Audit vs. Tax Accounting: How Are They Different?

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A growing economy, expanding international business activity, and an increasingly complex tax and regulatory environment are expected to increase demand for accounting professionals in the coming years. According to the U.S. Bureau of Labor Statistics (BLS), employment growth for accountants and auditors will outpace the national average for all occupations over the next decade.

At the same time, enrollment in accounting programs rose across postsecondary institutions in 2025. At the graduate level, accounting program enrollment grew faster than enrollment in other business programs, according to data from the National Student Clearinghouse.

Accounting professionals can choose from various specializations, including audit and tax accounting. Although these two areas overlap in some respects, they differ in their primary focus, day-to-day responsibilities, required skills, and potential career paths.

Pursuing a graduate master's degree in accounting can help those considering audit vs. tax accounting for a career to pick the right path and develop the requisite skills to excel in either specialty.

Audit and Tax Accounting Defined

Audit and tax accounting are specialties within the accounting profession. Accountants in both specialties work closely with financial information. They also help their clients or employers meet important reporting and compliance obligations.

- **Auditors** examine financial records to determine whether the information is accurate. They also assess whether those documents comply with relevant laws, regulations, and accounting procedures. After completing a review, they share their findings with their clients or organizational leaders and may identify errors or areas of financial risk.
- **Tax accountants** focus on tax preparation and planning. They review financial documents to determine tax liability and prepare returns. They also help ensure that the filings are accurate, submitted on time, and compliant with applicable laws. Depending on their role, tax accountants may work with individual clients or for an organization.

Professionals in both areas examine financial records and need to have expertise in financial laws and regulations. They also follow generally accepted accounting principles (GAAP) in their work.

Their work environments are often similar as well. Auditors and tax accountants work internally for one organization or serve multiple clients through a public accounting firm.

Audit vs. Tax Accounting: Key Differences

Although audit and tax accounting share some common ground, they are distinct branches of accounting. The differences between them are most apparent in the type of work professionals in each specialty perform, the skills they need, and the preparation typically required to pursue a career in that specialty.

Focus

Auditors often review the work of other accounting professionals. They examine financial statements and related documents to evaluate their accuracy and whether they comply with applicable laws and regulations. Auditors typically work for businesses, government agencies, and other organizations. Their responsibilities may also involve identifying errors or assessing potential fraud risks.

Tax accountants concentrate on tax planning, preparation, and compliance with an emphasis on minimizing their clients’ or their employer’s liability. They review financial information to calculate tax obligations, prepare returns, and help their clients or employers meet filing requirements. The clients of those who have them may be individuals, families, businesses, or nonprofits.

Skills

Both specialties require attention to detail and strong communication skills, but they each place greater emphasis on different abilities.

Auditors apply analytical and critical thinking skills to identify inconsistencies and trace their causes. Because they frequently work with many clients and collaborate with other professionals, interpersonal skills are also important for auditors.

Tax accountants often rely on quantitative reasoning and organizational skills to manage large amounts of financial information. They also need to possess a detailed understanding of tax law, particularly as it pertains to each of their clients’ or their employer’s business.

Requirements

Preparing for a career in audit or tax accounting generally begins with earning a degree in accounting or another business-related field of study.

- **Education**: Auditors and tax accountants typically need at least a bachelor’s degree for most positions. Graduate study can enhance a candidate’s expertise and may enable them to qualify for more advanced roles.

- **Certification**: Many employers prefer or require candidates in either role to have a certified public accountant (CPA) credential. Some auditors choose to pursue the certified internal auditor designation as well.

Salary and Job Outlook

Auditors and tax accountants earn competitive salaries. Accounting professionals' individual salaries can vary based on factors such as their employer, geographic location, and industry, and they can pursue senior-level positions with generally higher salaries by gaining real-world experience and pursuing an advanced degree.

According to the compensation website Payscale, tax accountants and auditors had the following median annual salaries as of May 2026.

- **Auditor:** $69,200
- **Auditing manager:** $103,400
- **Tax accountant:** $65,000
- **Tax manager:** $111,600

Jobs for both auditors and tax accountants are expected to grow over the next several years. The BLS projects that employment of accountants and auditors will grow by 5 percent between 2024 and 2034, which is faster than the average projected for all occupations, creating nearly 73,000 new jobs.

Choosing an Accounting Career Path

Choosing between audit and tax accounting entails more than comparing job descriptions. Prospective auditors and tax accountants should also consider how each specialty aligns with the kind of work they prefer to do and the type of career they hope to build. Exploring both areas can provide individuals with a clearer sense of which one may be the better fit.

- **Research each specialty**: Speak with professionals who work in these areas to learn more about their experiences and what their work involves. These conversations can offer practical insight into the role's day-to-day duties and work environment.
- **Gain some experience**: Internships can provide valuable firsthand exposure. Students may even be able to get internships in both specialties, allowing them

to compare the work directly before choosing a career path.

- **Look for alignment with specific interests and goals**: Those weighing these two specialties should assess how each one fits their preferred work style and long-term plans. Auditing often involves more frequent collaboration with clients and colleagues and a greater emphasis on investigating and problem-solving, while tax accounting requires more independent, detail-focused work.

Find the Right Career Path in Accounting

Understanding the differences between audit and tax accounting can help aspiring professionals decide which specialty best suits them. Professionals working in both areas play an important part in supporting financial accuracy and accountability, but they have distinct ways of applying their skills.

If you are looking to advance in your accounting career, explore the Master of Accounting program at Tulane University. The program allows you to choose from multiple specializations — including analytics, risk management, structured finance, or taxation — allowing you to tailor your education to your career goals. In 2025, 100 percent of graduates were employed within four months of completing the program.

Discover how Tulane can help you build advanced accounting expertise and prepare for the next stage of your career.

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