

All About EAs

Enrolled Agents: The Tax Professionals

What is an Enrolled Agent?

An Enrolled Agent (EA) is an individual who has demonstrated technical competence in the field of taxation. Enrolled Agents, or EAs, can represent taxpayers before all administrative levels of the Internal Revenue Service.

What does the term "Enrolled Agent" mean?

"Enrolled" means EAs are licensed by the federal government. "Agent" means EAs are authorized to appear in place of the taxpayer at the Internal Revenue Service. Only EAs, attorneys and CPAs may represent taxpayers before the IRS. The Enrolled Agent profession dates back to 1884 when, after questionable claims had been presented for Civil War losses, Congress acted to regulate persons who represented citizens in their dealings with the Treasury Department.

How can an Enrolled Agent help me?

EAs advise, represent and prepare tax returns for individuals, partnerships, corporations, estates, trusts and any entities with tax-reporting requirements. EAs prepare millions of tax returns each year. EAs' expertise in the continually changing field of tax law enables them to effectively represent taxpayers audited by the IRS.

What are the differences between EAs and other tax professionals?

Only Enrolled Agents are required to demonstrate to the Internal Revenue Service their competence in matters of taxation before they may represent a taxpayer before the IRS. Unlike attorneys and CPAs, who may or may not choose to specialize in taxes, all EAs specialize in taxation. EAs are the only taxpayer representatives who receive their right to practice from the United States government. (CPAs and attorneys are licensed by the states.)

How does one become an Enrolled Agent?

The EA designation is earned in one of two ways: (1) an individual must pass a difficult two-day examination administered by the IRS which covers taxation of individuals, corporations, partnerships, estates and trusts, procedures and ethics. Next, successful candidates are subjected to a rigorous back ground check conducted by the Internal Revenue Service; or (2) an individual may become an EA based on employment at the Internal Revenue Service for a minimum of five years in a job where he/she regularly applied and interpreted the provisions of the Internal Revenue Code and regulations.

Are EAs required to take continuing professional education?

In addition to the stringent testing and application process, EAs are required to complete 72 hours of continuing professional education, reported every three years, to maintain their status. Because of the difficulty in becoming an Enrolled Agent and keeping up the required credentials, there are fewer than 35,000 active EAs in the United States.

Are Enrolled Agents bound by any ethical standards?

EAs are required to abide by the provisions of U.S. Treasury Department Circular 230. EAs found to be in violation of the provisions contained in Circular 230 may be suspended or disbarred.

Privilege and the Enrolled Agent

The IRS Restructuring and Reform Act of 1998 allows federally authorized practitioners (those bound by the previously mentioned Circular 230) a limited client privilege. This privilege allows confidentiality between the taxpayer and the Enrolled Agent under certain conditions. The privilege applies to situations where the taxpayer is being represented in cases involving audits and collection matters. It is not applicable to the preparation and filing of a tax return. The new privilege does not apply to state tax matters, although a number of states have an accountant-client privilege.