Tax Resolution Pricing Report

2017

Brought to you by canopy

How much should I charge for my tax resolution services?

We get that question a lot. And unfortunately, it's a hard one to answer. After all, most tax pros don't advertise their fees. Even when you do find someone willing to talk pricing with you, the answer almost always amounts to "it depends."

In order to provide a better answer to the big pricing question, we collected data from tax pros all over the United States about how they price their tax resolution services and how much time they spend on each service.

1

Who We Surveyed

2

Average Fees:
Organized by Service

3

Average Fees:
Organized by Typical Number of Cases Per Month

4

Average Fees:
Organized by Hours Spent Per Case

1

Who We Surveyed

To get a better understanding of the tax pros answering our survey, we asked for some basic information about the respondents' tax practices.

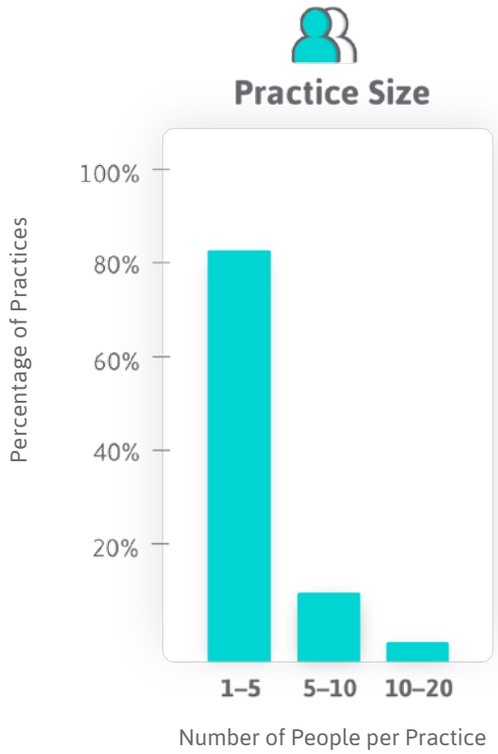
Key Takeaways

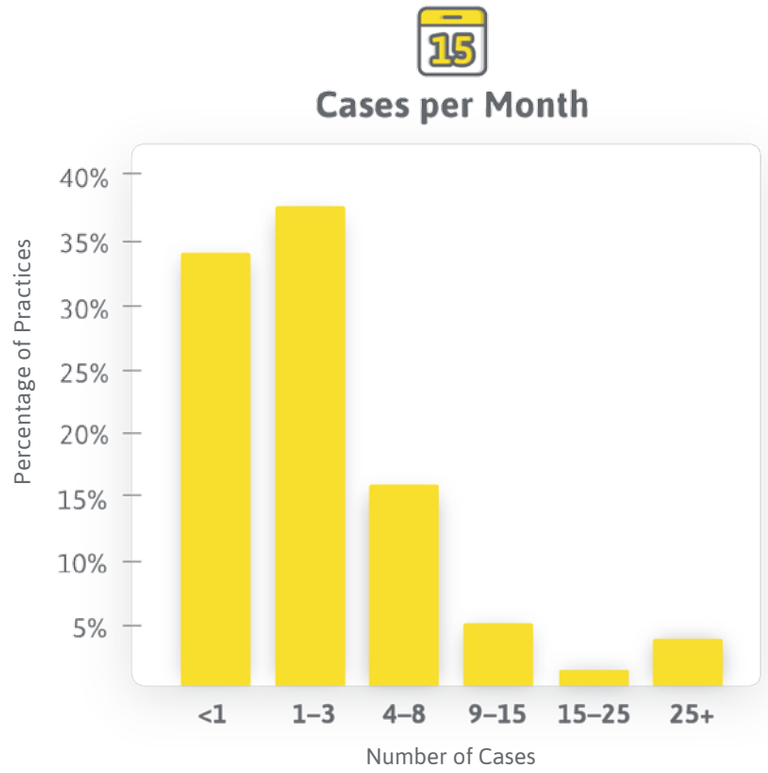
+ Just over a third—35%—of respondents average less than one tax resolution case per month.
+ Of respondents, 40% charge less than $1,000 for most of their tax resolution cases.

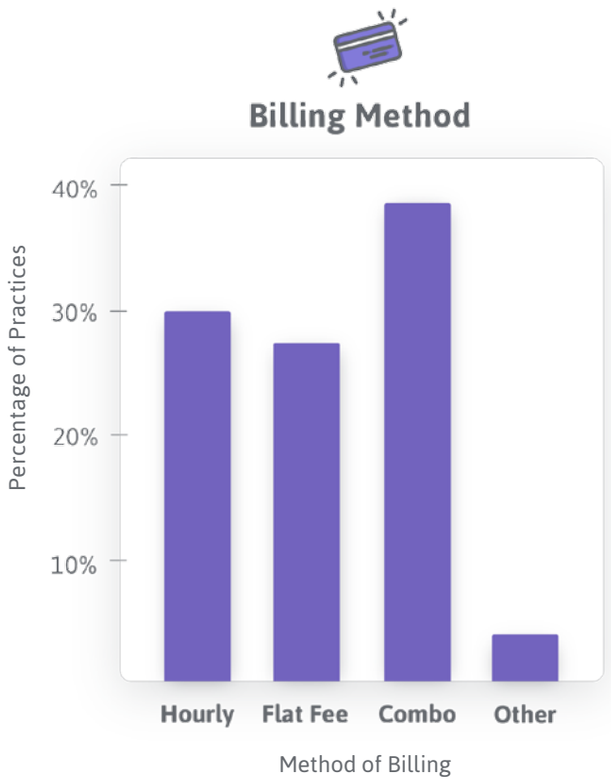
Who We Surveyed

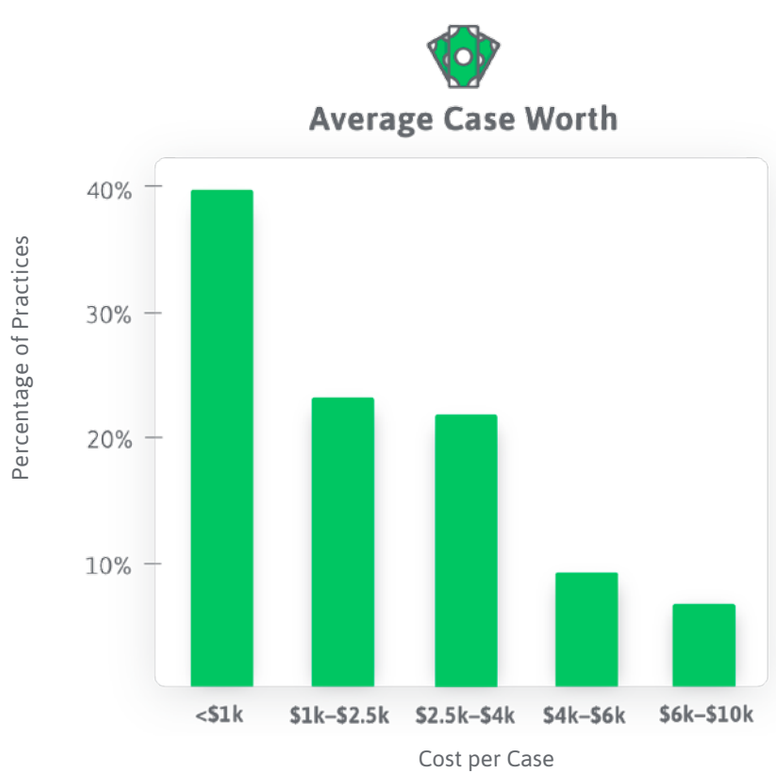
These graphs detail the number of practitioners per practice, primary billing method, average tax resolution cases handled per month, worth of the average tax resolution case.

Note: Percentages have been rounded, and may not add to precisely 100%.









2

Average Fees, Organized by Service

In our survey, we asked tax pros to report how much they charge, on average, for four common tax resolution services: Offer in Compromise, Penalty Abatement, Innocent Spouse, and Installment Agreements (including partial payment installment agreement). These are the overall results.

Key Takeaways

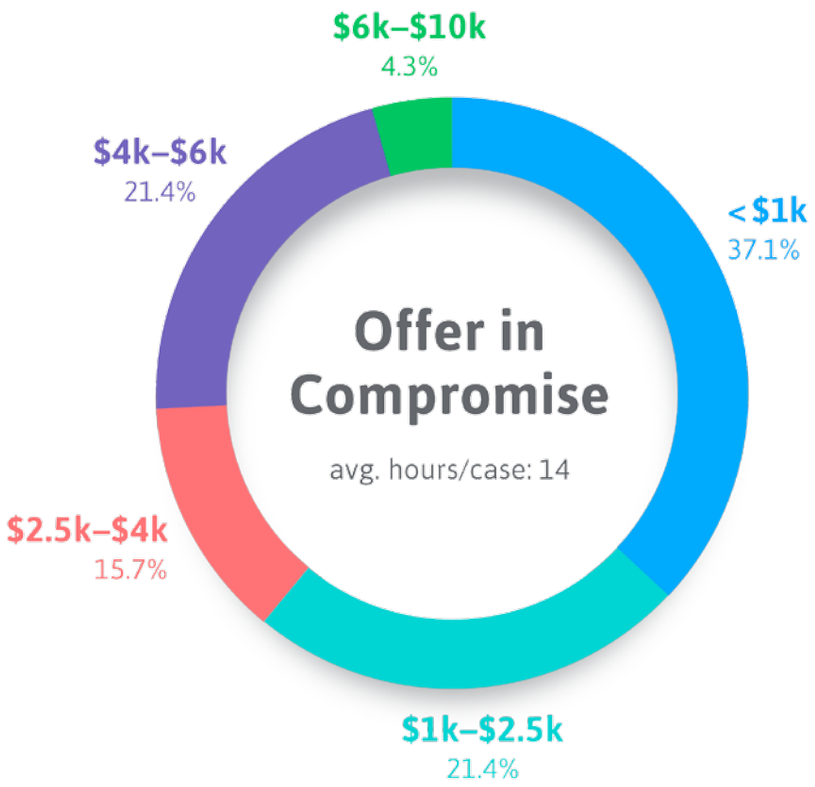
- On average, offer in compromise cases take nearly 3x longer to complete than the three other services.
- Penalty abatement fees were overall the lowest of any service reported.

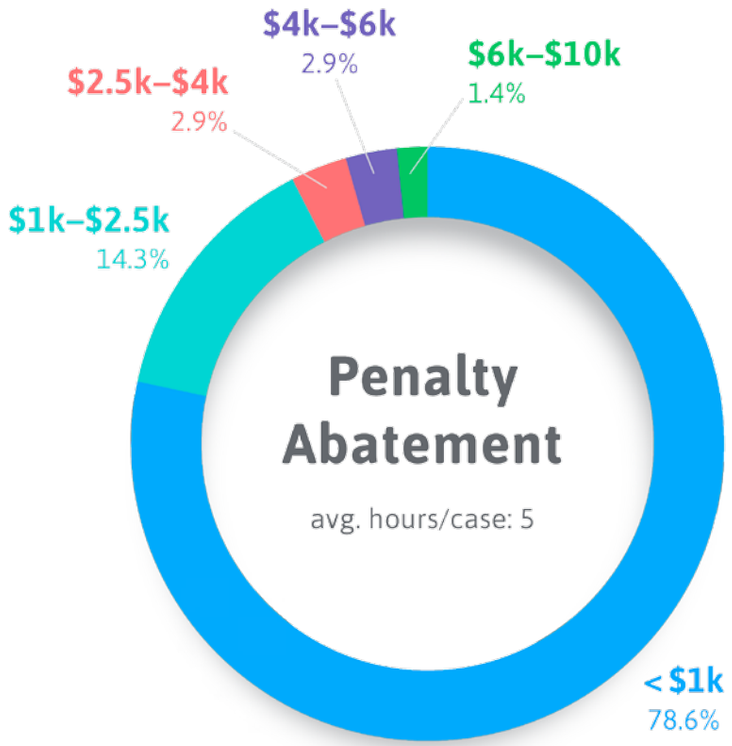
Fees by Service

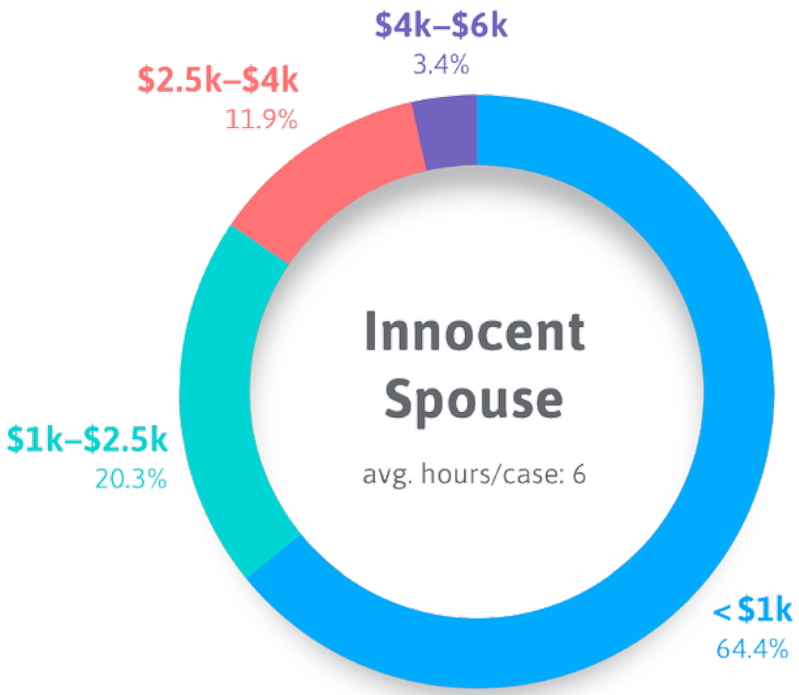
We asked tax pros to choose the price range that most accurately represented their average fee for a given service.

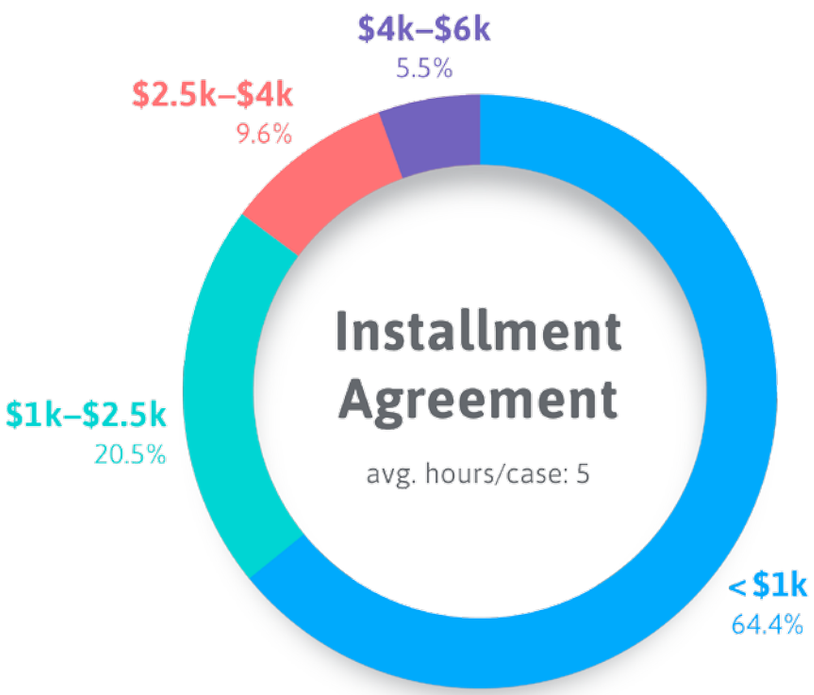
Those price ranges are:

- $1,000 or less
- $1,000 to $2,500
- $2,500 to $4,000
- $4,000 to $6,000
- $6,000 to $10,000









Brought to you canopy

3

Average Fees, Organized by Average Number of Cases per Month

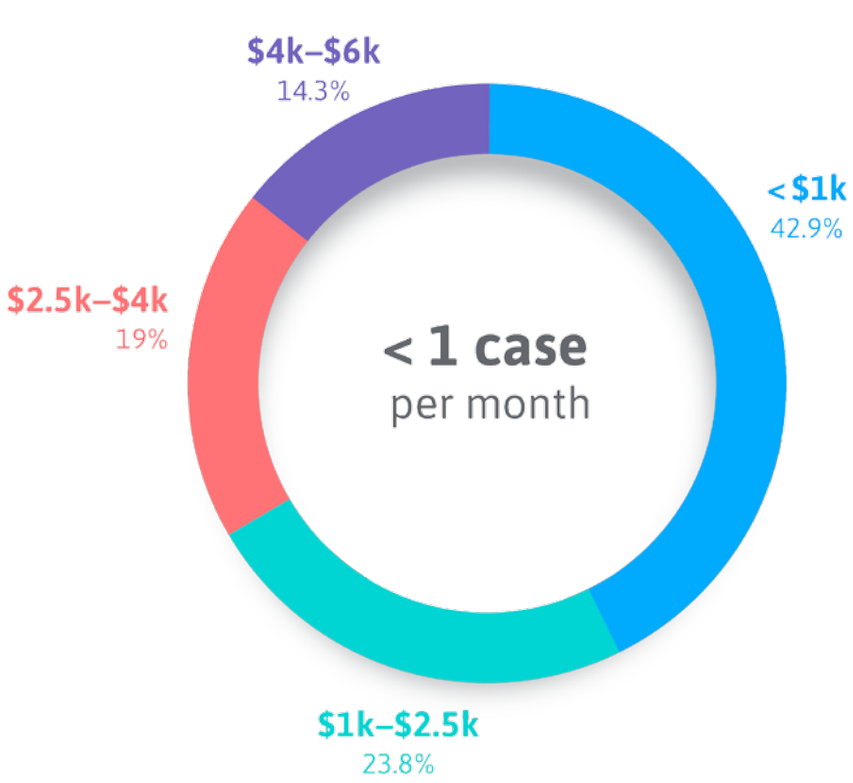
This section looks at the relationship between how many tax resolution cases a practice typically takes on each month, and the amount they charge for common tax resolution services.

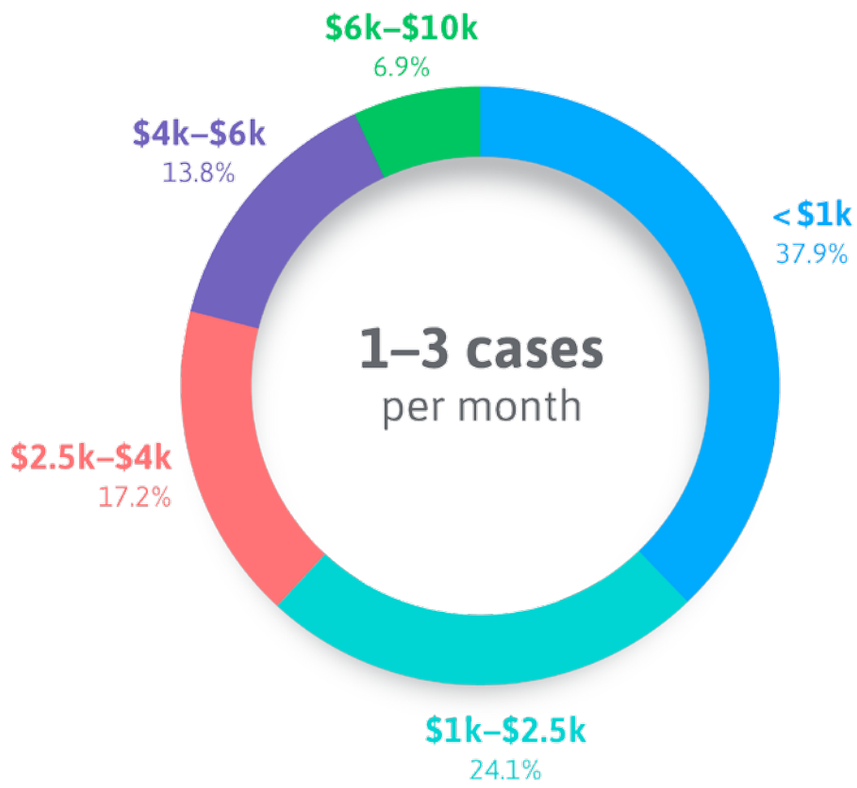
Key Takeaways

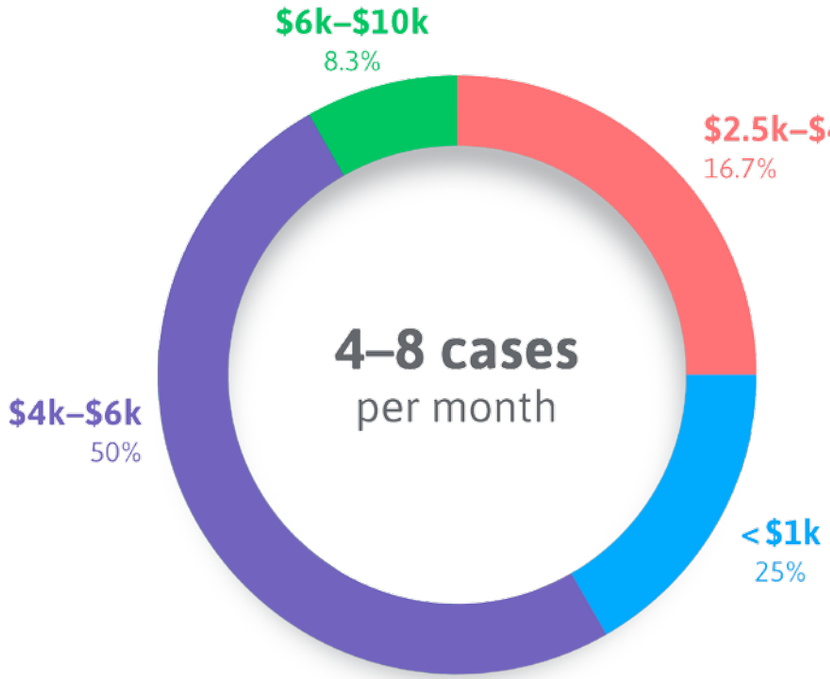
- Only 20% of practitioners who take on 4+ cases per month bill exclusively by the hour.
- Practitioners who take on less than one case per month consistently charge the lowest fees for their services.

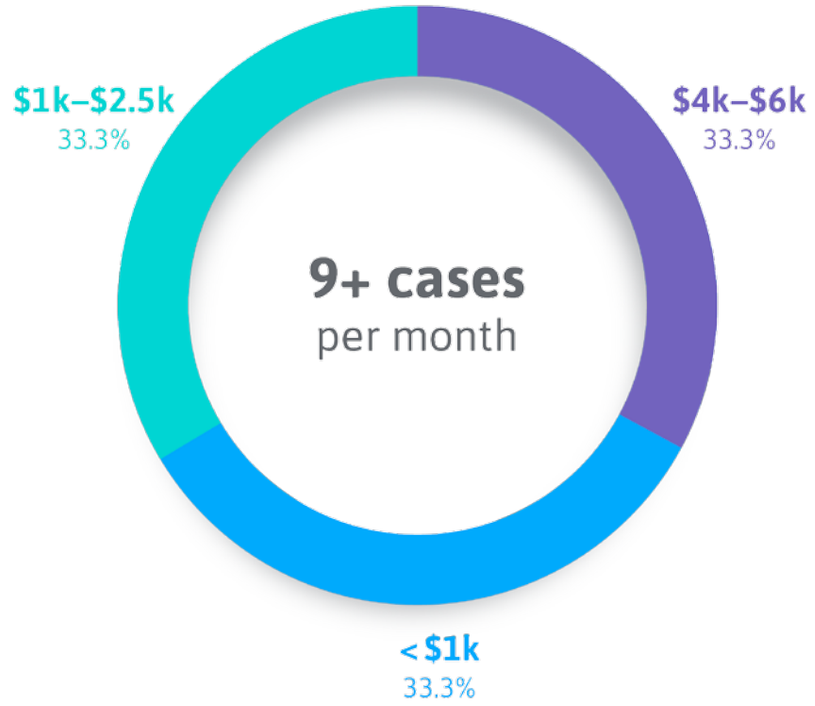
Offer in Compromise

Average Fees, Organized by Typical Number of Cases Per Month



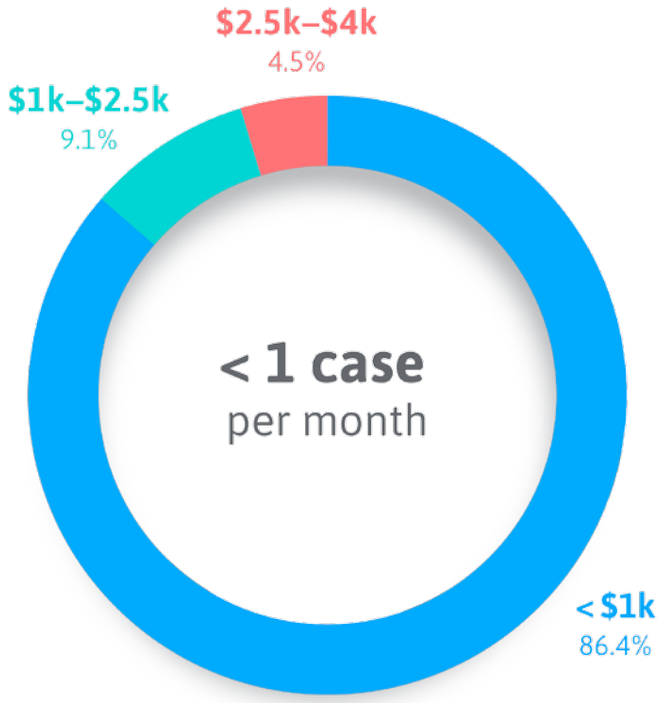


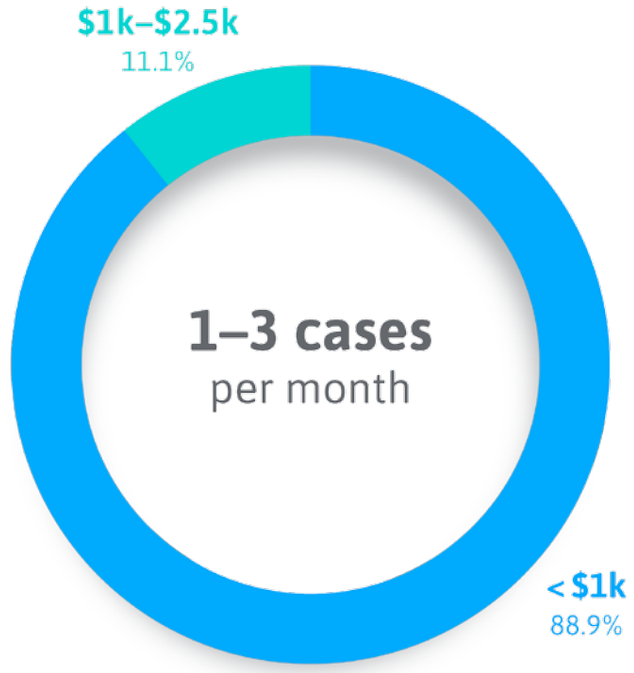


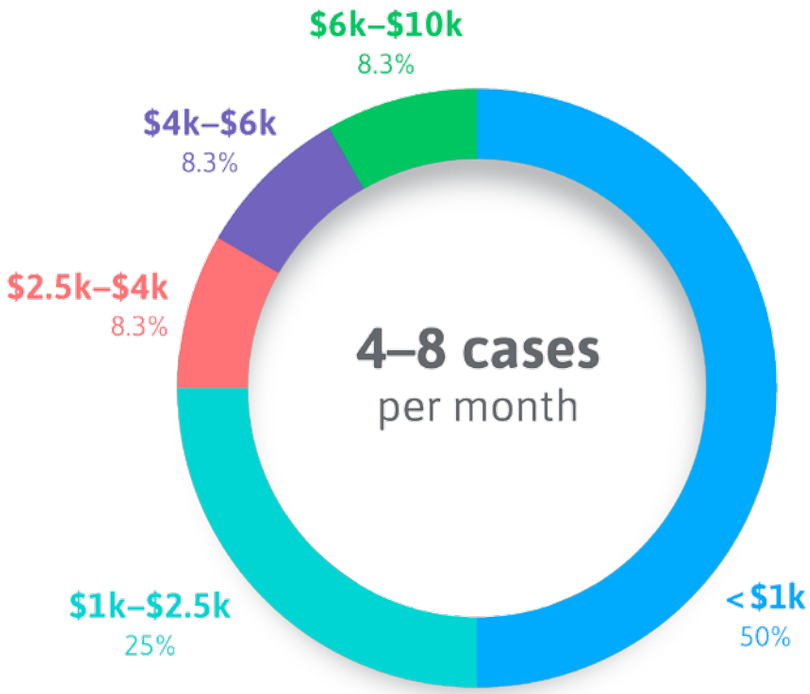


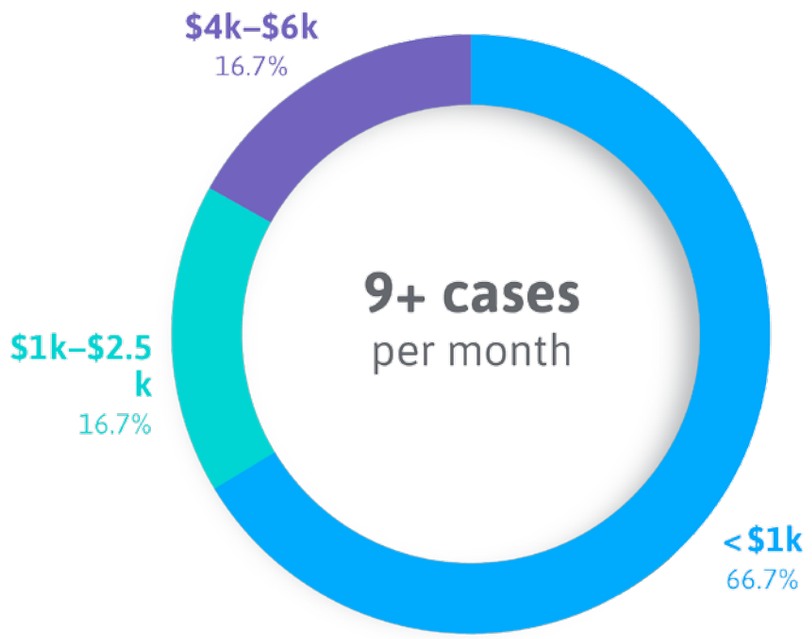
Penalty Abatement

Average Fees, Organized by Typical Number of Cases Per Month



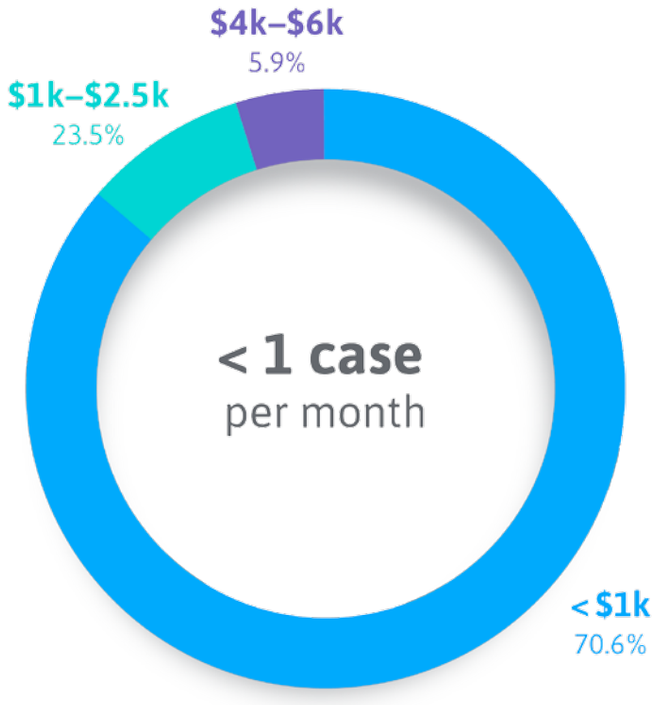


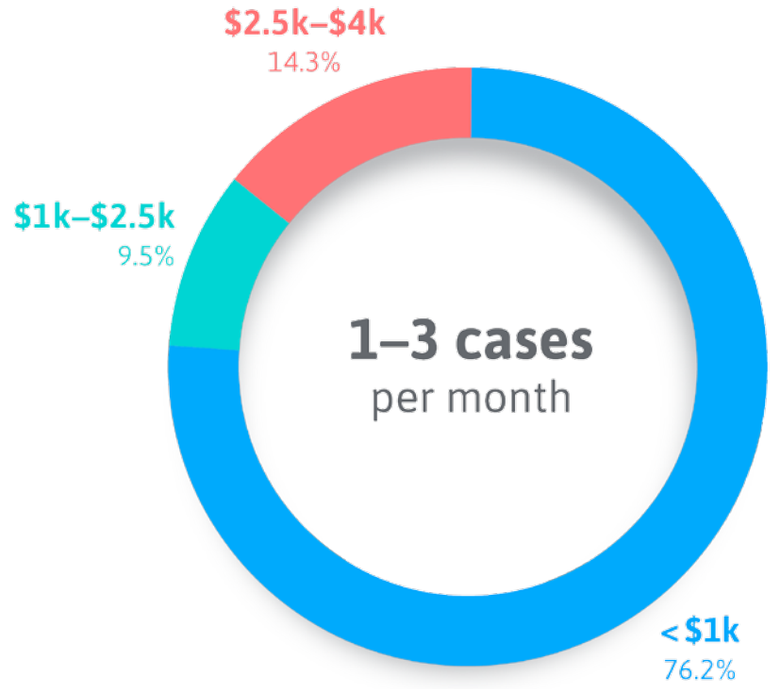


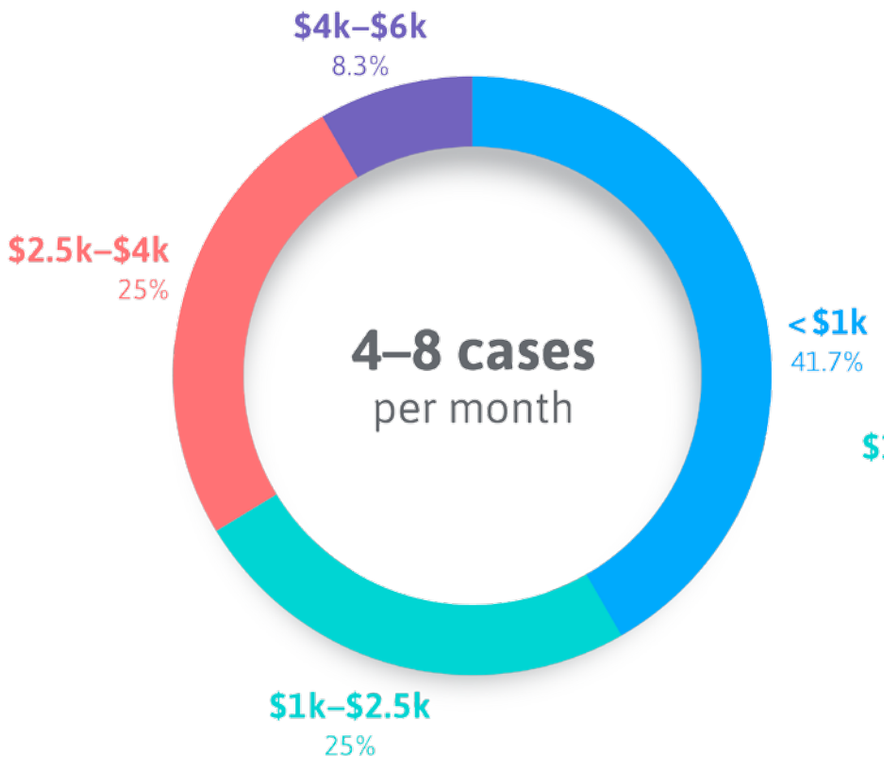


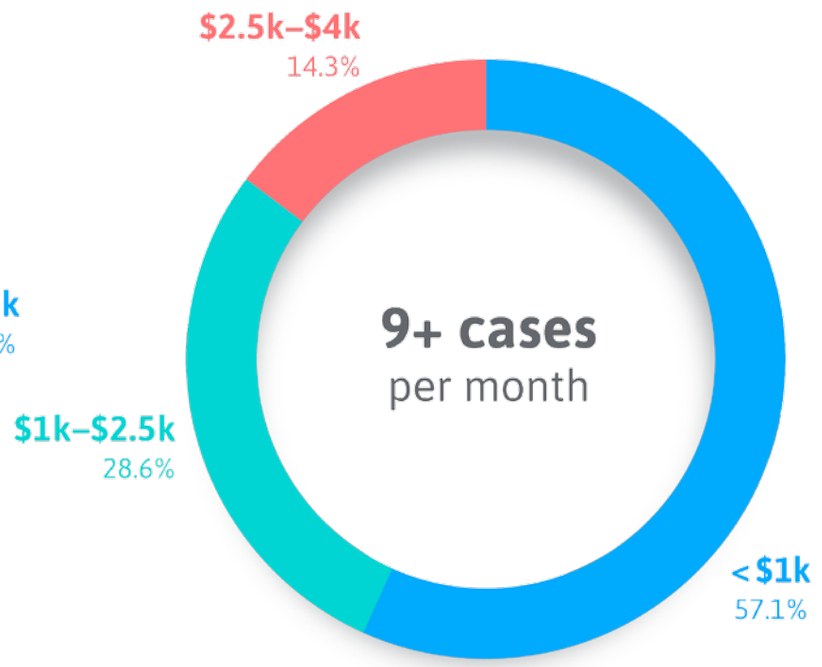
Innocent Spouse

Average Fees, Organized by Typical Number of Cases Per Month



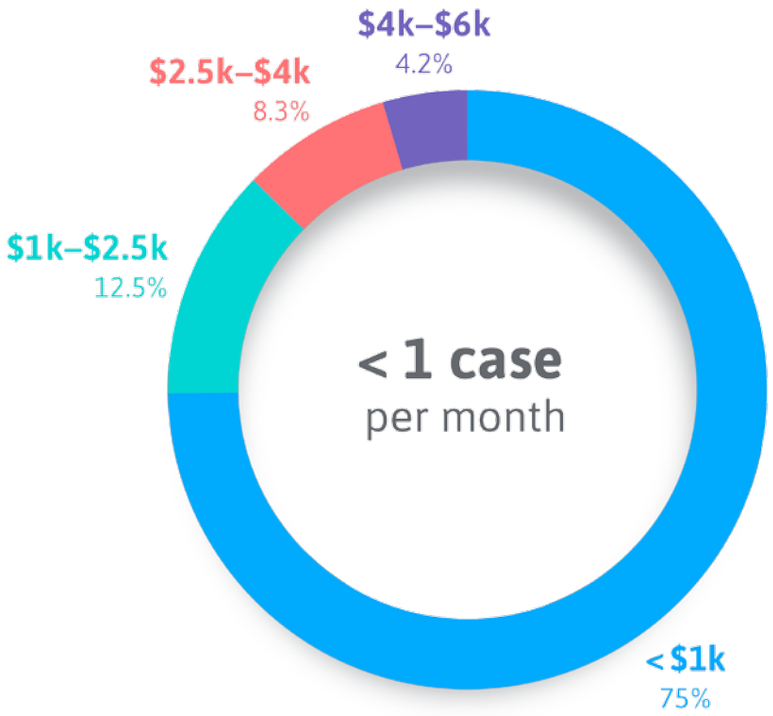


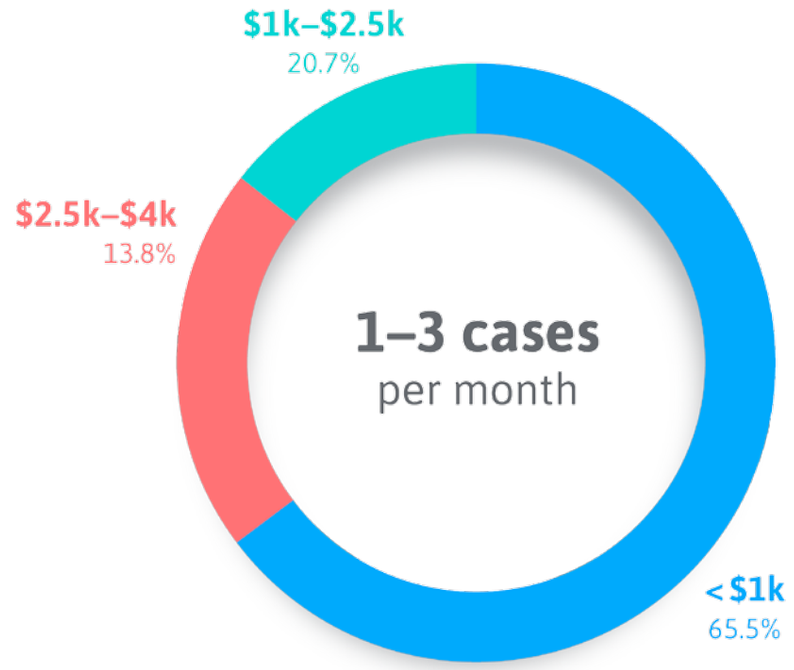


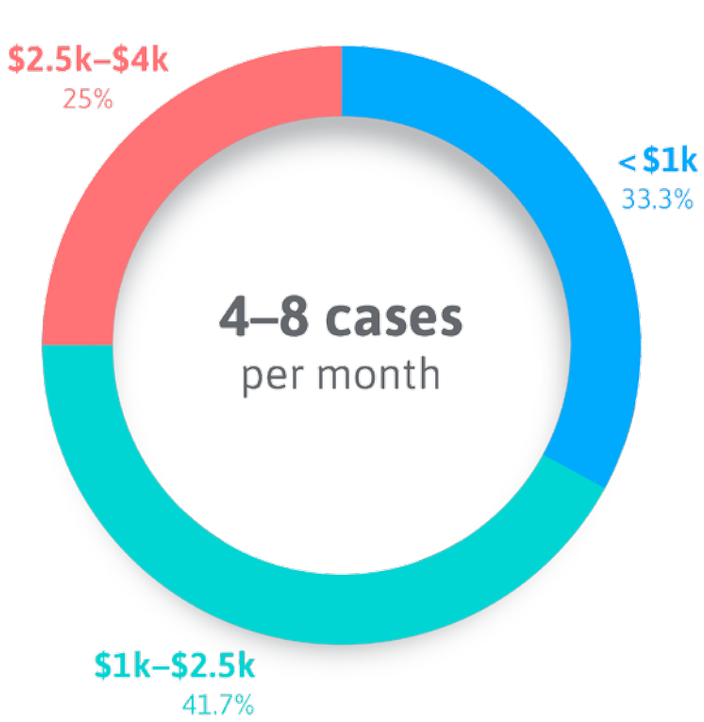


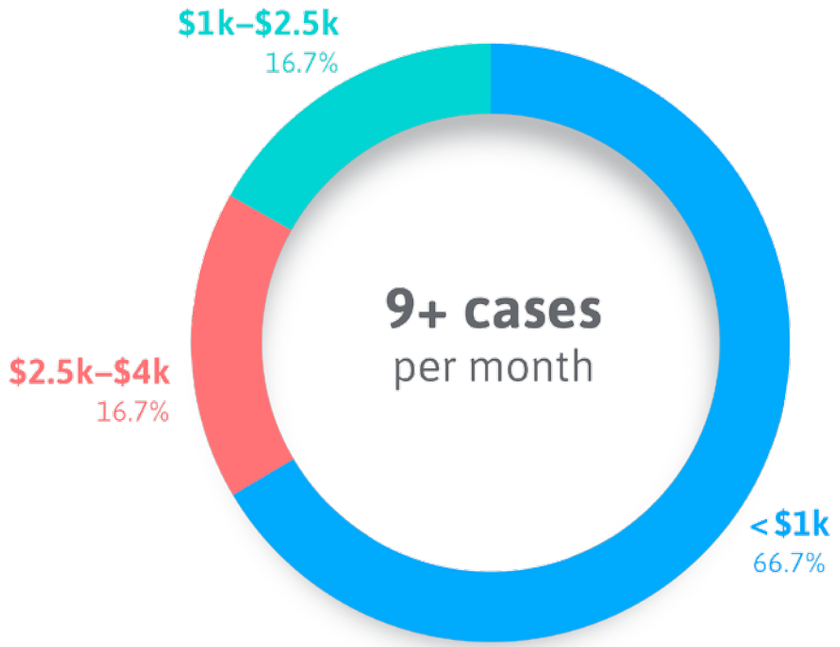
Installment Agreement

Average Fees, Organized by Typical Number of Cases Per Month









Brought to you canopy

4

Average Fees, Organized by Hours Spent Per Case

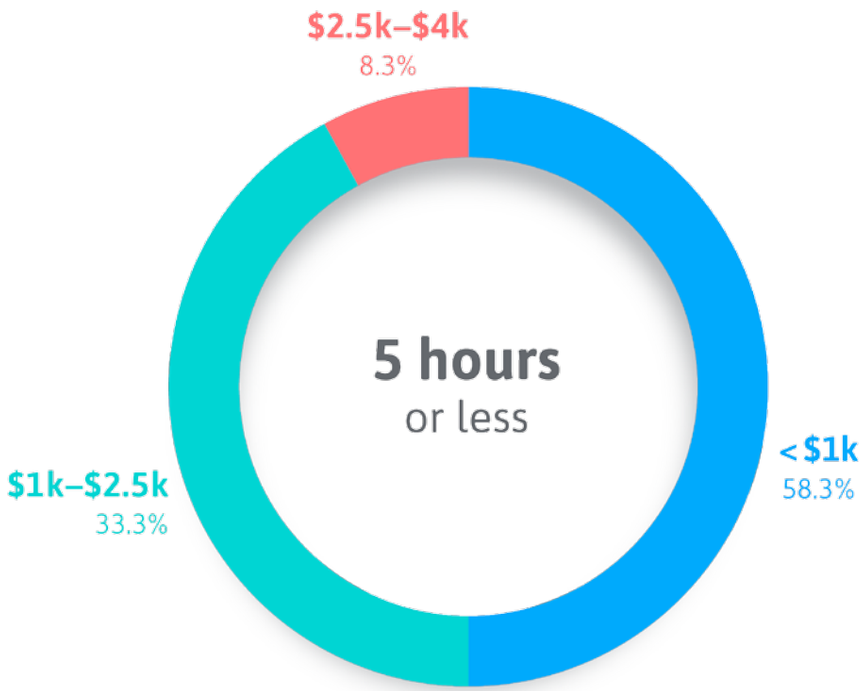
This section looks at the relationship between the amount of time it takes practitioners to complete common tax resolution cases, and how much they or their practice charges for those services.

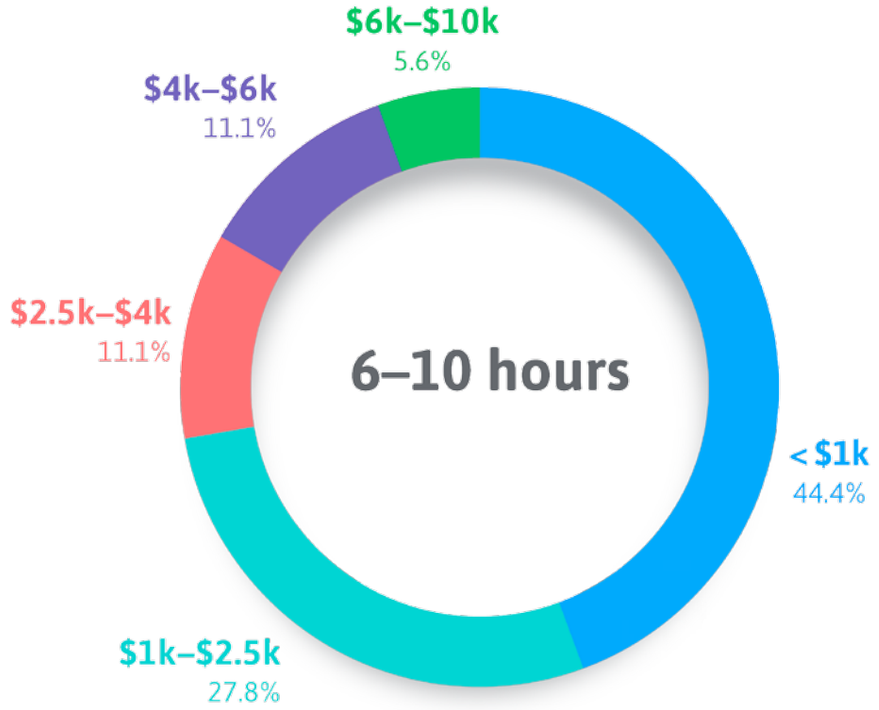
Key Takeaway

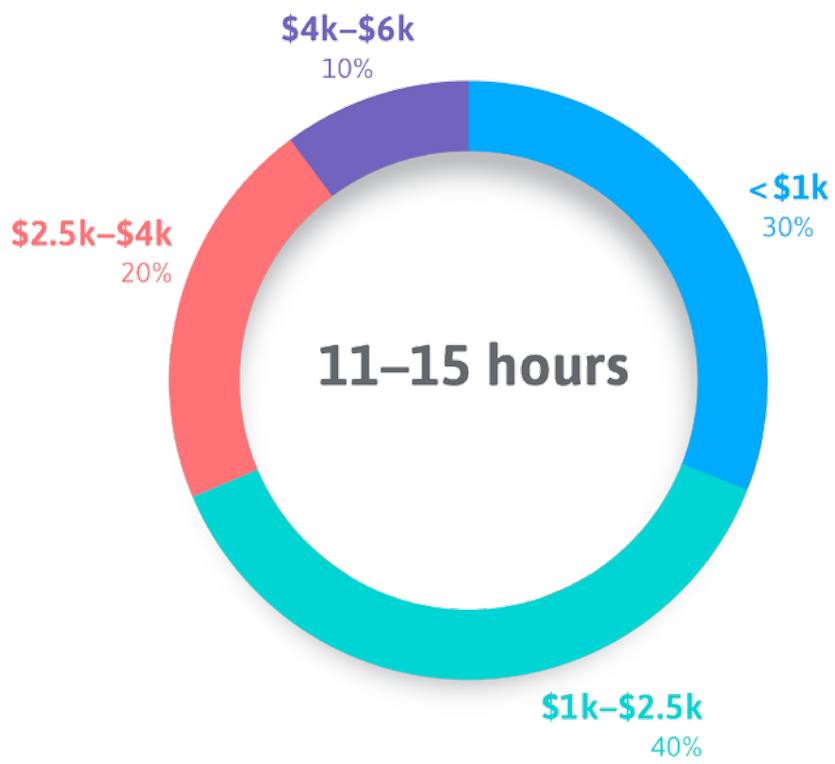
- Of respondents, 30% who spend 11–15 hours on an Offer In Compromise case charge less than $1,000 for their services.

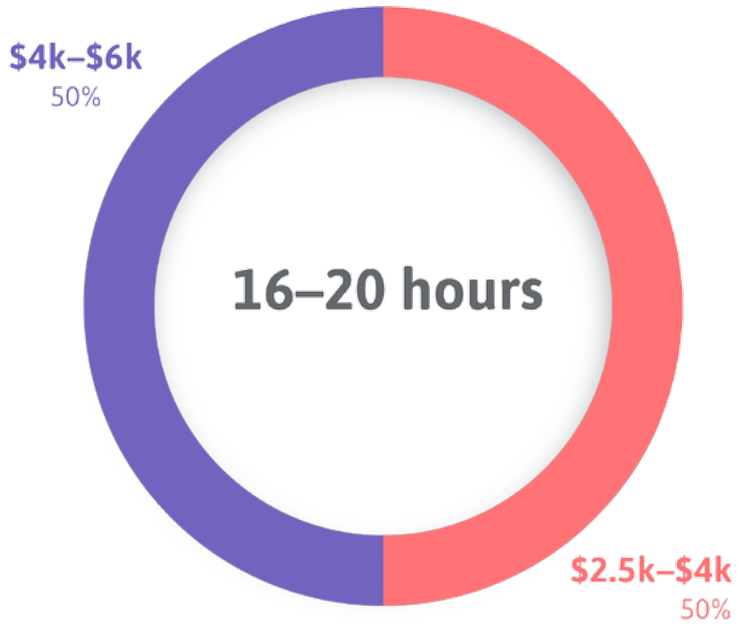
Offer in Compromise

Average Fees, Organized by Hours Spent Per Case



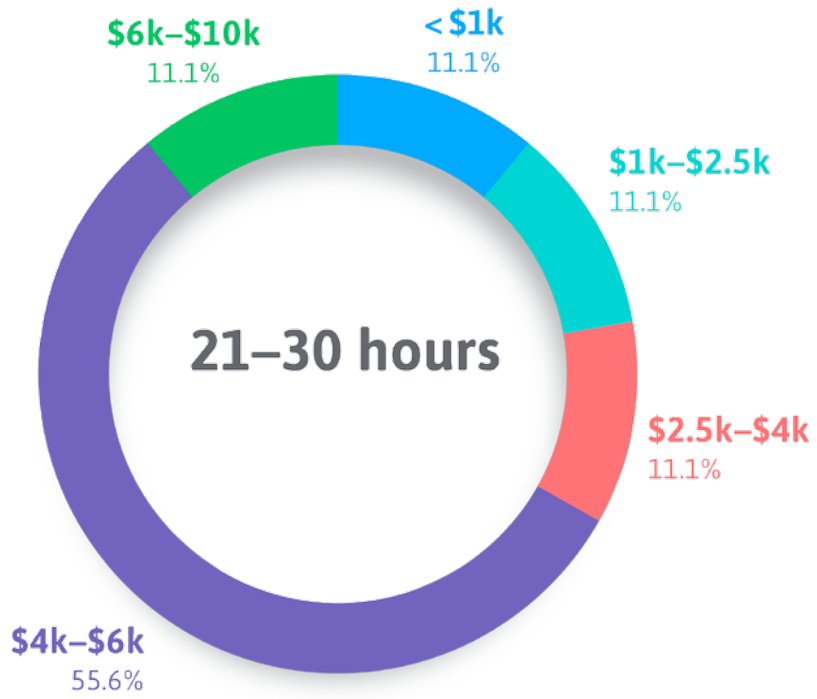


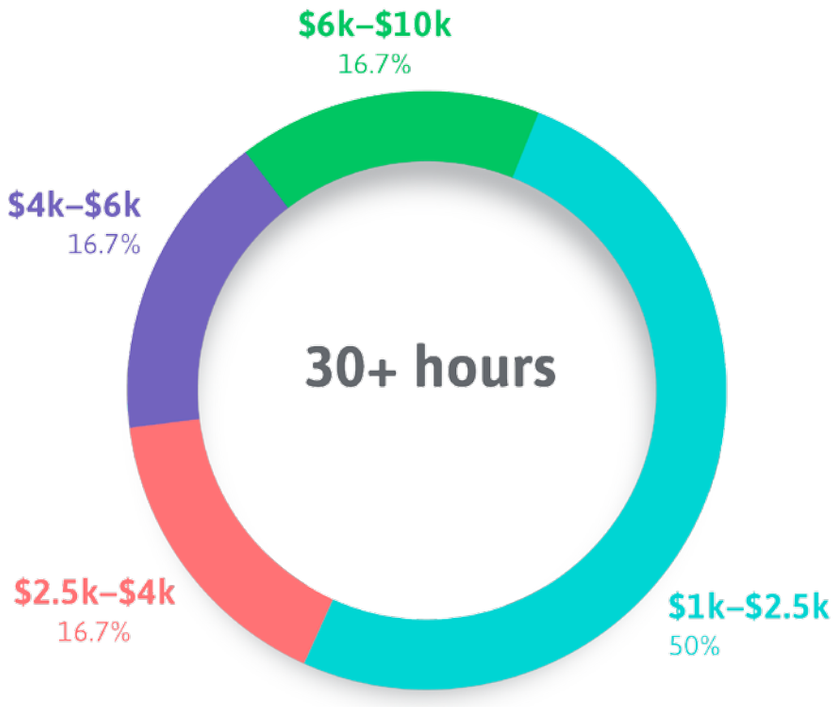




Offer in Compromise

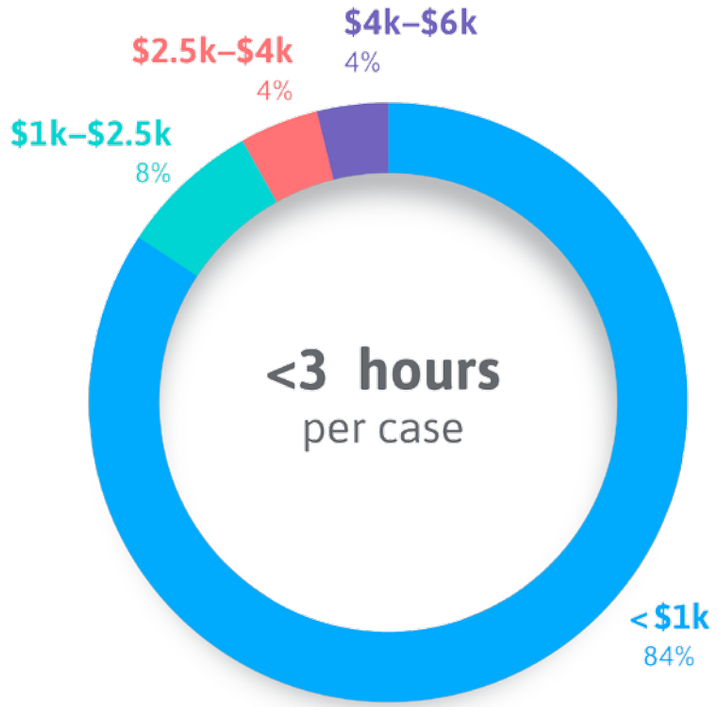
Average Fees, Organized by Hours Spent Per Case

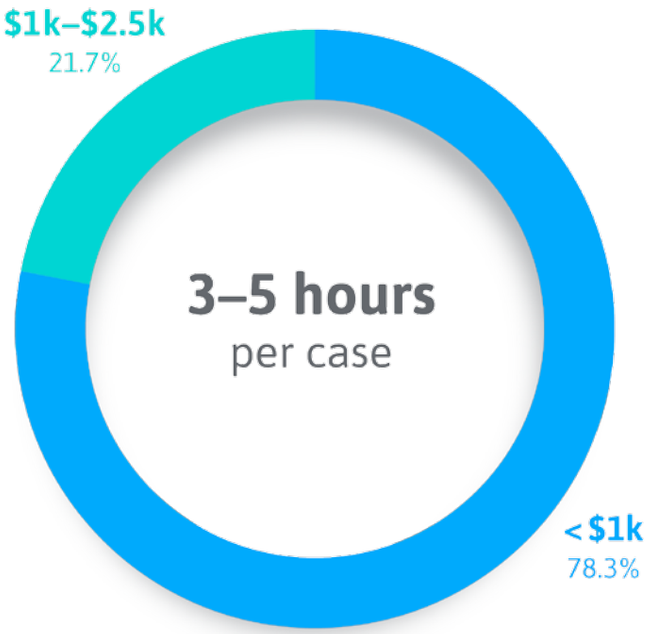


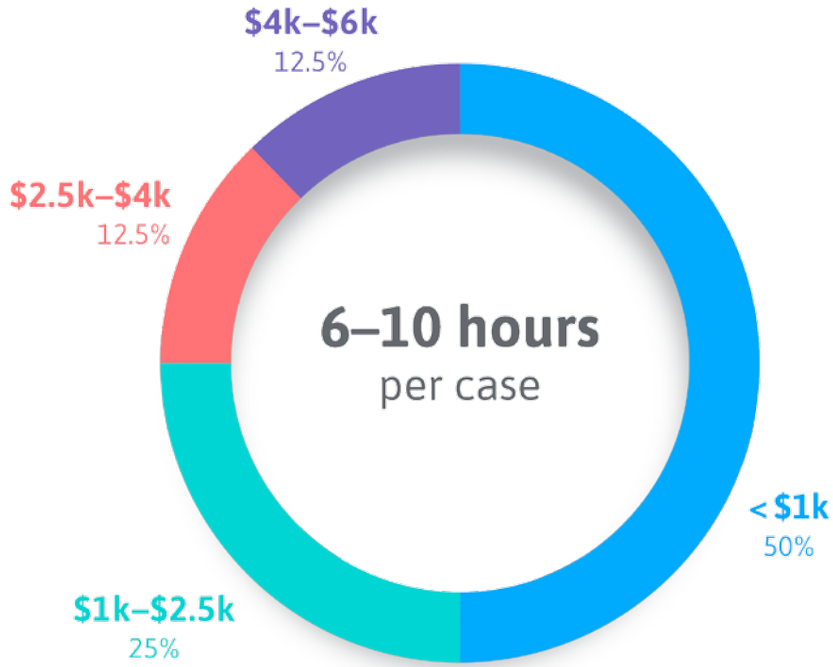


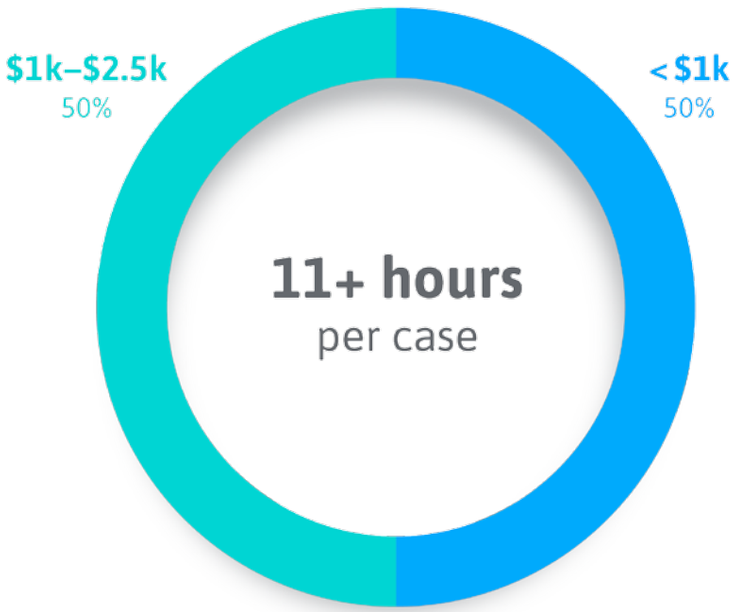
Penalty Abatement

Average Fees, Organized by Hours Spent Per Case



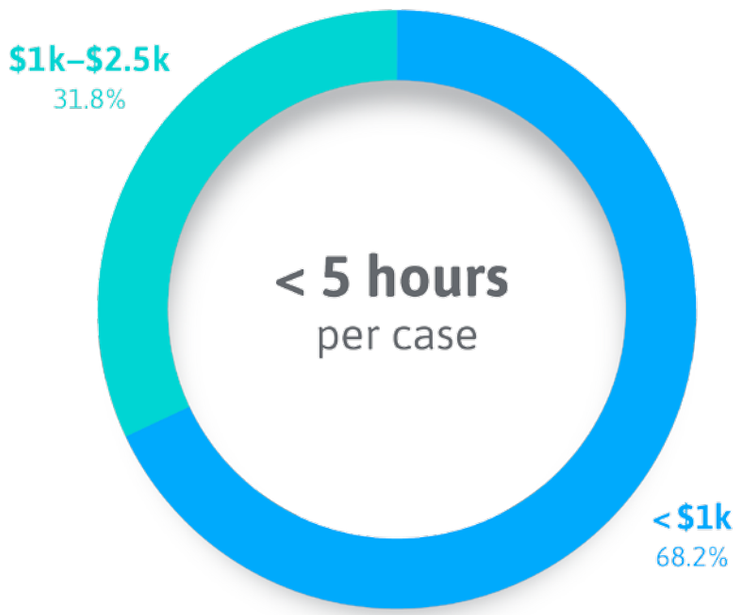


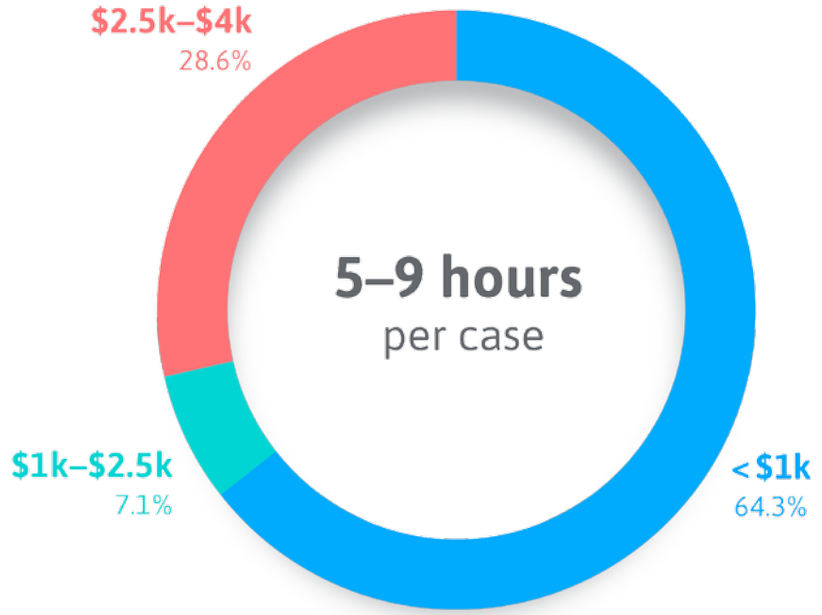


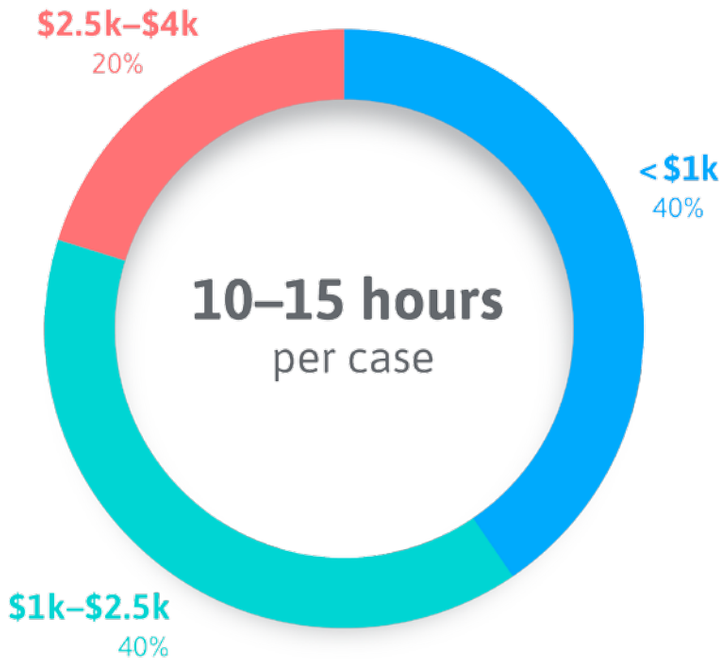


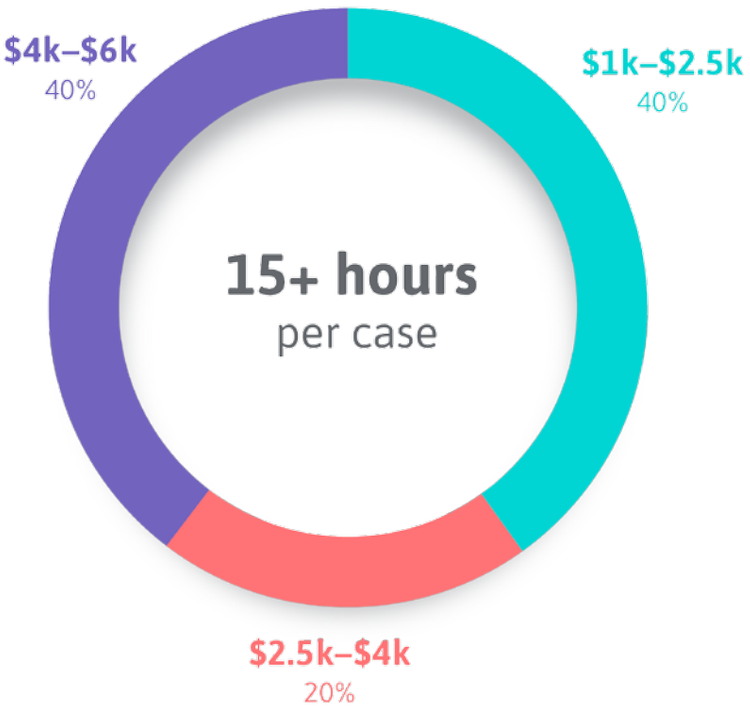
Innocent Spouse

Average Fees, Organized by Hours Spent Per Case



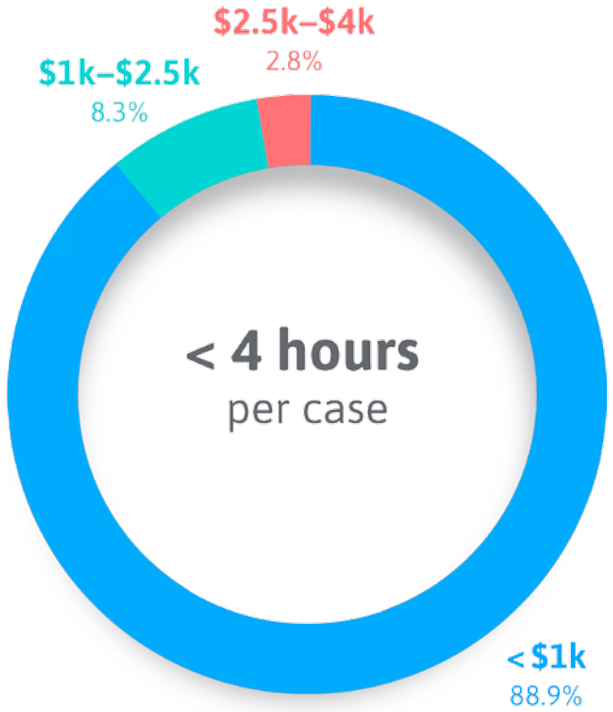


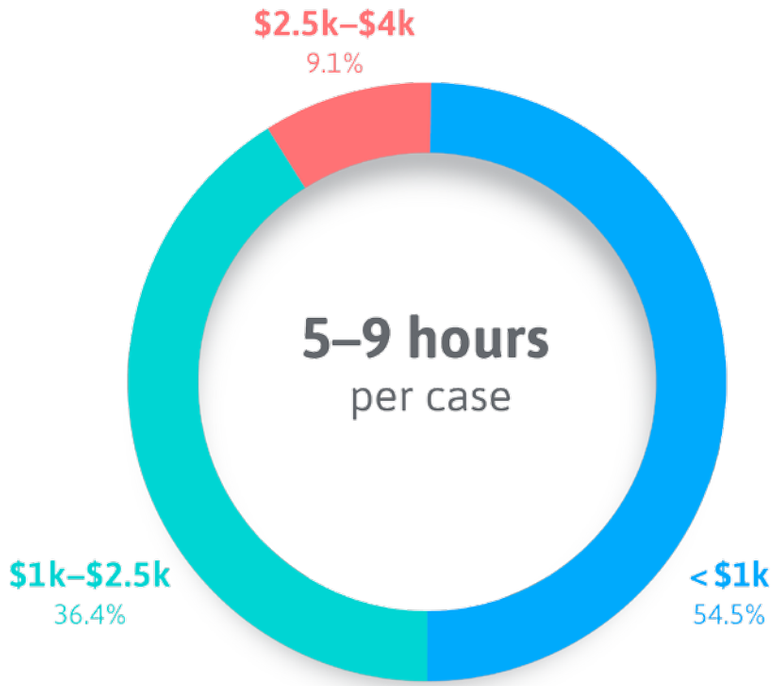


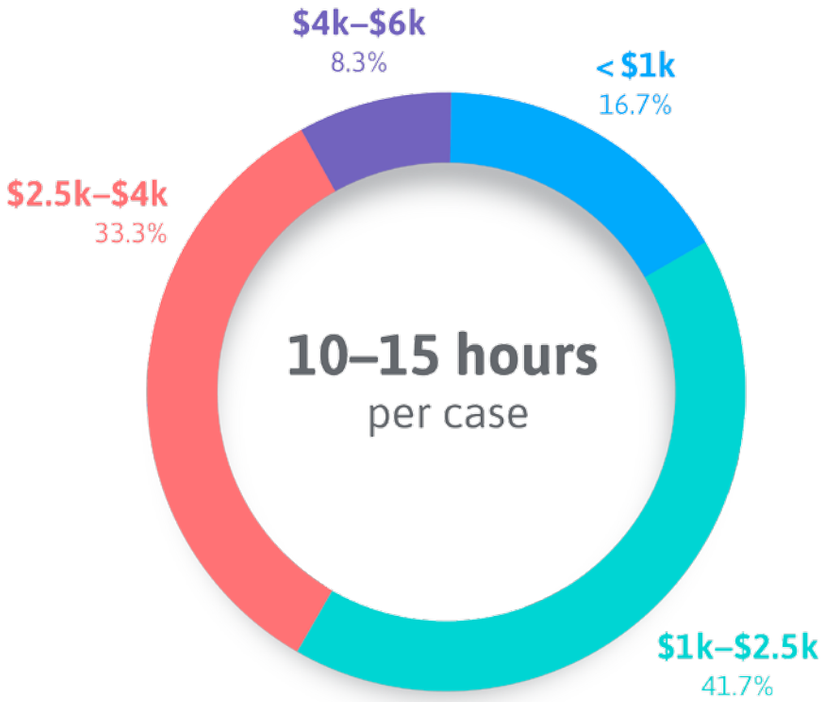


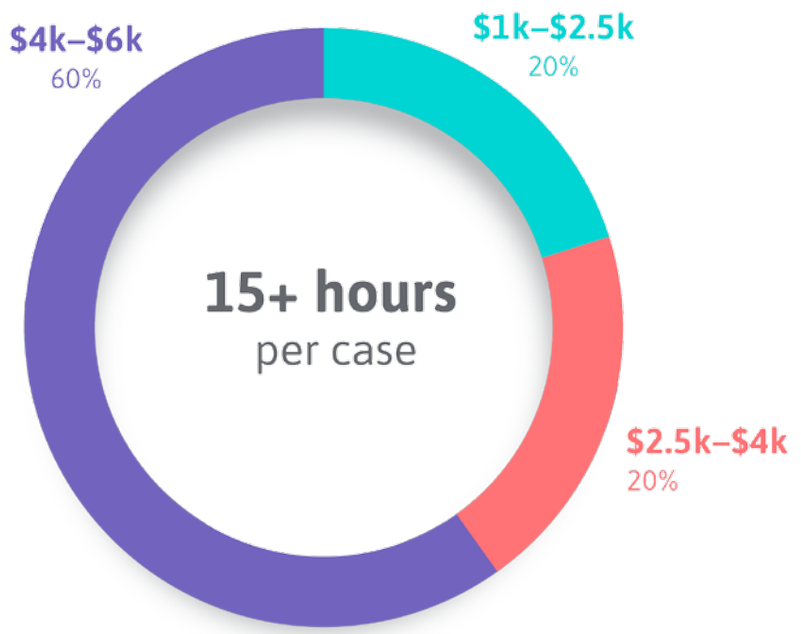
Installment Agreement

Average Fees, Organized by Hours Spent Per Case









So how will ***you*** charge for your tax resolution services?

There's no one-size-fits-all answer. Every practice does it a little differently because every tax practice has unique clients with different needs. But now you have the information you need to make an informed decision.

Thank you to all the practitioners who participated in the survey! Your willing participation is what makes this report possible.

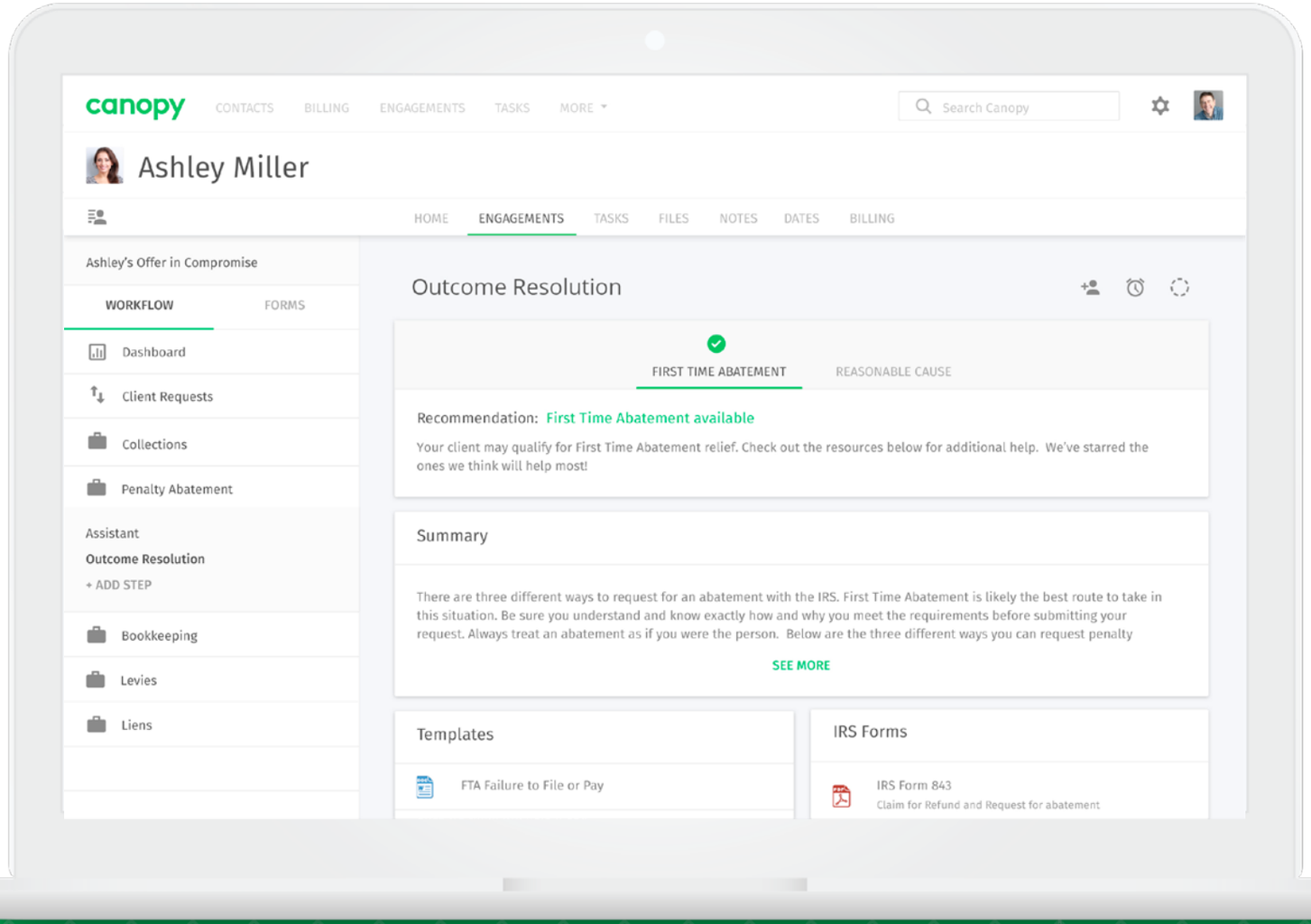
Want to take part in next year's survey? Follow us on social media to get updates about industry reports like this one.

Brought to you by

canopy

Save 5-10 Hours per Case with Canopy

Robust, Yet Simple.



Canopy makes all your Tax Resolution tasks pain-free and intuitive.

- Penalty Abatement Assistant
- OIC Analytics
- Fast Transcript Delivery & Reports
- Auto-populated IRS Forms
- Custom Workflow
- \+ Practice Management features you'll love

Try it free

No credit card required.

canopy

Practice Management & Tax Resolution Software