

https://www.unionleader.com/news/business/money_sense/marc-hebert-s-money-ense-when-doing-your-own-taxes/article_eebb9111-a735-511a-a7d7-ffaf128f92cc.html

Marc Hebert's 'MoneySense': When doing your own taxes doesn't make sense

Sep 21, 2019

TAX TIME will come faster than we think. Maybe doing last year's tax return was a struggle and now you are thinking about hiring a preparer. If you are going to do so, now is the time to start looking for one, not on April 15.



Here are a few reasons to consider hiring a tax professional:

- You don't have time to do it yourself. You could be doing more of what you love.
- You spend hours preparing your return and still aren't sure it is right. The tax code is complicated and changes often. It is a tax pro's job to stay on top of new developments.
- You have experienced a major financial life change. This might include a divorce, death of a spouse, an inheritance or having a child.
- You are buying or selling real property. This transaction is a good one to review before you buy or sell. Even if you didn't do any analysis beforehand, a tax preparer can help you sort through the tax effects.
- You own a business or rental property. There could be opportunities to minimize taxes that you are not taking into consideration.

- You receive regular income from a trust or partnership. Every year you get a Schedule K-1 if you're a partner in a business or a shareholder in an S Corporation. Sometimes there are complications like losses that a professional might need to sort through.
- You have a complex investment portfolio or have a large number of transactions. It might be too late for 2018, but for 2019 your tax adviser can help you plan. For example, you can determine if tax-loss harvesting would benefit you.
- You have a child between the ages of 19 and 24 who is a full-time college student. There are kiddie tax implications and education credits that a tax professional can review with you.
- You have multi-state or foreign transactions. A tax adviser with experience in these areas can save you time and effort and help ensure the correct tax result.

Once you decide to hire a professional be sure to check their:

- **Reputation:** Family, friends and other professionals might have some input.
- **Credentials and education:** Which ones does the preparer have?
- **Experience:** How much and is the preparer familiar with the area in which you need the expertise?
- **Numbers:** How many returns are prepared that are similar to yours?
- **History:** Check the Better Business Bureau for complaints and reviews.
- **Compliance:** Check the state accounting boards for disciplinary actions.
- **Continuing education:** Does the preparer stay current on tax law changes?
- **Fees:** Get an estimate as to how much the return will cost. Make sure the fees aren't based on refunds. Also make sure the refund is sent to you or directly to your account.
- **Electronic filing:** Determine if this is offered.
- **Year-round office:** Is the preparer there when you might need him or her?

- **Conduct an interview:** See if there is a comfortable “fit” with your personality.
- **Tax audit:** Would the preparer be able to represent you in an audit?
- **Associations:** Ask if they belong to professional organizations, such as the American Institute of Certified Public Accountants or the National Association of Enrolled Agents.

Some other points to remember – taxpayers are ultimately responsible for their tax returns. This is true no matter who prepares the return. Taxpayers need to review and understand the return prior to signing and filing. Never sign a blank return. Once the return is done, the preparer is required to give you a copy for your files.

Marc A. Hebert, MS, CFP, is a senior member and president of the wealth management and financial planning firm The Harbor Group of Bedford. Email questions to Marc at mhebert@harborgroup.com. Your question and his response might appear in a future column.

<]