

You've got questions?  
**We've got answers.**



#### What is an enrolled agent?

Enrolled agents (EAs) are America's tax experts. They are the only federally-licensed tax practitioners who both specialize in taxation and have unlimited rights to represent taxpayers before the Internal Revenue Service. These tax specialists have earned the privilege of representing taxpayers before the IRS by either passing a comprehensive three-part examination covering individual tax returns; business tax returns; and, representation, practice and procedure, or through relevant experience as a former IRS employee. All candidates are subjected to a rigorous background check conducted by the IRS.

#### What are the differences between enrolled agents and other tax professionals?



The enrolled agent license is the most expansive license the IRS grants a tax professional. Enrolled agents are generally unrestricted as to which taxpayers they can represent, what types of tax matters they can handle, and the IRS offices before which they may practice. Unlike attorneys and CPAs, who may or may not choose to specialize in taxes, all enrolled agents specialize in taxation. CPAs and attorneys are licensed by the states, but enrolled agents are federally licensed. While the IRS requires all preparers to obtain and maintain a valid Preparer Tax Identification Number (PTIN), enrolled agents have gone beyond the basic requirements and have demonstrated their expertise through testing.



#### Enrolled agents (EAs) are America's tax experts.

They are the only federally-licensed tax practitioners who specialize in taxation and also have unlimited rights to represent taxpayers before the IRS. Enrolled agents are required to complete many hours of continuing education each year to ensure they are up-to-date on the constantly changing tax code and must abide by a code of ethics. When you need a true tax professional, see an enrolled agent.

*Enrolled Agents: America's Tax Experts*

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## Enrolled Agents AMERICA'S TAX EXPERTS®



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### What is representation?



Taxpayers who find themselves in tax trouble are allowed to represent themselves before the various administrative levels of the IRS. However, most taxpayers facing an IRS collection action, an IRS audit of any sort (whether the IRS asks for mounds of documents by mail or requests an in-person examination), or an appeal of any collection or examination action would be wise to send a qualified tax expert in his or her place. Taxpayers who are represented have a guide who can lead them through the process, someone authorized to speak on their behalf (and in their place) and fight for the best possible outcome. Enrolled agents are authorized by the IRS to represent taxpayers before the IRS; every enrolled agent has passed testing on representation.

### The enrolled agent license is the highest credential the IRS issues.



The advantage of working with an enrolled agent lies not only in the depth of his or her experience and understanding of how to prepare a tax return, but in his or her knowledge of tax law that may be used to represent taxpayers before the IRS. If you get a letter from the IRS, or worse, are audited or are the target of a collection action, your EA can speak directly to the IRS on your behalf.

### Why should I choose an enrolled agent who is a member of the National Association of Enrolled Agents (NAEA)?



The IRS recommends using a tax preparer that is a member of a professional organization that offers continuing education and other resources, and holds members to a code of ethics. NAEA goes beyond the IRS' recommendations by requiring members to fulfill continuing education requirements that exceed the IRS' required minimum. In addition, NAEA members must adhere to a stringent Code of Ethics and Rules of Professional Conduct. Members of NAEA belong to a strong network of experienced, well-trained tax professionals who effectively represent their clients and work to make the tax code fair and reasonably enforced.

### How can an enrolled agent help me?



Enrolled agents advise, represent and prepare the tax returns of individuals, partnerships, corporations, estates, trusts and any other entity with tax reporting requirements. EAs prepare millions of tax returns each year and their expertise in the continually changing field of taxation enables them to effectively represent taxpayers audited by the IRS. In addition to tax preparation and tax representation, many enrolled agents offer other business-related services, which may include:

- Bookkeeping
- Financial planning or budgeting
- Payroll services
- Financial statement preparation
- Mortgage assistance

Because enrolled agents have such diverse backgrounds and may offer a variety of services, it is important to talk with your enrolled agent about how best to put his or her expertise to work for you.

### Are enrolled agents required to take continuing professional education?



In addition to the stringent testing and application process, the IRS requires enrolled agents to complete 72 hours of continuing education every three years to maintain their licenses. NAEA raises the bar even further—its members are required to complete at least 90 hours in a three-year period.



### Are there really that many tax changes each year that might affect me?



Yes. Every year there are numerous changes to the tax laws and tax code. The National Taxpayer Advocate has identified the complexity of the tax code as the most serious problem facing taxpayers and the IRS alike. A recent review of the tax code revealed that it includes 3.8 million words and that there have been approximately 4,428 changes to the code over the preceding ten years, an average of more than one a day. Frequently, provisions are added and others expire. Some provisions are indexed for inflation, so they change as well. Some are effective at the beginning of the year, while others become effective on the date a particular bill or law is signed. EAs take continuing education courses each year to keep up with the changes and have research tools at their disposal to constantly monitor updates. Most taxpayers do not have the time, desire or the research tools necessary to keep up with the tax code each year. When you choose an enrolled agent, you know your preparer keeps up with the rules and regulations and will use this expertise to do the best job possible for you.

### What are the key points to remember when hiring a tax professional?



Your tax needs are best served by an enrolled agent. However, no matter who you hire there are certain things to keep in mind.

- Always use a qualified professional to prepare your return.
- Preparers should always sign the returns and include their Preparer Tax Identification Numbers (PTIN).
- Beware of preparers who encourage you to lie or otherwise modify your information in order to get a bigger refund.
- The taxpayer is responsible for what's on a tax return. Reputable preparers will ask to see receipts and will ask multiple questions to determine whether expenses, deductions and other items qualify. By doing so, they are trying to help their clients avoid penalties, interest or additional taxes that could result from an IRS examination.