



## Fact Sheet

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### Understanding Who You Pay to Prepare Your Tax Return

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Tax professionals have varying levels of skills, education and expertise. Furthermore, not all tax professionals have the right to represent taxpayers before the IRS, such as during an audit. Taxpayers should be aware of the credentials, qualifications and extent of service each prospective professional provides before obtaining their service.

Enrolled agents, certified public accountants and attorneys have unlimited representation rights before the IRS and may represent their clients on any matters including audits, payment issues, and appeals – regardless of whether they prepared the return in question.

Uncredentialed preparers currently have limited practice rights. They may only represent clients whose returns they prepared and signed, but only before IRS revenue agents, customer service representatives and similar IRS employees, including employees in the Taxpayer Advocate Service.

The IRS has launched a [public directory](#) on IRS.gov for the 2015 Filing Season to help taxpayers determine return preparer qualifications. The searchable, sortable database contains: the name, city, state, and zip code of attorneys, CPAs, enrolled agents, enrolled retirement plan agents, enrolled actuaries and Annual Filing Season Program (AFSP) participants with valid PTINs for 2015. The listings do not serve as endorsement by the IRS.

#### **Credentialed tax return preparers with unlimited representation rights:**

- **Attorneys** – People with this credential are licensed by state courts, the District of Columbia or their designees, such as the state bar. Generally, they have earned a degree in law and passed a bar exam. Attorneys generally have on-going continuing education requirements and professional character standards. Attorneys may offer a range of services; some attorneys specialize in tax preparation and planning.
- **Certified Public Accountants (CPA)** – Individuals with this credential are licensed by state boards of accountancy, the District of Columbia, and U.S. territories, and have passed the Uniform CPA Examination. They have completed a study in accounting at a college or university and have also met experience and good character requirements established by their boards of accountancy. In addition, CPAs must comply with ethical requirements and complete specified levels of continuing education to maintain an active

CPA license. CPAs may offer a range of services. Some CPAs specialize in tax preparation and planning.

- **Enrolled Agents** – People with this credential are licensed by the IRS. They are subject to a suitability check and must pass a three-part Special Enrollment Examination, which is a comprehensive exam that requires them to demonstrate proficiency in federal tax planning, individual and business tax return preparation and representation. They complete 72 hours of continuing education every three years.
- **Enrolled Retirement Plan Agents (ERPA)** – People with this credential are licensed by the IRS and specifically trained in retirement plan matters. They can practice before the IRS on matters such as employee plan determination letters, the employee plans compliance resolution system, the employee plans master and prototype program and volume submitter program, and Form 5300 and Form 5500 tax returns.
- **Enrolled Actuary** – People with this credential have satisfied the standards and qualifications as set forth by the Joint Board for the Enrollment of Actuaries and have been approved by the Joint Board to perform actuarial services required under the Employee Retirement Income Security Act of 1974 (ERISA).

**Additionally, there are two types of uncredentialed tax return preparers, each with limited representation rights:**

- **Annual Filing Season Program Participants** – This new voluntary program recognizes the efforts of return preparers who are generally not attorneys, certified public accountants, or enrolled agents. The IRS issues an Annual Filing Season Program Record of Completion to return preparers who obtain a certain number of continuing education hours in preparation for a specific tax year.

Annual filing season program participants do not have unlimited practice rights (unless they are also an attorney, certified public accountant, or enrolled agent). Their representation rights are limited to clients whose returns they prepared and signed, but only before revenue agents, customer service representatives, and similar IRS employees, including the Taxpayer Advocate Service. They cannot represent clients whose returns they did not prepare, nor can they represent clients regarding collection or appeals matters.

- **Other tax return preparers** – Any tax return preparer not in one of the previously mentioned categories also has limited representation rights, but only until Dec. 31, 2015. Effective Jan. 1, 2016, other tax return preparers will have no representation rights. Only return preparers who participate in the Annual Filing Season Program will have limited representation rights. Other tax return preparers may provide quality return preparation services, but choose them wisely. Inquire about their education and training.

**IRS.gov has additional resources to support your research about tax professionals:**

- [General IRS Guidance on Choosing a Tax Professional](#)
- [Directory of Federal Tax Return Preparers with Credentials and Select Qualifications](#): A searchable, sortable database of attorneys, CPAs, enrolled agents, enrolled retirement plan agents, enrolled actuaries, and AFSP participants with valid PTINs for 2015.
- Verify the Status of an Enrolled Agent: You can get instructions to check if the tax [preparer is an enrolled agent](#).
- [Make a Complaint About a Tax Return Preparer](#)
- [IRS Tax Pro Association Partners](#)
- Announcements of Disciplinary Sanctions: You may find [instructions](#) for researching whether someone has been disciplined by the IRS Office of Professional Responsibility.