

What is an enrolled agent?

Enrolled agents (EAs) are America's tax experts. EAs are the **only** federally-licensed tax practitioners who specialize in taxation and also have **unlimited** rights to represent taxpayers before the Internal Revenue Service.

What are the differences between enrolled agents and other tax preparers?

An enrolled agent is a person who has earned the privilege of representing taxpayers before the Internal Revenue Service by either passing a stringent and comprehensive examination covering both individual and business tax returns, or through experience as a former IRS employee.

Enrolled agent status is the highest credential the IRS awards.

Individuals who obtain this elite status must adhere to ethical standards and enrolled agents, like attorneys and certified public accountants (CPAs), have unlimited practice rights. This means they are unrestricted as to which taxpayers they can represent, what types of tax matters they can handle, and which IRS offices they can represent clients before.

The difference lies in the depth of experience and understanding of not just how to prepare a tax return, but rather the expertise and knowledge of the tax law that may be used not only to prepare a tax return, but also to represent the taxpayer.

How can an enrolled agent help me?

Enrolled agents advise, represent and prepare tax returns of individuals, partnerships, corporations, estates, trusts and any other entity with tax reporting requirements. EAs prepare millions of tax returns each year and their expertise in the continually changing field of taxation enables them to effectively represent taxpayers audited by the IRS.

Some enrolled agents work only during tax season or by appointment only, while other enrolled agents have year round practices. In addition to **tax preparation** and tax representation, many enrolled agents offer other business services which may include:

- Tax Return Preparation
- Bookkeeping
- Financial planning or budgeting
- Payroll services
- Financial statement preparation

How to Choose a Tax Return Preparer



Mary Sunderland

MBA | CFA | CFP® | EA

Enrolled Agent

*Licensed to Represent Taxpayers
before the*

Internal Revenue Service

Chatham, NJ

201.919.8262

mary.sunderlandtax@comcast.net

www.sunderlandtax.net

How to Choose a Tax Return Preparer

If you choose to have someone other than yourself prepare your tax return, choose that preparer wisely. A paid tax return preparer with primary responsibility for overall substantive accuracy of a return is required, by law, to sign the return and include a preparer tax identification number (PTIN) on the return. Although the tax return preparer signs the return, you are ultimately responsible for the accuracy of every item on your return. A person who prepares tax returns for others should have a good understanding of tax matters. All paid tax return preparers are now required to have a PTIN. **You may want to check with friends, co-workers, or your employer for help in selecting a competent tax return preparer.**

Choose a tax return preparer you will be able to contact in case your return is examined by the IRS and there are questions regarding how your return was prepared. A third party authorization checkbox on [Form 1040](#) (PDF), [Form 1040A](#) (PDF), and [Form 1040EZ](#) (PDF) allows you to designate your paid tax return preparer or another third party to speak to the IRS concerning the preparation of your

return, payment and refund issues, and mathematical errors. The third party authorization checkbox gives the designated party the authority to receive and inspect returns and return information for one year from the due date of your return (without regard to extensions).

Steps You Can Take to Find a Tax Return Preparer

Most tax return preparers are professional, honest and provide excellent service to their clients. But, unscrupulous tax return preparers do exist and can cause considerable financial and legal problems for their clients by filing false income tax returns. Use the following points for taxpayers to assist you when selecting a tax return preparer:

- Be wary of tax return preparers who claim they can obtain larger refunds than others.
- Avoid tax return preparers who base their fees on a percentage of the refund.
- Ensure you use a preparer with a preparer tax identification number (PTIN). Paid tax return preparers must have a preparer tax identification

number to prepare all or substantially all of a tax return.

- Use a reputable tax professional who furnishes his PTIN, signs the tax return, and provides a copy of the return to you (as required).
- Consider whether the individual or firm will be around months or years after the return has been filed, to answer questions about the preparation of the tax return.
- Check the person's credentials. Only attorneys, CPAs and enrolled agents can represent taxpayers before the IRS in all matters, including audits, collection and appeals. Other tax return preparers may only represent taxpayers for audits of returns they actually prepared.

More information on IRS.gov about choosing a tax return preparer and avoiding fraud can be found in [IRS Tax Tip 2013-07](#).