

Consumer Bill of Rights Regarding Tax Preparers

By law, the tax preparer must give you a free, current, and legible copy of this document before beginning any discussions about tax preparation services.

You have the right to know:

- **Identification and qualifications of tax preparer.** The tax preparer must have one sign stating relevant qualifications, and maintain records proving those qualifications are real. Any advertised terms such as “expert,” “master,” “consultant,” or “specialist” must be justified here.
- **Fees and additional charges.** The tax preparer must have a sign showing exactly how his/her fees are computed, including the minimum charge, if any.
- **Whether or not the tax preparer will represent you at a government audit.** Failing to have a sign that tells you this means that the tax preparer agrees to represent you or to provide representation.
- **Whether the tax preparer is an attorney (member of the Bar of the State of New York) or a Certified Public Accountant (CPA), certified by the New York State Department of Education, Office of the Professions.** A tax preparer must tell you if he/she is NOT an attorney or CPA (though he/she can still prepare your taxes). If a tax preparer uses the word “accountant” in an advertisement, then a Certified Public Accountant or Public Accountant must be present during all business hours, and must exercise control over all tax returns prepared there.

Note that attorneys, CPAs, and IRS Enrolled Agents do not have to post the signs described above.

Beware of Refund Anticipation Loans (RALs)

- A Refund Anticipation Loan (RAL) is a high-interest loan made through a bank. A RAL is not an “instant refund.” It is a loan that you must pay back to the bank.
- Using a RAL will cost you money and lower the total amount of your refund that you receive.
- While the bank making the loan will charge you fees and interest, the tax preparer facilitating the loan cannot add on any of his/her own charges or fees for preparing a RAL application.
- It is illegal for a tax preparer to disguise a RAL as an “instant refund,” a “rapid refund,” an “express refund,” “fast cash,” or by another similar term that hides the fact that a RAL is a loan.
- You cannot be required to take out a RAL.
- Ask your tax preparer about electronic filing, direct deposit, and other options to speed up payment of refunds and to avoid using RALs.

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Michael R. Bloomberg
Mayor

**Department of
Consumer Affairs**

Jonathan Mintz
Commissioner

You have the right to receive:

- **A written estimate** of the total cost for all charges related to each service offered by the tax preparer, including basic filing fees, interest rates, and RAL processing fees. The estimate should tell you how long you can expect to wait for your refund.
- **A photocopy of your tax return** prepared at the time the original is electronically filed or given to you to mail.
- **An itemized receipt** listing the individual cost of each service and form prepared for you. The receipt must list the address and phone number where the tax preparer may be contacted throughout the year.
- **Your original personal papers returned to you upon request**, when the original tax return is given to you for filing (unless the tax preparer is specifically permitted to retain such papers under state law).
- Every tax return prepared on your behalf **signed by the tax preparer**.

It's illegal for a tax preparer to:

- Ask you to sign a blank or incomplete tax return, or alter a tax return after it has been signed by you, without your written consent.
- Charge a fee based upon the amount of tax owed or refund due.
- Guarantee a specific refund amount, or guarantee that you will not be audited by any government tax agency.
- Request that you pay the tax preparer from a portion of your refund.
- Reveal any personal information to any person or business other than to you or your authorized designee.
- Have your tax refund mailed to the tax preparer, unless you have signed a power of attorney containing such authorization.
- Ask you to violate any governmental law, rule, or regulation.

If you enter into a RAL, a tax preparer first must:

- Give you a single sheet of paper that tells you in English and Spanish:
 - how much your expected tax refund is
 - how much the bank will charge in fees for the RAL
 - the approximate RAL loan amount you will receive
 - the interest rate, expressed as the estimated annual percentage rate (APR) based on the amount of time the loan will be outstanding
 - the approximate date you would get your loan money if you take out a RAL
 - the approximate date you would get your refund if you do not take out a RAL
- Explain orally the information about a RAL in a language you understand.

For more information or to file a complaint against an individual offering tax preparation services, call 311 or visit nyc.gov/consumers