

Finding a Reputable Tax Preparer

What does a tax preparer do?

Tax preparers often come from a CPA background, but this is not a requirement. They are not licensed by the state of Colorado and can work for national known companies all the way down to small at home businesses.

Good ones are knowledgeable for tax issues in their state as well as the ins and outs of the Internal Revenue Service. They can also help with a onetime tax problem or with your entire tax preparation project. Either way, a good one is essential if you want to stay on Uncle Sam's good side!

Keep in mind, you are ultimately responsible for everything on our tax return, even if somebody else prepared it!

What to look for:

- Get referrals from satisfied clients
- Interview the potential preparer
 - Ask about their training, experience and knowledge of current tax law.
 - Are they a member of a professional organization with continuing education requirements and a code of ethics?
 - Are they willing to guarantee the accuracy of their work and amend the return if there is a mistake?
 - How long they have been in business? You'll want someone who will still be around to answer questions that may arise later on.
- Get a written estimate for their fee prior to authorizing the work

Warning signs! Watch out if they:

- Boast that they can obtain larger refunds than competitors
- Don't ask to review your records and receipts or discuss your qualifications for expenses and deductions
- Base their fee on a percentage of the refund amount, rather than the complexity of the tax return
- Pressure you to sign up for immediate payment of your refund.
 - This involves a loan that typically carries a high interest rate.
- Encourage you to claim inflated personal or business expenses, false deductions, or excessive exemptions
- Manipulate your income to obtain fraudulent tax credits
- Ask you to sign a blank or incomplete form
- Guarantee that you will not be audited.

Other Points:

- Check that your preparer has signed your tax return, and get a copy and a payment receipt for your records.
- Check their rating at bbb.com