How to choose a tax preparer you can trust

Why your choice of tax preparer matters

Filing taxes is one of those annual tasks where mistakes can cost you time, money, and peace of mind. While many people prepare their own returns, others turn to a professional for help. That decision can be smart, but only if you pick someone who is qualified and honest. The wrong preparer can leave you with errors on your return, missed deductions, or even legal trouble if something goes wrong. Knowing how to vet a tax preparer before you hand over your financial documents is essential.

What a tax preparer actually does

A tax preparer is someone who calculates and files your tax return on your behalf. That sounds simple, but the work can range from straightforward form filling to complex planning involving businesses, investments, or multi-state filings. The person you hire may work alone, at a small firm, or for a national chain. They may hold different professional titles, and those titles matter because they reflect the preparer's education, training, and oversight requirements.

Credentials you should look for

Not every person who prepares taxes has the same level of training or accountability. Some have no formal qualification at all. To protect yourself, you want someone who is authorized to represent you before the IRS. That narrows the field to three main credential types: enrolled agents, certified public accountants (CPAs), and tax attorneys. Each of these professionals must pass a background check and meet continuing education requirements. There are also annual filing season participants, but their authority is more limited. For most people, working with an enrolled agent or a CPA provides a strong balance of tax knowledge and representation rights.

Beyond these core credentials, look for someone who specializes in the areas relevant to your situation. If you own a small business, a preparer who works mainly with wage earners may not be the best fit. If you have rental properties, you want someone who understands depreciation and passive activity loss rules. Specialization often shows up in a preparer's membership in professional organizations or completion of advanced tax courses.

How to verify tax preparer credentials

You can check a preparer's standing directly through the IRS. The IRS maintains a searchable directory of tax return preparers with credentials. By using that directory, you can confirm whether someone holds a valid preparer tax identification number and has the right to practice

before the IRS. This step is simple and free. It takes just a few minutes. It also gives you a way to see if any disciplinary actions have been taken against the preparer.

Another way to verify tax preparer credentials is to ask the preparer directly for their credential number and check it through the issuing body. For CPAs, that means contacting your state board of accountancy. For enrolled agents, the IRS directory is the definitive source. If a preparer hesitates or cannot provide their credential number, consider that a red flag. A legitimate professional will have no reason to hide their qualifications.

What about preparers without credentials

Many people prepare taxes without being enrolled agents, CPAs, or attorneys. They may have passed the IRS annual filing season program or hold state-level licenses. Others have no formal credential at all. While some of these preparers do good work, the lack of oversight means you have less recourse if something goes wrong. An uncredentialed preparer cannot represent you in an IRS audit for most issues. If a problem arises, you could end up handling it alone. For that reason alone, it is worth seeking someone with recognized credentials.

Questions to ask before hiring

Before you sign a contract, ask a few direct questions. The answers will tell you a lot about the preparer's experience and approach.

- What credentials do you hold, and what is your license number?
- How long have you been preparing tax returns?
- What kind of tax situations do you handle most often?
- Will you sign the return as the paid preparer?
- How do you handle an audit if I am selected?

The last question is especially important. A qualified preparer will have a clear process for audit support. They should explain that they will represent you and handle correspondence with the IRS. If the answer is vague or suggests you would be on your own, keep looking.

Red flags to watch for

Some practices signal trouble. A preparer who promises a large refund without looking at your documents is a major warning sign. Similarly, a preparer who bases their fee on a percentage of your refund has an incentive to inflate it, which can lead to false claims. You should also avoid anyone who asks you to sign a blank return or who refuses to provide a copy of the finished return. A reputable preparer will give you a complete copy and explain the key numbers. If a preparer discourages you from asking questions or seems rushed during your

meeting, trust your discomfort. Your tax return is your legal responsibility even if someone else prepares it.

The cost of skipping verification

Every year, people hire preparers they never checked. Sometimes the result is an error that triggers an IRS notice. Other times, the preparer disappears after filing, leaving the taxpayer to deal with the consequences. In the worst cases, a preparer may be part of a refund fraud scheme, and the taxpayer ends up liable for the unpaid taxes plus penalties and interest. Taking a few minutes to verify credentials before you hire is a straightforward way to avoid that outcome.

Think of it this way: you would not hire a contractor to work on your home without checking their license and references. Your tax return is at least as important. The money you pay a preparer is meant to buy accuracy, compliance, and peace of mind. You cannot get those things if you do not know who you are really hiring.

Maintaining your own records

Even after you hire a qualified preparer, keep copies of everything you give them. Retain the completed return and all supporting documents. If a question ever comes up, having your own records makes it easier to resolve. It also helps if you decide to switch preparers in a future year. Good recordkeeping is a habit that protects you no matter who prepares your return.

Final thoughts

Choosing a tax preparer is not something to rush. The person you pick will have access to sensitive financial information and will be responsible for filing a document that affects your legal and financial standing. By taking the time to understand credentials, ask the right questions, and check what the IRS already makes available, you can make a confident choice. The extra effort at the start can save you from problems that would take far longer to fix later.