

	Contact: Jonathan Richardson	912 E. Gadsden St.
	850.429.0026 tel.	P.O. Box 1511
	850.429.0006 fax	Pensacola, FL 32591
	jrichardson@nwfl.bbb.org	www.nwfl.bbb.org

BBB TO CONSUMERS: DO RESEARCH ON TAX PREPARERS FIRST

Pensacola, Fla. (January 23, 2007) – With tax season looming, the Better Business Bureau of Northwest Florida is reminding consumers to use caution when choosing a tax preparer.

“While most preparers provide good service to their clients, a few unscrupulous tax preparers file false and fraudulent tax returns and ultimately defraud their clients,” said Norman Wright, BBB president. “It is important for taxpayers to know that even if someone else prepares their return, they are ultimately responsible for all the information on the tax return.”

Dishonest tax preparers can commit fraud by claiming inflated personal or business expenses, false deductions, unallowable credits or excessive exemptions on returns prepared for their clients. Fraudulent preparers also may manipulate income figures to obtain fraudulent tax credits, such as the Earned Income Tax Credit.

Signs that a preparer could be acting unethically include:

- Claiming that they can obtain larger refunds than other preparers.
- Basing their fee on a percentage of the amount of the refund. Fees should be based on the complexity of the return, never on the size of the tax savings or refund.
- Claiming they can get you immediate payment of your return. Keep in mind that this is a loan. Fraudulent tax preparers often pad their pockets by giving cash up front at a high interest rate while presenting it as an instant refund from the federal government.
- Refusing to sign the tax return or provide the taxpayer a copy for his or her records. Always make sure that you have something in hand that shows proof of what transpired and you should have a receipt for services rendered.

- MORE -

DO RESEARCH ON TAX PREPARERS FIRST/PAGE 2 of 2

The Better Business Bureau recommends that taxpayers follow these tips when hiring a preparer:

- Get referrals from satisfied clients and check out the company with the BBB.
- Ask the preparer about their training, experience and current knowledge of tax law.
- Find out whether the preparer has ever represented taxpayers in an audit, or has ever been denied eligibility to do so.
- Consider whether the individual or firm will be around to answer questions about the preparation of the tax return months or even years after the return has been filed.

Taxpayers should review their return before signing and keep a copy of the return for their records. Never sign a blank tax form or one filled out in pencil.

For more information or a list of tax preparers in the Florida panhandle, contact the Better Business Bureau at (850) 429-0002 or visit www.nwfl.bbb.org.

#