



Tax Resolution Pricing Guide 2020

How much should I charge for tax resolution services?

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

In order to provide a more helpful answer to this question, we have collected data from tax professionals all over the United States for the past few years about how they price six types of tax resolution services including:

- + Offer in Compromise
- + Installment Agreement
- + Penalty Abatement
- + Trust Fund Recovery
- + Innocent Spouse
- + Liens and Levies

This report summarizes what information we gathered for 2020.

Note: Percentages in this report have been rounded and may not add up to exactly 100%.



Who We Surveyed

To get a better understanding of the tax professionals participating in our survey, we asked for some basic information about their tax firms.

KEY TAKEAWAYS

\$2,614

Average tax resolution case worth.

68%

charge flat fees rather than by the hour.

34%

handle 2-5 tax resolution cases per year.



Primary Client Type

- 27% Business
- 73% Individual



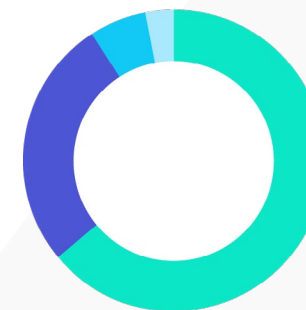
Tax resolution cases per year

- 7% 1 or less
- 12% 16-30
- 34% 2-5
- 4% 31-50
- 19% 6-10
- 7% 51+
- 17% 11-15



Primary Billing Method

- 32% Hourly
- 68% Flat fee



Firm Size

- 64% 1-3 people
- 27% 4-10 people
- 6% 11-25 people
- 3% 25+ people



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Average Fees Organized by Service

In our survey, we asked participants to report how much they charge, on average, for six tax resolution services: Offer in Compromise, Penalty Abatement, Innocent Spouse, Installment Agreement, Trust Fund Recovery, and Liens and Levies services. This section goes over the results.

Average Fees Organized by Service

Key takeaways

- + Penalty Abatement fees were the lowest at about \$774 per case or \$72/ hour.
- + Trust Fund Recovery fees were the highest at about \$4,840 per case or \$293/ hour.

OFFER IN COMPROMISE

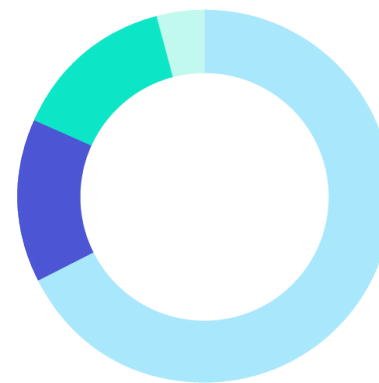
Average fees overall: **\$2,989**



\$500 or less	17%
\$501-\$1,000	17%
\$1,001-\$2,500	24%
\$2,501-\$5,000	29%
\$5,001-\$10,000	10%
\$10,000+	2%

PENALTY ABATEMENT

Average fees overall: **\$774**



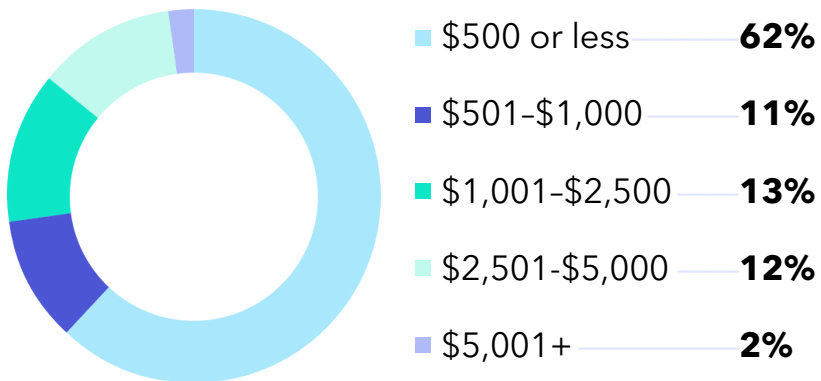
\$500 or less	67%
\$501-\$1,000	14%
\$1,001-\$2,500	14%
\$2,501+	4%



Average Fees Organized by Service

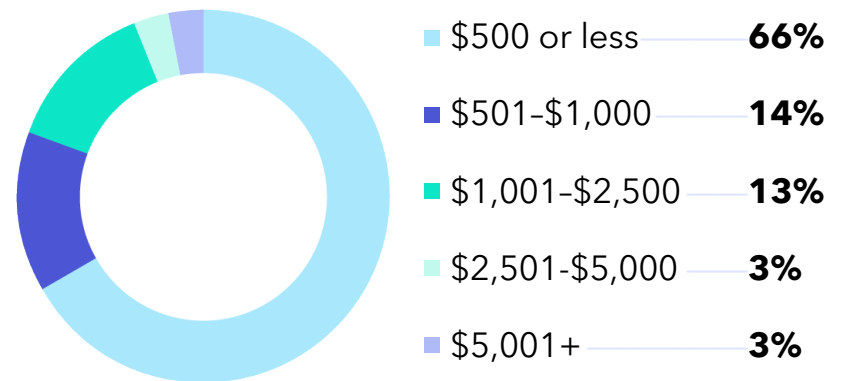
INNOCENT SPOUSE

Average fees overall: **\$1,134**



INSTALLMENT AGREEMENT

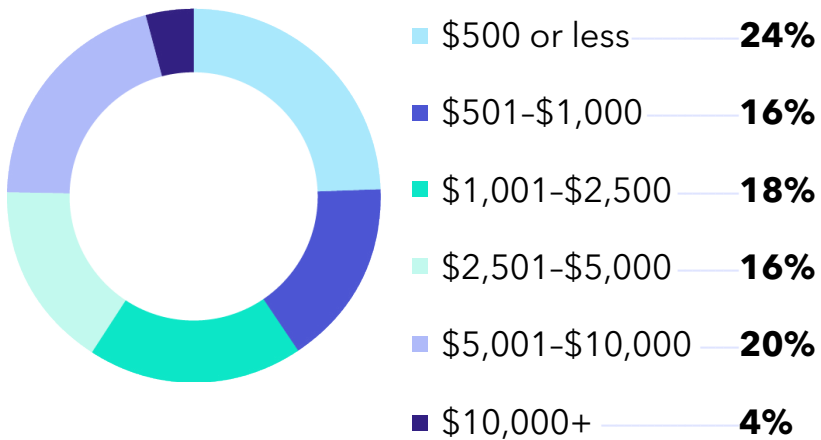
Average fees overall: **\$833**



Average Fees Organized by Service

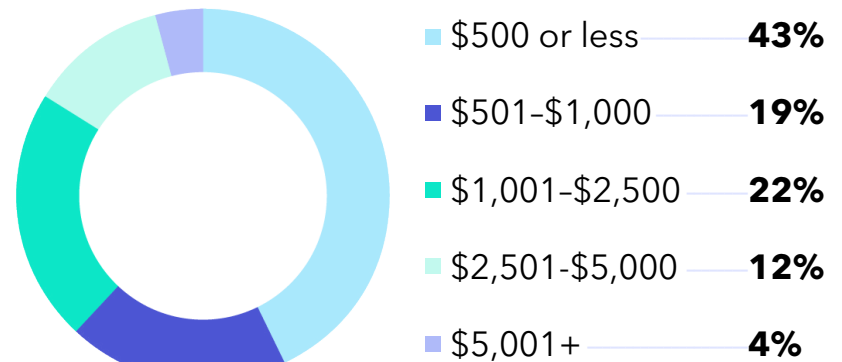
TRUST FUND RECOVERY

Average fees overall: **\$4,840**



LIENS AND LEVIES

Average fees overall: **\$1,602**



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Average Fees Organized by Firm Size

This section looks at the relationship between a firm's size and what they charge for different tax resolution services. Firm size is bucketed into 1-3 people, 4-10 people, 11-25 people, and more than 25 people.

Average Fees Organized by Firm Size

Key takeaways

- + Firms of 25 or more people, on average, charge the most for every tax resolution service except Trust Fund Recovery.
- + 1-3 person firms, on average, charge the least for every tax resolution service.

Firm Size	Offer in Compromise	Penalty Abatement	Innocent Spouse	Installment Agreement	Trust Fund Recovery	Liens and Levies
1-3 person firm	\$2,432	\$636	\$933	\$609	\$3,047	\$1,312
4-10 person firm	\$3,791	\$730	\$1,382	\$983	\$10,509	\$1,734
11-25 person firm	\$3,344	\$1,079	\$964	\$1,675	\$2,550	\$2,686
25+ person firm	\$7,067	\$4,317	\$3,127	\$3,933	\$5,800	\$2,733



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Average Fees Organized by Average Number of Cases Per Year

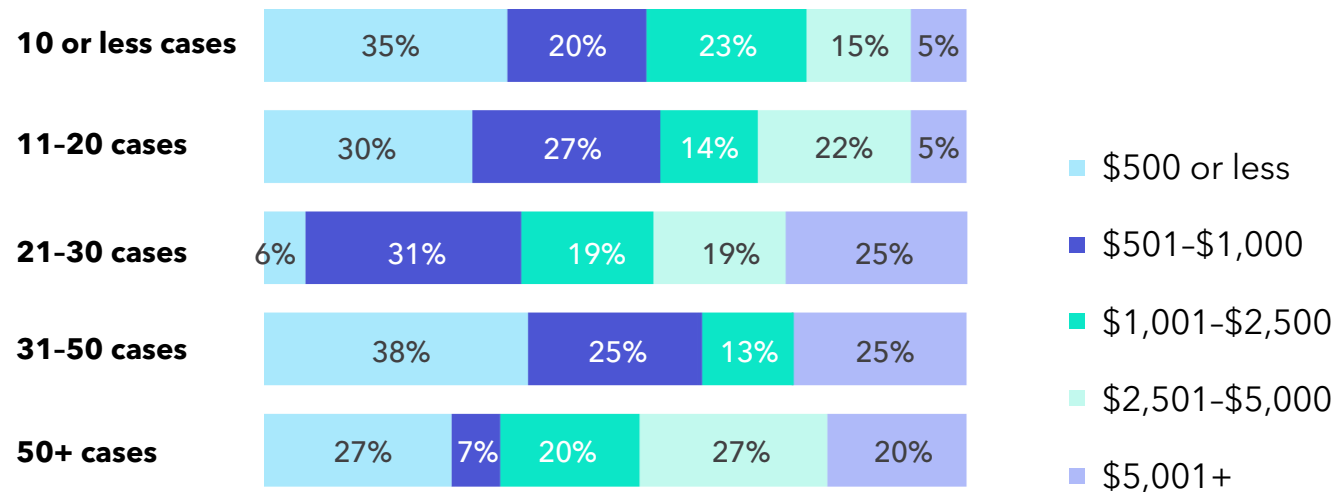
This section looks at the relationship between how many tax resolution cases a firm typically takes on per year and the average amount they charge for tax resolution services.

Average Fees Organized by Average Number of Cases Per Year

Key takeaways

- + Respondents who take on more than 30 cases per year charge about 2.5x more per tax resolution case than those who take on 10 or less cases per year.
- + Respondents who take on more than 30 cases per year charge an average of \$6,419 per case.

AVERAGE FEES ORGANIZED BY AVERAGE CASES PER YEAR



How will you charge for tax resolution services?

There's no one-size-fits-all answer. Every firm does it a little differently because every tax firm 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.



Get Clients Back on Track with the IRS.

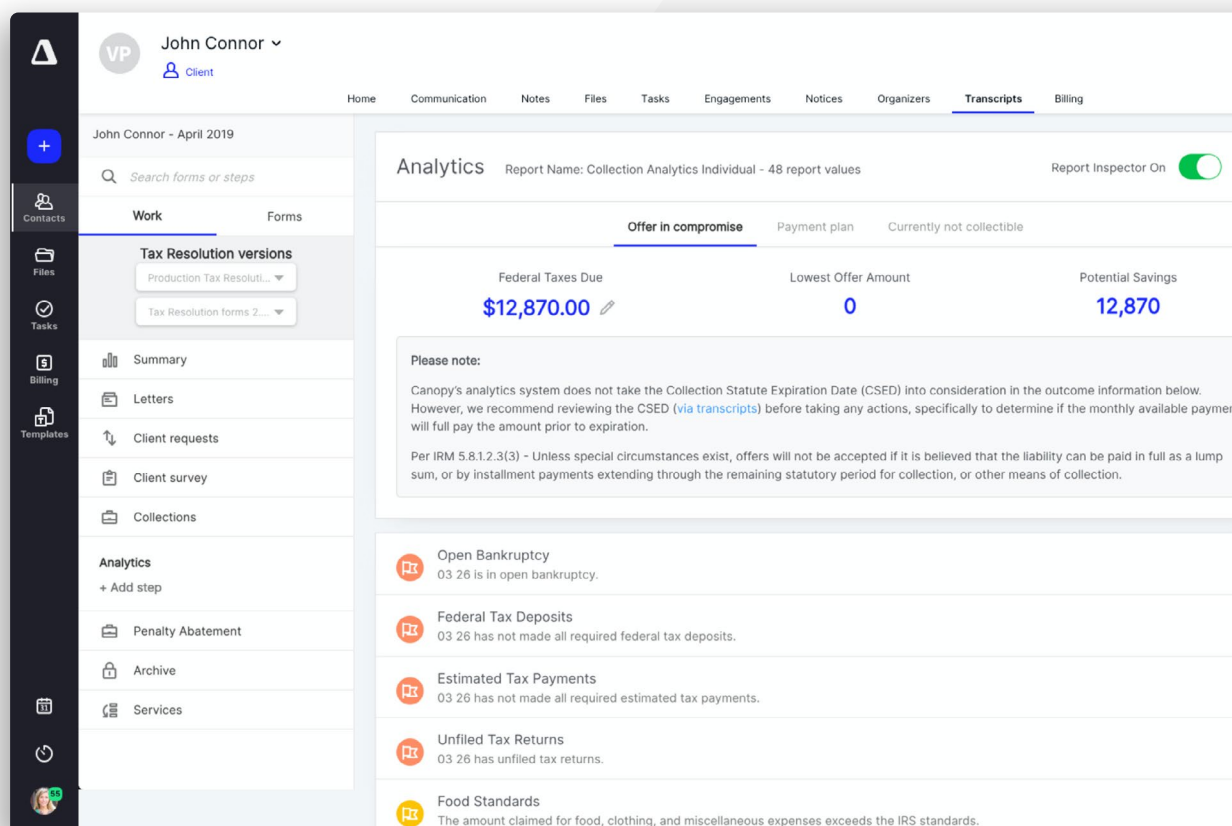
When your client comes to you with a tax issue, you don't want to spend hours on IRM research—your time is valuable, and your clients are under the stress of being contacted by the IRS. You need the tools to evaluate possible outcomes and respond to their issues quickly and accurately. That's where Canopy comes in.

We've built every feature with you and your clients in mind so you can work together to resolve tax issues.

CANOPY'S TAX RESOLUTION FEATURES INCLUDE:

- ✓ Transcripts Tool
- ✓ Notices Tool
- ✓ Penalty Abatement assistance
- ✓ Offer in Compromise assistance

Get a Demo



The screenshot displays the Canopy software interface. At the top, the user is identified as John Connor (VP Client). The navigation menu includes Home, Communication, Notes, Files, Tasks, Engagements, Notices, Organizers, Transcripts, and Billing. The main content area is titled "John Connor - April 2019" and features a search bar for forms and steps. Below this, there are tabs for "Work" and "Forms", with "Tax Resolution versions" selected. A list of actions includes Summary, Letters, Client requests, Client survey, Collections, Analytics, Penalty Abatement, Archive, and Services. The "Analytics" section shows a report for "Collection Analytics Individual - 48 report values" with a toggle for "Report Inspector On". A table displays key metrics: Federal Taxes Due (\$12,870.00), Lowest Offer Amount (0), and Potential Savings (12,870). A "Please note" section provides important information about the system's handling of CSED and offers. Below the analytics, a list of issues is shown, including Open Bankruptcy, Federal Tax Deposits, Estimated Tax Payments, Unfiled Tax Returns, and Food Standards.