



Contact
Gigi Campo
PR Director
(916) 296-6913 Cell
gcampo@ctec.org

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 (February 5, 2013)— 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 tax preparers who can prepare your tax return for a fee: An [attorney](#), [certified public accountant \(CPA\)](#), [IRS 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.

Do you have a Preparer Tax Identification Number?

As of 2011, *all tax preparers* who prepare federal tax returns for a fee must have a valid [Preparer Tax Identification Number \(PTIN\)](#) from the IRS. Tax preparers who do not have a valid PTIN are breaking IRS regulations.

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, report the individual to CTEC at www.ctec.org.

How will you determine the fee to do my taxes?

It is always good to ask if the tax preparer has a list of associated 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. If the tax preparer is a CRTP and refuses to share his/her bond information, call 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 unregistered tax preparers, visit www.ctec.org or call (877) 850-CTEC.

-END-