

## **Finding the Right Tax Preparer Takes Advance Planning**

If you are considering hiring a tax preparer, begin your search for the right help now. Not all tax preparers are created equal, and those that may be the most qualified to prepare your tax return could be unavailable if you wait until your tax return is due.

### **Professional Choices**

Consumers have many choices when looking for someone to prepare a tax return. Certified public accountants (CPAs), tax attorneys, and enrolled agents (individuals certified by the U.S. Treasury Department) are among those professionals that can help you prepare your return. In the event your tax return is audited, it is important to note that these are the only professionals who can legally represent you before the IRS.

### **Simple or Complex**

To ensure that you hire the right kind of professional, consider the complexity of your tax return. Do you have a home-based business? Have you had large capital gains or losses in the past year? Did you experience a large casualty loss in the past year? Do you have rental property? You should retain a tax professional who has had experience dealing with the specific issues that affect you.

Even if your needs are not complex, you may still find the help of a tax preparer to be cost-effective if you have experienced a major lifestyle change, such as retiring, divorcing or assuming full-time care for a relative. Additionally, if you think the new tax law will result in significant changes to your tax liability, it may benefit you to obtain assistance from a tax professional.

### **Do Your Homework**

If you have never hired a tax preparer before, approach the search in the same way that you might identify any new professional service provider, such as a new doctor or lawyer. You can start by contacting friends and associates who may have similar financial situations or be involved in similar lines of work. Check with your local chamber of commerce, civic and church groups. Talk with other professionals that you trust, such as bankers and insurance agents. In addition, many local CPA chapters have referral services for a variety of tax and business-related needs.

Once you've obtained some recommendations, call or visit several different tax preparers. This will enable you to assess differences in style, capabilities, and fee structures.

During the interview process, you'll want to learn as much as possible about the preparer's professional background. Find out whether his/her tax preparation work is full-time or part-time, number of years of experience, level of education, and participation in continuing professional education. You may also want to ask about membership in professional associations.

### **Make the Right Contacts**

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. You may also want to ask such clients about the tax professional's level of customer service and consider whether you will be comfortable with his or her style.

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.

### **Proper Records**

To assist your tax preparer in determining a fee, you may want to provide him or her with a copy of your tax return from last year, pointing out any differences in your financial or tax situation.

Any good tax preparer will want to find out how much you can contribute to the tax preparation process. If you can identify the tax issues that need to be addressed and have well-organized tax records, a preparer can work more efficiently and cost-effectively.

### **FOR MORE INFORMATION:**

Internal Revenue Service; [www.irs.gov](http://www.irs.gov)

Texas State Board of Public Accountancy; [www.tsbpa.state.tx.us](http://www.tsbpa.state.tx.us)

Texas Society of CPAs; [www.tscpa.org](http://www.tscpa.org)