

April 14, 2003

DCA SURVEY FINDS MAJORITY OF CITY'S TAX PREPARERS VIOLATE THE LAW BY NOT DISTRIBUTING TAXPAYER BILL OF RIGHTS

With just two weeks remaining in the tax season, the New York City Department of Consumer Affairs (DCA) conducted a survey finding 56% of the tax preparers visited did not provide the Taxpayer's Bill of Rights when asked, as required by law. The agency visited 60 tax preparers citywide, specifically in low-to-moderate income areas, handing out warnings to those not in compliance. DCA is also working with trade groups to further inform preparers of their responsibilities and will begin issuing violations effective immediately.

"Consumers need to be prepared to demand their rights and tax preparers should know that we will not hesitate to issue violations," said DCA Commissioner Gretchen Dykstra. "It's disturbing that so many preparers are not giving out the Bill of Rights, in fact we believe 1 out of 2 are not complying. Although there are just a few days left of the tax season, we strongly urge consumers to ask for a copy of the Taxpayer's Bill of Rights, be wary of high interest loan products that promise fast money, and make sure to know where your preparer can be reached after April 15th."

Under the New York City Tax Preparer Law, consumers have the right to know:

- Qualifications of the tax preparer.
- How fees are calculated and charged.
- Difference between an instant tax refund and high interest loans.
- Whether or not the tax preparer will represent the taxpayer at a government audit.

Under the New York City Tax Preparer Law, it is illegal for a tax preparer to:

- Misrepresent his or her qualifications.
- Guarantee a tax refund or that a taxpayer will not be audited by any government tax agency.
- Charge a fee based upon the amount of tax owed or refund due.
- Claim to give taxpayers an "instant tax refund" that is actually an interest-bearing loan.

All independent tax preparers, with the exception of CPA's, enrolled agents, and attorneys, are required to give each customer a free, current, and legible copy of the Consumer Bill of Rights Regarding Tax Preparers, upon request or have it conspicuously posted at their place of business.

DCA enforces the consumer protection laws, as well as other related City and State laws, at thousands of businesses throughout New York City. DCA licenses more than 60,000 businesses in 55 different categories in New York City and educates both consumers and businesses alike through free community seminars, licensing forums, and other informational materials.

For a complete copy of DCA's Tax Preparation Services consumer guide, to get information on the citywide Earned Income Tax Credit campaign, or to file a complaint, call 311 or go online at www.nyc.gov/consumers. For tax information, call the Internal Revenue Service at (800) 829-1040 or online at www.irs.gov.