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National Association of Tax Professionals releases annual tax preparer fee study
2021 survey finds many tax pros are undercharging their clients when compared to competitors

APPLETON, Wis. (Sept. 7, 2021) – Every other year, the National Association of Tax Professionals (NATP) conducts a study that its members can use to better understand what other tax preparers charge so they can remain competitive in their local area.

Some of the key findings from this year's report include:

- The majority of tax professionals prepare a mixture of simple and complex returns, and 18% prepare returns for those who need representation.
- The most common number of returns prepared is between 101 and 300 returns each year. 42% of members derive 81-100% of their revenue from tax preparation. Other services most commonly offered are bookkeeping, tax planning, payroll taxes. 30% of respondents are looking to expand their other services.
- 51% of respondents saw an increase in individual returns, 32% stayed the same and 16% saw a decrease.
- Overall, on average, tax professionals increase their fees \$10 since 2019 for individual returns, regardless of the method. The average set dollar rate per hour increased \$18 since 2019. The most common method of pricing for 1040 individual tax prep services is minimum fee plus cost based on complexity of return.
- Across the board, when tax professionals raise their fees, they raise them for both new clients and existing clients.

"Knowledge is power. Having an understanding of the market for their services allows our members to establish fees in a manner that is commensurate with the value they provide to their clients," said NATP Executive Director Scott Artman, CPA, CGMA.

This year's Tax Professional Fee Study also showed many tax professionals are undercharging their clients compared to their competitors, which leaves room for increasing fees. However, this can be difficult to do. NATP members can attend a [free webinar](#) that will explain the fee study, in depth, and outline how to strategically raise their fees without alienating clients.

This webinar is free and only available to NATP members. To view a copy of the full NATP 2021 Tax Preparer Fee Study, or to speak with someone about its findings, contact NATP Marketing Director Nancy Kasten at nkasten@natptax.com.

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About NATP: The National Association of Tax Professionals (NATP) is the largest association dedicated to equipping tax professionals with the resources, connections and education they



need to provide the highest level of service to their clients. 23,000 members rely on NATP to deliver professional connections, content expertise and advocacy that provides them with the support they need to best serve their clients. The NATP headquarters is located in Appleton, WI. To learn more, visit www.natptax.com.

Looking for a tax expert? Rhonda Collins, EA, CPA, MBA, is the director of tax content and government relations at the National Association of Tax Professionals (NATP). Collins has a diverse background of over 25 years in the industry. As a licensed CPA and EA, Collins can represent clients before the IRS. She is available for phone or video interviews to discuss federal tax topics including tax law change and its implications, taxpayer issues, tax preparer regulation and more. To schedule an interview with Collins, contact nkasten@natptax.com.