

Rumbold Tax Advisory

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Make Sure You Pick The Right Tax Pro

What questions should you ask when you are seeking a new or first-time tax professional? Here are some suggestions in the order in which they should be asked.

1. Do you have a PTIN? A PTIN (Preparer Tax Identification Number) is assigned by the IRS. Every paid tax preparer must have one. It is unlikely that they will give you the number before you engage them since identity thieves often usurp PTINs.
2. Do you sign the tax return as the paid preparer? The Internal Revenue Code (IRC or the law) requires all paid preparers to sign the tax return with their name, address and PTIN.
3. What are your credentials? You should consider whether or not your tax preparer is a professional holding a credential. The three professional credentials for tax preparers are:
 - a. Attorney
 - b. CPA (Certified Professional Accountant)
 - c. EA (Enrolled Agent)

Of the three, only Enrolled Agents are licensed by the US Treasury Department and are required to demonstrate proficiency in federal tax matters.

State Registration – some states such as California, Oregon and New York require registration to lawfully prepare tax returns for a fee. In California it is CTEC. These preparers may have taxation education requirements. Ask for their registration.

Currently, individuals without a credential are allowed to prepare tax returns for a fee. You might want to be careful when engaging such a person.

4. Are you available year round? It is always best to choose a tax professional who is available year round in case you have any tax questions or receive any correspondence from the tax authorities. Note: Some correspondence may be false.
5. What is your experience and what kinds of tax returns do you prepare?

Issues to be wary of in a tax preparer:

- Stay away from tax preparers that say they can get you a bigger refund or guarantee a refund. They may be falsifying your tax return to entice you.
- Stay away from tax preparers that base their fees on the amount of your refund. This is not permitted by the tax law except for amended returns.
- Stay away from tax preparers that offer to deposit all or part of your refund into their bank account. This is illegal.
- Stay away from tax preparers that ask you to sign a blank tax return.

At Rumbold Tax Advisory our answers are:

1. Yes
2. Yes
3. Enrolled Agent
4. Yes
5. Twenty years of tax preparation with personal and business tax returns.