



# News Release

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## IRS: Choose tax preparers carefully

Tax return preparer fraud makes IRS' 2019 'Dirty Dozen' list of tax scams

### **IRS YouTube Videos:**

Dirty Dozen – [English](#) | [Spanish](#) | [ASL](#)

Choose a Tax Preparer Wisely – [English](#) | [Spanish](#) | [ASL](#)

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WASHINGTON — The Internal Revenue Service today included tax return preparer fraud on its "Dirty Dozen" list of common tax scams for 2019 and offered tips to help taxpayers avoid unscrupulous tax preparers.

With the Tax Cuts and Jobs Act, the most sweeping tax reform legislation in more than 30 years now in effect, some taxpayers may choose to have a paid professional prepare their tax returns this year even if they've done it themselves in years past.

The IRS reminds taxpayers to be careful when selecting a tax professional. Though most tax professionals provide honest, high-quality service, a minority of dishonest preparers operate each filing season perpetrating refund fraud, identity theft and other scams that hurt innocent taxpayers.

"Tax professionals provide an incredibly valuable service to taxpayers and our nation's tax system," said IRS Commissioner Chuck Rettig. "We encourage people to carefully choose who they trust with their most sensitive tax and financial information. There are some simple steps taxpayers can follow to make sure they're getting good, professional help."

Tax return preparers are a vital part of the U.S. tax system. During tax-year 2016, the most recent year for which complete figures are available, about 53.5 percent of taxpayers used a paid preparer. Selecting the right tax professional is vitally important. Taxpayers are ultimately responsible for the accuracy of their tax return, regardless of who prepares it.

The IRS protects taxpayers by assessing significant civil penalties against shady return preparers and working with the Justice Department to shutdown scams and prosecute the criminals behind them.

### **Choose return preparers wisely**

It is important to choose carefully when hiring an individual or firm to prepare a tax return. Well-intentioned taxpayers can be misled by preparers who don't understand taxes or who mislead people into taking credits or deductions they aren't entitled to claim. Scam preparers often do this to increase their fee.

Here are a few tips to consider to help avoid fraudsters:

- Look for a preparer who is available year-round. In the event questions come up about a tax return, taxpayers may need to contact the preparer after the filing season is over.
- Ask if the preparer has an IRS Preparer Tax Identification Number (PTIN). Paid tax return preparers are required to register with the IRS, have a PTIN and include it on tax returns.
- Inquire whether the tax return preparer has a professional credential (enrolled agent, certified public accountant or attorney), belongs to a professional organization or attends continuing education classes. Because tax law can be complex, competent tax preparers remain up-to-date on tax topics. The IRS website has more information regarding [national tax professional organizations](#).
- Check the preparer's qualifications. Use the [IRS Directory of Federal Tax Return Preparers with Credentials and Select Qualifications](#). This tool can help locate a preparer with the preferred qualifications. A searchable and sortable listing of tax preparers registered with the IRS, the directory includes the name, city, state and zip code of attorneys, CPAs, enrolled agents, [Annual Filing Season Program](#) participants, enrolled retirement plan agents and enrolled actuaries.
- Check the preparer's history. Check the Better Business Bureau website for information about the preparer. Look for disciplinary actions and the license status for credentialed preparers. For CPAs, check with the State Board of Accountancy. For attorneys, check with the State Bar Association. For Enrolled Agents, go to IRS.gov and search for "verify enrolled agent status" or check the [Directory](#).
- Ask about service fees. Avoid preparers who base fees on a percentage of their client's refund or boast bigger refunds than their competition. Don't give tax documents, Social Security numbers or other information to a preparer if merely inquiring about their services and fees. Unfortunately, some unscrupulous preparers have used this information to improperly file returns without the taxpayer's permission.
- Make sure the preparer offers IRS e-file and ask to e-file the tax return. Paid preparers who do taxes for more than 10 clients generally must file electronically. Since electronic filing began in the 1980s, the IRS has processed more than 1.5 billion e-filed individual tax returns. It's the safest and most accurate way to file.
- Provide records and receipts. Good preparers ask to see these documents. They'll also ask questions to determine the client's total income, deductions, tax credits and other items. Do not hire a preparer who e-files a tax return using a pay stub instead of a Form W-2. This is against IRS e-file rules.
- Understand representation rules. Attorneys, CPAs and enrolled agents can represent any client before the IRS in any situation. Annual Filing Season Program participants may represent taxpayers in limited situations if they prepared and signed the tax return. However, non-credentialed preparers who do not participate in this program may only represent clients on returns they prepared and signed before the end of 2015.
- Never sign a blank or incomplete return.
- Review the tax return before signing. Be sure to ask questions if something is not clear or appears inaccurate. Any refund should go directly to the taxpayer – not into the preparer's

bank account. Reviewing the routing and bank account number on the completed return is always a good idea.

- Report abusive tax preparers to the IRS. Use [Form 14157](#), Complaint: Tax Return Preparer. If a return preparer is suspected of filing or changing the return without the client's consent, also file [Form 14157-A](#), Return Preparer Fraud or Misconduct Affidavit. Forms are available on IRS.gov.

[www.irs.gov/chooseataxpro](http://www.irs.gov/chooseataxpro) has additional information to help taxpayers including tips on choosing a preparer, the differences in credentials and qualifications, as well as how to submit a complaint regarding an unscrupulous tax return preparer.