

CHEAP TAX /SOLUTIONS

Tips and Tricks for Resolving Your Taxes

Is a Power of Attorney a simple document that should cost \$100 to \$300?

Flag: If you're being charged significantly more than \$300 for a basic Power of Attorney, you may be overpaying. Many simple POAs are available at lower costs through standard legal services.

A company wants to charge me more than \$500 for a Power of Attorney and my tax transcript.

Flag: Charging over \$500 for a basic Power of Attorney and a tax transcript is excessive. Your tax transcripts are free, and a simple power-of-attorney (POA) should cost much less. Beware of overcharging.

The company I am considering seems to have an empty office space.

Flag: An empty office may signal a scam or unestablished business. Verify credentials before proceeding.

The company will only meet online.

Flag: A company that only meets online may lack legitimacy. Ensure that you have a verifiable business

presence and proper credentials before proceeding.

I am told an Enrolled Agent is handling my case, not a CPA or attorney. Is there a difference?

Flag: Enrolled Agents are tax specialists but have fewer legal privileges than CPAs or attorneys. If your case involves legal disputes, audits, or complex tax issues, a CPA or tax attorney may be more appropriate.

What is the average hourly salary of an Enrolled Agent?

Flag: The average hourly wage for an Enrolled Agent in the U.S. is around \$21, typically ranging between \$19 and \$24. Be cautious of services that charge significantly higher fees without justification.

The company won't disclose their hourly rate.

Flag: A company that refuses to disclose its hourly rate may be hiding excessive fees. Transparent pricing is a sign of a reputable business; proceed with caution.

The company won't disclose how they track time on my case.

Flag: If a company won't disclose how they track time on your case, you may be overcharged or billed unfairly. Transparent time tracking is essential for accountability; proceed with caution.

I am being asked to pay a nonrefundable minimum fee.

Flag: Nonrefundable minimum fees can be a warning sign of unfair billing practices. Ensure that you understand the scope of services and compare with industry standards before agreeing.

I was charged a nonrefundable minimum fee and now they are saying it costs more.

Flag: A nonrefundable minimum fee followed by unexpected additional costs is a major red flag. This could indicate misleading pricing; demand a clear breakdown of charges before paying more.

The company wants more than \$10,000 to resolve my tax problems.

Flag: Charging over \$10,000 for tax resolution is excessive in most cases. Get a second opinion from a reputable tax professional before committing to such a high fee.

With an average Enrolled Agent salary of \$21 per hour, my \$5,000 minimum fee equals 250 hours. Does it take that long?

Flag: If your minimum fee equals 250 hours at the national average rate, the company may be overcharging. Most tax cases do not require that much time; ask for a detailed breakdown of expected work hours.

How would I know if they are charging me based on my fear of what I owe versus the effort involved in solving my case?

Flag: If fees seem based on how much you owe rather than the actual work required, you may be overpaying. Compare quotes from multiple professionals and request an itemized estimate to ensure fair pricing.

I used a lawyer before and they gave me an itemized hourly bill, but the tax resolution company won't.

Flag: A legitimate service should provide an itemized hourly bill, just like an attorney. If a tax resolution company refuses, they may be hiding inflated fees - demand transparency before proceeding.

They won't add a cancellation clause to my agreement.

Flag: A company refusing to include a cancellation clause may be trying to lock you into an unfair agreement. Avoid signing contracts without a clear exit strategy; this is a major warning sign.

I have an agreement with an existing company, but my fees seem really high. Can I break this agreement?

Flag: Breaking an agreement depends on the contract terms. Review the cancellation policy and consult with a legal or tax professional to avoid penalties or unnecessary

costs. If fees seem excessive, seek a second opinion before proceeding.

The company wants access to my bank accounts. Why would they need that?

Flag: A tax resolution company should not need direct access to your bank accounts. This could be a sign of fraud or an attempt to control your funds. Only the IRS or state agencies require account details for payment arrangements - act with extreme caution

How many red flags equal a big red flag?

Flag: One or two concerns might be explainable, but multiple red flags—especially around transparency, pricing, and legitimacy—indicate a BIG RED FLAG. If you see several warning signs, reconsider working with the company.

cheaptaxsolutions.com