

Start a tax preparation business from home

The tax preparation industry has grown steadily, and tax regulations are becoming more complex, increasing demand for experienced tax preparers. Capitalize on this by launching a home-based tax business with our comprehensive guide.

Professional standards

No specific license is required. Start by obtaining [a PTIN](#) and [an EFIN](#) from the IRS. Some states have [additional certification requirements](#). Consider raising your [level of representation rights](#) if you want to provide more services to your clients.

Step 1. Find your niche

Choosing a well-defined niche makes it easier to market your services and establish your expertise. When determining your niche, consider focusing on specific tax situations, targeting client industries and serving underserved groups.

Step 2. Create a business plan

Thoroughly research the competitive landscape. Set realistic financial projections and describe your niche, ideal customer and competitive advantage clearly. Outline growth strategies and leverage business planning resources, including [the SBA](#) and [Score.org](#).

Step 3. Set up your business legally and operationally

- Obtain all the necessary credentials from the IRS
- Choose a business structure and file the appropriate documents with your state
- Open a bank account for your business

Step 4. Establish a home office environment

Equipment

- Desktop computer or laptop with the latest OS and remote data backup
- High-speed internet connection
- Secure physical and cloud storage for tax records
- Comfortable desk and chair
- Office supplies – tax forms, pens, calculators, folders, computer accessories

Safety and security

- Install secure locks and fireproof locking file cabinets to protect physical tax records
- Encrypt devices, use VPN, avoid public WiFi to keep data safe
- Obtain cyber liability insurance in case of a data breach

Step 5. Select the right software

Invest in [professional tax preparation software](#). Organize your practice operations using [practice management software](#) such as [TaxDome](#) to take on more clients and increase income.

Step 6. Price your services

Start with pricing in line with the local market rates for similar services. Consider offering **tiered pricing**, **flat fee quotes** and **rates for client referrals** or those with **limited incomes**. Explore **monthly retainer options** for business clients.

Step 7. Market your practice

- Create a professional website to establish your online presence and make it easy for prospects to learn about and contact your business
- Leverage social media platforms to demonstrate your expertise and run ads targeted at local clients
- Network by joining the [Chamber of Commerce](#), introduce yourself at local community centers to gain referrals and partner for cross-referral relationships
- Distribute branded marketing materials to get your name out there
- Incentivize referrals from existing clients through discounts or rewards programs
- Advertise offline and online to get found by potential clients