

# CONSUMER BILL OF RIGHTS REGARDING TAX PREPARERS

\*The tax preparer is required by law to give each customer a free, current, and legible copy of this document before any discussions about tax preparation services.

## *If you are hiring a tax preparer, you have a right to know:*

- **The individual tax preparer's qualifications.** A notice of a tax preparer's qualifications must be posted in the office, and a preparer must maintain records showing the qualifications are real, including whether the preparer is an accountant or an attorney.
- **How fees are calculated, including minimum charges and any additional charges.** You must be given a receipt that states the charges for each tax return. The receipt must list the address and phone number where the tax preparer may be contacted during the year.
- **Whether or not the tax preparer will represent the taxpayer at a government audit.** Failure to make this disclosure shall mean that the tax preparer agrees to represent the taxpayer or to provide representation.

## *Information about Refund Anticipation Loans (RALs)*

- A Refund Anticipation Loan is not a tax refund, but is in fact a high-interest loan against an anticipated tax refund.
- Any advertisement for a RAL must state conspicuously that it is a loan, that the lender will charge a fee or interest, and it must identify the lender.
- If a taxpayer does not understand English or Spanish, a tax preparer must orally explain the information about a RAL in a language the taxpayer understands.
- Consumers and other taxpayers eligible for EARNED INCOME TAX CREDIT (EITC) refunds should ask tax preparers about electronic and other filing options to speed up payment of refunds and avoid using RALs.

## *Before entering into a RAL, a tax preparer must disclose in writing in English and Spanish:*

- That a taxpayer is not required to take out a RAL;
- The gross amount of the refund a consumer is eligible to receive without taking out a RAL;
- The fees to be paid for taking out such a loan;
- The approximate loan amount the taxpayer will receive;
- The estimated annual percentage rate to be paid for the loan based on the amount of time the loan will be outstanding;
- The approximate date by which a taxpayer who takes out a loan can expect to receive the loan amount or the approximate date by which a taxpayer who does not take out a RAL can expect to receive his or her tax refund.

## *You are also entitled to:*

- Receive a statement, *before* becoming obligated to the tax preparer, telling you about the tax preparation service the preparer provides; an estimate of the total cost of each service offered by the tax preparer; an estimation of the interest rate of any Refund Anticipation Loan or other loan services offered by the tax preparer; and an estimate of how long you may reasonably have to wait for a tax refund for each refund or tax preparation service offered by the preparer.
- Receive all personal papers upon request, when the original tax return is given to the taxpayer for filing (unless the tax preparer is specifically permitted to retain such papers under state law).
- Receive a copy of every tax return prepared, at the time the original is given to the taxpayer for filing.
- Have the tax preparer sign every tax return.

## *It's illegal for a tax preparer to...*

- Ask a taxpayer to sign a blank or incomplete tax return.
- Misrepresent his or her qualifications.
- Reveal any information appearing on, or related to, a tax return to any person or business other than the taxpayer, or his or her authorized designee.
- Induce or attempt to induce a taxpayer to violate any governmental law, rule, or regulation.
- Use the word “accountant” in any advertisement unless at least one Certified Public Accountant or Public Accountant is present at each tax preparation location during all business hours, and controls all tax returns prepared at the location.
- Use any term describing a specialty or expertise in an advertisement, unless the tax preparer’s relevant education or experience is also disclosed in the advertisement.
- Alter a tax return after it has been signed by the taxpayer, without the taxpayer’s written consent.
- Charge a fee based upon the amount of tax owed or refund due.
- Guarantee a tax refund, or guarantee that the taxpayer will not be audited by any government tax agency.
- Request a taxpayer to assign to the preparer any portion of the refund due.
- Use the tax preparer’s addresses on a tax return as the place to which a refund should be mailed, unless the taxpayer has signed a power of attorney containing such authorization.
- Claim to give taxpayers an “instant tax refund” that is actually an interest-bearing loan unless that fact is disclosed to the taxpayer in accordance with federal and state law.