



Money Matters

What You Need To Know Before Hiring A Tax Pro

(NAPSA)—When it comes to dealing with the IRS, there are a few more initials it may pay for you to know about.

These can include PTIN, CPA, Esq., AFSP, EA and NAEA. Here's what it all means:

PTIN: By law, whomever you hire to do your taxes must have a Preparer Tax Identification Number (PTIN). Checking for a PTIN is a good place to start in making sure your preparer is on the level.

CPA: Certified public accountants are licensed by the state and must pass tests and report continuing education. CPAs must pass a four-part test, one part of which centers on taxation. CPAs can have a variety of specialties, from accounting audits to estate planning.

Esq.: Attorneys often have Esq. (for esquire) after their names and sometimes JD for Juris Doctor. Like CPAs, lawyers are licensed by the state and may or may not specialize in taxes. Attorneys have unlimited rights to represent taxpayers before the IRS but not many of them prepare taxes. They are more often called on by taxpayers already in trouble with the IRS.

AFSP: This stands for Annual Filing Season Program. It's a voluntary program for preparers that shows they've passed a basic test and agreed to complete some continuing education each year.

EA: Enrolled agents earn their credential by passing a comprehensive exam administered by the IRS that covers individual, business taxation, and IRS representation. Because they have a federal license, EAs are authorized to give tax advice in any state. They represent and prepare tax returns for individuals, partnerships, corporations and any entities with tax-reporting requirements. EAs' continuing education requirements help ensure they have the knowledge to effectively represent taxpayers audited by the IRS despite the continually changing tax laws.

NAEA: The EAs who belong to the National Association of Enrolled



Seeing initials after your tax preparer's name can tell you a lot about his or her abilities.

Agents provide three more unique benefits to taxpayers.

1. An Emphasis on Ethics—Their principal focus is honest, intelligent and ethical representation of taxpayers before the governmental agencies. Members adhere to a stringent Code of Ethics and Rules of Professional Conduct of the Association, as well as Treasury Department regulations.

2. A Professional Network—Members belong to a strong network of experienced, well-trained tax professionals who work to make the tax code fair and reasonably enforced. They also have access to an array of tax law resources and a network of top tax professionals.

3. Proof of Expertise—Only enrolled agents are required to demonstrate to the IRS their competence in all areas of taxation, representation and ethics to get unlimited representation rights before the IRS. Members of NAEA must complete a continuing education requirement that exceeds those the IRS imposes on EAs.

To find a qualified enrolled agent nearby who can assist you with tax planning, preparing tax returns or resolving a problem with the IRS, visit the "Find a Tax Expert" directory on www.eatax.org.