Choosing the Right Accountant or Tax Preparer for Your Family Forest

How do you choose the right accountant or tax return preparer for your forest? Part of this important decision is based on personality, but there are some key questions you should ask potential (and maybe even your current) providers of these important services regarding their ability to handle your specific issues.

The questions below are certainly not the only questions you could ask and should not replace “gut feelings.” They are meant to help you think through what to ask and what the accountant’s or tax preparer’s responses mean.

Where to look for an accountant or tax preparer

The list of individuals and firms who can handle your forest accounting and tax needs is constantly changing. However, places where you can look to find a list of potential accountants and/or tax preparers include:

- Ask other landowners who they work with and trust.
  - Oregon Small Woodlands Association: [www.oswa.org](http://www.oswa.org/)
  - Oregon Tree Farm System: [www.otfs.org](http://www.otfs.org/)

- Ask a forester.
  - Society of American Foresters: [www.safnet.org](http://www.safnet.org)
  - Association of Consulting Foresters: [www.acf-foresters.org](http://www.acf-foresters.org/)
  - Oregon Department of Forestry: [www.oregon.gov/ODF/Working/Pages/FindAForester.aspx](http://www.oregon.gov/ODF/Working/Pages/FindAForester.aspx)
  - Oregon State University Extension Service: [extensionweb.forestry.oregonstate.edu/directory](http://extensionweb.forestry.oregonstate.edu/directory)

- In many states, CPAs and CFPs are required to register with the state licensing board for accountants/tax preparers. In Oregon, those organizations are:
  - [www.oregon.gov/BOA](http://www.oregon.gov/BOA)
  - [www.oregon.gov/OBTP](http://www.oregon.gov/OBTP)
  - [www.osbar.org](http://www.osbar.org)

- Internal Revenue Service directory of federal tax return preparers: [irs.treasury.gov/rpo/rpo.jsf](http://irs.treasury.gov/rpo/rpo.jsf)

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Questions to ask potential accountants or tax preparers

What are your qualifications?

Before you hire anyone to keep your financial records and/or complete your tax return, make sure they are qualified to do so. There can be several different qualifications. Here are some to look for:

- A degree in accounting and possibly in taxation; maybe a law degree
- Certification by a licensing body or the IRS. This may include CPA, Licensed Tax Consultant (LTC), Licensed Tax Preparer (LTP), or Enrolled Agent (EA). The state of Oregon requires paid preparers to be either a CPA, a Licensed Tax Consultant (LTC), or Licensed Tax Preparer (LTP).

What services do you provide?

You should know and understand whether the accountant or tax preparer actually provides the services that you are looking for. Not all tax preparers perform everyday accounting functions. Determine your needs, and then find out if the accountant or tax preparer can provide those particular services for you.

What percentage of your clients have forestland?

This is a big one! You want an accountant who is familiar with forest operations and finances. Ask about their experience with other landowners and how familiar they are with forest operations. If you are in an area with a lot of timberland, you might want to hire someone who has experience working with forestland owners.

How will I be charged for your services?

There can be several different answers to this question. Be sure to determine up front whether you will be charged by the hour or by the form. Will you be charged for phone calls? How do you handle situations that aren’t within your normal operations? Are they willing to attend continuing education or to read into education in forest-related taxation? Are they willing to work with new taxes on a deduction based on your accountant’s experience with forest operations? If you are not familiar with forest operations, you may not be able to find someone with the same experience.

Will you represent me if I am audited?

If you are audited, you might want to have the tax return preparer available to explain how to proceed and to defend your interpretation of a specific code section. You should also find out what you would be charged for help with an audit. The accountant may prefer to use their own attorney, but you should know their position on a deduction before you begin your audit. What are the chances that you are willing to take risky positions on a deduction? You should also find out what you would be charged for help with an audit.

Are you an accountant or an accountant?

Some accountants may be more comfortable with tax law than with accounting. Find an accountant who matches how aggressive you are willing to be on tax matters. If you are not willing to take risky positions on a deduction, you may need to find someone else. How do you handle situations that aren’t within your normal operations? Are they willing to attend continuing education or to read into education in forest-related taxation? Are they willing to work with new taxes on a deduction based on your accountant’s experience with forest operations? If you are not familiar with forest operations, you may not be able to find someone with the same experience.

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How do you handle unknown issues you are unfamiliar with?

Some accountants will bill you for phone calls if you don’t know what you are doing. You should ask about their policy before hiring them. How will you handle situations that aren’t within your normal operations? Are they willing to attend continuing education or to read into education in forest-related taxation? Are they willing to work with new taxes on a deduction based on your accountant’s experience with forest operations? If you are not familiar with forest operations, you may not be able to find someone with the same experience.

Tax preparers and foresters

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Consulting a forester

Tax preparers and accountants may lack knowledge about specific forestry tax provisions. In that case, having a knowledgeable forester assist you and your accountant can be invaluable. A forester can provide you with valuable information about forest operations and how they can affect your taxes. A forester can also help you understand forest tax provisions that may affect your taxes.

A forester will not prepare your tax return, but they may be familiar with specific provisions and can help you take advantage of these provisions.