



For Immediate Release

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

What if Your Tax Preparer is Not Legal?

The importance of verifying your tax preparer is legal and the repercussions if you don't.

Sacramento, CA (February 25, 2014)—Verifying a tax preparer is legal may seem obvious, yet each year too many consumers will still make their choice on a whim.

“Unfortunately a lot of people will focus on empty promises that sound good, but really have no validity. More times than not, they end up in hot water because of it,” said Mary Beth LaMunyon-Jones, chair of the California Tax Education Council (CTEC), a state-mandated nonprofit organization that registers unlicensed tax preparers.

Unlike most states, California has set strict standards for paid tax preparers. State 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 one of those four legal designations is breaking state law.

“Verify, verify, verify. That’s our message to consumers,” said Celeste Heritage, CTEC administrator.

So what could happen if your tax preparer is not legal?

- It may increase your chances for penalties, fines or an audit.
- It may prevent you from having legal recourse against fraud because the tax preparer was not licensed or registered.
- The California [Franchise Tax Board \(FTB\)](#) can enforce penalties on illegal tax preparers; however, the tax return is still the client’s responsibility to deal with—no matter if it is right, wrong or even fraudulent.

“The state can go after illegal tax preparers, but there is no law that exempts the victim from any damage caused by them,” said LaMunyon-Jones.

To report questionable tax preparers, visit www.ctec.org and click on “Report a Tax Preparer.” Anyone caught preparing tax returns illegally may face penalties up to \$5,000 from FTB, the enforcement arm for CTEC.

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

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 www.ctec.org or call (877) 850-CTEC for more information.

-END-