



2019 Enrolled Agent Tax Season Survey  
Taxpayers Are Likely Unprepared for Current Filing Season

NATIONAL ASSOCIATION OF ENROLLED AGENTS

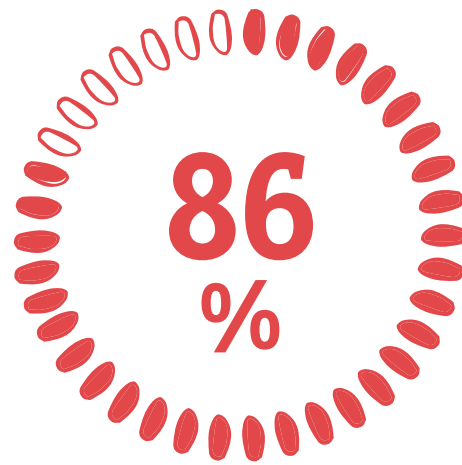
**T**his survey conducted by the National Association of Enrolled Agents (NAEA) reveals that enrolled agents, federally-licensed tax experts, believe **more consumers will find tax preparation more challenging this year** due to the Tax Cuts and Jobs Act and will seek the services of tax professionals. The online survey presented a series of statements and asked NAEA members to choose the statements with which they agreed most strongly. The statements were grouped into three broad categories: **Government operations** (what impact did the partial government shutdown have on the filing season ), **tax code and regulations** (the Tax Cuts and Jobs Act), and **taxpayer behavior** (who is likely to seek the services of tax professionals this tax season).

### Partial Government Shutdown

Enrolled agents understand that many taxpayers do not have a full understanding of the changes implemented by the Tax Cuts and Jobs Act (TCJA), and guidance from a tax professional will be necessary. Sixty-nine percent of enrolled agents surveyed were concerned how the TCJA would unroll and the impact of the partial government shutdown on the 2018 tax season. While the Department of Treasury and IRS did much to address taxpayer concerns going into the filing season, including recalling over half of the IRS workforce during the shutdown, there were still problems affecting filing, refunds, and extensions. Centralized Authorization File (CAF) and Practitioner Priority Service (PPS) personnel had not been recalled to work and the fax lines at IRS remained offline.

### Don't Forget Wayfair

While the current spotlight is on the TCJA (ninety-one percent of those surveyed strongly agree that taxpayers are baffled by the TCJA and are unprepared to file), the NAEA membership overwhelmingly believe (86 percent) that small businesses are unprepared to deal with the impact of the landmark Supreme Court decision, *South Dakota vs. Wayfair Inc.* et al. When combined



of NAEA members surveyed believe small businesses are unprepared to deal with the impact of *South Dakota vs. Wayfair Inc*

with tax reform uncertainty, fifty-nine percent of those surveyed believe this perfect storm of doubt will drive more taxpayers to their firms.

### Taxpayers, Be Prepared

According to NAEA Executive Vice President Robert Kerr, EA, “Refunds are top of mind when people think of tax season, but we should caution clients that the better metric by which to judge a tax return is total tax—and whether the return is accurate and defensible if IRS comes knocking.”

Even though proper withholding is foundational in tax planning, 90 percent of enrolled agents surveyed strongly agree that taxpayers pay little or no attention to planning their annual withholding amounts.

When asked which documents taxpayers were least likely to remember to provide to a tax professional, enrolled agents identified Schedule K-1, Form 1095-A, Form 1099, Form 1099-S, 1099-R, and proof of health insurance were the most probable.

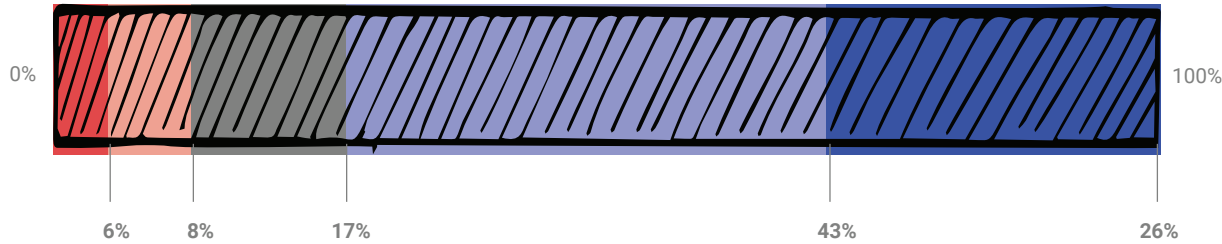
“This filing season, NAEA encourages you to find a federally-licensed enrolled agent in your area today by using the free ‘Find a Tax Expert’ directory at [www.eaTax.org](http://www.eaTax.org),” says Kerr. “For the first time in more than 30 years, both tax professionals and taxpayers face a brave new world in business and individual income taxes. As enrolled agents, we’re here to help during this first tax season post-TCJA and throughout the year.”

### Survey Methodology

The National Association of Enrolled Agents conducted an online survey of its members between February 11, 2019 and February 18, 2019. The survey yielded responses from 924 NAEA members, all enrolled agents, 63 percent of whom have more than 20 years of professional experience preparing and filing taxes.

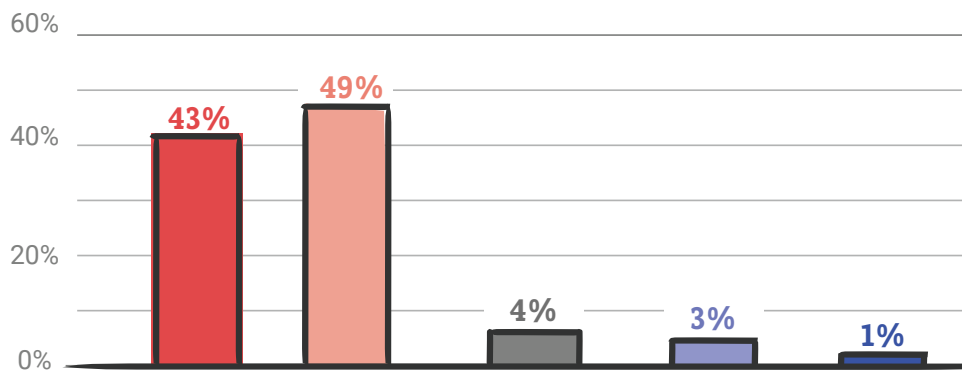
## Q1

To what extent do you agree or disagree with the following statement: "The partial government shutdown will impact the 2019 tax season."



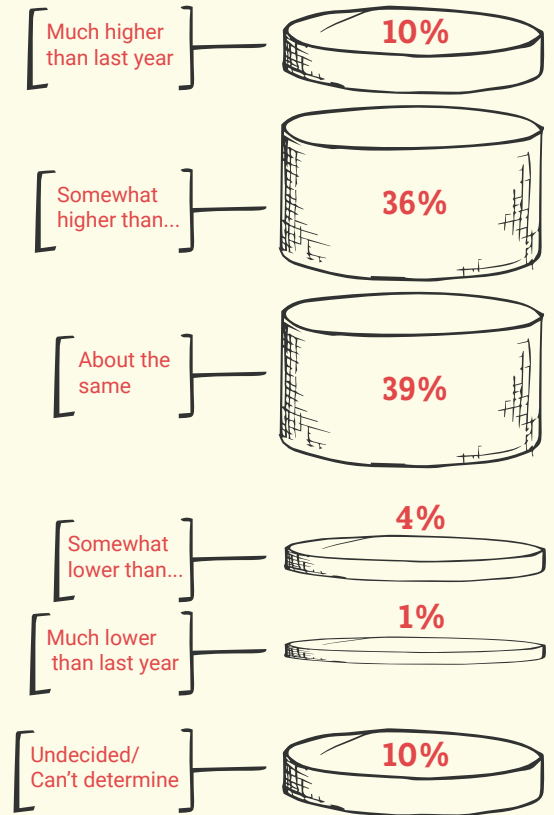
## Q2

To what extent do you agree or disagree with the following statement: "Taxpayers are knowledgeable about the Tax Cuts and Jobs Act (TCJA) changes to the tax law."



## Q3

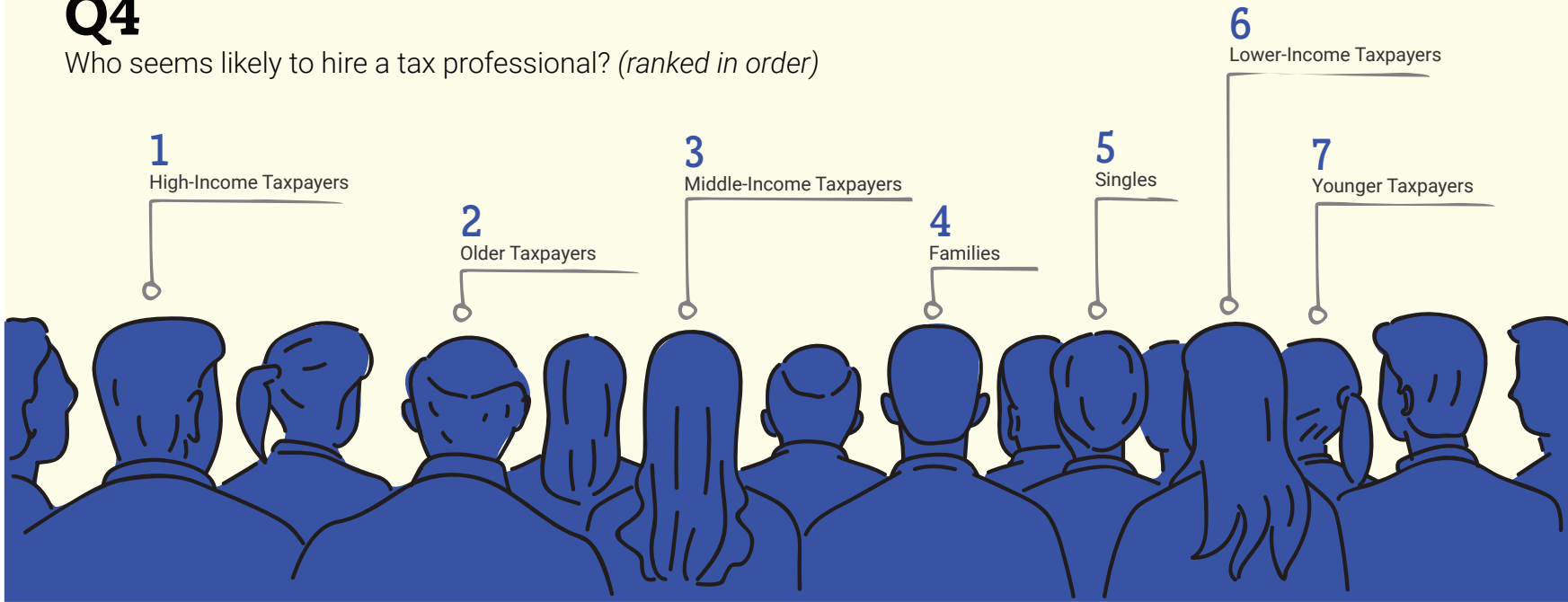
As a tax professional, how would you describe the change in demand thus far for your services due to the significant tax law changes?



# The Survey

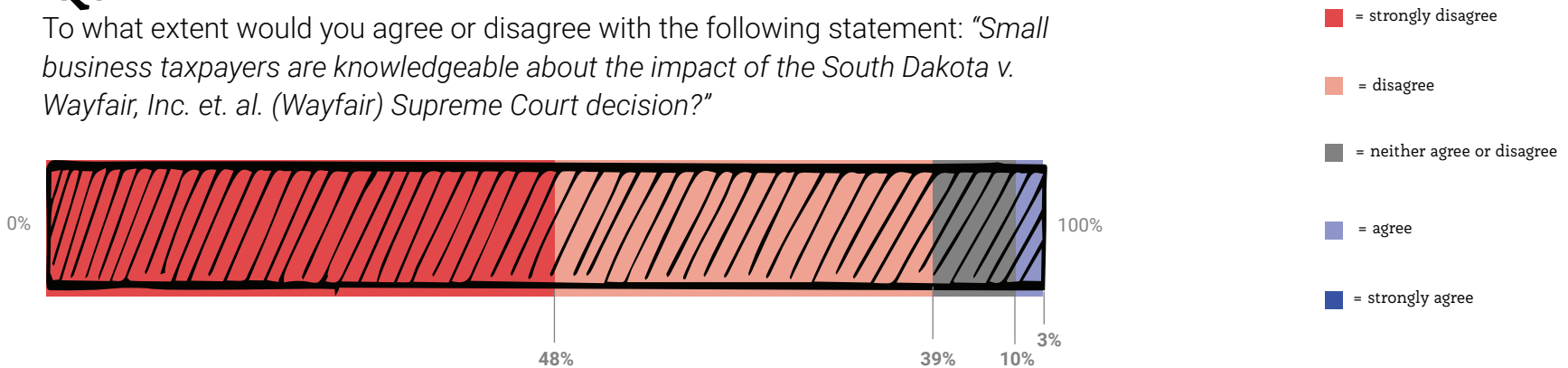
## Q4

Who seems likely to hire a tax professional? (*ranked in order*)



## Q5

To what extent would you agree or disagree with the following statement: "Small business taxpayers are knowledgeable about the impact of the South Dakota v. Wayfair, Inc. et. al. (Wayfair) Supreme Court decision?"



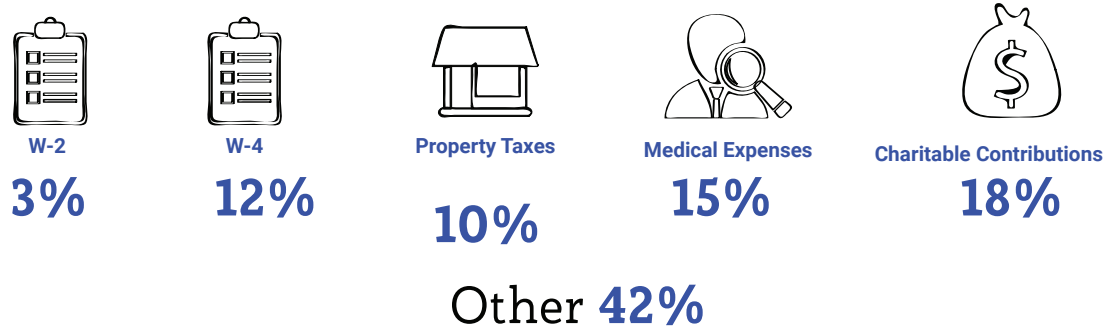
## Q6

What do you see as the biggest challenges/concerns for the 2019 tax season? Please rank each item in order of importance.

- 1**  
Tax Code and Regulation Changes (TCJA)
- 2**  
Clients Unprepared
- 3**  
IRS Operations (government shutdown)
- 4**  
Late/Incorrect Tax Documents (form 1099, Schedule K-1, etc.)
- 5**  
Technology/Software Issues
- 6**  
Security/Privacy/Identity Theft Issues
- 7**  
Planning
- 8**  
Other

## Q7

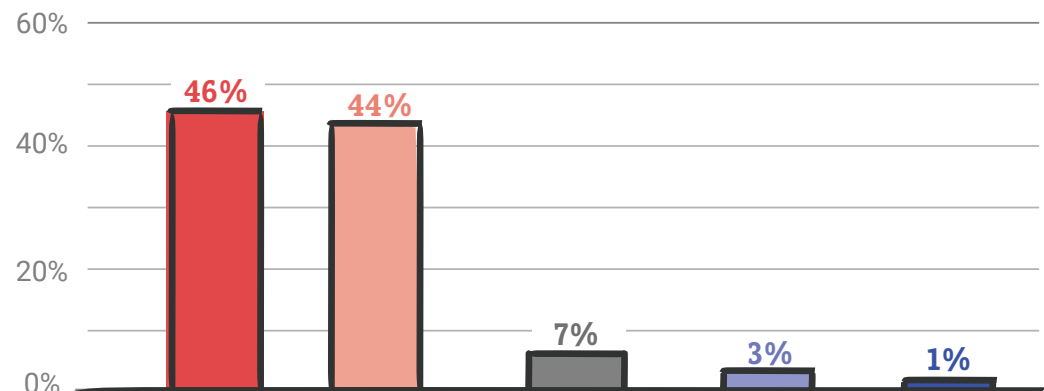
Which tax documents are clients most likely to fail to provide to their tax professionals?



K-1, 1099, Brokerage statements, Health Insurance & Investment documents were top 5 "other"

## Q8

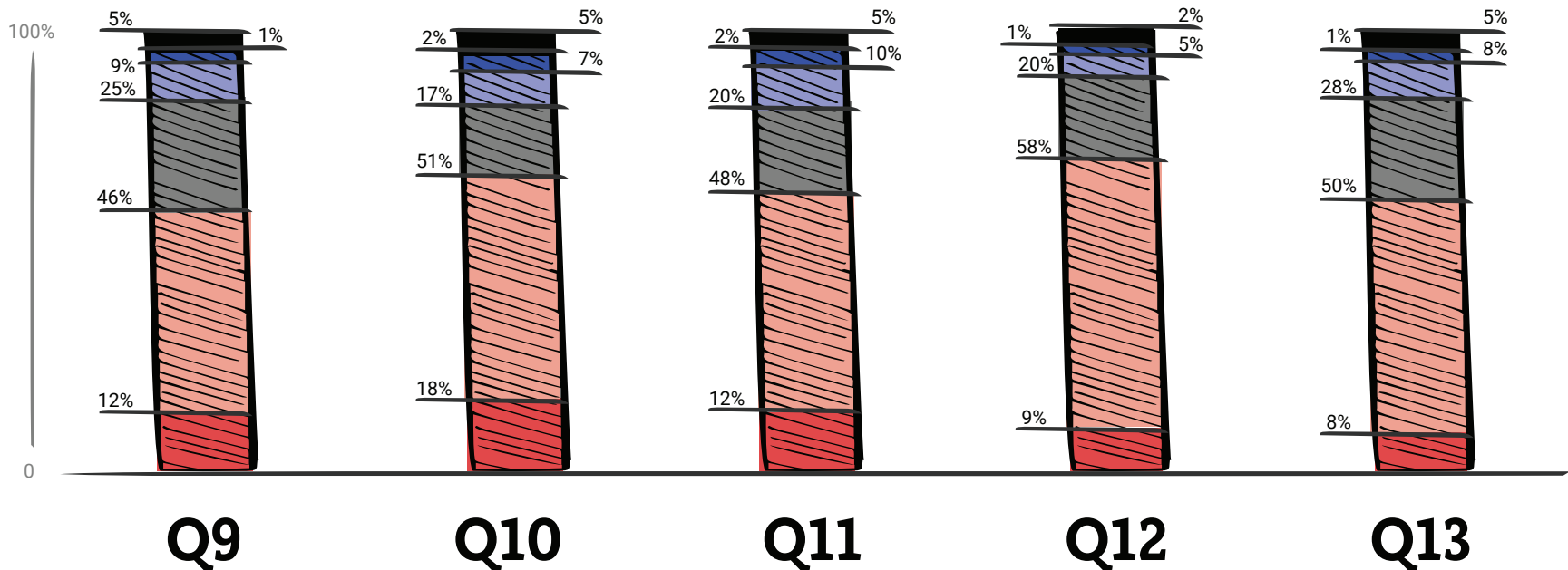
To what extent would you agree or disagree with the following statement: "Taxpayers have checked their withholding amounts for tax year 2018."



■ = strongly disagree   ■ = disagree   ■ = neither agree or disagree   ■ = agree   ■ = strongly agree

# The Survey

For questions 9-13, we are asking you to estimate how you expect your business to perform this year based on several metrics.



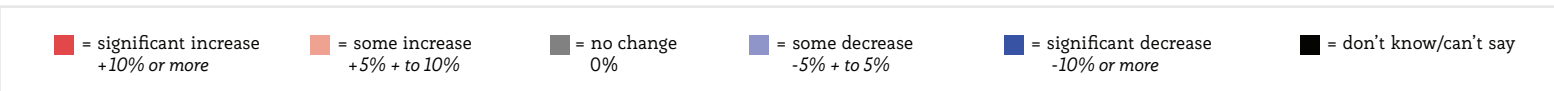
Please rate how you expect the number of clients you serve this year to compare to the number of **clients you served** last year.

Please rate how you expect your business this year to compare to last year for **total revenue?**

Please rate how you expect your business this year to compare to last year for **net profit?**

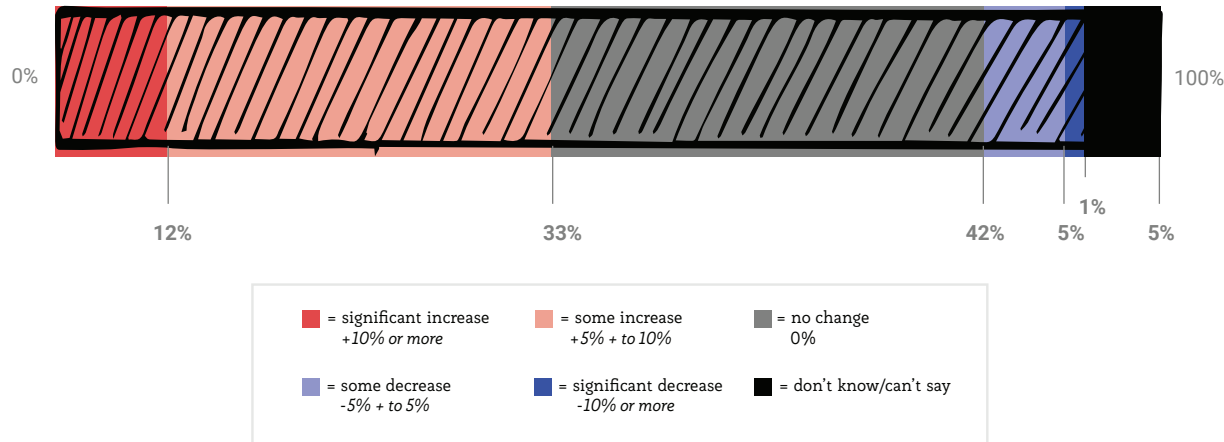
Please rate how you expect your business this year to compare to last year for **revenue per client?**

Please rate how you expect your business this year to compare to last year for **profit per client?**



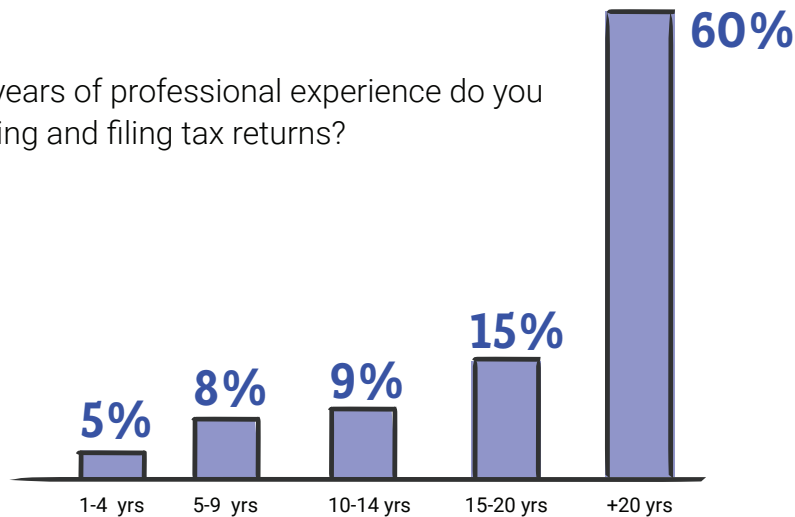
## Q14

Please rate how you expect your business this year to compare to last year for number of extensions?



## Q15

How many years of professional experience do you have preparing and filing tax returns?



## References

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**Thank you ;)**

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[www.naea.org](http://www.naea.org)