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8 Tips for Choosing a Tax Preparer

Tax season has come and it's time to start gathering your receipts, evaluate your income and expenses and filling up forms whether on hard or digital copies. It's also the time to contemplate using the services of a tax preparer.

Tax preparers are tax professionals who help prepare your tax return. This may be an individual or a company. However, even though your tax returns are prepared by a tax preparer, you are ultimately responsible for its contents as the returns will bear your signature.

So hiring a competent and professional tax preparer becomes vitally important. Here are 8 helpful tips to ensure you make a correct choice.

1. Ask for your tax preparer's Preparer Tax Identification Number (PTIN).

Under the new regulations, all tax preparers including tax attorneys, enrolled agents and accountants have to apply for a PTIN even if they already have one from a previous application. Without this, the tax preparer is not authorized to help you prepare your tax returns for 2011.

2. Contact the Better Business Bureau to look up the background of your tax preparer. Find out if your preparer has any discipline problems and if your tax preparer is a tax attorney, enrolled agent or accountant, check if his or her license to practice is current. Tax attorneys will have a license

from the state Bar Association, the enrolled agents are licensed by the IRS Office of Professional Responsibility and the accountants get their licenses through the state board of Certified Public Accountants.

3. Check if your tax preparer is working within an organization that holds him or her accountable. There are many reputable tax preparation firms out there who maintain a high standard of ethics and provide professional services. These firms also constantly educate and train their preparers.

4. Ask for the preparer's fee structure. Avoid preparers who base their fee on a percentage of your refund or those who claim they can obtain larger refunds than other preparers.

5. Always get your tax preparer's contact details. You may need to contact him or her even after the submission of your tax returns in April if questions arise. To minimize the possibility of questions from the IRS, you should prepare all supporting documents and receipts for your claims. If your tax preparer is professional, he or she would ask you about all these to calculate your total income and determine your eligibility for claims and tax benefits.

6. You should never sign a blank tax return. Instead you should review the form and ask questions (if any) so that you fully understand the contents.

7. Your tax preparer must also sign the form and include the PTIN. You should insist on this if it is not done.

8. Ask for a copy of your tax return from the preparer.

If you come across an irresponsible or fraudulent tax preparer, you can report him to the IRS using Form 3949-A which you can download from the

IRS website, www.irs.gov. Alternatively, you can write to the IRS at Fresno, California 93888.