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Peoples Tax Celebrates 25 Years... Morphing to a National Tax School

Charles E. McCabe, CEO and founder of Richmond-based [Peoples Income Tax, Inc.](#) announced the firm's 25th anniversary. Peoples opened its first income tax office on September 1, 1987 and expanded to 26 locations in central-Virginia over the next nine years. Peoples was recognized for four consecutive years as one of the Richmond "Rising 25" fastest growing companies.

To meet the need for qualified tax preparers to support the firm's rapid early growth, McCabe created an income tax school comparable to that of his former employer, H & R Block. "In 1988," McCabe said, "I persuaded J. Sargeant Reynolds Community College to hire me as an adjunct faculty member to teach a 3-credit course in income tax preparation that I developed." In 1989 Peoples Tax was approved by the Virginia Department of Education to operate Peoples Income Tax School.

"The following year," said McCabe, "while attending a conference of our tax software vendor, our account executive noted that Peoples was the only independent tax firm in the country with a tax school comparable to Block's." The account executive suggested that McCabe sell it to other independent tax business owners. Since Peoples Tax was not ready to become a franchisor, in 1990 McCabe began licensing the tax school system to tax businesses nationwide to generate off-season revenue. The company provides a turn-key system for its licensees to establish their own tax schools to recruit and train tax preparers.

"We enabled independent tax business owners to adopt this best practice used by the national tax firms," McCabe explained. "Jackson Hewitt and Liberty Tax Service outsourced their tax schools to Peoples during their first two years of existence before taking their tax schools in-house," he added.

Over the next ten years Peoples Tax faced increasing competition from national tax firms expanding into the market, while more taxpayers were enabled to prepare their own returns using products such as TurboTax and IRS Free File. Yet Peoples Tax School continued to grow and was renamed "[The Income Tax School](#)" (ITS). Small business and advanced courses and continuing education (CE) seminars were added.

In 2003 McCabe developed a learning management system to deliver elearning courses and CE seminars directly to students nationwide.

(More)

ITS also created a set of four [Tax Practice Management Manuals](#): Tax Office Operations, Marketing, Personnel, and Expansion. "We enable independent tax business entrepreneurs to adopt best practices used by big tax firms without buying into a franchise, paying a franchise fee and ongoing royalties and being locked into a geographic territory," McCabe said.

McCabe noted that "The Income Tax School has enabled many seasonal employees of Peoples Tax to be employed year-round by writing and editing tax course curriculum and providing instructor support for e-learning students. The success of Peoples Tax and The Income Tax School would not have been possible without the hard work and perseverance of our dedicated loyal employees."

These activities have also strengthened the firm's base of tax knowledge, enabling Peoples Tax to compete with CPA firms to competently prepare complex individual and small business income tax returns at more affordable rates.

The new [IRS Regulation of Tax Preparers](#) that became effective January 1, 2012 will require some 340,000 "unenrolled" preparers (those who are not CPAs, Enrolled Agents or attorneys) to complete 15 hours of Continuing Education (CE) annually from an IRS Approved CE Provider such as The Income Tax School. These preparers must pass a new IRS Preparer Competency Exam by December 31, 2013 to earn the IRS credential of Registered Tax Return Preparer (RTRP) required for them to continue to practice. "These new requirements," McCabe said, "will cause an exodus of tax preparers, who will stop practicing rather than take the test and complete annual education. The result will be a shortage of qualified tax preparers."

McCabe pointed out that the IRS tax preparer regulations will create new professional career opportunities for people seeking employment or self-employment. "Tax preparation is an ideal career option for early retirees who don't need to work year-round, and for stay-at-home parents who wish to be off when their children are home during the summer months," noted McCabe. "Tax preparation is also a good complement for financial service and real estate professionals," he said.

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About The Income Tax School:

The Income Tax School was formed in 1989 as a division of Peoples Income Tax, Inc. which was founded in 1987 by Chuck McCabe who serves as President and CEO. On May 1, 2010, The Income Tax School, Inc. was spun-off as an independent legal entity. The School, which is certified by the State Council of Higher Education for Virginia (SCHEV), currently offers some 70 income tax training courses online, ranging from 3 hour CE programs to 30-60 hour courses, plus a five-course 180-hour Chartered Tax Professional-CTP® certificate program. The school provides CE for CPAs as a NASBA sponsor and for EAs and RTRPs (unenrolled tax preparers) as an IRS Approved CE Provider. The School's tax preparation courses, student texts, and instructor guides are used by tax, accounting and financial services firms to provide in-house tax training, as well as by many colleges and career schools. The Income Tax School was ranked #1 by TrendLists for online tax education. Complete information about The Income Tax School and course offerings can be found at the school's website: <http://www.theincometaxschool.com>