

Choosing a Tax Preparer

A Tip Sheet for Picking the Right Professional

When it comes to choosing a tax preparer, it's important to find someone with the experience and skills that fit your needs. Reviewing the following frequently asked questions and answers can help you pick the right tax professional.

Q: Should I do my taxes myself or hire a professional to help me out?

A: The answer generally depends on how complex your tax situation is. Not everyone needs the help of a CPA or tax professional, but as your financial situation becomes more complex, paying for tax advice and preparation could save you money in the long run. The IRS estimates that it can take roughly 28½ hours to research tax law, organize your records, and complete a standard 1040 return with three common schedules – Schedule A for itemized deductions, Schedule B for interest and dividends, and Schedule D for capital gains. **TIP: Use TSCPA's quick and easy [10-question checklist](#) to help you decide.**

Q: If I decide to hire a professional, should I use a certified public accountant, tax attorney, enrolled agent, or other preparer to complete my return?

A: You have several choices when looking for someone to prepare your tax return. CPAs, tax attorneys, and enrolled agents (individuals certified by the U.S. Treasury Department) are among the professionals who can help taxpayers with their returns. It's important to note that CPAs, tax attorneys, and enrolled agents are the only ones who can legally represent you before the IRS in the event that your tax return is audited.

Q: How do I find a CPA or tax professional?

A: Finding a CPA is kind of like finding a doctor. Start by asking friends and co-workers who helps them with their taxes. Ask your lawyer, banker, insurance agent, or investment advisor for recommendations. You also can check with your local chamber of commerce, civic and church groups. In addition, many CPA chapters have referral services that connect the public with CPAs. Visit <http://www.tscpa.org/chapters/default.html> to find your local chapter.

Q: What qualifications should I look for in a CPA?

A: First, make sure your CPA is licensed by checking the Texas State Board of Public Accountancy's Web site: <http://www.tsbpa.state.tx.us/srcmain.htm>. Interview your CPA and ask how much experience he/she has in preparing tax returns.

Find out how long they've been preparing tax returns and how much education they have. Don't be afraid to ask a prospective tax preparer for the names of clients you can contact. Find out from past clients how satisfied they were with the work performed and whether it was done in a timely manner. Look not only for technical competence but also for interpersonal and communication skills. It's important for you to understand the tax advice being given to you. Membership in a professional association like the [Texas Society of CPAs](#) is also important, because members are governed by a stringent code of professional ethics.

Q: How much will it cost to have my tax return prepared by a CPA?

A: The cost of preparing your tax return can range from under \$100 for a short-form return to thousands of dollars for a complicated return. Find out whether the preparer charges on an hourly basis, uses a fixed price, or bases the fee on the number of tax forms that need to be completed.

Beware of tax preparers who say they will base their fee on the refund they obtain for you. Chances are these individuals may be acting improperly.

Q: When should I start looking for a CPA to help me with my taxes?

A: Begin your search early, well before the April 17 filing deadline. That will allow you time to research and time for the CPA to complete your tax return without filing an extension. Remember, you must pay any taxes due by April 17, even if you file an extension.

FOR MORE INFORMATION:

Internal Revenue Service

www.irs.gov

Texas State Board of Public Accountancy

www.tsbpa.state.tx.us

Texas Society of CPAs

www.tscpa.org

American Institute of CPAs

www.aicpa.org