

Consumer Bill of Rights Regarding Tax Preparers

By law, tax preparers must give you a copy of this document before beginning any discussions about tax preparation services.

You have the right to know:

- **Identification and qualifications of tax preparer.** Tax preparers must have a sign stating their relevant qualifications.
- **Fees and additional charges.** Tax preparers must have a sign listing their tax preparation services and fees.
- **Your options for paying for service and receiving your refund.** Tax preparers cannot require you to use Refund Anticipation Checks (RAC), Refund Anticipation Loans (RAL), Refund Transfers, or similar products. These options may have additional fees, increase the tax preparation fee, and/or delay the receipt of your refund.
- **Whether or not the tax preparer will represent you at a government audit.** Tax preparers that fail to post a sign stating they will not represent you at an audit must represent you or provide you with 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.** Tax preparers must tell you if they are NOT an attorney or CPA (though they can still prepare your taxes). If a tax preparer uses the word "accountant" in an advertisement, then a CPA 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 Internal Revenue Service (IRS) Enrolled Agents do not have to post the signs described above.

You have the right to receive:

- **A copy of your tax return** prepared at the time the original is filed or given to you to file.
- **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 you can contact the tax preparer throughout the year.
- **Your 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 keep such papers under state law).
- **Every tax return prepared on your behalf signed by the tax preparer.**

BEFORE YOU PAY for tax preparation services, you have a right to receive:

- **A written list of the refund options and tax services** offered by the tax preparer.
- **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, RAL, RAC, and Refund Transfer processing fees, and any other related fees or charges. You can also request an estimate of how long you can expect to wait for your refund based on the selected methods of payment and/or refund delivery.
- **A written estimated interest rate** for a RAL or any other loan service offered by the tax preparer.

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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 give the tax preparer 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 RAL is a loan made through a bank that you must pay back to the bank, which will reduce your income tax refund. Some RALs have a high interest rate. A RAL is not an "instant refund," and tax preparers cannot use this or similar terms ("rapid refund," "express refund," 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, if applicable;
 - 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.

Even "free" RALs and other refund advance products can have fees. For example, RACs and Refund Transfers may include a fee to waive the up-front cost of tax preparation but then deduct that cost from your refund. Remember, you have a right to receive a written estimate of the total cost for all charges for each service offered by the tax preparer, including refund advance products, and the time it will take for you to receive your refund with or without a RAL, RAC, or Refund Transfer, so be sure to ask.

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 \$66,000 or less, you may qualify for **NYC Free Tax Prep** services, 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



**Consumer
Affairs**

Lorelei Salas
Commissioner

The NYC Department of Consumer Affairs (DCA) protects and enhances the daily economic lives of New Yorkers to create thriving communities.