

Make Informed Decisions When Paying for Income Tax Preparation Services

Check your preparer's credentials to ensure the preparer meets your specific needs. Your California options are: registered preparer, enrolled agent, certified public accountant or attorney.

Review your preparer's history with the various licensing authorities below:

- California Tax Education Council (CTEC) for CTEC Registered Tax Preparers (CRTPs).
- IRS for Enrolled Agents (EAs).
- California Board of Accountancy for CPAs.
- California State Bar for Attorneys.

Determine who will prepare your return before contracting for the service. Avoid preparers who delegate the work to someone with less experience or knowledge.

Ask if your preparer is affiliated with a professional organization. The organization should provide or require its members to obtain continuing education and require them to adhere to a code of ethics.

Avoid preparers who guarantee that they can obtain a larger refund than other preparers. Given the same information, any preparer should arrive at similar numbers.

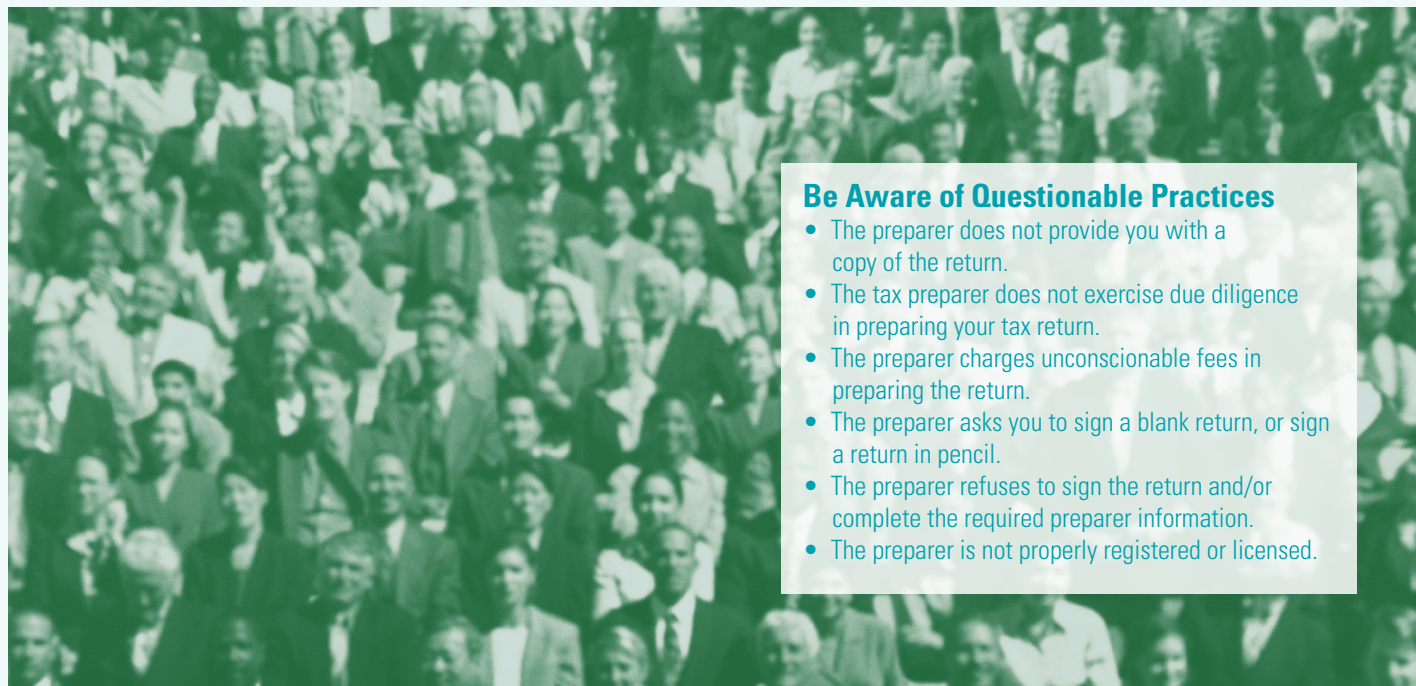
Select a preparer who will be available to assist you in the future, in case you receive correspondence from the IRS or FTB or your return is selected for audit.

Understand your tax return. A good preparer should be able to clearly answer any questions about the tax return.

Review all information: name, address, social security numbers, or other Tax Identification numbers before you sign the return.

e-file with Direct Deposit Refunds. - If you e-file, are entitled to a refund, and have the refund deposited directly into your bank account, you generally receive your refund within 10 days.

Refund Anticipation Loans (RALs)— Tax practitioners may offer loans for your anticipated refund amount. Understand the fees and interest rates being charged on these loans.



Be Aware of Questionable Practices

- The preparer does not provide you with a copy of the return.
- The tax preparer does not exercise due diligence in preparing your tax return.
- The preparer charges unconscionable fees in preparing the return.
- The preparer asks you to sign a blank return, or sign a return in pencil.
- The preparer refuses to sign the return and/or complete the required preparer information.
- The preparer is not properly registered or licensed.

Report Questionable Preparer Practices

To contact your nearest IRS office, call: (800) 829-0433.
Form 3949A is available at: www.irs.gov.

To contact FTB through the Informant Hotline, call (800) 540-3453 or visit the FTB Website at: www.ftb.ca.gov.

Know the Law

It does not matter who prepares the return; you are legally responsible for all the information entered on your income tax return. The law requires a paid preparer to sign the return and complete the information in the space provided for paid preparers. Tax evasion is a crime, which can be punishable by penalties, prison, and/or a fine.

Check out Your California Preparer

Contact the appropriate California or Federal licensing or regulatory agencies.

The California Board of Accountancy (CBA)

Licenses and regulates California Certified Public Accountants (CPA) and Public Accountants (PA).

www.cba.ca.gov

call: (916) 263-3680

California State Bar (Attorneys)

Licenses and regulates California attorneys.

www.calbar.ca.gov

call: (866) 442-2529

The California Tax Education Council (CTEC)

Registers California tax preparers that are not otherwise regulated. They are CTEC Registered Tax Preparers (CRTP).

www.ctec.org

call: (877) 850-2832

Office of Professional Responsibility (OPR)

The Internal Revenue Service (IRS) enrolls and regulates the Enrolled Agents (EA).

email: opr@irs.gov

fax: (202) 622-2207

Under California State Law, if your California paid preparer is not licensed or regulated by one of these agencies, the preparer may be preparing returns illegally

How to Select an Income Tax Return Preparer

Tips From The INTERNAL
REVENUE SERVICE (IRS)
and The State of California
FRANCHISE TAX BOARD (FTB)