W. Corporate Drive  
Suite 200  
Brookfield, WI 53045

**Phone:** (262) 641-6888  
**Fax:** (262) 641-6880

### Colorado Springs, CO

P.O. Box 62786  
Colorado Springs, CO 80962

**Phone:** (719) 413-5551

### Contact Us:

**Email:** [info@SVAaccountants.com](mailto:info@SVAaccountants.com)  
**Web:** [SVAaccountants.com](http://SVAaccountants.com)



**Eric:** Yeah, that is a new rule starting in 2024 that passed with a Secure Act. So starting in 2024 you can do that.

**Lee:** Okay. So, gotcha, and maybe one other thing to think about. You'd understand these numbers a lot better than I would. So there's a 10% penalty if you were to take it out for non, well, for those reasons that you didn't mention, if it was just for personal use. How much is that really hurting you, knowing that that is growing tax-free when it's in that account?

**Eric:** Yeah. And so, I think what you look at it is it's, if you have \$100 that's growing tax free at 10% a year. You're accumulating, let's say \$10 the first year, \$11 the next year, and so on, as it accumulates that growth tax-free. As soon as you take money out and the earnings are subject to tax and earnings. Let's say you have not, tax and penalty, let's say you have \$90 and now you're growing that, and it's taxable growth. So in the first year, you grow 10% but after taxes, instead of \$99 with that 90 you have, you now have \$96, etc, and you put that over a period of time, you're going to lose out on at least 50 to 100% of your investment over the course of 10 to 20 years.

**Lee:** Oh, okay, so it's significant. 10% doesn't sound like a ton, but when you look at it that way, it that hurts a lot more than it seems on the surface.

**Eric:** Yeah, it's, it's not only the hit up front, on the, on the, you know, the penalty on the withdrawal, but then now it's in an after-tax account, and so all their earnings are taxed, and that takes a piece of your earnings away that could be reinvested every year. So the tax free buildup of these accounts is where the power is. So that happens in the Edvest. It would happen in a new Edvest that, let's say, you set up for another child or another family member, or it happens in the Roth IRA. And if you can get this into a Roth IRA, not only is there tax-free growth in the Roth IRA, but eventual distributions from that Roth IRA are not taxable.

**Lee:** Great. Okay, so a lot to think about there. Thank you for getting in, for diving into that. And again, please send your questions to us. That is a wrap on this week's episode of The Biz Beat by SVA. If today's conversation was helpful, be sure to subscribe on Apple Podcasts, Spotify or on YouTube, and please share it with someone who owns or runs a business who you think would find this helpful. You can also visit [sva.com/bizbeat](https://sva.com/bizbeat) to sign up and submit your question. If you're one of the first 100 subscribers, I think we're at like 65,000 now, so I don't know why I'm still saying this, but if you are one of the first 100, you'll be entered to win \$100 Amazon gift card.

---

**Madison, WI**

1221 John Q Hammons Drive  
Suite 100  
Madison, WI 53717

**Phone:** (608) 831-8181  
**Fax:** (608) 831-4243

**Brookfield, WI**

18650 W. Corporate Drive  
Suite 200  
Brookfield, WI 53045

**Phone:** (262) 641-6888  
**Fax:** (262) 641-6880

**Colorado Springs, CO**

P.O. Box 62786  
Colorado Springs, CO 80962  
**Phone:** (719) 413-5551

**Contact Us:**

**Email:** [info@SVAaccountants.com](mailto:info@SVAaccountants.com)  
**Web:** [SVAaccountants.com](https://SVAaccountants.com)

**Lee:** And a reminder, of course, everything we talk about here is meant to help you think strategically, not necessarily to be specific advice for you. So seek out a professional if you have questions about what we talked about. If your professional doesn't work at SVA, give me a call and let's talk about how to make you a client here. Thanks again for listening, and we will see you next week on The Biz Beat by SVA.

---

**Madison, WI**

1221 John Q Hammons Drive  
Suite 100  
Madison, WI 53717

**Phone: (608) 831-8181**  
**Fax: (608) 831-4243**

**Brookfield, WI**

18650 W. Corporate Drive  
Suite 200  
Brookfield, WI 53045

**Phone: (262) 641-6888**  
**Fax: (262) 641-6880**

**Colorado Springs, CO**

P.O. Box 62786  
Colorado Springs, CO 80962

**Phone: (719) 413-5551**

**Contact Us:**

**Email: [info@SVAaccountants.com](mailto:info@SVAaccountants.com)**  
**Web: [SVAaccountants.com](http://SVAaccountants.com)**