

## Choosing a Tax Preparer

<http://www.360taxes.org/Preparing-My-Taxes/Choosing-a-Tax-Preparer>

As the April 15 tax return deadline nears this year, you may hear people advertising themselves as “tax preparers.” What does this mean? It’s important you know the answer to that question. While many taxpayers dread tax time, having your return prepared accurately by a knowledgeable tax expert can save you both time and money--and help prevent possible IRS penalties or audits in the future. That’s why you need to understand the qualifications of the person who will be preparing your return. And this year, it may be a little more confusing to decide who is the most qualified tax preparer.

As of January 1, 2011, anyone who is paid to prepare a tax return must register with the Internal Revenue Service. Currently, there are no set qualifications for those who register, other than complying with the tax laws in filing their own returns. There are currently no minimum education or experience requirements to be registered with the IRS.

CPAs comply with extensive education and experience requirements. CPAs first must pass the rigorous Uniform CPA Examination in order to qualify for their licenses. This comprehensive exam tests how much CPAs know about a wide range of technical and business topics. Divided into four-parts, it has a total length of 14 hours. That’s not all that’s required to earn and maintain a CPA license, however. CPAs must also meet continuing education requirements to keep them up on new business developments. State boards of accountancy also set their own requirements governing education, ethics and work experience. All in all, the regulations ensure that only highly qualified and knowledgeable individuals are able to call themselves CPAs.

While CPAs also must register with the IRS, it’s important to remember that not all tax preparers are CPAs. When a CPA prepares your return, he or she uses the depth of experience and extensive knowledge that enabled him or her to pass the CPA exam in the first place and to comply with continued education and experience requirements. Your CPA also works with clients all year long, not just during tax season. CPAs spend their time outside of tax season helping clients with a wide range of issues, including future tax planning, college or retirement savings plans, or business issues. Other registered tax preparers may only work with clients during tax season, and may not have a big-picture understanding of the many financial issues that their clients face.

When you are choosing a tax preparer this year, remember that being a “tax preparer” does not guarantee a minimum level of education or experience. Ask specific questions about the tax preparer’s credentials, experience, education level and continued training. And keep in mind that if you work with a CPA, you can be sure that your tax professional meets rigorous testing and education requirements and has a high level of financial expertise. You’ll find that your CPA can provide the advice you need on all your financial questions.

## What is a CPA?

Everyone knows about CPAs, right? Although you may often hear friends talk about meeting with their CPAs at tax time or when they need critical business advice, in fact many people are not really aware of what it means to be a certified public accountant.

You can rely on CPAs to help address all your financial needs. Not only are CPAs the best professionals to turn to at tax time, but they also offer many other types of services, including accounting, auditing, personal financial planning, technology consulting and business valuation.

What does it take to become a CPA? These respected professionals must pass a rigorous exam and meet other high standards that they are required to maintain throughout their careers in order to call themselves CPAs. The Uniform CPA Examination is a crucial first step to becoming a CPA. This demanding test measures prospective CPAs' knowledge about a range of technical and business issues. The CPA exam is not the last step in a CPA's education, however. These professionals are also required to meet continuing education requirements every year to ensure that they stay up-to-date on all the latest business developments. State boards of accountancy also set their own additional mandates for licensure, including education, ethical and work experience requirements.

When you are looking for financial advice, keep in mind that not all accountants are CPAs. Many states allow anyone to use the title "accountant," but only CPAs have passed the CPA exam and meet their state board of accountancy's licensing requirements. CPAs are also the only professionals who can perform audits of publicly traded companies. If you are seeking the services of a highly trained professional, make sure they have the "CPA" initials after their name.

Why should the CPA designation be so important to you? When you seek help with your most pressing financial concerns, you want to know that the person you are consulting is someone you can trust. The demanding requirements to get and keep a CPA license ensure that you are dealing with someone who meets a high standard of competency and integrity.

You can also be sure that CPAs have experience in dealing with people who have financial questions just like your own. CPAs not only have intensive training, but they also have the practical knowledge necessary to find solutions for both business and individual clients in their communities. They have hands-on experience working with clients facing a large variety of financial challenges or opportunities. Remember, too, that despite their highly technical training, they still speak your language. They will listen to your concerns and offer solutions you can understand.

Want to learn more about these professionals? Why not make an appointment to visit your local CPA today. He or she can explain how CPAs can help you achieve your financial goals.

## Facts to Know When Choosing a Tax Preparer

As the April 18 federal tax return deadline nears this year, you may hear people advertising themselves as “tax preparers.” What does this mean? It’s important you know the answer to that question. While many taxpayers dread tax time, having your return prepared accurately by a knowledgeable tax expert can save you both time and money--and help prevent possible IRS penalties or audits in the future. That’s why you need to understand the qualifications of the person who will be preparing your return. And this year, it may be a little more confusing to decide who is the most qualified tax preparer.

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