



FOR IMMEDIATE RELEASE

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Credentials and Experience Count When Hiring a Tax Preparer

ALEXANDRIA, VA, February 22, 2017 – Hiring someone to prepare your tax return? Make sure they have the credentials and experience to handle it professionally and stand behind their work.

Unlike other industries, there is no national licensing requirement to become a paid tax preparer. Anyone can claim to be a tax preparer and charge taxpayers for completing and filing tax returns. That's why it's so important to find preparers with credentials, which are independent verification of their ability that can give you confidence that they will do a good job.

Here's a guide to common credentials that demonstrate a high level of competency in tax preparation:

Certified Public Accountant (CPA): This is a widely recognized credential for tax preparers and accountants. Each state has its own Board of Accountancy responsible for licensing CPAs who practice in that state, and each board issues rules that govern what a person must do to become a licensed CPA. CPAs are authorized to represent taxpayers before the IRS.

Enrolled Agent (EA): An enrolled agent is a person who has earned the privilege of representing taxpayers before the Internal Revenue Service by passing a three-part comprehensive IRS test covering individual and business tax returns. Enrolled agent status is the highest credential the IRS awards.

Tax Attorneys: Tax attorneys are lawyers who specialize in tax law. They can handle complex, technical, and legal issues. Tax attorneys are authorized to represent taxpayers before the IRS.

ACAT Credentials

Tax return preparers and accountants can voluntarily earn credentials from the Accreditation Council for Accountancy and Taxation (ACAT), an organization affiliated with the National Society of Accountants, to demonstrate their expertise in taxation, accounting and business matters. Preparers must pass rigorous exams, adhere to a code of ethics, and meet experience and continuing education requirements to earn these credentials. They include:

Accredited Tax Preparer (ATP): These practitioners have a thorough knowledge of the existing tax code and the preparation of individual tax returns. Their expertise covers comprehensive 1040 issues, including supporting schedules and self-employed returns, and ethics.

Accredited Business Accountant/Advisor (ABA): ACAT's designation for Accreditation in Accountancy, the ABA is a prestigious professional accounting credential that demonstrates to clients, potential clients and employers that the credential holder has a thorough knowledge and proficiency in financial accounting, financial reporting, financial statement preparation, taxation, managerial accounting, business law, and ethics for small- to medium-sized businesses.

Accredited Tax Advisor (ATA): These practitioners can handle sophisticated tax-planning issues, including planning for owners of closely held businesses, planning for the highly compensated, choosing qualified retirement plans, and performing estate tax planning. Their expertise covers tax returns for individuals, business entities, fiduciaries, trusts and estates, as well as tax planning, tax consulting and ethics.

The IRS has an Annual Filing Season Program (AFSP) which recognizes and encourages the voluntary efforts of unenrolled tax return preparers to increase their knowledge and improve their filing season competency through continuing education. AFSP Record of Completion Holders must meet annual educational requirements set by the IRS and either take and pass an annual tax refresher course or have passed other IRS recognized state or national competency tests such as the ACAT Accredited Business Accountant and Accredited Tax Preparer exams.

Credentialed tax preparers are also people you can trust who can advise you about tax scams that may reach you by phone or email. For more information about credentials, why to use a credentialed tax preparer, tax tips, red flags to watch for when hiring a tax preparer, and to use an online search directory to identify a qualified tax preparer in your area, visit www.findataxpro.org or call 800-966-6679.

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The Accreditation Council for Accountancy and Taxation (ACAT) is an independent accrediting and monitoring organization affiliated with the National Society of Accountants. ACAT accredits professionals in independent practice who have demonstrated measurable knowledge of the principles, practices, and ethical standards of accounting, taxation, information technology and related financial services. For more information, visit www.acatcredentials.org.

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