



For Immediate Release

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What is the Difference Between Legal Tax Preparers?

Understanding which tax preparers are legal and the variations of their expertise

Sacramento, CA (January 19, 2015)— California law defines only four types of tax preparers who are qualified to do your taxes. Each one has varying degrees of training and experience. So which tax preparer should you choose? Here's what to know.

Legal Tax Preparers in California

- **Attorney**- An attorney, even a tax attorney, does not necessarily specialize in preparing tax returns. Most tax attorneys focus on legal issues regarding your taxes. You should verify what kind of tax issues the attorney handles.
- **Certified Public Accountant (CPA)**- Despite common assumptions, not all CPAs prepare tax returns. Similar to attorneys, there are different areas of expertise for CPAs. You should verify if the CPA handles tax issues.
- **CTEC Registered Tax Preparer (CRTP)**- The [California Tax Education Council's \(CTEC\)](#) requirements for CRTPs focuses solely on tax preparation. They are the only tax preparers *required by law* to complete tax education courses on federal **and** state tax laws. CRTPs are also required to obtain a \$5,000 surety bond to protect clients against fraud.
- **Enrolled Agent (EA)**- [The Internal Revenue Service](#) regulates EAs. Similar to CRTPs, EAs focus on tax preparation. EAs must pass a stringent IRS exam, plus complete continuing education courses on federal tax laws.

IRS Tax Preparer Requirements

The IRS requires *all professional tax preparers* who prepare federal tax returns to obtain a valid [Preparer Tax Identification Number \(PTIN\)](#). If they don't have a PTIN, walk away.

Voluntary IRS Tax Preparer Designations

The IRS offers two *voluntary* programs for professional tax preparers:

- [Registered Tax Return Preparer \(RTRP\) Program](#)
- [Annual Filing Season Program Certification](#)

California tax preparers who participate in these voluntary programs are *still required to be either an attorney, CPA, CRTP or EA despite other certifications they may hold*.

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 or call (877) 850-CTEC.

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