

City of Albuquerque  
Mayor Tim Keller

**Contact**  
[cabq.gov/taxpreprights](http://cabq.gov/taxpreprights) | Call 311

## February 2021

### Albuquerque Consumer Bill of Rights for Paid Personal Income Tax Preparation Services

This document will help you protect yourself when you hire a tax preparer.

#### Before You Hire A Tax Preparer:

- Tax preparers must provide and verbally review their identity and qualifications, including years of education and experience directly related to tax preparation service. Tax preparers should display this information at their business.
- Ask how much each tax preparation service costs. Your tax preparer should provide this information describing each tax preparation services and fees and display a price list.
- You are entitled to a written estimate of all fees before services are provided. Your tax preparer must provide a written estimate of the total cost for all charges based on the services that you select and other fees they might charge.
- You are entitled to a written agreement outlining the services to be provided. Albuquerque law prohibits any fee without a written contract.

#### What You Should Look Out For:

- Tax preparers should never prepare your return without reviewing your records, including information about your dependents, childcare expenses, or tuition expenses. You should beware of tax preparers who ask you to sign a blank return, promise a big refund before looking at your records, or charge

#### Other Information

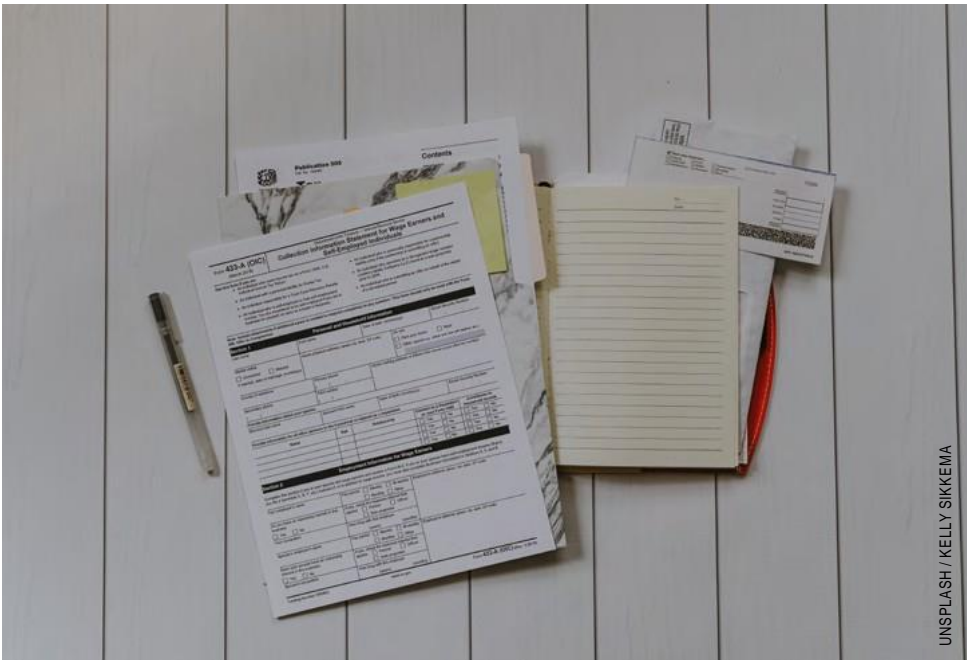
**May 17, 2021:** Deadline for Filing

**Oct. 15:** Deadline for Filing  
*(If you requested an extension)*

For more tax information, visit: [irs.gov](http://irs.gov)

#### **Beware of Refund Anticipation Loans (RALs), Refund Anticipation Checks (RACs), or Similar Products**

Using a refund anticipation product or loan is optional. Tax preparers cannot require you to take out a **Refund Anticipation Loan** or any other refund settlement product when preparing your tax return.



## Beware of Refund Anticipation Loans (RALs)

A Refund Anticipation Loan (RAL) allows a taxpayer to borrow money from a lender using the anticipated tax refund as collateral or security for repayment of the loan.

The NM Tax and Revenue Department requires any entity providing RALs to taxpayers to disclose that a RAL is an interest-bearing loan, not a faster way to receive income tax refunds.

Under New Mexico law, a lender may charge up to 175% annual percentage rate (APR) on a loan. The rate and cost of a loan must be disclosed.

The loan amount plus all fees will be deducted from your tax refund and will substantially reduce the tax refund you receive.

fees based on a percentage of the refund.

- A tax preparer should never ask you to sign:
  - o a blank return;
  - o an incomplete return;
  - o a return with false information on it; or
  - o a return with information that you do not understand.
- A tax preparer should never guarantee that you will receive a tax refund or will not be audited by state or federal government.
- Tax preparers cannot require you to take out a Refund Anticipation Loan (RALs), Refund Anticipation Check (RACs), or other similar products. Tax preparers are required to follow state and federal disclosure requirements if you choose one of these optional deferred payment options.

### You Have The Right To Receive:

- A free copy of your tax return when filed or given to you to file. Tax preparers must return all personal papers and any schedules prepared within five days of filing.
- Your tax refund directly deposited into your own bank account.
- An itemized receipt that lists the individual cost of each



For more information or to file a complaint against an individual offering tax preparation services, contact the city's non-emergency phone number 311 or visit [cabq.gov/taxpreprights](http://cabq.gov/taxpreprights).

To file a complaint about a tax preparer: Go to [cabq.gov/taxpreprights](http://cabq.gov/taxpreprights); or call 311.

service, and explains any excess charges. The receipt must list the address and phone number where you can contact the tax preparer throughout the year.

- A written estimate of the dollar amount and percentage taken from your tax refund if you select a Refund Anticipation Loan (RALs), Refund Anticipation Check (RACs), or similar product.

#### What To Review On Your Draft Tax Return:

- You have the right to review the final draft tax return before the tax preparer files the tax return with the federal or state government.
- **Standardized Deductions** may reduce any money owed to the federal or state government to zero. Be cautious if the tax preparer offers itemized deductions or similar services before determining which is more advantageous to you. Claiming itemized deductions may cost more for tax services but result in a smaller refund.
- **Earned Income Tax Credit (EITC)** and **New Mexico's Working Tax Credit** help low-income taxpayers receive money back as a refund even if your income is too low to pay taxes. Make sure the tax preparer has taken these credits into consideration when preparing your taxes. Review this section of your return before it is filed to make sure it is accurate and complete.
- You, not the tax preparer, bear the ultimate responsibility for taxes owed or information provided to the IRS, including any amount erroneously given to you by state or federal government.

#### Where To Receive Free Tax Preparation Services:

- You may qualify for free federal income tax preparation service through **IRS Free File** if your adjusted gross income (AGI) is less than \$72,000. Visit [irs.gov](https://www.irs.gov) for more information.
- New Mexico does not offer free file tax preparation services. The **IRS Free File** option will likely charge you an additional fee to file your state taxes.
- **Free Tax Preparation:** There are multiple nonprofit organizations that offer free tax preparation for both federal and state returns for qualifying taxpayers, including the IRS Taxpayer Assistance Center in Albuquerque, Volunteer Income Tax Assistance (VITA) programs, and Low-Income Taxpayer Clinics (LITC). Go to: [cnm.edu/depts/taxhelp](https://www.cnm.edu/depts/taxhelp).

#### Beware of Refund Anticipation Checks (RACs), a Refund Transfer (RTs) or similar products

The tax preparer may offer you products to delay payment for tax preparation fees at the time of service, instead taking its fees out of your refund. These deferred payment products may be called a **Refund Advance Check (RAC)** or a **Refund Transfer (RT)**.

When using a RAC or RT, the tax refund will be directly deposited in a *temporary* bank account that is opened for the taxpayer.

The tax preparer deducts the tax preparation fees and any other authorized fees from the account and the remaining funds are paid to the taxpayer by direct deposit, check or prepaid card.

There are fees to set up the bank account or to get the check. There may also be fees to use a pre-paid card.



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