



# TOP 10 QUESTIONS to Ask a Tax Preparer

*Tips, Hints & Warning Signs*



# TOP 10 QUESTIONS TO ASK A PAID PREPARER

<b>1. How do you charge your fee and how much will it cost?</b>	Reasonable fees vary, but the cost to prepare your return should not be based on the amount of your refund.
<b>2. How long have you been preparing tax returns?</b>	
<b>3. Are you open and available year-round?</b>	Preparers should be available year-round to help you as needed.
<b>4. Will I be receiving my refund directly (i.e., through the mail or <u>direct deposit</u>)?</b>	Refunds should come to you directly, and direct deposit is the fastest and safest way to get your refund.
<b>5. If someone from the state or IRS contacts me regarding my return, will you be able to assist me?</b>	The answer should be yes, because you must respond if this happens.
<b>6. Will you provide me with a copy of my completed tax return and return any original documents I provided?</b>	Yes.
<b>7. Will you be signing the tax return as a preparer?</b>	Yes.
<b>May I see proof of your <u>PTIN</u>?</b>	All signing preparers are required to have a PTIN.
<b>8. Are you affiliated with a <u>professional organization</u>?</b> *	
<b>9. Do you have a professional license, credential, or training? If so, may I see proof, including current status?</b> *	
<b>10. How do you learn about new tax laws?</b> *	The best answer is through <u>continuing education</u> .

Underlined words are explained on the last page.

\* A “no” response to questions 8–10 does not necessarily mean that the tax preparer has a lesser ability to properly prepare your tax return.

## TIPS, HINTS & WARNING SIGNS

- All federal tax return preparers are required to obtain and include their Preparer Tax Identification Number (PTIN) when filing tax returns.
- Most tax preparers use e-file\* to submit a completed tax return. If the preparer is using the U.S. mail to file your completed return, your refund may be significantly delayed.
- A paid tax preparer must complete the preparer section of the return, including electronically filed (e-filed) returns. A paper return should also carry the preparer's signature.

The diagram shows a portion of a tax return form with several fields and annotations. At the top, it says "Under penalties of perjury, I declare that I have examined the accompanying schedule and believe, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has knowledge." Below this are fields for "Your signature", "Spouse's signature. If a joint return is filed", "Preparer's signature", and "Firm's name (or yours if self-employed), address, and ZIP code". Annotations include: "Sign Here" pointing to the signature lines, "Paid Preparer's Use Only" pointing to the preparer's signature and firm name fields, and a large circle around the preparer's signature field with the text "A signed return should not say 'self-prepared.'" below it.

- Do not wait until the last minute to find a tax preparer. It is best to hire one as soon as you have received your W-2 Form, if not before.
  - If the tax preparer offers you no continuing support or contact information, they may not be reputable.
  - The filed return should be completed by a computer, typewriter, or written in ink — not pencil.
  - If you have previously filed a tax return, be sure to bring a copy with you to give to the tax preparer.
  - The cost to prepare the tax return should not be based on the amount of your refund.
  - If possible, obtain a reference from a friend or trusted adviser for a reputable, experienced tax preparer. If a tax preparer does not have any reliable references, it could mean they have little experience.
- Anyone advertising a guaranteed refund may not be a reputable tax preparer. Guaranteeing a refund is improper, as not all taxpayers always receive a refund.
  - The tax preparer should offer you an opportunity to ask them questions about your return before you sign.
  - The refund check, if there is one, should not be sent to, or made payable to, the tax preparer. It should be sent to the person listed on the return (direct deposit into the taxpayer's account is best).
  - Make sure the name, address, Social Security Number, or Individual Taxpayer Identification Number are correct before signing the return. Also, review the list of deductibles and dependents, and be sure you understand all of the information on the return.
  - Never sign a blank return or sign in pencil.
  - Do not be embarrassed to ask questions. It is important that the tax preparer fills out your tax return correctly.
  - If you receive a letter from the IRS or the state and are asked to respond, you must do so. If your preparer is not available, you may contact a local community organization for assistance.
  - Unless you sign a written consent, a tax preparer is not allowed to share your information with anyone outside of the United States, and can only share it with those in the United States for tax preparation purposes.
  - Unless you sign a written consent, a tax preparer cannot use your tax return information to sell you other products or services, such as refund anticipation loans. These loans, and other bank products, are optional and will increase the cost of the tax return preparation.

\* Underlined words are explained on the last page.

## WHAT DOES THIS MEAN? (Definitions to the underlined words.)

<b>Continuing Education</b>	Classes taken by professionals to keep a valid license.
<b>Direct Deposit</b>	Your refund goes directly into your savings or checking account without you signing and cashing a check. You get your refund much faster than by mail.
<b>E-File</b>	A secure method of filing your income tax return via the Internet. This speeds up your refund.
<b>Individual Taxpayer Identification Number (ITIN)</b>	A 9-digit number issued by the IRS to individuals who do not have, and are not eligible to obtain, a Social Security Number (SSN). The number is issued regardless of immigration status. If either the parent or child has an ITIN, an Earned Income Tax Credit cannot be claimed for that person.
<b>Professional Organization</b>	A group that informs and educates professionals about their work.
<b>Preparer Tax Identification Number (PTIN)</b>	“Preparer Tax Identification Number” issued by the IRS. All paid preparers are required by the IRS to have a PTIN before filing federal tax returns.
<b>Refund Anticipation Loan</b>	A loan secured by and repaid from a pending tax refund.
<b>W-2 Form</b>	The paper form you receive from your employer that gives the amount of wages you were paid during the past year and the amount of taxes deducted from your paycheck.

### IMPORTANT INFORMATION

#### Legal Information Regarding Your Return

- Filing an income tax return is required by law.
- You are responsible for the information provided in your return even if it is being prepared by someone else.
- You may owe additional money if your filed return is improperly completed.