Consumers complain to BBB about tax preparers


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One third of complaints involve mistakes and resulting fines.

PR9.NET April 01, 2008 - Wallingford, CT â€“ If you are one of the 120 million Americans who rely on an income tax preparer and unhappy with the results â€“ you are not alone.

A Better Business Bureau analysis reveals nearly one third (32.5%) of Americans are displeased with the work of tax preparers and have filed a variety of complaints about the services, including errors in their income tax returns which resulted in them having to pay fines or additional fees to fix the problem.

"People put a tremendous amount of trust into the hands of tax preparers," said Better Business Bureau Connecticut President and CEO Paulette Hotton.

"The sad part is that people turn to tax preparers because filing an income tax return can be so complicated, but in many cases, the preparers lack the required expertise, and it is creating headaches and running up bills for consumers."

Types of Complaints

While the most common complaint against tax preparers involves mistakes in the preparation of a tax return, 19.5 percent of complaints typically allege the preparer was unresponsive â€“ not returning repeated telephone calls asking for assistance, answers to questions or even copies of their tax information.

Disputes over billing accounted for another 19 percent of complaints, seven percent said the tax preparers were rude, six percent of complainants said they never received their refund and perhaps most disturbing of all, six percent said the tax preparer never filed their income tax returns at all.

According to Hotton, "Unfortunately, the April 15 deadline is fast approaching, but there is still time for consumers to shop around for a tax preparer who is not only qualified, but also has a strong track record of providing good customer service."

Many consumers who rushed through the process in 2007 find that they are still dealing with the mess created by a tax preparer as they head into the 2008 tax season.

The Internal Revenue Service (I.R.S.) opened nearly 700 investigations into tax preparers between 2005 and 2007. The Government Accountability Office (G.A.O.), based on a limited study of commercial tax preparation chains in major metropolitan areas, issued findings noting that all the returns from those offices had mistakes of one sort or another.

Your Better Business Bureau wants you to understand that when the I.R.S. detects a faulty or false return, the taxpayer -- not the preparer -- must pay any additional taxes, associated interest, fees and penalties.

BBB offers the following advice for people looking for a tax preparer:

â€¢ Ask around. Get referrals from friends and family, then check for a reliability report at our web site.
â€¢ Look for credentials. Ideally tax preparers should be either certified public accountants, tax attorneys or enrolled agents.
â€¢ Beware of promises of a big refund. Be wary of firms or individuals that promise a larger tax refund than competitors and avoid any who base their fee on a percentage of a tax refund.
â€¢ Think about accessibility. Many tax preparation services set up shop for the months leading up to the April 15 deadline. In case of an audit or if the I.R.S. finds errors, consumers must be able to contact their tax preparer throughout the year.

For more advice on tax preparation from your Better Business Bureau, please visit our web site.

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About Better Business Bureau Connecticut

Founded in 1912, BBB is an unbiased non-profit organization that sets and upholds high standards for fair and honest business behavior. BBB offers objective advice and a wide range of education on topics affecting marketplace trust. BBB also offers complaint and dispute resolution support for consumers and businesses. Today, 128 BBBs serve communities across the U.S. and Canada, evaluating and monitoring more than three million local and national businesses and charities. For more advice on finding companies and businesses, start your search with trust at www.bbb.org.

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