How to Choose a Tax Preparer You Can Trust

Tax season brings a familiar question for many people: should I handle my return myself or hire a professional? For those who choose the second option, finding someone competent and honest matters a great deal. The wrong preparer can cost you money, trigger an audit, or even leave you facing penalties for mistakes you did not personally make. This article walks through what to look for, what to avoid, and how to feel confident in the person who handles your taxes.

Why credentials matter

Anyone can call themselves a tax preparer. The industry does not have a single national license that everyone must hold. Some preparers hold certifications that require exams, continuing education, and adherence to ethical standards. Others have no formal qualification at all. Understanding the difference helps you separate a skilled professional from someone who may not know the rules.

Credentials tell you that the preparer has met specific standards set by a recognized organization or government agency. They also give you recourse if something goes wrong. A credentialed preparer can be reported to their governing body. An uncredentialed preparer may face no consequences for errors or misconduct.

Types of tax preparer credentials

The tax preparation field includes several common designations. Each carries different requirements and privileges.

Certified public accountant (CPA)

CPAs are licensed by state boards of accountancy. They must pass the uniform CPA exam, meet education and experience requirements, and complete continuing education each year. CPAs can represent clients before the IRS in any situation, including audits, appeals, and collections. Many CPAs specialize in tax work, though not all do. If you hire a CPA, confirm that tax preparation is part of their regular practice.

Enrolled agent (EA)

Enrolled agents are federally licensed by the IRS. To become an EA, a person must pass a comprehensive exam covering individual and business tax returns, or have worked at the IRS in a tax-related role for a certain number of years. EAs must complete 72 hours of continuing education every three years. Like CPAs, they can represent clients before the IRS in any matter.

EAs focus exclusively on taxation, which makes them a strong choice for tax preparation and planning.

Annual filing season program participant (AFSP)

The IRS runs this voluntary program for preparers who are not CPAs, EAs, or attorneys. Participants complete a certain number of continuing education hours each year and pass an exam. They receive a record of completion from the IRS. Their representation rights are limited: they can represent clients only during certain IRS examinations, and only if they prepared and signed the return in question.

Tax preparer certification from a private organization

Some preparers hold credentials from groups such as the National Association of Tax Professionals or the Accreditation Council for Accountancy and Taxation. These certifications require exams and ongoing education but are not issued by a government body. They still signal a commitment to professional standards, though the oversight differs from state licenses or IRS designations.

What to look for in a preparer

Beyond checking a credential, you can take several practical steps to evaluate a tax preparer before you hand over your documents.

Ask for their preparer tax identification number (PTIN). Every paid tax preparer must have a PTIN from the IRS. A preparer who cannot or will not provide one is a red flag. You can also ask about their experience with returns similar to yours. If you have rental income, a small business, or investments, you want someone who handles those situations regularly.

Check their history. The IRS maintains a directory of federal tax preparers that includes CPAs, EAs, and AFSP participants. State boards of accountancy list licensed CPAs. The IRS Office of Professional Responsibility can confirm whether an EA is in good standing. A quick search can reveal if a preparer has been disciplined or had their license revoked.

Understand their fee structure. Avoid preparers who base their fee on a percentage of your refund. That practice creates an incentive to inflate refunds, which can lead to errors or fraud. Reputable preparers charge by the hour or a flat fee based on the complexity of the return.

Look for a signature. Your preparer must sign the return and include their PTIN. A preparer who refuses to sign is likely trying to avoid responsibility. If the IRS has questions, you need someone who stands behind their work.

Ask about representation. If the IRS audits your return, will the preparer represent you? CPAs and EAs can represent clients in any situation. Other preparers may have limited rights. Knowing this upfront prevents surprises later.

Red flags to watch for

Some warning signs should make you walk away from a preparer entirely.

- Promising a large refund before looking at your documents. No honest professional can guarantee a specific outcome without reviewing your situation.
- Asking you to sign a blank return. This is illegal and leaves you vulnerable to whatever numbers the preparer decides to enter.
- Encouraging you to claim deductions or credits you are not entitled to. If something sounds too good to be true, it probably is.
- Refusing to provide a copy of your return. You are entitled to a copy for your records. A preparer who withholds it may be hiding something.
- Operating only during tax season with no permanent address. Legitimate preparers maintain a year-round presence and can be reached after April 15.

How to verify tax preparer credentials

The process of checking a preparer's background does not take long, and it gives you peace of mind. One of the most important steps you can take is to verify tax preparer credentials through official sources before you engage their services. For CPAs, start with your state board of accountancy. Most boards have an online license lookup tool. For enrolled agents, use the IRS directory of federal tax preparers. That directory also lists AFSP participants. For private certifications, check with the issuing organization.

When you search, confirm that the credential is current and that no disciplinary actions have been taken against the preparer. Pay attention to the expiration date. Some credentials require annual renewal, and a lapsed credential means the preparer has not met the latest education or ethical standards.

Do not rely solely on a preparer's website or marketing materials. Anyone can claim a credential online. The official records tell the real story. If you have trouble finding a preparer in the database, ask them directly for their license or certificate number and then look it up yourself.

The value of ongoing oversight

Credentials are not just about initial qualifications. They come with continuing education requirements that keep preparers current on tax law changes. The tax code changes every year. A preparer who does not keep up may miss deductions, credits, or filing requirements that affect your return. Ongoing education also helps preparers avoid common errors that can trigger audits or delays.

Ethical standards are another reason credentials matter. CPAs follow the AICPA code of professional conduct. Enrolled agents must adhere to Treasury Department circular 230, which sets rules for practice before the IRS. Violations can result in suspension or loss of the credential. This oversight gives you a layer of protection that you do not get with an uncredentialed preparer.

When to walk away

Even if a preparer holds a valid credential, you should feel comfortable with their communication style and business practices. If they rush through your questions, dismiss your concerns, or pressure you to sign quickly, those are reasons to look elsewhere. A good preparer explains what they are doing and why. They help you understand your return instead of just filing it.

Trust your instincts. If something feels off during your first meeting, it probably will not improve later. There are plenty of qualified preparers available. Taking the time to find the right one pays off in accuracy, peace of mind, and a smoother filing experience.

Final thoughts

Choosing a tax preparer is a financial decision with lasting consequences. A competent professional saves you money, keeps you compliant, and stands by you if the IRS comes calling. A bad one creates headaches that can last for years. By understanding the credentialing landscape, checking official records, and watching for red flags, you can find a preparer who meets your needs. The small effort you put into researching a preparer before tax season is nothing compared to the time and stress you will save by getting it right the first time.