

WHY USE AN ENROLLED AGENT?

Not all tax practitioners are equal!

This IRS chart outlines the different levels of testing, continuing education requirements, unlimited representation rights and other criteria that you should know before hiring a tax professional.

Overview of Tax Return Preparer Requirements

The chart below provides an overview of the various categories of individuals who may prepare federal tax returns for compensation.

Category	PTIN	Tax Compliance Check	Background Check	IRS Test	Continuing Education	Practice Rights
Enrolled Agents*	Yes	Yes	Proposals Pending	Yes (Special Enrollment Exam)	72 hours every 3 years	Unlimited
Registered Tax Return Preparers**	Yes	Yes	Proposals Pending	Yes (RTRP Test)	15 hours per Year	Limited
CPAs***	Yes	Yes	Proposals Pending	No	Varies	Unlimited
Attorneys***	Yes	Yes	Proposals Pending	No	Varies	Unlimited
Supervised Preparers	Yes	Yes	Proposals Pending	No	No	Limited
Non-1040 Preparers	Yes	Yes	Proposals Pending	No	No	Limited

***Enrolled Agents (EA)** have passed a three-part, comprehensive IRS exam covering individual and business returns. They must adhere to ethical standards and complete 72 hours of continuing education courses every three years. EAs have unlimited practice rights before the IRS, which means they can represent clients for any tax matter.

** **Registered Tax Return Preparers (RTRP)** have passed an IRS test establishing minimal competency. The test covers only individual income tax returns (Form 1040). They must adhere to ethical standards. They must also complete 15 hours of continuing education each year. RTRPs have limited practice rights before the IRS, which means they can represent clients in only certain circumstances.

*****CPAs and Attorneys** have unlimited practice rights before the IRS.

Using an enrolled agent can save significant time and effort in tax preparation and its associated tasks. EAs are equipped to advise, represent, and prepare tax returns for individuals, partnerships, corporations, estates, trusts, and any entities with tax-reporting requirements. Enrolled Agents' **Continuing Education (CE)** requirements ensure they have the knowledge to effectively represent taxpayers audited by the IRS despite the continually changing tax laws. In fact, NAEA members must fulfill continuing professional education requirements that exceed the IRS' required minimum.

National Association of Enrolled Agents (NAEA) Enrolled Agents provide two unique benefits to taxpayers.

Emphasis on Ethics – Our principal focus is honest, intelligent and ethical representation of taxpayers before the governmental agencies. Our members adhere to a stringent Code of Ethics and Rules of Professional Conduct of the Association, as well as the Treasury Department's Circular 230 regulations. In addition, our members belong to a strong network of experienced, well-trained tax professionals who work to make the tax code fair and reasonably enforced.

Proof of Expertise – Only enrolled agents are required to demonstrate to the IRS their competence in all areas of taxation, representation and ethics before they are given unlimited representation rights before IRS. Unlike attorneys and CPAs, who are state licensed and who may or may not choose to specialize in taxes, all enrolled agents specialize in taxation. Registered tax return preparers have passed a minimal competence test on tax forms for individuals, and have only limited representation rights.

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