

Article for 'Tax Time 2008'

Bruce Graham is a CPA and partner in the local accounting practice of Bruce & Neryl Graham. The practice specialises in small business management, and has a strong client base in local building, farming and retail businesses.

This is the time of year when we find that 'tax experts' come out of the woodwork. We are well aware that free advice is offered from bar stools at most of the 'watering holes' around the Valley. We frequently deal with queries from our clients who, with the best of intentions, wish to bring us up to date with their new-found knowledge that came direct from the bar stool expert. The situation gets worse when tax returns are actually prepared by well-meaning but ill-informed friends.

What concerns us most is when tax returns are prepared by unregistered people who illegally prepare income tax returns for a fee. We are not particularly concerned that they charge a fee, as much as we are concerned with the quality of advice provided.

In order to prepare tax returns for a fee you must be a Registered Tax Agent. This registration is not easy to get and takes many years of study and experience to obtain. The Tax Office is constantly on the lookout for what it calls 'unregistered preparers'.

The reason for registration is simply to protect taxpayers from inexperienced people who have a poor knowledge of taxation laws, who therefore place the taxpayer in the Tax Office firing line. These unregistered preparers often have bookkeeping and accounting skills. Some may even be qualified accountants.

Whether or not the unregistered preparer is an accountant is irrelevant when it comes to charging a fee to prepare tax returns. Some unregistered preparers will even be members of recognised professional accounting bodies, but do they have a Tax Agent Registration number?

These unregistered preparers tend to offer excuses or explanations as to why they have not obtained the appropriate registration. No excuse is acceptable. They are either Registered Tax Agents or they are not. There is no in-between.

Be wary of the person who produces handwritten tax returns, never deals with the Tax Office directly and gives you a receipt for bookkeeping when the fee was actually to prepare your income tax return.

We believe that it is important that you ask the person preparing your tax return for their Tax Agent Registration number and also to sight their Certificate of Registration. The registration number for our practice is 57774-003 and the Certificate is in full view as you enter our office.

Remember, when we need a professional job done we use a professional. That way we can sleep at night knowing that we are in good hands.