

Why Hire A Tax Professional?

By [Gina L. Gwozdz, CPA](#)

Originally Published: January 16, 2007

With tax software so cheap, so many online tax filing options, resources and help all over the Internet, why hire a tax professional?

Are you a leader or a follower? Do you need to be told what to do? Software does not have the ability to think for you, even if it seems like it does. Yes, the program is designed to ask you a bunch of questions, but you can't discuss your specific situation with the tax software package and have it reply, "Well in your case....". Instead you are stuck with the "online help" that has been programmed in, hoping that it is not only accurate, and easy to understand, but also written with your specific situation in mind.

It is not uncommon for tax software to gloss over areas of tax law, assuming that your situation is just like the majority of people they believe will purchase their program. In addition, some tax software has a very hard time asking the appropriate questions regarding difficult areas of tax law, which include determining who qualifies as a dependent, whether or not you are entitled to the earned income credit, how to appropriately tax your investments, household employees, rental property and/or foreign income to name a few.

The "simple" tax forms that you are required to complete are based off of mountains of legal documents. Alright, maybe not "mountains", but the entire [U.S. Tax Code](#) is now over 7,500 pages. If you don't like to read or don't like to read legal or tax documents or if you have difficulty following directions, then you should consider hiring a tax professional.

You probably know if you like to read or not. And you probably know if you like to read legal or tax documents or not. But if you're not sure if you have difficulty following directions the Wisconsin Job Center has a self-test, which you can take and see how well you do. It only takes 10 minutes. You can find it here: <http://www.wisconsinjobcenter.org/publications/9482/9482.htm>.

Every day tax law cases are decided, did any of those cases affect anything that may be on your return? You wouldn't know unless you kept up with all the changes in the tax law – not only the changes passed by congress, but also all the new rulings the IRS comes out with and the decisions the judges make throughout the year. Tax professionals subscribe to newsletters, alert services, research tools and take continuing education classes so they are aware of the changes and understand how they may affect taxpayers. Most other people have better things to do with their time.

If you own a business and intend on preparing your own tax return then you most certainly know and understand how "mid-quarter convention" and "recapture" work, when they apply and when they don't. If these terms don't scare you and you're comfortable with payroll, employee benefits and the fact that [more small businesses are being audited every year](#), then maybe you're all set.

Do you ever need tax advice during the rest of the year? Ever wonder what kind of retirement plan would be best for your business? Ever wonder if you're taking advantage of all the tax breaks available? Are you planning on getting married, divorced, having a child? Have you ever received a notice from the IRS? Ever worry about receiving one? Tax software in a box or online can't help you the rest of the year. Sure you may be able to find the answers you are looking for in a book or online, but will they be right for your particular situation? Do you really want to represent yourself or explain to an IRS agent why you thought your pet's medical bills should be deductible?

If you're thinking of hiring a professional, then before you do, make sure you pick the right professional. Ask to speak with the person who will be preparing your tax return. Ask them if they have experience in preparing returns like yours. See if you like talking to them. Find out if they are available the rest of the year.

Gina L. Gwozdz is a CPA who has chosen to specialize in taxes. Visit her website at <http://GLGcpa.com> to view more Tax Tip Articles.