



Learn How to Find the Best Tax Professional

Description

You don't want to put off looking for a tax professional while tax season is in full swing. Choosing the first preparer you locate, on the other hand, is a bad idea.

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“It’s critical to connect with the correct tax professional from the start,” says Steven Janssen, tax director at Tampa Bay-based financial firm CBIZ MHM. The greatest tax preparers do more than fill out paperwork. They may be able to uncover possible savings, aid in the event of an audit, and provide direction and support year-round.

Many people ask themselves, “How do I discover a decent tax professional near me?” To begin, take the following five steps:

- Recognize your tax preparation requirements.
- Seek referrals from your network.

- Verify your credentials.
- Request an interview.
- Watch for red flags.

Recognize Your Tax Preparation Requirements

The first step in locating the finest tax expert is determining what services you require. For example, some people have simple tax returns. In contrast, others may require the services of a tax preparer who can manage complex tax issues and is available for consultation throughout the year.

Being a CPA or certified public accountant does not guarantee that someone is qualified to manage your taxes. “You wouldn’t go to a podiatrist if you had a heart disease,” says Jeffrey Wood, CPA, and partner at Lift Financial in South Jordan, Utah. However, finance experts, like medical professionals, specialize.

Many CPAs specialize in audits, and those who choose a career in taxation may specialize in a specific sector such as individual, commercial, or real estate taxes. Similarly, non-CPA tax preparers may know some types of returns but not others. “You want to locate someone with the necessary experience,” Wood says.

Seek referrals from your network.

When you’ve determined the breadth of service needed, it’s time to start looking. The greatest way to start is by asking for recommendations or referrals from others.

“Find folks in your network that have a similar profile based on your needs,” says Danielle Voloshin, CFP and investment advisor at Miracle Mile Advisors in Los Angeles. This entails speaking with employees in a comparable field or business owners in the same industry as you. For example, a reputable attorney or insurance agent may also have contacts with knowledgeable tax professionals. This process takes longer than simply typing “tax services near me” into a search engine, but it can assist ensure you are matched with a professional who can expertly handle your tax returns.

Verify Credentials

Someone hired to prepare taxes, at the absolute least, requires a preparer tax identification number – or PTIN – to file taxes with the IRS. However, practically anybody may obtain a PTIN, and it is no indication that a preparer is competent or provides the services you require.

“There are tax preparers and tax professionals,” Janssen explains. Tax preparers, such as those found at tax preparation businesses such as Jackson Hewitt and Liberty Tax, may be able to handle uncomplicated tax returns. Still, they aren’t often equipped to provide in-depth tax advice.

Seek the assistance of an enrolled agent, CPA, or tax attorney for more complex returns or assistance with tax-saving methods.

Request an Interview

Online evaluations might teach you a lot, but nothing beats a face-to-face encounter. This is especially vital if you're seeking a long-term business partner.

Tax season is hectic, so don't expect a lengthy talk; instead, request a five- to the ten-minute phone call at the very least. Then, if it is not readily available on the preparer's or professional's website, obtain the following information:

- How is data safeguarded?
- Do you charge a set cost or an hourly rate for each form?
- How many tax returns do you file each year?
- Do you prepare all of your returns, or do you get help?
- Do you file your tax returns electronically?

"If they're making paper submissions, it's because they're not doing a lot of (returns)," Wood says. That could be a sign to keep looking, regardless of how impressive a person's credentials are. "I'd rather have an enrolled agent who handles taxes daily than a CPA who does taxes on the side," Wood adds.

Watch for Red Flags

Not every person who purports to be a tax preparer is genuine. The following red flags may indicate that someone is inept at best or a criminal at worst.

Promises of a fantastic return.

As with most things in life, if it sounds too good to be true, it often is. Unless your income, family status, or tax law has dramatically altered, your refund should be consistent from year to year. Be careful of anyone who claims to be able to get you a refund significantly over what you've previously received.

Unwillingness to sign a return.

"You have to sign a return if you prepare it," Janssen explains. It's required by law. So be wary of anyone who refuses to sign a return, and don't sign anything unless you see your preparer put their name first.

A temporary office or a website that is no longer available.

While some independent tax preparers operate from home, be wary of anyone who does not appear to have a consistent company presence. "If it's difficult to obtain information," Voloshin says, "that's a significant red flag." If you are audited or have a question about your return later, you want to know that the preparer will be easily located.

We will charge you a fee based on the amount of your return.

Tax preparers who are legitimate will charge an hourly or set fee for their services. However, according to Janssen, assessing a charge depending on the magnitude of your refund is a violation of professional ethics.

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