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## **Five Questions You Should Always Ask a Tax Preparer**

*The questions to ask and the answers to know before you choose a tax preparer*

**Sacramento, CA (March 3, 2015)**— So you decided to hire a tax preparer this year. How do you choose? A quick Google search? A friend's recommendation? The proximity between the tax preparer's office to your home?

How you decide to *find* a tax preparer is up to you, but remember it is only the *first step*. *Choosing* the right tax preparer is the *second step*.

Below are the five most important questions you should always ask a tax preparer *before* handing over your private tax information.

### **What is your legal designation?**

California law defines only four types of professional tax preparers who can prepare your tax return for a fee: An [attorney](#), [certified public accountant \(CPA\)](#), [enrolled agent \(EA\)](#) or a tax preparer registered with the [California Tax Education Council \(CTEC\)](#). If the tax preparer cannot be verified as one of those four tax preparers, walk away and report the individual to CTEC at [www.ctec.org](http://www.ctec.org).

### **Do you have a Preparer Tax Identification Number?**

As of 2011, *all professional tax preparers* who prepare federal tax returns must have their own [Preparer Tax Identification Number \(PTIN\)](#) from the IRS.

### **Will you sign my tax return?**

Paid tax preparers are required by law to sign your tax return and include their PTIN on it. If the tax preparer says it is not required or refuses to sign it, walk away and report the individual to the IRS.

### **How will you determine the fee to do my taxes?**

It is always good to ask if the tax preparer has a list of costs for different services. *Avoid* tax preparers who base the fee on a percentage of your refund or claim they can obtain larger refunds than their competitors.

### **Are you bonded or insured?**

[CTEC-registered tax preparers \(CRTPs\)](#) are the only tax preparers required by law to obtain a \$5,000 surety bond to protect clients against fraud. CRTPs who refuse to share their bond information should be reported immediately to CTEC.

Some tax preparers may carry errors and omissions insurance to protect themselves against a potential mistake or error made on a client's tax return. Insurance is *not a requirement* for tax preparers, but it is always good information to know.

CTEC is a nonprofit organization that was established in 1997 by the California State Legislature to protect taxpayers against fraud and incompetent tax preparers. To report questionable tax preparers, visit [www.ctec.org](http://www.ctec.org) or call (877) 850-CTEC.

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