Up Close: Yuko Tsuchida, Founder of Hito, LLC

When Yuko Tsuchida moved from Japan to the United States to attend college in Oklahoma twenty years ago, little did she know she'd make this country her forever home and stay to build a thriving business with a very particular focus.



Yet that's exactly what happened.

After graduating from Northeastern State University in Tahlequah, Oklahoma, Tsuchida joined KPMG, a Big Four accounting firm, and after a few years doing traditional accounting work, she co-founded a boutique tax consulting firm, Think, LLP specializing in state and local tax consulting for businesses. She worked for a decade in this capacity before deciding it was time to fulfill a lifelong dream of helping underprivileged children in African orphanages. However"I wasn't quite sure how to make that happen," she says.

Tsuchida has experienced quite an eventful life — going from Japan to the U.S. to Africa — while mastering a relatively unknown financial concept that enables organizations to save millions of dollars from Research and Development Tax Credits.

Extensive research led her to an MBA program in Spain that offered an internship opportunity in Africa as part of the program. So she packed up and moved to Europe, completed the one-year graduate program at IE Business School before heading to South Africa to offer financial expertise on long-term financial sustainability to a nonprofit organization.

"My goal was to help them understand why they were struggling and what they could do better," she says. "I wanted to share knowledge that would last them forever."

Following her time in Spain and South Africa, Tsuchida returned to Southern California, where she founded Hito, LLC, a tax consulting firm in Newport Beach.

"'Hito' means 'people' in Japanese so when I decided to start my own company, I wanted a name that reflected my priorities – that people always come first," she says with a smile.

Given Tsuchida's history of philanthropy, her philosophy makes perfect sense.

Her thriving company focuses on ways companies can take advantage of tax credits and tax incentives in order to decrease taxes and increase cash.

"We specialize in the research and development tax credits, which a lot of companies don't even know they qualify for," she says.

So what is an R&D tax credit? In simple terms, "Any company in the U.S. that is developing or improving a product or process utilizing science, qualifies for these tax credits," she says.

In the 1981, the U.S. government created R&D tax credits to incentivize and alleviate some of the burden and reward companies for undertaking risky initiatives.

Tsuchida offers many examples of companies she has worked with and helped save hundreds of thousands and even millions of dollars in taxes -- entirely legally.

One company stands out for her.

"I was connected with a logistics company, one of the largest in the world, based in New Jersey, that was working on a software project related to their business. I was certain they qualified for R&D tax credits but their tax advisors told them, 'there is no way.'" We went back through three years of their returns and generated three million dollars in R&D tax credit."

Immediately after filing an amended return, the company was audited. But Tsuchida walked through the audit with the IRS agents and ultimately recovered every single one of those three million dollars.

While not every company has the stomach for a process like that, but Tsuchida believes it's "always worth it to try."

Her dream client is a company that has a team of at least 10 engineers, one of who is doing development work in food science/ agriculture, manufacturing, aerospace technology or SaaS companies.

"It's all about the science," she says.

The companies Tsuchida's team works with must be able to produce $50,000+ in tax credit, which equals about $400,000 in qualifying expenses.

While she loves saving companies money, Tsuchida is also motivated by the people she works with. Tsuchida has five tax professionals at Hito, LLC, featuring a three-phrase mantra that guides the company.

"We are 'outstanding,' in that we always go above and beyond expectations; we are 'upstanding,' in that we want to be a great team that educates our clients about tax credits, and we are 'understanding' in that we always seek first to understand and ask questions."

She has lived all over the world, yet America has a special place in her heart. "There is so much opportunity here, and so many open doors. In Japan, unless you come from a right family, and have the right network, it's very difficult to go to college and be successful. No other country has opportunities like we have here." — By Dana Sullivan, California Business Journal.

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