



For immediate release

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Is Your Tax Preparer California Approved?

California is one of the few states that require tax preparers to be licensed or registered.

Sacramento, CA (March 22, 2016)— Verifying the legal status of a tax preparer may seem obvious, yet each year too many taxpayers will still make their choice on a whim.

“A lot of people tend to get hooked on promises that sound good, but really have no validity. More times than not, they end up in trouble because of it,” said Margy Dunn, chair of the [California Tax Education Council \(CTEC\)](#), a state-mandated nonprofit organization that manages the registration of more than 40,000 unlicensed tax preparers.

Unlike most states, California has set strict standards for paid tax preparers. California law requires anyone who prepares tax returns for a fee to be either an [attorney](#), [certified public accountant \(CPA\)](#), [CTEC-registered tax preparer \(CRTP\)](#) or [enrolled agent \(EA\)](#).

Anyone caught preparing tax returns without a legal designation is breaking state law and may face penalties up to \$5,000 from the California [Franchise Tax Board](#).

“The state can go after those tax preparers, but there is no law that exempts the victim from any damage caused by them,” said Dunn. “That’s why it’s so important to know who you’re dealing with.”

Although professional tax preparers are required to sign your tax return to show proof of work, it is still you, the taxpayer, who is ultimately responsible for all information listed on the tax return—no matter if it is right, wrong or even fraudulent.

“Unfortunately most people don’t pay much attention to the legal status of their tax preparer until after a problem comes up,” said Celeste Heritage, CTEC administrator.

In addition to state rules, the [Internal Revenue Service](#) also requires paid tax preparers to register for a [Preparer Tax Identification Number \(PTIN\)](#). Tax preparers must include their PTIN on every federal tax return they prepare for clients.

“Your tax return is one of the most important financial transactions you’ll make this year. Why risk it?” said Heritage.

For more tips and advice, visit KnowYourTaxPreparer.org.

CTEC is a nonprofit organization that was established in 1997 by the California State Legislature to protect taxpayers against fraud and incompetent tax preparers. Visit ctec.org or call (877) 850-CTEC for more information.

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