



TIPS, HINTS & WARNING SIGNS  
**TOP QUESTIONS TO**  
**ASK A TAX PREPARER**

MICPA

**AccountingAidSociety**



# TIPS, HINTS & WARNING SIGNS

- All federal tax return preparers are required to obtain and include their Preparer Tax Identification Number (PTIN) when filing tax returns.
- Most tax preparers use e-file\* to submit a completed tax return. If the preparer is using the U.S. mail to file your completed return, your refund may be significantly delayed.
- A paid tax preparer must complete the preparer section of the return, including electronically filed (e-filed) returns. A paper return should also carry the preparer's signature. A signed return should not say "self-prepared."

The diagram shows a portion of a tax return form, specifically the preparer section. A large circle highlights the 'Preparer's signature' field. Arrows point from various labels to specific fields: 'Sign Here' points to the signature line; 'Joint return? See page 13. Keep a copy for your records.' points to the 'Joint return' checkbox; 'Paid Preparer's Use Only' points to the 'Preparer's signature' field; 'Preparer's signature' points to the 'Preparer's signature' field; 'Firm's name (or yours if self-employed), address, and ZIP code' points to the 'Firm's name' field; 'Check if self-employed' points to the 'Check if self-employed' checkbox; 'Preparer's SSN or PTIN' points to the 'Preparer's SSN or PTIN' field; 'EIN' points to the 'EIN' field; 'Phone no.' points to the 'Phone no.' field; and 'Form 1040 (2021)' points to the 'Form 1040 (2021)' label.

- Do not wait until the last minute to find a tax preparer. It is best to hire one as soon as you have received your W-2 Form, if not before.
- If the tax preparer offers you no continuing support or contact information, they may not be reputable.
- The filed return should be completed by a computer, or written in ink - not pencil.
- If you have previously filed a tax return, be sure to bring a copy with you to give to the tax preparer.
- The cost to prepare the tax return should not be based on the amount of your refund.
- If possible, obtain a reference from a friend or trusted advisor for a reputable, experienced tax preparer. If a tax preparer does not have any reliable references, it could mean they have little experience.
- Anyone advertising a guaranteed refund may not be a reputable tax preparer. Guaranteeing a refund is improper, as not all taxpayers always receive a refund.
- The tax preparer should offer you an opportunity to ask questions about your return before you sign.
- The refund check, if there is one, should not be sent to, or made payable to, the tax preparer. It should be sent to the person listed on the return (Direct Deposit into the taxpayer's account is best). Verify that the direct deposit information, bank name, routing and account numbers are correct.
- Make sure the name, address, Social Security number, or Individual Taxpayer Identification Number are correct before signing the return. Also, review the list of deductions and dependents, and be sure you understand all of the information on the return.
- Never sign a blank return or sign in pencil.
- Do not be embarrassed to ask questions. It is important that the tax preparer fills out your tax return correctly.
- If you receive a letter from the IRS or the Michigan Department of Treasury and are asked to respond, you must. If your preparer is not available, you may contact a local community organization for assistance.
- Unless you sign a written consent, a tax preparer is not allowed to share your information with anyone outside of the United States and can only be shared with those in the U.S. for tax preparation purposes.
- Unless you sign a written consent, a tax preparer cannot use your tax return information to sell you other products or services, such as refund anticipation loans. These loans, and other bank products, are optional and will increase the cost of the tax return preparation.

Underlined words are explained on the back cover.

# TOP QUESTIONS TO ASK A PAID PREPARER

## How do you determine your fee and how much it will cost?

*Reasonable fees vary, but the cost to prepare your return should not be based on the amount of your refund.*



## Are you open and available all year-round?

*Preparers should be available year-round to help you as needed.*



## What is the expected time frame for receiving my completed tax returns after submitting all required documents?

*Setting clear expectations is crucial.*



## If the Michigan Department of Treasury or IRS contacts me regarding my return, will you be able to assist me?

*The answer should be yes because you must respond if this happens.*



## Will you be signing the tax return as a preparer?

*Yes.*

## May I see proof of your PTIN?

*All signing preparers are required to have a PTIN.*



## How is your data protected?

*The preparer should have a written security plan as required by the IRS.*



## Will I be receiving my refund directly (i.e. through the mail or direct deposit)?

*Refunds should come to you directly, and direct deposit is the fastest and safest way to get your refund.*



## Will you provide me with a copy of my completed tax return and return any original documents I provided?

*Yes.*



## \*Are you affiliated with a professional organization?



## How do you learn about new tax laws?

*The best answer is through continuing education.*



## \*Do you have a professional license, credential or training? If so, may I see proof including current status?

*Underlined words are explained on the back cover.*

*\* A "no" response to questions 8 & 9 does not necessarily mean that the tax preparer has a lesser ability to properly prepare your tax return.*

# WHAT DOES THIS MEAN?

## DEFINITIONS TO THE UNDERLINED WORDS



**Continuing Education** – Classes taken by professionals to keep a valid license.



**Direct Deposit** – Your refund goes directly into your savings or checking account without you signing and cashing a check. You get your refund much faster than by mail.



**E-File** – A secure method of filing your income tax return via the Internet. This speeds up your refund.



**Individual Taxpayer Identification Number (ITIN)** – A 9-digit number issued by the IRS to individuals who do not have, and are not eligible to obtain a Social Security Number (SSN). The number is issued regardless of immigration status. If either the parent or child has an ITIN, an Earned Income Tax Credit cannot be claimed for that person.



**Professional Organization** – A group that informs and educates professionals about their work.



**Preparer Tax Identification Number (PTIN)** – Issued by the IRS. All paid preparers are required by the IRS to have a PTIN before filing federal tax returns.



**Refund Anticipation Loan** – A loan secured by and repaid from a pending tax refund.



**W-2 Form** – The paper form you receive from your employer that gives the amount of wages you were paid during the past year and the amount of taxes deducted from your paycheck.

## IMPORTANT INFORMATION

### LEGAL INFORMATION REGARDING YOUR RETURN

- Filing an income tax return is required by law.
- You are responsible for the information provided in your return even if it is being prepared by someone else.
- You may owe additional money if your filed return is improperly completed.

*The IRS expanded the Identity Protection PIN Opt-In Program to all taxpayers who can verify their identity. Taxpayers who want an IP Pin should use the **Get an IP PIN tool** on [irs.gov](https://www.irs.gov).*

*If you suspect you have been a victim of criminal, improper or fraudulent tax preparation, please call:*

**IRS: 800-829-0433 ([opr@irs.gov](mailto:opr@irs.gov)) and**

**MI: 517-636-4157 ([reporttaxfraud@michigan.gov](mailto:reporttaxfraud@michigan.gov))**