

NATP

2008 Tax Professional Fee Study



The first-ever NATP Tax Professional Fee Study is complete. The interviews have been conducted, the data gathered, and the researchers have compiled the most critical details relating to what you charge for your professional services.

The following document is a sample of this Fee Study that covers everything from the objective and methodology of the study to the data-gathering process, and finally the conclusions that will inform you about the fee trends in your part of the country. This study doesn't just give you the bottom line on what people are charging in your area, it gets even more specific about why other tax professionals charge what they do.

If you like what you see, the full version of this 70-page Fee Study is only available by joining NATP. Upon joining, you can download it for free or purchase a print document for \$10 plus shipping and handling. For more information on NATP membership call 800.558.3402, ext. 3 or visit our website at www.natptax.com.

Business Profile: Total Tax Returns Prepared by Company

- Businesses with more than one employee prepared an average of 937 tax returns in 2008, an 11% increase compared to last year.
- In 2008, more than half of these businesses prepared 500 or more returns.

This is just a sample of 1 of 6 pages of data concerning tax business profiles.

Number of Tax Returns Prepared in 2007

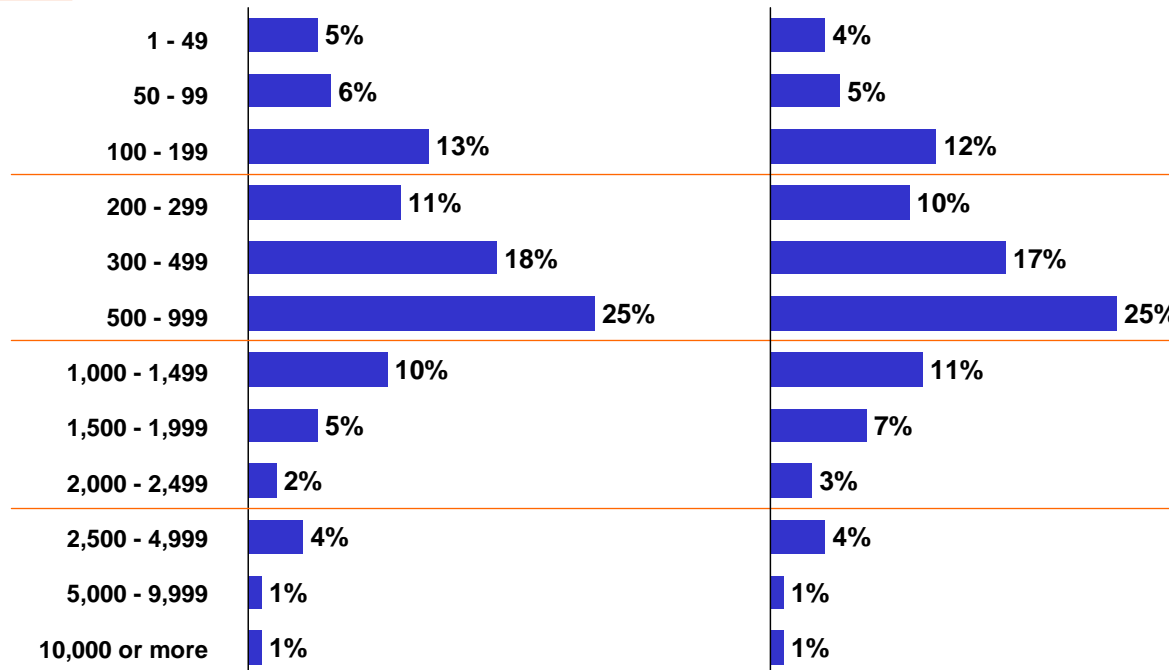
Base: More than one person in business
n=2,118

MEAN: 845

Number of Tax Returns Prepared in 2008

Base: More than one person in business
n=2,118

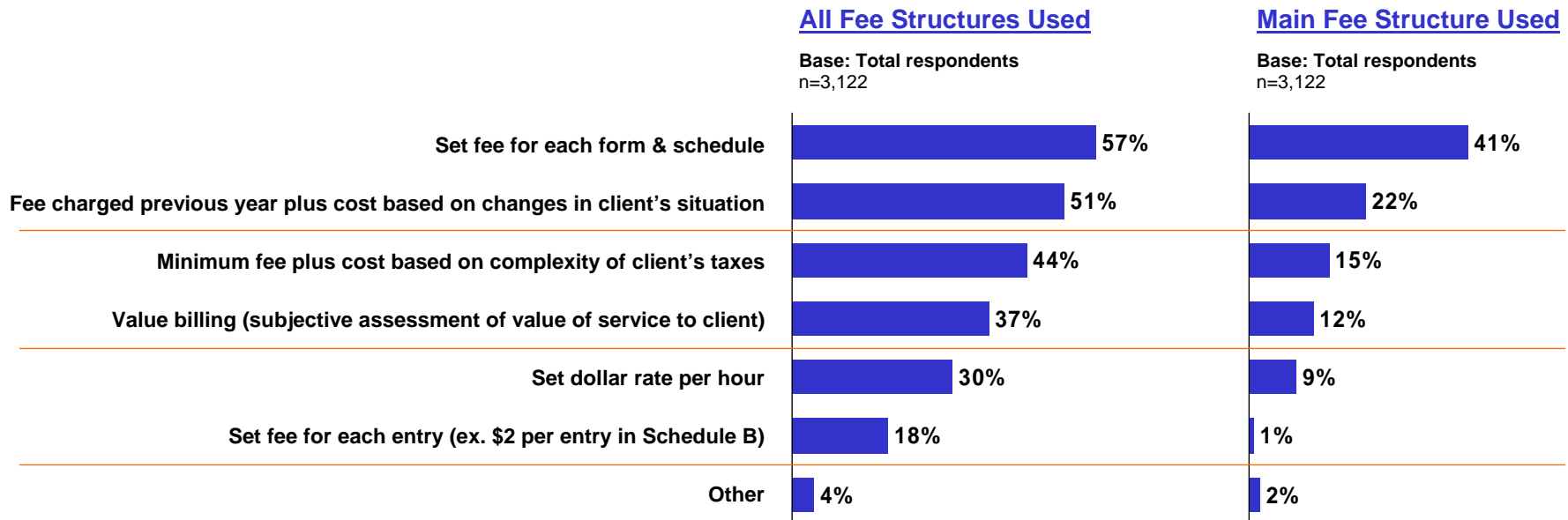
MEAN: 937



Q10: Approximately how many tax returns did your business prepare in 2007? How many does your business expect to prepare in 2008?

Fee Structures Used

- Most fee structures include a set fee for each form and consideration of a specific client's current tax situation.
- Few tax professionals charge a set dollar rate per hour or charge for each entry on the tax forms.



This is just a sample of 1 of the 26 pages of data concerning fee structures.

Fees Charged by Specific Tax Form

- On average, tax professionals charge a minimum fee of \$78, but 23% do not charge any minimum fee at all.

Minimum Fee Charged for Tax Preparation

Base: Total respondents
n=3,122

MEAN: \$78

Fee Charged for Form 1040EZ

Available on full version

Fee Charged for Form 1040A

Available on full version

Fee Charged for Form 1040NR

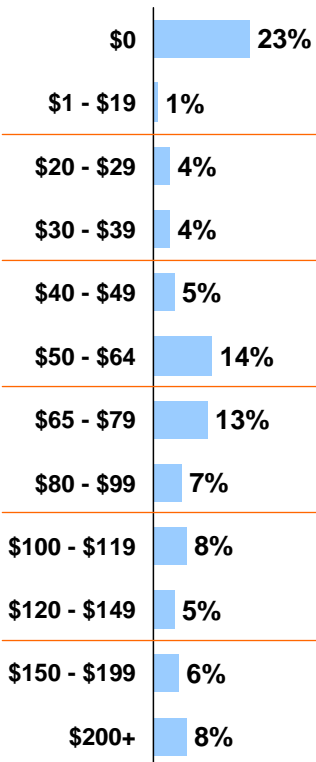
Available on full version

Fee Charged for Form 1040

Available on full version

Fee Charged for Form 709

Available on full version



In the full version of the NATP Tax Professional Fee Study, there are 15 more IRS tax forms (a total of 20) that contain data on average fees charged per form.

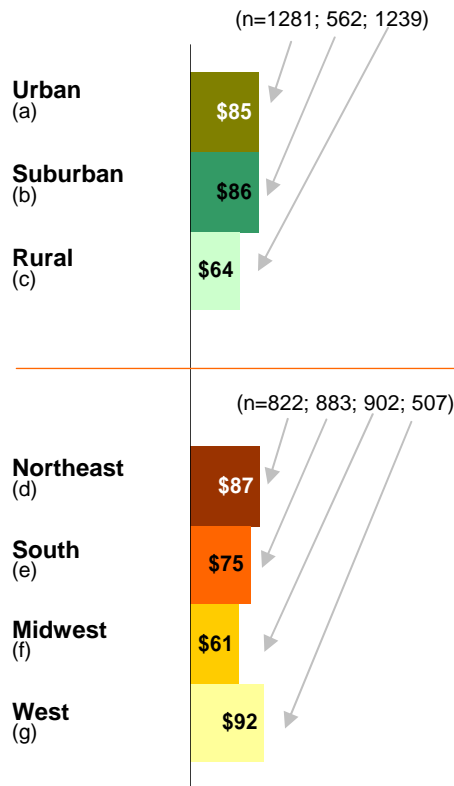
*Less than 0.5%

Q15: What is the average fee that your business charges clients for preparing taxes using each of these forms and schedules?
Q16: What is the minimum fee that your business charges clients for preparing taxes?

Fees Charged by Specific Tax Form by Location

- Fees charged by specific form are generally lower in rural areas than in urban or suburban areas.

<u>MEAN</u>	<u>Minimum Fee Charged for Tax Preparation</u>	<u>Fee Charged for Form 1040EZ</u>	<u>Fee Charged for Form 1040A</u>	<u>Fee Charged for Form 1040NR</u>	<u>Fee Charged for Form 1040</u>	<u>Fee Charged for Form 709</u>
	Base: Total respondents	Available on full version	Available on full version	Available on full version	Available on full version	Available on full version



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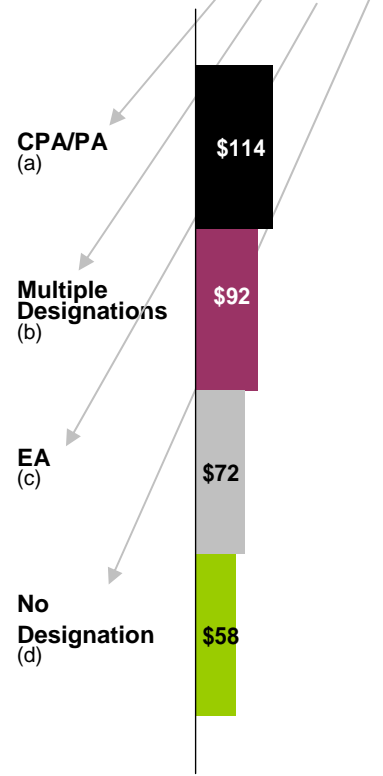
Q15: What is the average fee that your business charges clients for preparing taxes using each of these forms and schedules?
 Q16: What is the minimum fee that your business charges clients for preparing taxes?

Fees Charged by Specific Tax Form by Designation

- CPA's and PA's typically charge the highest minimum fees for tax preparation.

<u>MEAN</u>	<u>Minimum Fee Charged for Tax Preparation</u>	<u>Fee Charged for Form 1040EZ</u>	<u>Fee Charged for Form 1040A</u>	<u>Fee Charged for Form 1040NR</u>	<u>Fee Charged for Form 1040</u>	<u>Fee Charged for Form 709</u>
	Base: Total respondents	Available on full version	Available on full version	Available on full version	Available on full version	Available on full version

(n=345; 797; 884; 962)

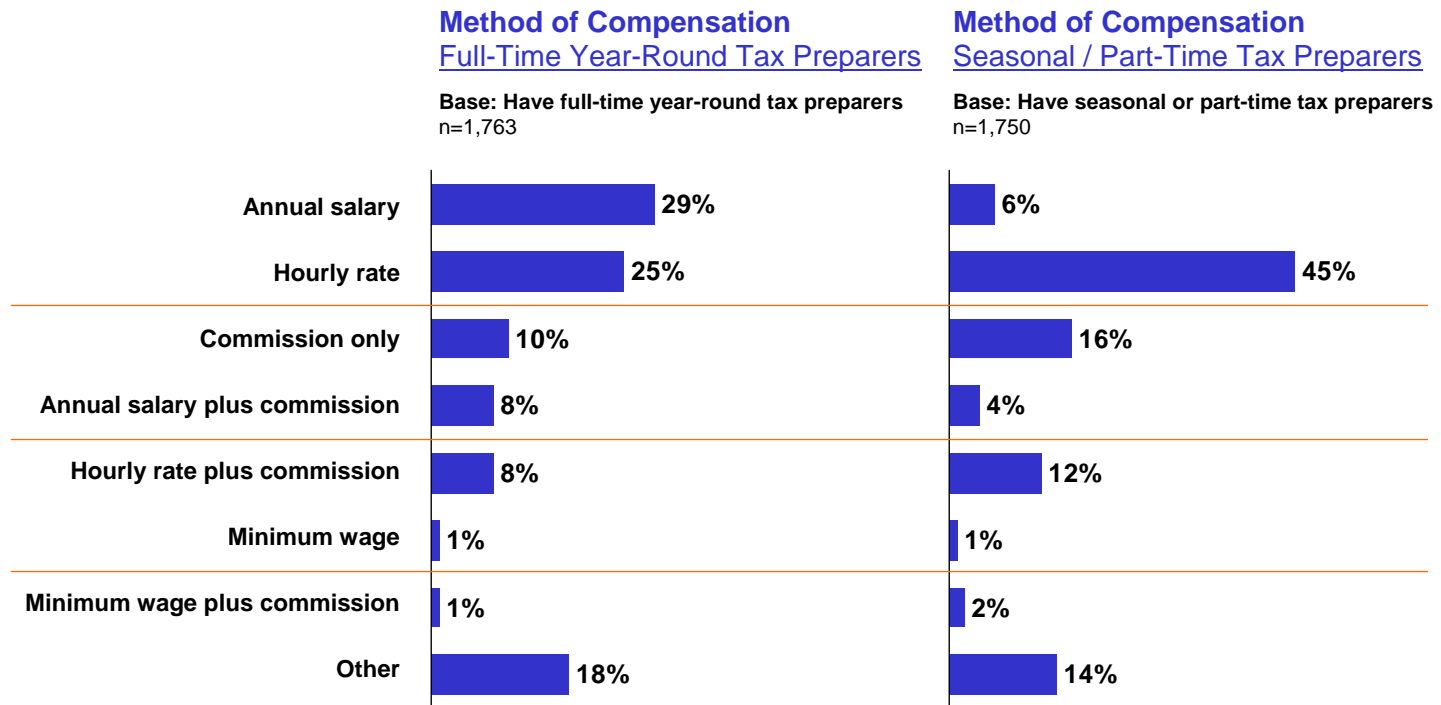


In the full version of the NATP Tax Professional Fee Study, there are 15 more IRS tax forms (a total of 20) that contain data on average fees charged per form.

Q15: What is the average fee that your business charges clients for preparing taxes using each of these forms and schedules?
 Q16: What is the minimum fee that your business charges clients for preparing taxes?

Method of Compensation

- Most full-time tax preparers are either paid an annual salary or an hourly rate.
- Part-time tax preparers are nearly twice as likely to be paid an hourly rate; only 6% of seasonal or part-time tax professionals are paid an annual salary.



The full version of the NATP Tax Professional Fee Study includes employee benefits offered, compensation figures, as well as, various factors involved with compensation.

Members of the National Association of Tax Professionals (NATP) work at offices that assist over 11 million taxpayers with tax preparation and planning. The average NATP member has been in the tax business for over 20 years and holds a tax/financial designation and/or a college degree. NATP has more than 18,750 members nationwide. Members include individual tax preparers, enrolled agents, certified public accountants, accountants, attorneys, and financial planners. Learn more at www.natptax.com.

NATP is a nonprofit professional association founded in 1979 to serve professionals working in all areas of tax practice through professional education, tax research, and products. The national headquarters, located in Appleton, WI, employs over 40 staff members.

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