

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

too?

Mar. 13, 2017



Surge pricing: Some call it price gouging, others call it the price of convenience. Still others just call it supply and demand.

If you've used Uber or one of its competitors in a large city, particularly during peak traffic hours or during special events, you've likely paid what is known as surge pricing. But Uber is far from the only example. Your electric company likely does it,

and so does Disney World. While they openly call it surge pricing, the concept has

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

What is new is that the concept is starting to appear in other service-based professions and industries. National tax preparation firms such as H&R Block and do-it-yourself tax systems like TurboTax and TaxAct have followed suit, charging less for early filers, when there is less demand, and more as the tax deadline nears.

“Because they’ve waited until the last minute, they’re less patient,” said Lance Dunn, a cofounder of TaxAct. This makes those taxpayers willing to pay more, he said. They’ve “got the panic button fully pressed.”

Later in the tax season, individual taxpayers can expect to pay 30 percent or more for their taxes through these services.

Tax Professionals Weigh In

Most CPAs and Enrolled Agents offer clients more than just tax services, and that allows them to have more contact with at least some of their clients before tax season. This continued contact helps keep them a little more attuned to when the deadlines are and what the professional needs to help them file on time. However, many still procrastinate.

[Joe Madden](#), a CPA in Dennison, Texas, prepares more than 300 individual tax returns for clients each year, says he hasn’t tried surge pricing (or increased late-season fees) yet, but sees how the concept would be appealing to accounting and tax firms.

“I just thought about adding a surcharge or such to people who bring their tax return and documents in at the last minute and DEMAND it be ready by the deadline,” he said. That can result in late hours and stressed staff at tax firms. Madden has not done so yet, however.

“Generally, my fees are the same regardless. But I am a big fan of PITA billing and that

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

“We don't use surge pricing or increase our fees during tax season, but I've known firms who did,” said Shayna Chapman, CPA, who owns a [full-service tax and accounting firm](#) in Gallipolis, Ohio. “When I worked at another firm, a competitor did it based on raising the hourly rate.”

While Chapman says it hasn't been routine at her firm, there have been some instances where, with the client's understanding, she has charged more. “I have raised my fee based on speed and putting someone else aside and staying up all night to do a return. I believe at that point they needed it and needed to understand that I was willing to do it, but that it caused a hardship on me to take care of them due to their procrastination, so I would charge more.”

Some firms make more of a policy of higher rates at the end of tax season.

“I have charged higher prices on new clients as I get into peak season,” Andrew Poulos, EA, principal of [Poulos Accounting and Consulting](#) in Atlanta. “Particularly if it's late into the season and I'm busy with work, or if someone waits until the last minute and they want to get to the front of the line or it's a rush.

Poulos also hosts the [Financial Smarts Network](#), and has offered expert commentary on tax and business topics on Fox Business, NBC News and CBS News.

While it might make sense for tax-only firms, particularly those who deal with mostly walk-in style clients, the benefit is not as clear for firms that provide a full-range of accounting and business consulting services. After all, attempting to charge more to long-term clients could be detrimental to the larger client relationship.

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us