



**Myself, A Tax Preparer, CPA or EA?
What's the Difference? Does It Matter?**

Understanding Your Tax Filing Options

There are many approaches to filing your 2025 tax return. While there are various methods to accomplish this, do you truly grasp the differences between hiring a tax preparer and a CPA? Read on and learn more about your options.

For those who prefer a hands-on approach, numerous online resources and forums provide valuable advice and insights from fellow taxpayers and financial professionals. Whichever method you choose, remember that the key to success lies in starting early, staying organized, and keeping informed about any changes in tax laws that may impact your return. By following these steps, you can maximize your refund while minimizing stress during tax season.

Should I file my own taxes? This is a great question! If you have a simple situation and feel confident in filing your own taxes, you may be a candidate to do so, here are some helpful IRS resources below.

1. IRS Free File (Available at IRS.gov)

The IRS collaborates with private tax software companies to provide free federal e-filing software if your 2024 adjusted gross income (AGI) is below a certain limit, typically around \$84,000 to \$89,000 for the 2025 tax year. Start at IRS.gov and select from the available software options—essentially, commercial software offered at no cost through the IRS.

2. Free File Fillable Forms

If your income exceeds the threshold or you prefer to handle your taxes independently, you can utilize online fillable IRS forms to prepare and e-file your 1040 directly. Keep in mind that these forms are electronic versions of the official paper forms and do not provide the guidance that tax software offers.

When contemplating hiring someone for your 2025 filing, it's crucial to grasp the distinctions between a tax preparer, a CPA (Certified Public Accountant), and an EA (Enrolled Agent).

Tax Preparer (Generic Term)

The term “tax preparer” refers to a job description rather than a specific license.

It encompasses anyone who prepares tax returns for compensation, including:

- Seasonal tax professionals
- Employees at chain firms (such as H&R Block, Jackson Hewitt, etc.)
- Independent preparers
- Certified Public Accountants (CPAs) and Enrolled Agents (EAs) also fall within this category

What to know

- Training requirements vary wildly
- Some are excellent, some are... not
- Most can prepare returns, but many can't represent you before the IRS
- Cheaper, especially for simple returns

CPA (Certified Public Accountant)

A CPA is a licensed professional with serious credentials.

What it takes to be a CPA

- College degree
- Passed the CPA exam
- State licensing + ongoing continuing education
- Subject to ethics rules and discipline

What CPAs can do?

- Prepare taxes
- Do tax planning (not just filing)
- Represent you before the IRS
- Handle audits
- Advise on businesses, investments, and long-term strategy
- Do accounting, bookkeeping, financial statements

One more option (worth knowing): Enrolled Agent (EA)

- Not a CPA, but licensed by the IRS and tax-only specialists.
- Can represent you before the IRS
- Often cheaper than CPAs
- Fantastic for complex tax issues if you don't need broader accounting help

Tax season has arrived, and having a solid plan in place is essential to ensure you can accurately complete your 2025 tax returns by April 15th!

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