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Tax Return Preparation Fee Averages \$246

***National Society of Accountants survey finds
average cost for an itemized return is reasonable***

ALEXANDRIA, VA, January 24, 2013 — The last-minute tax law changes have finally passed. Nobody fell off the fiscal cliff.

Now what?

For millions of taxpayers, it means digging through records and deciding how to complete their ever-more-complicated tax returns.

Many will decide that hiring a professional tax return preparer is a good idea – someone who deals with tax laws for a living and is up-to-speed on the latest changes.

Fortunately, the National Society of Accountants (NSA) reports that hiring a tax return preparer is still an affordable option, costing an average of \$246 to prepare an itemized Form 1040 with Schedule A and a state tax return. If a professional tax preparer can catch even one more deduction or credit that a taxpayer may have missed, that can easily pay for the tax return preparation fee.

“I think most people would say this is worth the money,” says NSA Executive Vice President John Ams, “Especially when you think about how long it will take you to do the return. Just reading the instructions can take hours, let alone filling it out. Let a professional take the hassle out of it.”

Rates for non-itemized returns are also low – the average cost to prepare a Form 1040 and state return without itemized deductions is only \$143.

Fee information was collected in a biennial survey of tax preparers conducted by NSA. The tax and accounting firms surveyed are largely owners, principals, and partners of local “Main Street” companies who have an average of more than 26 years of experience.

“Members of NSA are highly qualified tax professionals who typically hold multiple credentials that demonstrate their expertise,” Ams adds. “Taxpayers receive personal service from people who live and work in their community and fully understand local and state tax laws in addition to their deep knowledge of the federal tax code.”

Most of them hold widely respected credentials such as Enrolled Agent, Certified Public Accountant, Accredited Tax Preparer, Accredited Tax Advisor, and others.

The survey also reported the average fees for preparing other Internal Revenue Service (IRS) tax forms, including:

- \$205 for a Form 1040 Schedule C (business)
- \$556 for a Form 1065 (partnership)
- \$759 for a Form 1120 (corporation)
- \$717 for a Form 1120S (S corporation)
- \$468 for a Form 1041 (fiduciary)
- \$628 for a Form 990 (tax exempt)
- \$59 for a Form 940 (Federal unemployment)
- \$134 for Schedule D (gains and losses)
- \$155 for Schedule E (rental)
- \$185 for Schedule F (farm)

Fees vary by region, firm size, population, and economic strength of an area. The average tax preparation fee for an itemized Form 1040 with Schedule A and a state tax return in each U.S. census district are as follows:

- New England (CT, ME, MA, NH, RI, VT) – \$237
- Middle Atlantic (NJ, NY, PA) – \$258
- South Atlantic (DE, DC, FL, GA, MD, NC, SC, VA, WV) – \$253
- East South Central (AL, KY, MS, TN) – \$279
- West South Central (AR, LA, OK, TX) – \$226
- East North Central (IL, IN, MI, OH, WI) – \$225
- West North Central (IA, KS, MN, MO, NE, ND, SD) – \$196
- Mountain (AZ, CO, ID, MT, NV, NM, UT, WY) – \$233
- Pacific (AK, CA, HI, OR, WA) – \$288

Nearly 90 percent of accounting firms offer prospective clients a free consultation, which can be worth well over \$100 based on the hourly fees of most tax preparers.

Sixty percent of accounting firms do not require payment until returns are completed and clients are satisfied. Others may require a portion of the fee upfront or payments throughout the tax return process.

All fees assume a taxpayer has gathered and organized all necessary information. Taxpayers should also make sure they provide information on time to avoid additional fees. Some will charge an average fee of \$41 to file an extension, an average fee of \$73 to expedite a return, and an average fee of \$80 if information is not provided by 15 days in advance of a filing deadline.

For more information and to use an online search directory to identify a qualified tax preparer in your area, visit www.nsacct.org and click on “Find a Professional” or call 800-966-6679.

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NSA and its affiliates represent 30,000 members who provide accounting, auditing, tax preparation, financial and estate planning, and management services to approximately 19 million individuals and business clients. Most members are sole practitioners or partners in small- to medium- size accounting firms. NSA protects the public by requiring its members to adhere to a strict code of ethics. For more information, visit www.nsacct.org.