

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.

(Continued on Back)



Bill de Blasio
Mayor

Department of
Consumer Affairs

Julie Menin
Commissioner

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.

Beware of Refund Anticipation Loans (RALs)

- A Refund Anticipation Loan (RAL) is a high-interest loan made through a bank that you must pay back to the bank. A RAL is not an "instant refund" and tax preparers cannot use this or similar terms ("rapid refund," "express refund," "preFund," or "fast cash") that hide the fact that a RAL is a loan.
- Taking out a RAL is optional. Tax preparers cannot require you to take out a RAL or charge you fees beyond the bank's fees for a RAL.
- Before you take out a RAL, a tax preparer first must give you a single sheet of paper that tells you in English and Spanish:
 - that you are not required to enter into the RAL;
 - that the RAL is a loan you must repay regardless of the amount of your tax refund;
 - the amount of your expected tax refund;
 - the bank fees for the RAL and approximate amount you will receive as your loan;
 - 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; and
 - the approximate date you would get your refund without the RAL.
- If you cannot read English or Spanish, the tax preparer must explain this information to you in a language that you understand.

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



If your annual income is \$64,000 or less, you may qualify for free tax return filing through **NYC Free Tax Prep**, which could help you claim important tax credits like the Earned Income Tax Credit (EITC) and the New York City Child Care Tax Credit (CCTC). For more information, call 311 or visit nyc.gov/taxprep.