



2020 Tax Professional Fee Study

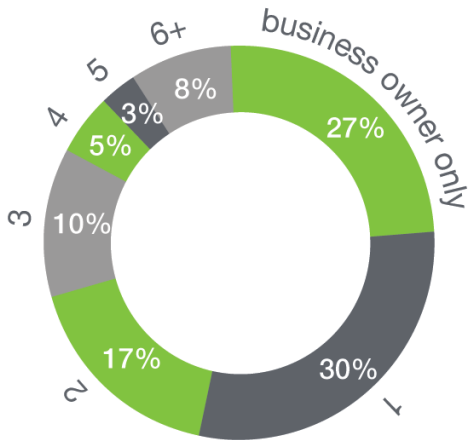
When it comes to tax preparation fees, how do you compare to your competition?

We gathered and analyzed the data from our most recent Tax Professional Fee Survey. Inside, you will find a summary of the most critical details relating to what you charge for professional services.

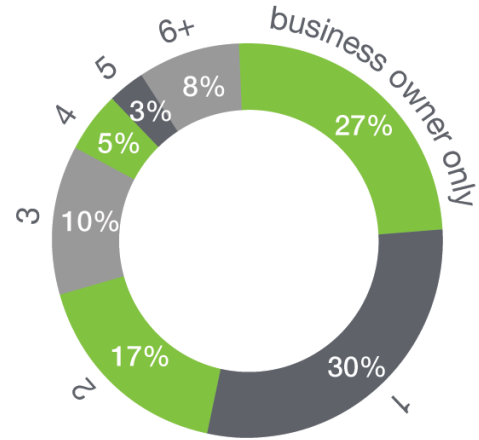
The information provided in this study gives you a distinct advantage over tax professionals in your area who are not NATP members. Knowledge is power and knowing what your peers charge gives you the power to be competitive with your pricing and still earn what you're worth.

Total Number of Employees

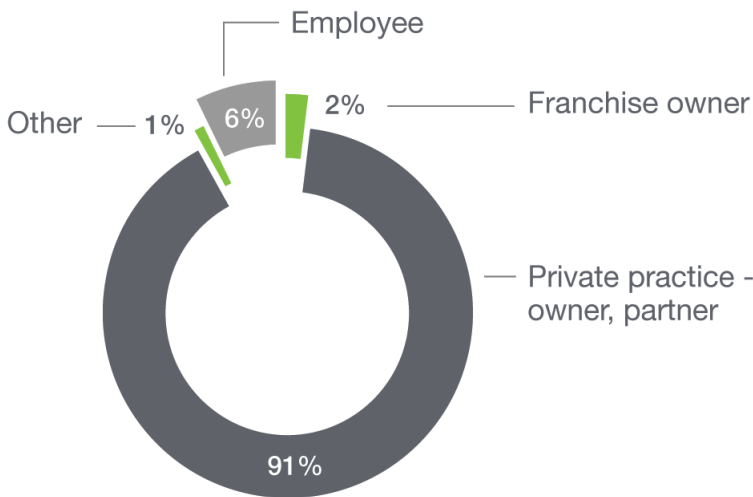
Tax office employees include administrative staff and tax preparers.



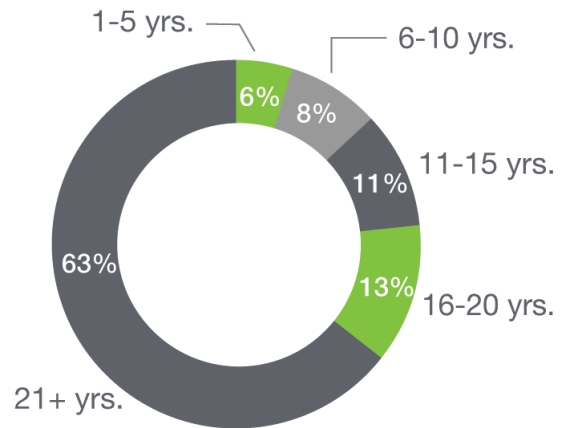
Number of Total Employees who are Preparers



Employment Role

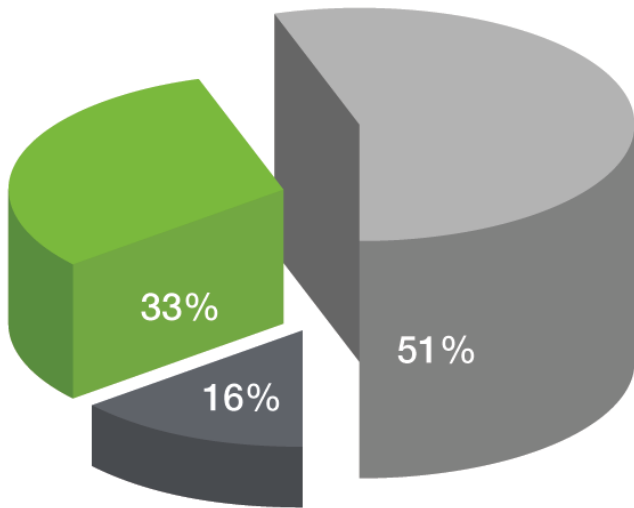


Years in Tax Business



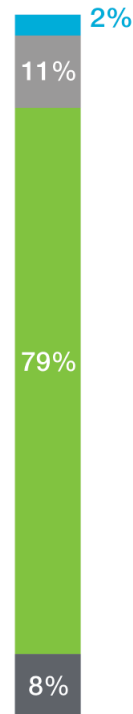
(Less than one year equaled zero.)

Client Community Size



- Less than 10,000 people
- 10,001 to 50,000 people
- 50,001 or more people

Tax Client Target Market

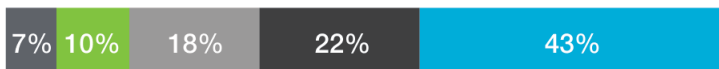


2019

- Clients who need representation
- Easier returns and volume-focused
- Mix of complex and easier returns
- Mainly complex returns

Percent of Revenue Derived from Tax Prep

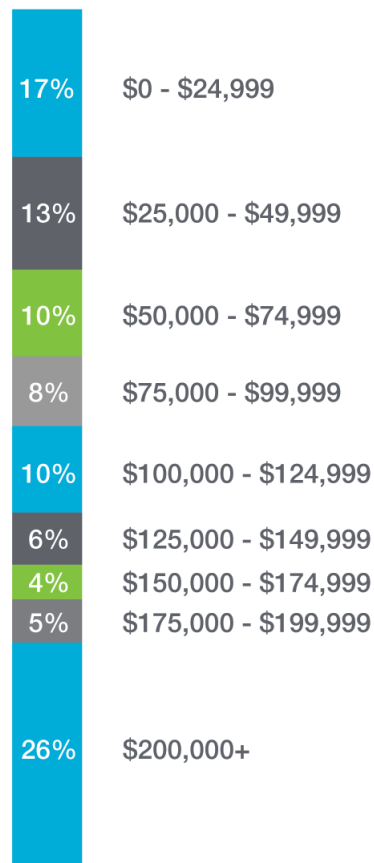
- 0-20%
- 21-40%
- 41-60%
- 61-80%
- 81-100%



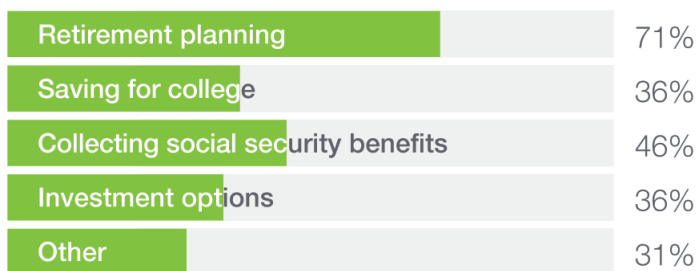
Services Offered: Percent of Gross Revenue

	2018	2019
Amending previous tax returns	4%	2%
Calculating proper W-4 withholdings	1%	0%
Estimated tax projections	2%	1%
Filing a paper return	2%	1%
Reviewing returns done by someone else	1%	1%
Tax consulting	4%	3%
Tax examination protection	1%	0%
Tax examination representation	3%	2%
Tax planning	3%	2%
Tax preparation	70%	65%
Tax reform consulting	1%	0%
Financial planning	---	2%
Payroll taxes	---	4%
Bookkeeping/monthly accounting	---	13%
Other	10%	2%

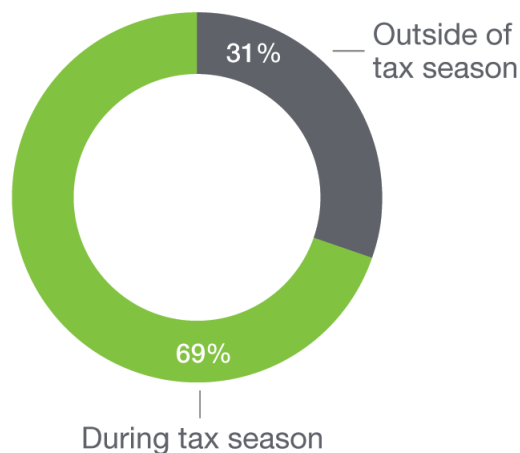
Overall Gross Revenue



Types of Tax Consulting Offered

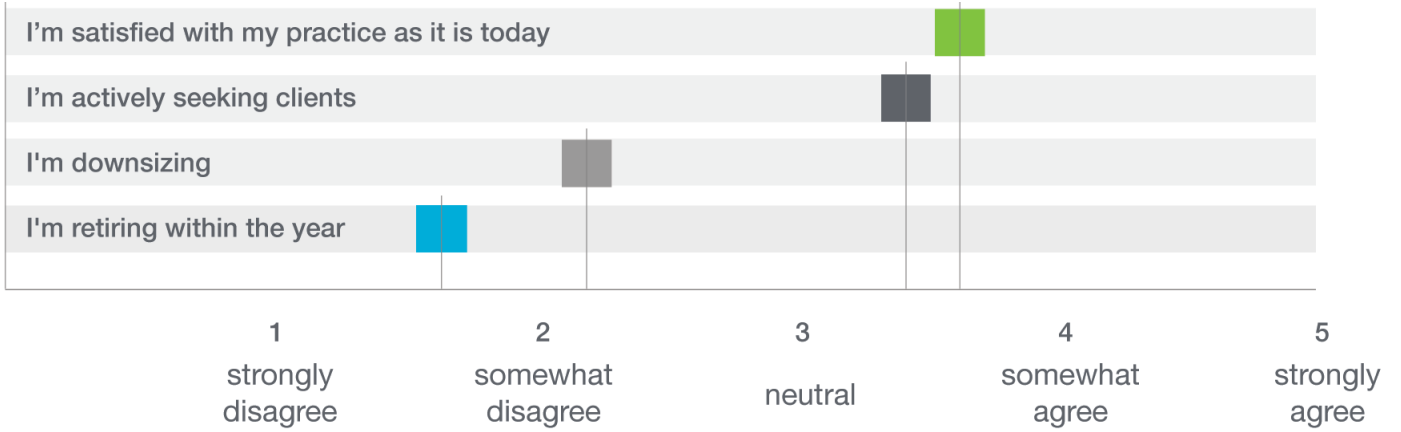


Gross Revenue Earned

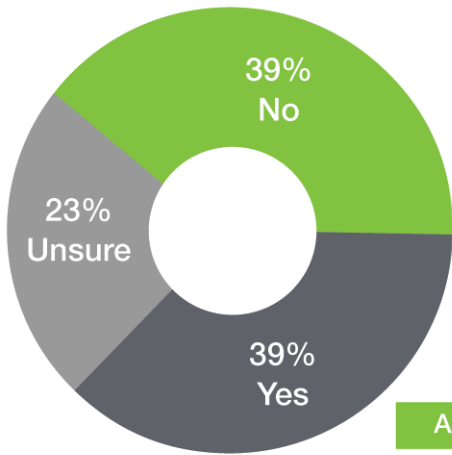


Business Plan

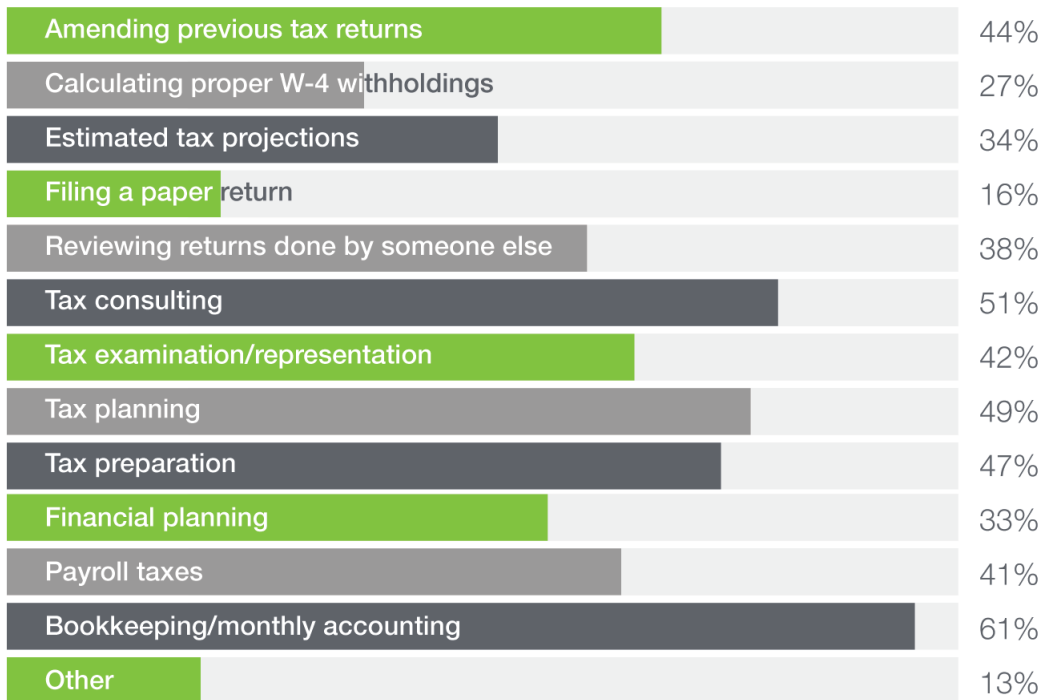
Respondents were asked to indicate their level of agreement with the following statements.



Looking to Expand Services



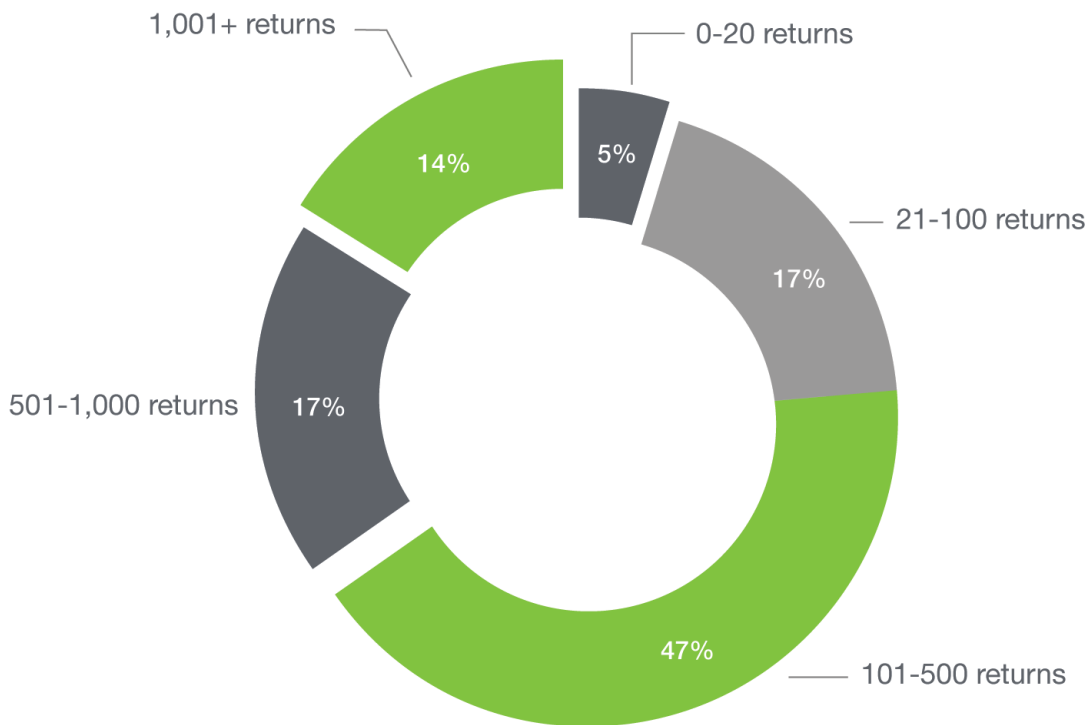
→ If Yes, Services Being Considered



Services Being Considered, by Designation

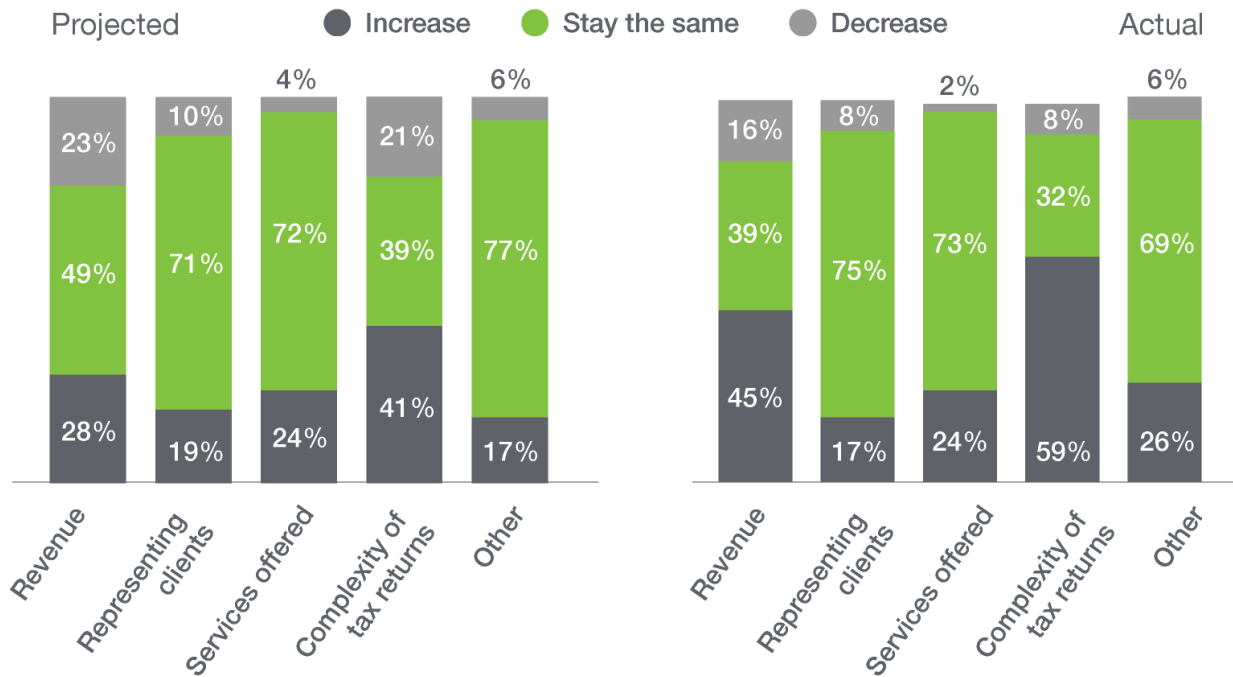
	AFSP	CPA	EA	No designation
Amending previous tax returns	46%	45%	41%	47%
Calculating proper W-4 withholdings	28%	32%	26%	30%
Estimated tax projections	32%	45%	34%	33%
Filing a paper return	19%	18%	12%	18%
Reviewing returns done by someone else	38%	37%	35%	41%
Tax consulting	44%	53%	55%	52%
Tax examination/ representation	37%	37%	53%	33%
Tax planning	46%	55%	50%	41%
Tax preparation	48%	44%	46%	58%
Financial planning	29%	33%	32%	38%
Payroll taxes	38%	37%	41%	49%
Bookkeeping/monthly accounting	62%	59%	57%	73%
Other	10%	19%	13%	12%

Average Number of Tax Returns Prepared by Your Office



Impact of Tax Law Changes on Business

Other impacts noted were tax planning, payroll and client questions.

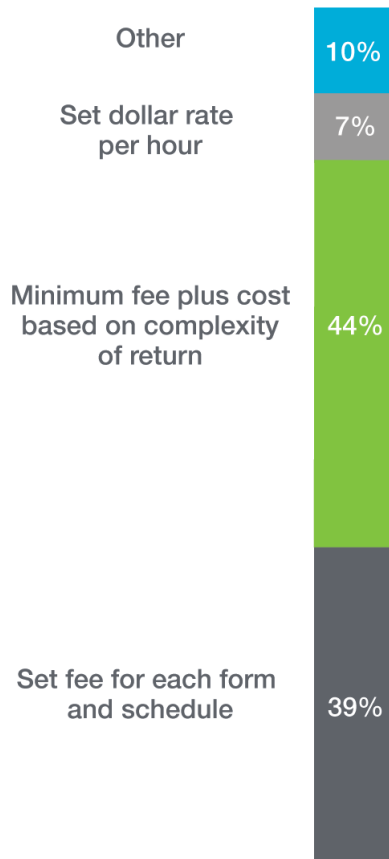


Impact of Tax Law Changes on Business, by Designation

3-point scale

	AFSP		CPA		EA		No designation	
	Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual
Revenue	2.0	2.2	2.1	2.5	2.0	2.4	2.1	2.2
Representing	2.0	2.1	2.0	2.1	2.1	2.1	2.1	2.1
Services offered	2.2	2.2	2.2	2.3	2.2	2.2	2.2	2.2
Complexity of tax	2.2	2.4	2.4	2.6	2.2	2.5	2.2	2.5
Other	2.1	2.1	2.1	2.4	2.1	2.2	2.1	2.1

Method for Pricing 1040 Tax Prep Services



Overall Average Charge for a 1040 Individual Return Regardless of Method

\$203

7% of Respondents Use this Method

Average Set Dollar Rate Per Hour

\$138

Average Set Dollar Rate Per Hour, by Community Size

	Individual returns
Less than 10,000 people	\$117
10,001 to 50,000 people	\$126
50,001 or more people	\$148

Set Dollar Rate Per Hour (Average set dollar rate was multiplied by average billable hours. The results are displayed below.)

1040 return (without schedules)	Schedule A	Schedule C	Schedule D	Schedule E	Schedule EIC/EITC	Form 8962
\$198	\$131	\$229	\$169	\$180	\$122	\$117

Set Dollar Rate Per Hour by Client Community Size (Average set dollar rate per hour by community size was multiplied by average billable hours. The results are displayed below.)

	Form 1040	Schedule A	Schedule C	Schedule D	Schedule E	Schedule EIC/EITC	Form 8962
Less than 10,000 people	\$164	\$117	\$ 257	\$140	\$146	\$117	\$117
10,001 to 50,000 people	\$189	\$126	\$ 252	\$149	\$189	\$100	\$97
50,001 or more people	\$209	\$135	\$ 221	\$185	\$183	\$138	\$132

44% of Respondents Use this Method

Minimum Fee Plus Cost Based on Complexity of Return

New client	\$172
Returning client	\$160

Minimum Fee by Client Community Size

	New client	Returning client
Less than 10,000 people	\$124	\$117
10,001 to 50,000 people	\$164	\$156
50,001 or more people	\$196	\$179

39% of Respondents Use this Method

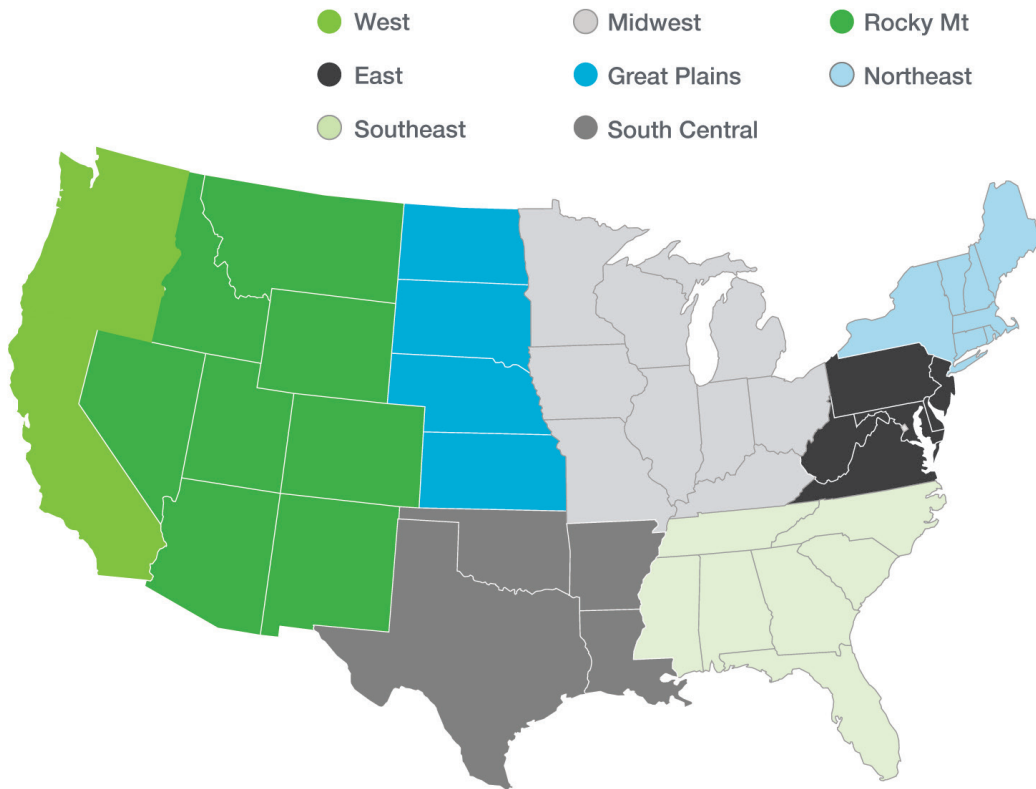
Average Set Fee Per Form and Schedule

Form 1040 (with-out schedules)	Schedule A	Schedule C	Schedule D	Schedule E	Schedule EIC/EITC	Form 8962
\$131	\$41	\$84	\$38	\$59	\$32	\$22

Average Set Fee Per Form and Schedule, by Client Community Size

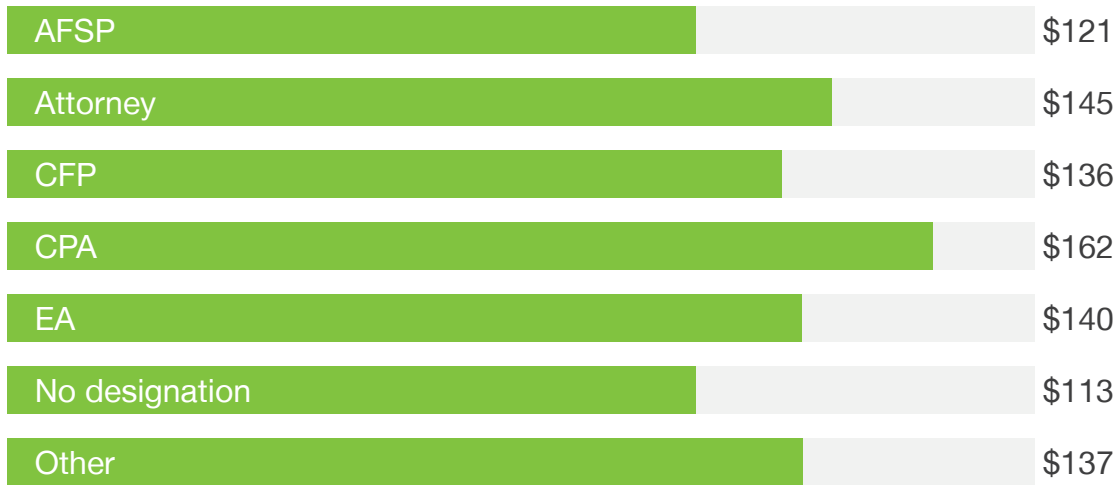
	Form 1040	Schedule A	Schedule C	Schedule D	Schedule E	Schedule EIC	Form 8962
Less than 10,000 people	\$113	\$32	\$66	\$30	\$45	\$31	\$22
10,001 to 50,000 people	\$123	\$39	\$81	\$37	\$58	\$31	\$21
50,001 or more people	\$143	\$46	\$92	\$42	\$64	\$33	\$23

Fees for Forms and Schedules, by Region

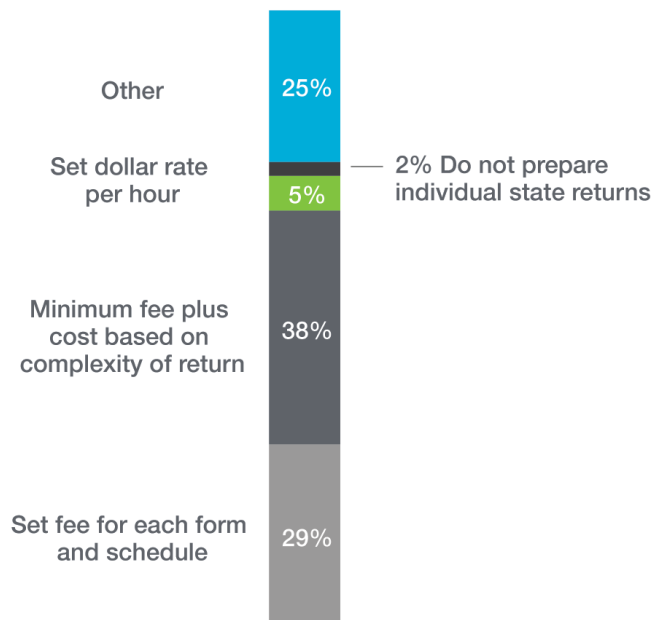


	West ●	East ●	Southeast ●	Midwest ●	Great Plains ●	South Central ●	Rocky Mt ●	Northeast ●
Form 1040 (without schedules)	\$148	\$131	\$135	\$123	\$135	\$131	\$146	\$132
Schedule A	\$59	\$41	\$40	\$40	\$47	\$42	\$37	\$42
Schedule C	\$109	\$83	\$82	\$77	\$90	\$83	\$81	\$88
Schedule D	\$48	\$38	\$35	\$32	\$43	\$36	\$45	\$43
Schedule E	\$75	\$56	\$61	\$52	\$59	\$57	\$61	\$66
Schedule EIC/EITC	\$31	\$30	\$31	\$34	\$42	\$31	\$29	\$34
Form 8962	\$19	\$20	\$24	\$22	\$27	\$22	\$22	\$23
Overall fee for federal forms	\$72	\$59	\$56	\$55	\$66	\$59	\$61	\$62
Fee plus cost based on complexity of return for new clients	\$195	\$178	\$166	\$151	\$97	\$166	\$204	\$181
Fee plus cost based on complexity of return for returning clients	\$169	\$171	\$159	\$145	\$86	\$161	\$174	\$161

Average Set Fee for Form 1040, by Designation



How Charges are Applied for Individual State Tax Preparation



How Business/Fiduciary Returns are Charged



Overall Average Charge for Business/
Fiduciary Return Regardless of Method

\$460

9% of Respondents Use this Method

Average Set Dollar Rate Per Hour

\$169

Average Set Dollar Rate Per Hour,
by Community Size

	Individual returns
Less than 10,000 people	\$129
10,001 to 50,000 people	\$145
50,001 or more people	\$189

Average Set Dollar Rate Per Hour Average set dollar rate per hour was multiplied by average billable hours. The results are displayed below.

Form 1041	Form 1065	Form 990	Form 990-EZ	Form 1120	Form 1120s
\$480	\$690	\$648	\$359	\$697	\$759

Set Dollar Rate Per Hour by Client Community Size Average set dollar rate per hour, by client community size was multiplied by average billable hours. The results are displayed below.

	Form 1041	Form 1065	Form 990	Form 990-EZ	Form 1120	Form 1120s
Less than 10,000 people	\$386	\$514	\$739	\$257	\$591	\$617
10,001 to 50,000 people	\$426	\$621	\$514	\$264	\$783	\$639
50,001 or more people	\$530	\$762	\$709	\$432	\$788	\$741

61% of respondents use this method

Minimum Fee Plus Cost Based on Complexity of Return

New client	\$366
Returning client	\$358

Minimum Fee by Client Community Size

	New client	Returning client
Less than 10,000 people	\$285	\$267
10,001 to 50,000 people	\$356	\$347
50,001 or more people	\$401	\$396

21% of respondents use this method

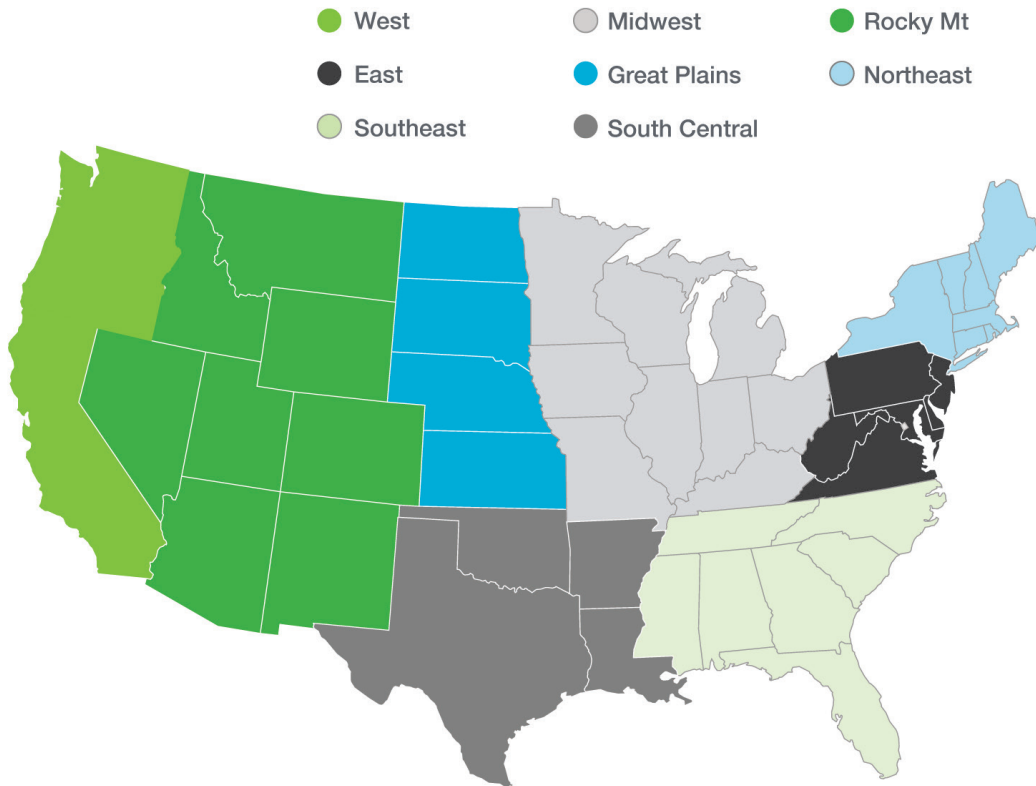
Average Set Fee Per Form

Form 1041	Form 1065	Form 990	Form 990-EZ	Form 1120S	Form 1120
\$293	\$393	\$332	\$222	\$436	\$486

Average Set Fee Per Form by Client Community Size

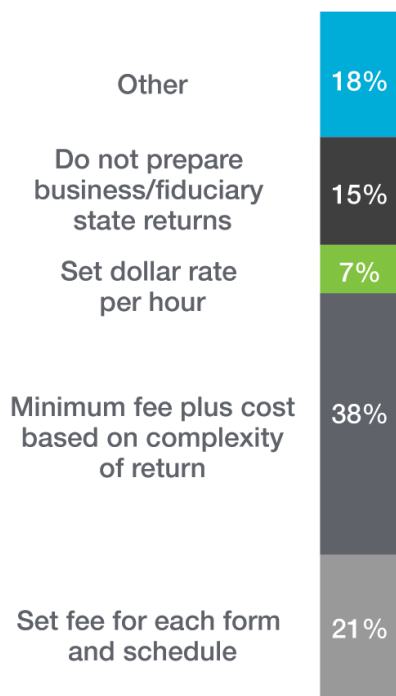
	Form 1041	Form 1065	Form 990	Form 990-EZ	Form 1120	Form 1120s
Less than 10,000 people	\$225	\$316	\$318	\$200	\$426	\$415
10,001 to 50,000 people	\$297	\$384	\$304	\$208	\$474	\$418
50,001 or more people	\$313	\$431	\$369	\$244	\$523	\$461

Fees for Forms and Schedules, by Region

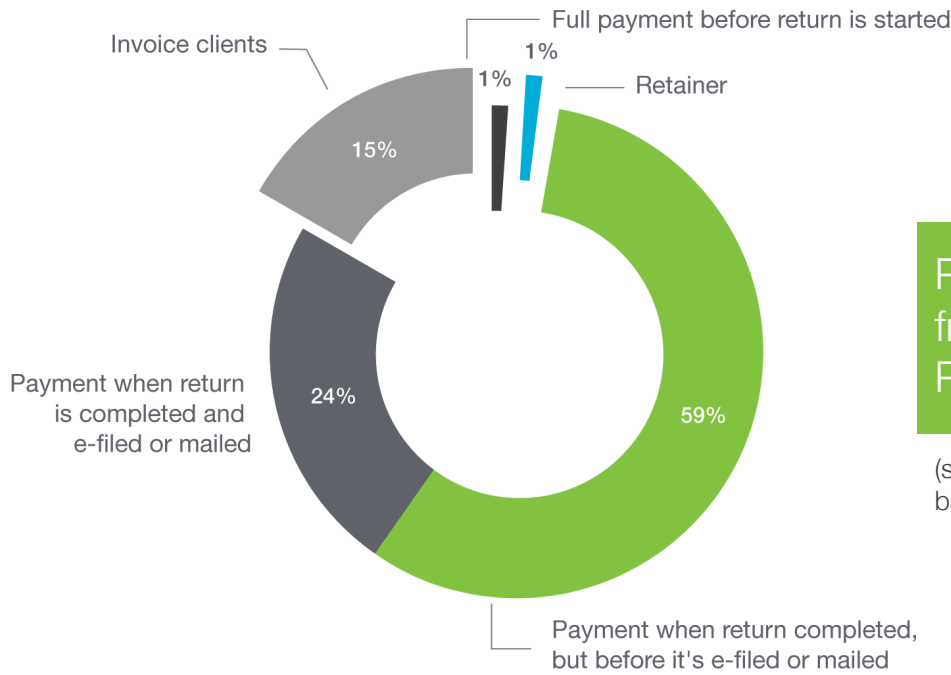


	West ●	East ●	Southeast ●	Midwest ●	Great Plains ●	South Central ●	Rocky Mt ●	Northeast ●
Form 1041	\$470	\$280	\$286	\$260	\$238	\$212	\$304	\$316
Form 1065	\$496	\$363	\$409	\$361	\$356	\$425	\$371	\$418
Form 990	\$348	\$294	\$348	\$286	\$163	\$250	\$414	\$406
Form 990-EZ	\$206	\$190	\$244	\$194	\$167	\$230	\$246	\$240
Form 1120S	\$574	\$387	\$437	\$401	\$342	\$534	\$428	\$448
Form 1120	\$670	\$420	\$505	\$425	\$332	\$597	\$439	\$532
Overall fee for business/fiduciary returns	\$489	\$327	\$377	\$333	\$287	\$397	\$371	\$394
Fee plus cost based on complexity of business returns for new clients	\$415	\$376	\$387	\$316	\$262	\$369	\$384	\$389
Fee plus cost based on complexity of returns for business returning clients	\$423	\$363	\$373	\$314	\$275	\$347	\$386	\$376

How Business/Fiduciary State Returns are Charged



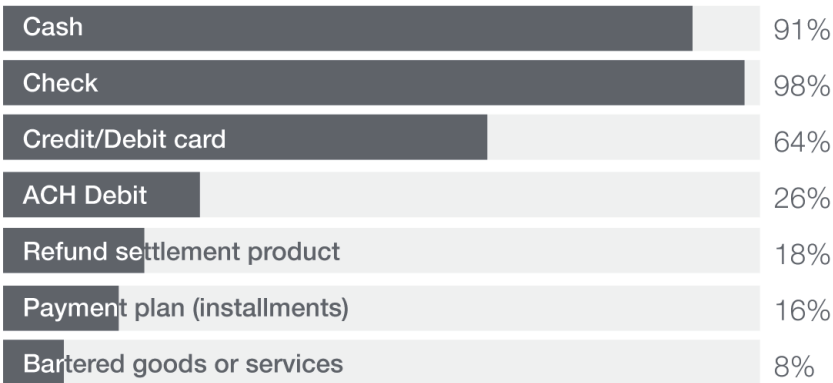
Payment for Services



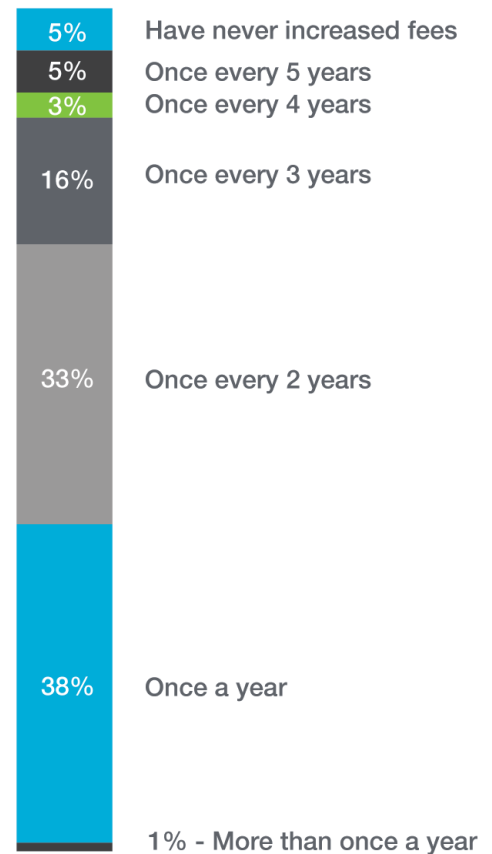
Percent of Revenue from Automatic Payments **9%**

(such as credit card or bank account on file)

Payment Methods Accepted



Frequency of Tax Preparation Fee Increases



Discounts Offered

I do not offer any of the discounts	14%
Free consultation for prospective clients	55%
Family or friends of a tax preparer	43%
Family or dependents of client	46%
Students	40%
Senior citizens	29%
New clients	13%
Returning customer	12%
Advertised coupon	8%
Discount for a past service error	25%
Filing before a specific date	3%
Charities or non-profits	11%
Pro bono work	22%
Vocation or affiliation (veteran, clergy, police, etc.)	11%
Other	7%

Amount Paid for Referral

\$34

Percentage of Gross Revenue for Other Billed Services

I do not charge separate fees for the tax services listed below	10%
Amending previous tax returns	84%
Tax examination/representation	56%
Tax planning	39%
Reviewing returns done by someone else	37%
Estimated tax projections	28%
Calculating W-4 withholdings	14%
Filing a paper return	14%
Tax consulting	50%
Other	6%

The survey was administered electronically to a 50% stratified random sample of NATP's membership population. A total of 1,484 members completed the survey for an overall response rate of 13.3%.