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Why Outsource tax to India ? by Amitaabh Saboo

Article published on February 2nd 2012 | Business

Accounting is no easy task. It requires an attention to detail and accuracy, and it imperative for any success in business. Some business owners may think that record keeping is to be classified as a mundane task may and often misinterpret the importance of accounting.

The primary function of accounting is to provide information that can pinpoint trends within your operation. With proper records, you will be able to tell at a glance, which areas are productive and cost-effective and which areas require changes. The second function of accounting is to provide income information that can be retrieved and verified.

The need for proper accounting is acknowledged, but most small businesses, and especially those in the start-up phase may not have the resources to handle their accounting needs. Outsourcing is one option for businesses without the capability to do it themselves. India is considered as one of the best choices for outsourcing for all accounting and business firms.

Before you decide whether to outsource tax to India, you should take a closer look at the advantages.

Outsourcing for incorrect or inappropriate reasons may result in bigger challenges and unexpected increase in costs.

There are several reasons why you may consider to outsource tax to India. The primary benefit is the considerable cost savings that may be realized. Comparative salaries for the same type of work is much lower in India. The other important reason is that the training of accountants in India is second to none.

India has quickly developed to be a leader in fields such as information technology, and information technology is now being tied to accounting, as most of the processing is done with software. An old adage in business, is that time is money, and money likes speed. With the decision to outsource tax to India, you can expect the work to be done quickly and efficiently.

Outsourcing requires some planning, and if you outsource tax to India, there may be careful deliberations required before the decision is made.

Recent legislation enacted by the Internal Revenue Service, requires that anyone who is paid for preparing taxes, must be registered with a Preparer Tax Identification Number. The PTIN must be renewed annually and a few of the service providers will soon be required to pass a competency test and take continuing education courses. If you outsource tax to India, this can be troublesome if the provider that you choose is not fully registered.

The additional challenge when you are making the decision to outsource tax to India is to identify all of the risks associated with outsourcing and compare each against the resulting benefit. The benefits may not always outweigh the risks.

When you outsource tax to India, your service provider should assume some of the risk in return for your compensation. The risk that your supplier assumes is providing the right technology, experience and people in order to ensure that the job is performed properly, while you give up some control over the process. Your decision to outsource tax to India, should include an understanding of these risks and how they can affect the results of the outsourcing process.

Article Source:
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Article Keywords:
Tax Outsourcing,Outsourcing Tax Preparation, India Tax Outsourcing