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To DIY or not DIY Tax Returns to the IRS **(part 1)**

The tax season is upon us and sooner or later, everyone needs to file their taxes. The question is whether you make your own tax returns or engage the services of a tax preparation professional.

Although it is still early in the current tax season, it is not surprising to note that there is already a clear trend for taxpayers to file their tax returns themselves rather than rely on paid tax preparation services. The largest tax preparer in the country, H&R Block reported an 8.2% drop in the number of customers seeking their services year-on-year as at February 15. Correspondingly, Intuit Co., a company that specializes in marketing tax preparation software, reported an 11% increase in sales of its software, Turbo Tax E-filing.

According to the IRS, last year about 60% of Americans used the services of paid tax preparers, a proportion unchanged from the year before. This figure grew over from just under 54% at the turn of the century. An increase of 6% in 10 years is nothing to shout about.

In terms of cost, making your own tax filing using computer software wins hands down. The services of a tax preparer would cost around \$200 whereas the purchase price of a piece of tax preparation software comes up to only \$30 or \$40. With the economy in the doldrums, most people would opt to save the \$150 or so.

Most taxpayers do not even need to pay the \$30 or \$40 because they are eligible for the IRS Free File option. If you earn less than \$57,000 per annum after making certain deductions, you can access the IRS software to file your tax returns online at www.irs.gov. According to statistics, about 70% of Americans qualify for Free File.

With such a large proportion earning an income less than \$57,000 net of deductions and the ease and economy of tax preparation software, it appears more American taxpayers this year might opt to do their own taxes rather than pay an expert, thus reversing the trend over the last decade.

There are pros and cons either way, hence it pays to decide wisely whether to file your own tax returns or secure the services of a tax preparation expert. In our next article, we will give you some practical pointers to help you decide one way or the other.

Darrin T. Mish is a veteran, nationally recognized tax attorney who has focused on providing IRS help to taxpayers for over a decade. He regularly travels the country training other attorneys, CPAs and enrolled agents on how to handle their toughest cases with the IRS. He is highly ranked among the top attorneys in the country, with an AV rating from Martindale-Hubbell and a perfect 10 on Avvo.com. Martindale-Hubbell has also honored him with a listing in their Bar Register of Preeminent Lawyers. He is a member of the American Society of IRS Problem Solvers and the Tax Freedom Institute. With clients on every continent but Antarctica, he has what it takes to solve your IRS problems no matter where you live in the world. If you would like more information about his practice and how he can help you, please call his office at (813) 229-7100 or toll free at 1-888-GET-MISH.