July 30, 2020—

U.S. Senator Chuck Grassley U.S. Representative Richard Neal
U.S. Senator Ron Wyden U.S. Representative Kevin Brady
219 Dirksen Senate Office Building 1102 Longworth House Office Building
Washington, D.C. 20510 Washington, D.C. 20515

RE: Regulation of Tax Return Preparers

According to the IRS, 62% of individuals who currently have a PTIN are not otherwise credentialed, meaning that there is no oversight, regulatory body or authority where individual taxpayers can file a complaint if desired.

The proposed legislation to rectify the regulation of tax return preparer is S.1192/H.R.3330, “The Taxpayer Protection and Preparer Proficiency Act of 2019.” Back in 2010, the Internal Revenue Service announced that it would be regulating tax return preparers. This was challenged in the case of Loving v. IRS, in which the IRS lost by summary judgement, which was then appealed in the D.C. Court of Appeals, and then denied. Once the appeal was denied, then IRS Commissioner John Koskinen stated that the IRS would wait for Congress to enact legislation. The current legislation, if passed, would give the U.S. Department of the Treasury, and subsequently, the IRS the authority to regulate tax preparers. This legislation has support from members of both political parties in the Senate and House of Representatives, as well as from our organization, The National Conference of CPA Practitioners (NCCPAP).

In the case of S.1192/H.R.3330, this legislation could not be timelier. Currently, anyone can start a business claiming that they prepare income tax returns for individuals and businesses. All that is required is for that individual to obtain a Preparer Tax Identification Number (PTIN) from the IRS; however, no one checks their level of competency. When the IRS had attempted to regulate tax preparers unilaterally, they were requiring those who were not a CPA, EA, or Attorney to: (1) pass a minimum competency exam; and (2) take continuing education courses to maintain their knowledge of current tax law. The exam was a one-time event, and continuing education courses is something that all CPAs, EAs and Attorneys must do on an annual basis, as required by their certification bodies.

With all that has occurred with regard to the COVID-19 pandemic, we feel that individuals and businesses who engage a tax return preparer, need to have confidence that those they engage are both competent and current. In addition, federal and state governments, which rely on tax revenues to operate and provide services, should support this legislation so that no one is claiming any deductions for which they are not eligible. Unfortunately, there will always be fraudulent tax returns prepared and submitted. Fortunately, the IRS and state taxing authorities are catching up with the criminals and reducing the
amount of fraudulent refunds, both in quantity and amounts paid. The proposed legislation will greatly help in this fight against fraud.

The National Conference of CPA Practitioners (NCCPAP) endorses S.1192/H.R.3330 and in the strongest possible terms requests that it be passed on its own or incorporated into any future legislation being considered.

Very truly yours,

Neil H. Fishman,  
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President, NCCPAP

Stephen F. Mankowski,  
CPA, CGMA  
Co-chair, Tax Policy Committee

Sanford E. Zinman,  
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The National Conference of CPA Practitioners (NCCPAP) is a professional organization comprised of Certified Public Accountants practicing in the United States. In addition to serving as a forum for education, networking, and community impact, NCCPAP also advocates for its clients. NCCPAP influences tax administration and tax policy by regularly meeting with Internal Revenue Service representatives, state taxing authorities, and elected officials. NCCPAP members represent over one million businesses and individual clients. The organization is headquartered in Woodbury, NY. For more information visit, www.NCCPAP.org.

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