

Coyner, CPA Editor's note: Since we prepare in excess of 200 returns annually, our firm is required to file tax returns electronically. The electronic filing process still requires you to approve the return prior to submission and we will request your signature on a release Form 8879 in order to do that – either by manually signing it here at the office or via electronic means. At your request, we will still prepare a paper return for filing, but electronic filing is more accurate by eliminating transcription errors, is more safe and secure, electronically obtains an IRS acceptance of the filing, and is much more environmentally friendly. – *Roger E. Coyner*

Tips for Choosing a Tax Return Preparer

January 2012 – FS-2012-5 - IRS recommendations regarding choosing a tax preparer

If you pay someone to prepare your tax return, the IRS urges you to choose that preparer wisely. Taxpayers are legally responsible for what's on their tax return even if it is prepared by someone else. So, it is important to choose carefully when hiring an individual or firm to prepare your return. Most return preparers are professional, honest and provide excellent service to their clients.

This year, the IRS wants to remind all taxpayers that they should use only preparers who sign the returns they prepare and enter their Preparer Tax Identification Numbers (PTINs).

Here are a few points to keep in mind when someone else prepares your return:

- **Check the person's qualifications.** New regulations require all paid tax return preparers to have a Preparer Tax Identification Number (PTIN). In addition to making sure they have a PTIN, ask if the preparer is affiliated with a professional organization and attends continuing education classes. The IRS is also phasing in a new test requirement to make sure those who are not a CPA, enrolled agent, or attorney have met minimal competency requirements. Those subject to the test will become a Registered Tax Return Preparer once they pass it.
- **Check the preparer's history.** Check to see if the preparer has a questionable history with the Better Business Bureau and check for any disciplinary actions and licensure status through the state boards of accountancy for certified public accountants; the state bar associations for attorneys; and the IRS Office of Enrollment for enrolled agents.
- **Find out about their service fees.** Avoid preparers who base their fee on a percentage of your refund or those who claim they can obtain larger refunds than other preparers. Also, always make sure any refund due is sent to you or deposited into an account in your name. Under no circumstances should all or part of your refund be directly deposited into a preparer's bank account.
- **Ask if they offer electronic filing.** Any paid preparer who prepares and files more than 10 returns for clients must file the returns electronically, unless the client opts to file a paper return. More than 1 billion individual tax returns have been safely and securely processed since the debut of electronic filing in 1990. Make sure your preparer offers IRS e-file.
- **Make sure the tax preparer is accessible.** Make sure you will be able to contact the tax preparer after the return has been filed, even after the April due date, in case questions arise.
- **Provide all records and receipts needed to prepare your return.** Reputable preparers will request to see your records and receipts and will ask you multiple questions to determine your total income and your qualifications for expenses, deductions and other items. Do not use a preparer who is willing to electronically file your return before you receive your Form W-2 using your last pay stub. This is against IRS e-file rules.
- **Never sign a blank return.** Avoid tax preparers that ask you to sign a blank tax form.
- **Review the entire return before signing it.** Before you sign your tax return (or the Form 8879 giving your release to the preparer to submit your return electronically), review the return completely and ask questions. Make sure you understand everything and are comfortable with the accuracy of the return before you sign.
- **Make sure the preparer signs the form and includes his or her preparer tax identification number (PTIN).** A paid preparer must sign the return and include his or her PTIN as required by law. Although the preparer signs the return, you are responsible for the accuracy of every item on your return. The preparer must also give you a copy of the return.