

# Start a tax preparation business from home



The tax preparation industry has grown steadily, and tax regulations are becoming more complex, increasing demand for experienced tax preparers. Capitalize on this by launching a home-based tax business with our comprehensive guide.

## Professional standards

No specific license is required. Start by obtaining **a PTIN** and **an EFIN** from the IRS. Some states have **additional certification requirements**. Consider raising your **level of representation rights** if you want to provide more services to your clients.



### Step 1. Find your niche

Choosing a well-defined niche makes it easier to market your services and establish your expertise. When determining your niche, consider focusing on specific tax situations, targeting client industries and serving underserved groups.

### Step 2. Create a business plan

Thoroughly research the competitive landscape. Set realistic financial projections and describe your niche, ideal customer and competitive advantage clearly. Outline growth strategies and leverage business planning resources, including **the SBA** and **Score.org**.



### Step 3. Create a business plan

- Obtain all the necessary credentials from the IRS
- Choose a business structure** and file the appropriate documents with your state
- Open a bank account for your business**



## Step 4. Find your niche

### Equipment

- Desktop computer or laptop with latest OS and remote data backup
- High-speed internet connection
- Secure physical and cloud storage for tax records
- Comfortable desk and chair
- Office supplies - tax forms, pens, calculators, folders, computer accessories

### Safety and security

- Install secure locks and fireproof locking file cabinets to protect physical tax records
- Encrypt devices, use VPN, avoid public WiFi to keep data safe
- Obtain cyber liability insurance in case of a data breach



## Step 5. Select the right software

Invest in **professional tax preparation software**. Organize your practice operations using **practice management software** such as **TaxDome** to take on more clients and increase income.

## Step 6. Price your services

Start with pricing in line with the local market rates for similar services. Consider offering **tiered pricing**, **flat fee quotes** and **rates for client referrals or those with limited incomes**. Explore **monthly retainer options** for business clients.



## Step 7. Market your practice

- Create a professional website to establish your online presence and make it easy for prospects to learn about and contact your business
- Leverage social media platforms to demonstrate your expertise and run ads targeted at local clients
- Network by joining the **Chamber of Commerce**, introduce yourself at local community centers to gain referrals and partner for cross-referral relationships
- Distribute branded marketing materials to get your name out there
- Incentivize referrals from existing clients through discounts or rewards programs
- Advertise offline and online to get found by potential clients