

From: Danny Iezzi  
Sent: Saturday, August 01, 2009  
Subject: "Notice 2009-60"

All State & Federal Tax Returns

Hello:

This is in reference to the subject matter contained on the NATP website as regards the position taken with it's members. The poll results are split between licensed professionals (exclusionary), and unenrolled return preparers as regards who should be able to carry the ball. I for one am registered with an EFIN, and a PTIN that can track me wherever I am; however, I am not a CPA, but I passed the CPA Exam on the first sitting. It runs the gamut, but CPAs and EAs make blunders too. This may be in part due to the handing over of a tax return to the less experienced hired help, but there may be other reasons as well. My emphasis is tax law and tax returns only as I am not trying to be all things to all people, not monthly bookkeeping, selling mortgages, or investment vehicles. In order to become a CPA I would have to be supervised for audits. My Uncle Peter L. Greco CPA does not really do audits, except occasionally because he said audits are more trouble than they are worth. When he walked out the door at Ernst and Ernst prior to the first savings and loan crisis, that company's wealthiest tax clients walked out the door with him so I am able to call up Uncle Pete, and get far better structure and advice for free so not even all CPAs and EAs will be equal. It is quality that separates the mediocre from the exceptional. Do more to assure one EFIN and PTIN per person. Most of my clients e-file unless the kiddie filed their own return, and did not check the box that he or she can be claimed on someone else's tax return.

Yours truly,  
Dannie J. Iezzi MBA  
IRS

**From:** Mohamad Eghtedari  
**Sent:** Saturday, August 01, 2009  
**Subject:** Preparer Test

Hi

I have prepared taxes since 1983.

I have a Master Degree *in* Economics and I have taught Statistic and other Business courses at Colledhe level for many years. Since I had MA Degree in Economics I did not take any test to become CPA However I have consistently taken many Education Credits by attending Tax classes with NATP; NSTP and also by participating in IRS Tax Forums for several years. I have been member of NATP in the past and I am now member of NSTP and NSA. I am also an ERO. I am 71 years old and think that I should be grandfathered in Tax Preparation. I will prepare taxes for another 3 or 4 years. Do I have to take atest any way?  
I have always been wary of taking tests.

Thanks  
M. Eghtedari

From: Patrick Hurley  
Sent: Saturday, August 01, 2009  
Subject: REQUIREMENTS

I BELIEVE THAT EVERY STATE SHOULD HAVE ANY AND ALL PREPARERS TAKE STANDARDIZE TEST SUCH AS OREGON. EVERY TAX PREPARER SHOULD BE RESPONSIBLE TO CIRCULAR 230 SUCH AS ATTORNEYS, CPA'S AND ENROLLED AGENTS. TOO MANY STATES ALLOW PEOPLE TO PREPARE TAX RETURNS WITHOUT TAX KNOWLEDGE. OREGON EXAMINATIONS FOR TAX PREPARERS COVER ONLY INDIVIDUALS AND INDIVIDUALS ARE NOT REQUIRED TO HAVE KNOWLEDGE IN PARTNERSHIPS, CORPORATIONS, FIDUCIARY RETURNS, ETC.

*Patrick J. Hurley, E.A.*  
*Hurley's Tax Service*

From: Karen Rawlings-Davenport  
Sent: Saturday, August 01, 2009  
Subject: Tax Preparer Certification

I am an Enrolled Agent and have preparing taxes for 21 years. I am an operations manager of 5 tax locations for a Franchise called Liberty Tax Service in California. I teach the courses required in California for their registration process. Although California has a requirement for a 60 hour course and registration with the California Tax Education Council which is a good start, I have never believed this is enough. I see far too often people taking these open book exams who are not competent tax preparers. In addition, this CTEC registration allows a person with this designation to prepare ANY type of tax return even though they are only trained on Individual Tax Returns (the 1040). I then see people preparing corporate returns, fiduciary or other types of returns with NO education or training. Another flaw is continuing education requirements are only 20 hours per year. Again, you can take an online course and no formal testing. I believe 20 hours is simply not enough when dealing with our complex tax system. In our operations, we require newly registered professionals to work through our intern program and develop their skills while being closely supervised by experienced tax professionals. Unfortunately many people simply take these online courses, pass the exams and THINK they understand tax preparation. This is a disservice to the public and has hurt our profession. I strongly support a stronger system requiring every tax preparer to have more education and to pass a test more on the lines of the Enrolled Agent Exam which is monitored and a person must be able to pass the test without the aid of books or materials. In addition, I believe an implemented internship requirement similar to requirements in place for Appraisers would be beneficial. In the internship environment, people are able to take their book knOWledge and learn how to apply that information to real life clients. I have found that it takes 3 - 4 tax seasons for the average student to evolve. A requirement to complete a specified number of hours under a CPA, EA or other Licensed Professional would help the Internal Revenue Service meet their goals and provide further protection to the public to have competent Tax Preparation Service. I sincerely hope you find a system that will raise the bar in our industry and challenge each of us to strive to be better every day.

Thank you for your time.  
Karen R. Davenport, EA - Broker  
Liberty Tax Service  
Liberty Mortgage Group

From: David Eckstrom  
Sent: Saturday, August 01, 2009  
Subject: Re: Notice 2009-60 Ideas for IRS oversight of tax preparers

Dear Sirs,

I am a California Tax Education Council (CTEC) registered tax preparer in California. I have worked with H&R Block for one year, doing both reception and tax preparation work. This year, I hope to concentrate on tax preparation. When I was first looking into becoming a tax preparer, I was surprised to find that while California requires education and registration other states do not. I believe that ALL tax preparers need to have initial education and continuing education every year. While the IRS does strive to make it possible for individual taxpayers to prepare their own taxes, the complexity can overwhelm most taxpayers. I urge the IRS and/or the Treasury Department to propose legislation which would require ALL paid tax preparers who prepare the Federal Income Tax forms to be trained and registered. Since, in California, the State income tax preparation begins with the Adjusted Gross Income from the Federal Tax form, it only makes sense that Tax Preparers who prepare state taxes, should also be trained in federal taxes. You don't want to start out with bad numbers from the start. Whether the training should be at the state or federal level I am not sure. I think it would be wise to look at both levels and to use which ever would be most effective and least costly. A standard of education requirement would allow anyone, anywhere in the US, to be assured of the background and training of any tax preparer they may use. I firmly believe that the status quo is not helpful and modification is needed. Nationwide standards should include, like in California, a minimum of 60 hours initial training and a yearly requirement of 20-30 hours of Continuing Professional Education. If the IRS could also be the oversight of the training and disciplining of Tax Preparers, there could be a consistency across the nation. Thank you for looking into improving the Tax Preparation field and making it more consistent and professional.

Sincerely,  
David K. Eckstrom

Sent: Saturday, August 01, 2009

Subject: notice 209-60 registration of tax preparers

have been preparing tax returns for over 60 years. I am now retired but still prepare about 90 returns, mostly 10405 and some 10415. I have a N.Y. STATE licence to practice as a licensed public accountant. I wonder if I qualify for the exemption to take an examination to prepare tax returns, most of the returns that I prepare are not complicated, and over the years that I have been in practice, I have never been questioned by the IRS as to the ability of my work. I feel that at my age (82) it would exempt me from having to take a test. I know that nothing has been set regarding this, but I think that there are others in my position and the above should be considered.

GILBERT SCHACHER

August 3, 2009

CCPA: LPD:PR (notice 2009-60)  
Room 5203  
Internal Revenue Service  
PO Box 7604  
Ben Franklin Station  
Washington, DC 20044  
RE: Notice 2009-60

Dear Sirs:

I am a licensed CPA in the state of Arizona and have been preparing income tax returns for about 35 years. After the experiences that our Arizona state government incurred with a preparer by the name of Al Decker, dba Accountable Business Services, I feel that every tax preparer other than the taxpayer himself should be required to have some type of responsibility to report income and deductions as outlined by the Tax Code. I also feel, think anyone who prepares a tax return for a fee should be required to attend some training, on an annual basis, that would explain the current changes in the law for that year. This could be a one or two hour course but a test should be required afterward to show that some of the information was retained. This would help the Internal Revenue Service to rely on the preparer knowing something about the tax law. I also feel that anyone who prepares a return for money should at least be registered with the Internal Revenue Service. With this registration, I also believe they should be subject to some type of penalty for errors just like I am. Thank you very much for your consideration in this matter.

Leon E. Grass, CPA

**Taxpro Services Corporation**  
ROBERT D FLACH  
President and CEO

August 3, 2009

CCPA:LPD: PR (Notice 2009-60)  
Room 5203  
Internal Revenue Service  
Post Office Box 7604  
Ben Franklin Station  
Washington, D.C. 20044

Dear Sir or Madam:

I am an ethical "unenrolled" tax practitioner who has been preparing 1040s, and 1040As, for compensation since February of 1972. During my tenure I have never had any "problems" with the Internal Revenue Service or a State tax authority regarding the preparation of returns. I had previously submitted my initial comments on the topic of regulation of tax preparers in writing directly to IRS Commissioner Shulman. However since the debate began I have heard from other tax professionals on the subject and have read the testimony presented by representatives of various related membership organizations at the July 30th Public Forum, and my opinions have "evolved". I support the registration and licensing of all tax return preparers. I have outlined below how such a process should be handled.

1. All individuals who prepare more than 10 federal individual income tax returns (Series 1040) for compensation in anyone calendar year must register with the IRS Office of Professional Responsibility and be licensed as a "Licensed Tax Practitioner" (the 10 return minimum would avoid individuals who prepare the tax returns of family members in exchange for a free meal or other non-cash "compensation" having to be licensed).
2. Only a "Licensed Tax Practitioner" would be permitted to prepare a federal individual income tax return for a fee.
3. Certified Public Accountants and Attorneys who want to be able to prepare federal individual income tax returns for a fee would be required to register and be licensed as a "Licensed Tax Practitioner".
4. All Enrolled Agents would automatically be registered as a "Licensed Tax Practitioner" by virtue of their EA status.
5. A "Licensed Tax Practitioner" would not be permitted to "practice" before the Internal Revenue Service, other than in the limited fashion that a currently "unenrolled" preparer can represent a taxpayer-client under a Power of Attorney or Declaration of Representative with regard to the audit of a federal income tax return that he/she has personally prepared, or to discuss such return with the Internal Revenue Service under the "check-the-box" regime. Current regulations for practice before the Internal Revenue Service covered in Circular 230 would remain unchanged. Only qualified Attorneys, Certified Public Accountants, Enrolled Agents, Enrolled Actuaries, and Enrolled Retirement Plan Agents would be permitted to "practice" before the Internal Revenue Service.
6. In order to become a "Licensed Tax Practitioner" one must submit an application, pay a registration fee, and pass an initial proficiency examination.
7. For the first year that registration and licensure is enacted, current unenrolled tax practitioners who have been preparing federal individual income tax returns consistently for five years (60 months), who have earned 50 hours of Continuing Professional Education credit in Individual Income Taxation in the two year (24 month) period prior to registration, and who are not currently prohibited from preparing federal income tax returns because of past bad acts will be exempt from taking the initial proficiency examination.
8. A practitioner who does not meet the five-year 50-hour requirement but has met the requirements for becoming a licensed tax preparer under a State administered mandatory licensing regime is exempt from taking the initial proficiency examination.



9. An individual who does not meet the five-year 50-hour requirement but has met the requirements for becoming a Licensed Public Accountant under a State administered licensing regime is not exempt from taking the initial proficiency examination. Like a Certified Public Accountant, a Licensed Public Accountant must either meet the requirements for "grandfathering" or take the test.

10. An individual who has satisfactorily passed by examination an education program in Federal Individual Income Tax Preparation offered by a qualified educational institution or membership organization (such as The Income Tax School or the National Association of Tax Professionals Basic Training Course) will be exempt from the initial proficiency examination, provided the examination by the school or organization covers the same items of federal individual income tax law as the IRS administered initial proficiency examination.

11. Upon being granted a license to professionally prepare federal individual income tax returns each LTC will be provided with a Preparer Tax Identification Number, which may be the PTIN that has previously been issued to that practitioner prior to the enactment of licensure. A "Licensed Tax Practitioner" will be required to enter his/her PTIN alongside his signature on any federal individual income tax returns prepared for compensation.

12. A "Licensed Tax Practitioner" must reapply for licensure every three (3) years by submitting an application which documents that the LTP has earned a total of seventy (70) hours of Continuing Professional Education in Individual Income Taxation and two (2) hours of Continuing Professional Education in Ethics in the preceding three (3) year period and paying a re-application fee. A minimum of sixteen (16) hours of Continuing Professional Education in Individual Income Taxation is required within each 12 month period. An LTP applying for a 3-year extension of a license must have earned these total seventy-two (72) hours in Continuing Professional Education during a 36-month period in order for his/her license to be extended.

13. A "Licensed Tax Practitioner" shall be subject to the various rules, regulations and penalties as prescribed in IRS Circular 230, and can have his/her license temporarily or permanently revoked by the Office of Professional Responsibility as therein prescribed.

14. A "Licensed Tax Practitioner" would be held to a Code of Ethics and Standards/Rules of Professional Conduct similar in nature to those of the National Association of Tax Professionals, the National Society of Accountants, and the National Association of Enrolled Agents.

15. A person applying for a license to professionally prepare individual income tax returns must be "current" on the filing and payment of all his/her "open" federal individual income tax returns. Open balances due from "closed" years shall not deter the licensure process, provided all returns have been filed. An applicant who is not "current" for all "open" years will be given the opportunity to become "current" during the application process.

16. A person applying for a license to professionally prepare individual income tax returns will not be subject to any invasive federal background check other than to verify that he/she is not currently prohibited from preparing income tax returns by the Internal Revenue Service *Office of Professional Responsibility* or a State licensing authority and to verify that he/she is "current" on all "open" federal individual income tax returns.

17. A person applying for a license to professionally prepare individual income tax returns shall not be required to provide the Internal Revenue Service or any other federal agency with fingerprints.

The above regime is for the licensing of 1040 preparers. There would also be a separate licensing regime for those who want to prepare 5 or more "entity" returns per year professionally - 706s, 990s, 1041s, 1065s, and 1120s - a "Licensed Tax Practitioner II" for lack of a better designation, with similar testing, and exemption from testing, and CPE requirements and similar language. For this license regime CPAs and Attorneys may be exempt from the initial proficiency test if the Treasury Department felt it appropriate.

If an individual wanted to prepare both 1040s and entity returns he/she would have to be tested separately, or qualify to be exempt from testing, for each component. However the CPE requirement would be 108 credit hours, and not 144, in a three (3) year period, with 2 in Ethics, 53 in Individual Income Taxation, and 53 in Entity Taxation, and an

annual minimum of 24 CPE hours combined.

I do not believe there should be any kind of "two-tiered" system for the 1040 preparation license - a basic level with an "apprenticeship" term and an experienced level, with the basic level practitioners supervised by experienced level ones - as had been suggested by the American Bar Association at the July 30th Public Forum. I feel that commercial preparation chains such as H+R Block would exploit such a system to continue to have underpaid part-time seasonal employees with minimal education and training do most of their individual returns. Volunteer tax preparers under the AARP and the IRS VITA program would not be required to become a "Licensed Tax Practitioner" under the 1040 preparation regime in order to continue to prepare 1040s and 1040As through these programs. Such individuals are not preparing tax returns "professionally" (although their work is for the most part truly professional), meaning for a fee. They are volunteers who prepare less complicated returns of lower income taxpayers "pro bono". The implementation of such a system of registration and licensure requires the acceptance and cooperation of the current community of tax practitioners, both enrolled and "unenrolled". The IRS must present this system in a positive manner. The IRS should make it known that it does not intend to use registration and licensure to "control" all tax preparers, or to "punish" unenrolled preparers. Registration and licensure should be presented as a means of "leveling the playing field" so that all "Licensed Tax Practitioners" would become equal in the eyes of the public. This would do away with the erroneous public misconception that only CPAs are "tax experts". It is also a way to recognize the education, experience, and expertise of current competent "unenrolled" preparers, most of whom are already earning annual CPE credit to remain current. The IRS must embark on a publicity campaign each tax season to educate the public on the importance of seeking out a "Licensed Tax Practitioner" to prepare their individual income tax returns. It should publicize the experience or examination and continuing education requirements of an LTP, the fact that only an LTP is permitted to prepare an individual income tax return for a fee, and that an LTP is required by law to sign the tax return. Taxpayers should be able to use the IRS website to locate "Licensed Tax Practitioners" in their area and to verify a tax preparer's LTP status. There would obviously be penalties charged to unlicensed tax preparers who prepare more than 10 tax returns per year for compensation. There should also be a corresponding penalty charge for the individual taxpayer whose tax return was prepared by the unlicensed tax preparer. If a registration and licensure regime is implemented it would be effective the very earliest for 2010 individual income tax returns prepared in 2011, and the registration and testing process could begin in May of 2010. Thank you for the opportunity to present my opinions on this important issue. Please let me know if I can be of further service in this matter.

Very truly yours,  
Robert D Flach  
President and CEO  
Taxpro Services Corporation

August 5, 2009

CCPA:LPD:PR (Notice 2009-60)  
Room 5203, Internal Revenue Service  
P.O. Box 7604  
Ben Franklin Station, Washington, D.C. 20044

To Whom It May Concern:

Hello:

I am writing to express my concerns and ideas for your revamping of the tax preparer system as it applies to the IRS. I have been an unenrolled return preparer for some years now, preparing tax

returns for my clients on a regular annual basis. While I am more than qualified to do such work, I have never received a degree in accounting or taxes, and while I do have plans to become an enrolled

agent, workload and time constraints play a big part in getting certified on any level. While I understand the need for the quality of the preparer to be at a level that is standardized, I am a little concerned about what the end result of the requirements are going to be? Will we be asked to complete a four-year college degree and become an enrolled agent to prepare tax returns? If so, my

business will be impacted greatly and I will lose a lot of loyal clients. My other concern is for those who use software such as Turbo Tax or Tax Cut who prepare their own returns. Are you going to require those individuals who have traditionally submitted their own tax returns to now "become qualified" as a tax return preparer or force them to hire someone who is? There are many qualified individuals who can prepare a tax return for either themselves or others, and preparers who make a living doing so for others that are not CPA's are making that living simply because they charge less money to do a tax return than a CPA would, or they are already managing an office for an employer and do the tax returns as part of their job description as a bookkeeper, controller, or financial officer. Many people can't afford to pay a CPA to do a tax return, are you now going to force anyone who's not a CPA to "become qualified" by IRS standards to prepare a return? This is going to place a great burden on those who are not CPA's who traditionally do many returns for clients and have never had a problem with doing "quality" work. I would hope that in crafting a new policy, that there is some evaluation and thought addressed to that portion of the population that does not rely on CPA's simply because it doesn't need to. In preparing any tax return, it is important to remember that in this day and age, a college degree and/or enrolled agent status is not required to prepare a tax return when the average business owner or W-2 employee has the education and ability to prepare a tax return for themselves or others; tax software and other self help measures is available to insure an accurate return. In my situation, everything I do is verified and documented, I have been doing tax returns for many years, and I originally learned my trade through business resources and business experience, not from a classroom. There are many individuals and accounting firms, thousands of them, who are not CPA's. If you are going to require all of us to meet a standard of education to qualify us to prepare and submit tax returns to the IRS, I would hope at the same time that you would have grants and funding ready to help us meet this goal without financially impacting our businesses for taking the time to become qualified. This will cost us money and time, and most of us don't have either the money or the time to relearn what we already know. If the issue of qualifying to IRS standards in order to be able to prepare a tax return for another results in thousands of unenrolled agents not being allowed to submit a tax return for a client because they didn't "qualify", the far reaching impact will not be from unenrolled tax preparers submitting "unqualified" returns, but from millions of Americans trying to file their own returns because their accountant was not allowed to do so. This will certainly "gum up the works" in my mind, creating a huge overflow on the already stressed workload of the IRS employees, who will be auditing returns on a major scale because people will be turning in tax returns that have errors. A far better approach would be to have unenrolled agents "register" with the IRS as they have been doing, and make a curriculum of qualifying classes for accountants and bookkeepers to

take on a monthly basis, testing as they go, so that a qualification meeting IRS standards can be met on an ongoing basis. In the construction industry, safety meetings are a standard Monday morning activity prior to beginning the weeks work, as part of a safety meeting, Pinnacol Assurance prints out weekly flyers to educate the workforce on select topics each week. In this manner, employees are exposed to four different topics about safety each month, thus educating the workforce about safety in "minitopics" that do not take a lot of time, and do not impact the employer or the employee financially. The same theory can be applied to preparers who need to "upgrade" their education to meet IRS Standards. We already know that to study for an enrolled preparer test takes four months. What working place accountant can take four months to study? Many preparers who have a full-time business can't spare a full day a week to study, they are busy trying to earn money to pay their bills. A compensation plan designed to help preparers financially to take the time to study and a curriculum of short weekly topics designed to help a full time working person achieve the additional education they need to qualify for enrolled agent status is what is needed to make sure that tax return preparers are meeting minimum qualification standards to submit tax returns to the IRS.

Thank you for your time and for listening to my comments.

Sincerely,

Donna S. Fasi, President

Accounts Receivable Solutions

From: Jackie Pross  
Sent: Wednesday, August 05, 2009  
Subject: 2009-60

Oregon has high standards for licensing tax return preparers and tax consultants. They are in place and they work. Consider national standards much the same. Tax consultants in Oregon should be grandfathered as they have already passed rigorous testing and apprenticeships.

Jackie Pross, LTC.

From: cripeco  
Sent: Wednesday, August 05, 2009 2:46 PM  
Subject: Grandfathering of Oregon Licensed Tax Consultant

I hope and pray that those of us who are Oregon State Board Licensed Tax Consultants will not have to go through any more testing and licensing for the IRS. I am at the retirement age and do not want to have to do any more than I have had to do for Oregon. I own my own business and offices and would like to sell it but the possibility of Federal licensing will eliminate that prospect. It is so difficult to go through the Oregon process that Oregon State Board is now allowing open book testing. Please allow those of us who have been doing this for years and have our own practice to continue business as usual and grandfather us in under any new changes.

Thank you for the opportunity to express my concerns.  
Gay Cripe, LTC

Sent: Wednesday, August 05, 2009  
To: Notice Comments  
Subject: Notice 2009-60

Please stop delaying this program and get it underway. I am frustrated by the lack of oversight and lack of continuing education requirements regarding tax preparers. As it now stands, anyone can hang out a shingle and call themselves a tax preparer with no qualifications whatsoever. I chose to become an enrolled agent when I opened my practice as a service to my clients and to add to my professional image as well as differentiating myself from the "shingle hangers". I have had returns brought in that were prepared by others in my area that are not enrolled agents or CPAs and am appalled at the lack of knowledge and the errors that exist. Most of these returns are handwritten, filed on paper instead of e-filed, and are NOT SIGNED by the preparer. I'm almost positive that these people haven't attended a continuing education class in years (if ever) and don't keep up with the changes; they're still using old depreciation rules, don't use available credits, etc. etc. I also suspect that several are not reporting all their income from these activities since they work out of their homes. A public education effort is needed to inform people that they should check to see if their preparer is registered. It could be checked on a web site, listing just the name, city, and state of the preparer. Registered preparers should also have a certificate to hang in their office. I also have a problem with attorneys receiving a blanket exemption from the CE rules. I have seen returns prepared by attorneys (for exorbitant fees, I might add) that were full of errors. They attend other continuing education seminars for their practice, but rarely bother to attend a tax seminar. It's one thing to have a tax attorney prepare returns; it's another to have an attorney whose main focus is not taxation do them. If they want to do returns, they should have to do the same CE. The biggest problem I see with implementing this program is getting the preparers, who currently circumvent the regulations by not signing the returns they prepare, to register and follow the regulations. The current preparer 10 system should work well to keep track of everyone. The database design should be fairly simple and pUll all the current information to one place,. All FEIN, preparer numbers, and enrolled agent numbers reference back to a social security number. Registrants could update, link and confirm their numbers via a web link to lessen the workload on the IRS.

Sincerely yours,  
Eva L. Norris, EA

From: Linda Johnston  
Sent: Wednesday, August 05, 2009  
Subject: Notice 2009-60

I would like to comment on the licensing issue for tax preparers. I do agree that licensing might improve the quality of tax preparation. There are issues on returns done by preparers who do not continue their education. I believe continuing education is a necessity in the preparation of tax returns. I would like to acknowledge that I am licensed as An Accredited Tax Preparer through the Accreditation Council for Accountancy and Taxation. I worked very hard to achieve this status and have maintained this accreditation since April 1, 1991. I have to complete 90 hours of CPE in 3 years. I feel that this licensing should quality the same as an Enrolled Agent license. Please consider this as a request for ATP's to be waived the process of testing as long as their license is in effect.

Linda K. Johnston, ATP



From: Aldon Maleckas  
Sent: Wednesday, August 05, 2009  
Subject: Preparer Registration

To Whom It May Concern:

I do not have any problem with preparer registration as long as you do not charge for it. If you think registration will promote uniform and high ethical standards of conduct, I think you are living in a dream world. I do not know what you mean by taxpayer compliance. If you mean filing a return every year, tax preparer registration is not going to help. If you mean taxpayer compliance with the income tax laws, code, regulations, etc., then you need to eliminate free-filing and other do-it-yourself tax preparation. You need to encourage taxpayers to seek out and use a tax preparing professional. A tax preparing professional should meet certain initial, educational requirements for each form he/she is preparing. Once the initial requirements are met, then continuing education requirements should be met. Then, it is up to the IRS to separate the wheat from the chaff. Your registration scheme will not do it.

Sincerely,  
Aldon Maleckas  
Franklin Business Management

From: Angie Billiter  
Sent: Wednesday, August 05, 2009  
Subject: Tax Preparers

I do not agree with licensing of tax preparers. What about KPMG? Do you remember? They were fined 456 Million for off shore accounts. Weren't they all CPA's that took a vow of ethics. Aren't they licensed? I am a small preparer. I prepare mostly family returns, around 50 to be exact. I have never had any return audited or questioned. I do not have the time to sit and memorize information to spit it back in question and answer form. If I had a problem I dealing with IRS I would then turn the client over to the many competent EA's that I know. Please do not add more burdens onto the small business. Thanks

Sent: Friday, August 07,2009  
Subject: Notice 209-60

I suggest the investigation of the use of the Earned Income Credit based on the family size (Taxpayer being Female) with one or more children with earned income less than \$15,000.00. The true determining factor of this credit must be elevated to reflect the actual living expenses of the Taxpayer and dependent(s) listed on the Tax Return. Based on Tax Returns filed by my Office, if the Taxpayer is Head of Household with dependent children and in compliance with the income levels as established by the Service, the return will be completed with the appropriate Earned Income Credit. If we look at the earned income report by these taxpayers, it is apparent that the Taxpayer with the dependent (s) children with income as low as reported is not supporting the family size as implied on the Tax Return and must be subsidized by either a family member or the non married partner (Baby Daddy) of the Taxpayer.

Sincerely,  
William Bryant CPA  
IVIDS Financial Services, Inc.

From: DudleyGroup1  
Sent: Saturday, August 01,2009  
Subject: Tax Preparer Regulations

I do not support the establishment of an examination process for tax preparers. I do support registration of tax preparers such as what is already established for those applying for authorization to efile client tax submissions. This process already requires fingerprinting and a background check. I also support continuing education for all individually currently working as tax preparers. This can be done online at the IRS website at little cost or disruption to the tax preparer. There is no need to increase costs to tax preparers and to taxpayers who will eventually have to make up any shortfalls in the IRS budget. There are many small businesses complying with the current rules and regulations of the Internal Revenue Service and I see no reason to add more bureaucratic hurdles.

Respectively,  
George Dudley  
DUDLEY GROUP

From: Debbie Sibert  
Sent: Saturday, August 01, 2009  
Subject: Tax Preparer Standards

I am in favor of regulations or standards on all paid tax preparers. I have had several clients come from unlicensed paid preparers that prepared inaccurate returns and the client paid the consequences. The unlicensed prepares will usually prepare the return at a much lower price than the licensed preparers and the general public does not understand that they are still responsible for the accuracy of their returns even though most taxpayers have no clue as to what an accurate return looks like. They go for the most inexpensive price because they think all paid preparers are the same.

Deborah Sibert, CPA  
Woodbury Financial Services, Inc.

From: Richard Coleman  
Sent: Saturday, August 01, 2009  
Subject: Tax Preparer Registration

Dear Internal Revenue Service:

I have been a paid income tax preparer since 1971. During that time I have had no difficulty in dealing with the IRS and only a few times have any of my clients had to pay even a small amount of back taxes when being audited. Therefore, I feel I know something about income tax preparation and paid tax preparers. From my observations both in communication with other preparers and from clients who have used other' preparers, the main problem with paid preparers is one of honesty. There is no way to test honesty. The only way to curtail the problem is through harsh punishment. That is, fines and even jail time for those who flagrantly abuse the law A licensing program would help in that an individual who has defrauded the government in the past, could be stopped from preparing future returns. I really don't see the need for a licensing test. The tax code is extremely complex. One does not have to know the entire code inside and out. However, a person has to be diligent enough and be willing to spend the time and energy to investigate, in order to find the correct answers. The yearly tax code changes make it extremely difficult to stay abreast of the new laws. It is for that reason that I feel the best approach would be to require a minimum Continuing Education requirement each year in order for a licensed professional to remain in good standing. In summation, I would do the following:

1. Require a basic tax course for anyone entering the profession. Any person who has been a paid professional for at least 5 years should not have to take the basic course.
2. Yearly Continuing Education Requirement of at least 6 hours.
3. Loss of license for anyone who has flagrantly abused the tax laws, with an Appeals Board.
4. Stiff financial fines, loss of license and criminal prosecution for those found guilty of tax fraud.

Thank you for any consideration that you might give to my suggestions.

Sincerely,  
Richard Coleman  
Coleman Tax Service

From: Richard Dalba  
Sent: Saturday, August 01, 2009  
Subject: Tax Preparer Oversight Comments

Gentlemen:

My constructive comments are as follows:

Tax Preparers have become a significant entity to support and implement IRS rules & regulations. Most taxpayers do not have the time or inclination to perform the tax preparation task themselves. Even with the abounding tax software programs available, the detail knowledge to properly prepare tax returns is not something that a layman can do competently. For this reason alone it is important that guidance be provided by the IRS to insure that any preparer is capable of following the complex, and sometimes complicated laws enacted to follow the tax code. Now all licensed preparers are already mandated to take continuing education in order to keep current on the ever changing tax code. It is the unlicensed practitioner who is causing a gap in the process. It does not mean that this unlicensed practitioner doesn't take it upon himself to keep current on the tax code, however, there is no requirement that this be done consistently year in and year out. The licensed preparer has already proven his capabilities. To insure that an unlicensed tax preparer is competent, continuing education has proven to be the best solution. It is logical that any unlicensed preparer who intends to enter the field of tax preparation be required to take an entrance examination, and if successful, also be required to keep his skills honed by a clear process of mandated continuing education. The burden of continuing education can be provided by the existing bodies that provide the licensed preparers with their CPE credits. The IRS can incorporate these educational bodies into an orderly approved group in order to process and expand their offerings to the unlicensed, or newly licensed practitioners. As far as sanctions, this is a necessary component to insure compliance. History has shown us that extreme sanctions do not necessarily cause compliance. Registering a preparer creates a sense of pride in the preparer, and a clear message to the public that they are using a competent entity to perform this necessary task. This is the area that must be carefully implemented so as to not cause a reluctance to entering the tax preparation field due to over *sanctioning*. The initial screening and testing of new applicants will weed out 99% of all bad preparers.

Thank you for listening to my comments.  
Richard J. Dalba

From: Chukadee  
Sent: Saturday, August 01, 2009  
Subject: Notice 2009-60

When all is considered I surely hope that those of us that have been in this business for 40 years and have not had to "test" I would hope that we may be considered exempt from any testing. I do attend the Gear Up Seminar on an annual basis to keep up with all the changes and new laws in the works. I belong to the Idaho Association of Public Accountants as well as the National Society of Accountants and have been diligent to keep up with any requirements. I just have a small business completing maybe some 8085 returns a year. I might add that a good portion of the returns I complete are for senior citizens that cannot afford to pay to have them done and I therefore do not charge them. I respectfully request that you consider the information above, not just for myself but for the hundreds upon hundreds of other "retired" accountants that are just trying to supplement their Social Security income.

Thank you for the opportunity to comment.  
Sincerely,  
Charles A. Bloodgood



From: Russ Dennett  
Sent: Saturday, August 01, 2009  
Subject: License Tax Preparer

I believe that if a non licensed Tax Preparer could obtain at least 16 CPE credit hours, they would be a Registered Preparer and not have to take any exam.

M. R. Dennett  
R & S Business Systems Inc

Sent: Sunday, August 02, 2009  
Subject: Tax return preparers

I have been in practice for 36 years, my first year was 1973. Over these many years I have seen preparers that have no business preparing returns and this includes CPA's and some attorneys. In the last five to six years I have read more articles regarding imprisonment for such preparers as CPA's or attorneys. This tells me that just because you have a four year college, etc. you are not above stupidity. I do not have the college degree. As I said I have been in practice for 36 years and I attend tax seminars every year and the hours I earn are more than what is required for a CPA, Attorney, EA, etc. I do this because I want to be the best I can as a preparer. I subscribe and in the thousands of dollars for annual memberships that provide data per IRS regulations, changes, etc. I guess what I am trying to tell you is that yes I think there needs to be preparer regulations that require a preparer to meet certain requirements to allow one to be a preparer, these so called midlevel preparers are hurting the professionalism of the "tax preparer". I am kind of in the middle that is I am not a CPA, Attorney or EA but I have ethics and I keep myself trained through subscriptions, seminars, etc. and I am better than the average CPA, Attorney or EA that I have witnessed through their work and ethics as I have retained their clients. I am asking that you look beyond your nose when formulating the new preparer requirements such as testing, etc. because in all honesty to you I do not test well but that does not mean I don't know what I am doing, I do. I just don't test well. Therefore, will there be any kind of grandfathering, will the testing be open book type testing. I am in favor of what you are trying to accomplish but I don't want you to put me out on the street. About testing, if not open book, why not? Even though I know the answer to the question my client may ask I will still refer to IRS notice, Quickfinder, NSA, etc. because that is the kind of preparer I am and if I'm not comfortable with my findings I will pay the cost and contact a law firm I use and discuss the issue with a tax attorney. I just want you to know to now paint all preparer with a broad brush, I have been preparing returns for 36 years and I operate a professional practice. Don't forget this type of preparer. I hope there will be some kind of grandfathering. First of all there is not that many of us with 36 years under our belt, ha.ha.

Thank you for your ear.  
R

From: Yvonjietier  
Sent: Sunday, August 02, 2009  
Subject: Tax Preparer Performance Standards

I wanted to put my comments on this. I have been a tax preparer for 37 years and truly enjoy doing personal and small business tax returns. I have ALWAYS, and my clients know this, gone by Internal Revenue's rules each year in preparing the tax returns for my clients. I worked for the largest tax firm at the time, and when the earned income credit came into effect I, two years later I left the firm and opened my own small tax return office in Pleasant Grove, Alabama with their blessing because they knew I would not do any fraud tax returns. I could not do the returns they wanted me to do. I vowed I WOULD not under any circumstance go against Internal Revenue's rules about the legality of personal tax returns, There was NO checking to see about if any of the dependents were legal or anything like that. The first year I did the returns, the second year I only did my clients by appointment only and the next year I was in my own tax office. My clients keep coming because they know I do not bend the rules. I also took 75% of my clients and have tripled my small business, I do enough for myself and the clients that I have had for 37 years. I get some from other tax places and am just behooved at what they do to the clients and I tell them no matter what if it is on your tax return you are personally responsible for it and whatever it is, I do not do that and never will. My main object is trying to do what changes (lots) are done according to IRS each year. I can't and never will understand the fraud that is done and no conscience at all about it, but I go by IRS rules and regulations. and am very proud of it as well as the honest clients that keep coming back each year.... Thanks, I wanted to [put my comments in and will as long as I do taxes go by the rules and bylaws of Internal Revenue. Also I am not an enrolled agent but I believe I do as good of a tax return. I am also very glad there is going to be more regulations on people that prepare taxes, because you only hurt the clients because they are coming to get their taxes done because they trust us. (Most)

C Yvonne Tidmore  
Pleasant Grove Tax LLC

From: NEDLASSOC  
Sent: Sunday, August 02,2009  
Subject: Notice 2009-60

Please consider an elemental test for all preparers demonstrating current knowledge of tax regs. Just because someone hold a CPA license or has passed the bar doesn't mean they are up to date. Secondly, we know that vitually every preparer uses software to prepare returns due to the complexity of the Code. Finally go after the bad boys instead of punishing the innocent for the sins of the guilty.

Thank you.  
Bob Nedl  
Nedl & Associates, Inc.

From: Tax Surgeons  
Sent: Sunday, August 02, 2009  
Subject: Notice 2009-60

1. What types of individuals, entities, and professionals currently work as tax return preparers? How are their tax return preparation services currently monitored or regulated by professional organizations or the government? How could this monitoring and regulation be improved? Many different types of individuals or entities serve as paid preparers, however any registration, testing or ethics requirements should apply to all. Although the professional societies like NSA monitor credentials and ethics, enforcement or the monitoring of tax returns for compliance with the tax code, is a governmental function and should only be done by the IRS.
2. How do difference in regulation and oversight affect how the various groups of tax return preparers interact with the Service and taxpayers? Although there may be a difference in regulation with respect to paid preparers who are currently subject to Circular 230 and those who are not, the standards for competent and professional tax preparation services should not. All paid tax preparers should be subject to the same minimum CPE and ethics requirements unless they are subject to even more rigorous requirements as a consequence, for example, of maintaining their license as a CPA or lawyer.
3. Is there a minimum level of education and training necessary to provide tax return preparation services? If so, who should be responsible for ensuring that a tax return preparer meets this minimum level and how should that be done? All preparers should take or have taken an examination demonstrating a minimum level of competency. For some, that has already occurred through various means already available, whether by means of the EA examination or by taking and passing other, equally valid tests of knowledge in taxation. For others it needs to be part of the registration or licensing process ahead of us. The minimum testing level should be based tax knowledge that any paid preparer should know standard 1040 income and deduction items and specifically including knowledge of the Earned Income Tax Credit, which is an area where there is much abuse. The IRS should develop a testing blueprint, which could be a subset of the blueprint already available for the EA exam, and any test should be considered valid if it both tests on the subject matter in the blueprint and meets minimum testing standards specified by the IRS. Any such test should be subject to audit by the IRS. Taking and passing examinations offered by the Accreditation Council for Accountancy and Taxation should be specifically recognized as meeting the waiver requirement. All preparers should be required to have annual CPE, which should be no less than that currently required of Enrolled Agents - 24 hours per year including 2 hours of ethics.
4. What, if any, service and outreach should be provided to tax return preparers and taxpayers? Who should provide (and bear the costs for) these needed services? Any fees assessed on tax preparers as a result of a regulation/licensing effort should be used by the body collecting the fee not only for regulation but also for public awareness and outreach programs to educate the public on tax preparers and their licensing requirements and requirements to sign all tax returns they work on
5. Should tax return preparers be subject to a code of ethics, and, if so, what specific behavior should that code promote or prohibit? How would that code of ethics interact with existing ethical standards that may already be applicable? All paid tax preparers must be held to high ethical standards. The standards contained in Circular 230 are appropriate and right for all preparers for this purpose.
6. What, if any, responsibility should the firms or businesses that employ tax return preparers have for the conduct of the individuals they employ? The person responsible for the return must sign the return. They are the responsible party. Who the responsible party employs to assist them should not matter. If the individual signing the return is held responsible, they will either train or cease to employ the individual causing the return not to be accurate.
7. What, if any, responsibility should tax return preparer professional organizations have for the education, training, and conduct of their members? NSA is proactive in this area. The NSA Bylaws require that, within the first 5 years of membership, all active members who do not already possess a professional credential are required to obtain one. In addition, members subscribe to a code of ethics and must take

mandatory continuing education. Compliance with these membership requirements are subject to audit by INSA.

8. If tax return preparation services should be regulated, what, if any, special regulatory provisions should be made for individuals who are already tax return preparers, licensed attorneys, certified public accountants, enrolled agents, or software providers?

All paid tax return preparers should be required to register. A PTIN or other uniform identification method should be sufficient for this purpose. Although NSA and ACAT also support the requirement for a qualifying examination, we believe a waiver of this requirement should be provided for those who have already demonstrated their professional competence either by earning credentials offered by a nationally recognized credentialing body such as the Accreditation Council for Accountancy and Taxation, by being licensed to practice accounting by a state Board of Accountancy, by being licensed to prepare income tax returns by an agency established under state law, or by being subject to the provisions of Circular 230 under current law.

9. What, if any, additional legislative, regulatory, or administrative rules should the Service consider recommending as part of its proposals with respect to the tax return preparer community? All paid tax preparers should be required to register, to take or have taken a qualifying examination and to take continuing professional education. It is very important that third party examinations deemed to be equivalent by Treasury or IRS to be substituted for any entrance exam developed by the government. We believe the examinations offered by ACAT are equivalent (or better) than any examination contemplated by the IRS

Thanks,  
Donna Tomassetti, ATP, ECS, CRTP  
Tax Surgeons

From: David Williams  
Sent: Sunday, August 02, 2009  
Subject: Notice 2009-60

To whom it may concern;

I would like to comment on the proposed taxpreparer registration. I have been practicing as an unenrolled tax preparer for the past 20 years. My belief is that some regulation is required based on some of the prior year returns I review from new clients. The level of regulation is of concern for myself and I would imagine many others like myself. I don't believe all taxpreparers need to be enrolled agents as there is a different level of service those enrolled taxpreparers offer which is unique to the needs of their clientele. Unenrolled taxpreparers offer a level of service which meets the need of their clientele such as lower cost for the simpler returns. The idea of registration is necessary in my view. Continueing education may also be warranted however, a concern among taxpreparers is the cost and ease of obtaining such education. I believe these issues could both be addressed via a web based application such as the current webinars which the IRS offers. I have participated in the free webinars offered by the IRS as well as webinars offered for a fee by other organizations. I have also taken web based education courses offered by tax associations which have met me needs very well. If the IRS could structure continueing education in such a way as to make the education available with a great deal of flexibility and at an affordable cost, I believe the taxpayers would be served with more capable taxpreparers and also would not be forced to absorb the costs which would be past down to them if the cost of continueing education was not affordable. In closing I believe the IRS must address this issue carefully as a loss in significant numbers of taxpreparers would adversely affect the taxpayers who can not self prepare their returns.

Sincerely,  
David Williams  
williams Business Services

From: Stephen Vanderver  
Sent: Monday, August 03, 2009  
Subject: IR 2009-68 Comments

Comments to consider:

Taking a paragraph from the request for comments:

"More than 80 percent of taxpayers use either a paid-preparer or third-party software to prepare their annual tax returns. Professionals who represent clients before the IRS, including attorneys, accountants and enrolled agents are already subject to IRS oversight. But under current law, a much larger group of return preparers are not." Herein lies a great part of the problem. Tax law is so complicated, instructions so confusing for "lay taxpayers" and the intimidation many feel when dealing with the IRS, common taxpayers (which make up a majority of returns filed each year) feel unsure and totally ignorant regarding the filing of a relative simple tax return. This feeling leads people to seek assistance in the preparation and filing of their returns. In that end, failing to find a "free service" such as VITA or AARP Tax-Aide, many turn to "professional preparers." Most paid preparers are reputable, many are regulated. However, when dealing with the unregulated preparers the unscrupulous and shady preparers' primary incentive is to make money. In doing so, they may not always follow the required due diligence, take short-cuts and stretch the truth to try and gain the largest refund they can for their clients. They may also use client information to their advantage in totally unlawful and fraudulent returns. A major overhaul or simplification of the tax system would go a long way to reduce the problems associated with preparers. Tighter regulations affecting those who are regulated will probably not significantly improve compliance. It is the unregulated preparers where the real problems lie. VITA and Tax-Aide preparers although not formally regulated, they are certified by IRS and trained to perform the steps to prepare 80% of returns of most "common" taxpayers. Those who do not utilize these free services turn to paid preparers and often shop for the best refund. Greater support and awareness of the volunteer services would go a long way to help alleviate much of the problem. Improvement in the system is definitely needed. Greater regulation is needed and more awareness of the actual "free" services will help to improve the overall system and should be considered.

Respectfully submitted,

Stephen Vanderver

AARP Tax-Aide Training Specialist, Indiana

Taxpayer Advisory Panel Member



From: Shirley A Nickelson  
Sent: Tuesday, August 04, 2009  
Subject: Notice 2009-60

I have no objections to tax preparers being required to register, but I do have a problem with being required to pass a test on return types that I do not prepare and have no intention of preparing. I never do corporate, partnerships or estate and trusts and I have no intention of ever doing those types of returns so I don't think I should be required to learn to do them so I can pass a test over them. Also, I think that if a sole proprietor preparer has to be registered, then everyone who prepared tax returns should be required to be registered. By this I mean those who work for the franchise offices such as H & R Block, Jackson Hewitt, etc or for places that hire multiple tax preparers. I know from experience that a lot of these employees are hired "off the street" only for the tax season and have no training in the preparation of either federal or state income tax returns.

Shirley A. Nickelson

From: Chuck Mauter  
Sent: Thursday, August 06, 2009  
Subject: Ethics Standards

I do not mind being held to high ethical standards but feel that I am being paid by my clients and that I should be responsible to them, not the IRS. I agree "that I should not assist anyone in committing fraud or otherwise cheating on their tax return but I do not think it should be my job to audit returns that I prepare. I should be allowed to rely on a certification by the taxpayer that I have explained the law and that they are complying with it.

Charles Mauter  
The Accountants Group, Inc.

From: Dana Nobles  
Sent: Thursday, August 06, 2009  
Subject: Notice 2009-60

Tax Return Preparers need to be licensed or at least registered by the IRS. This is the only way to protect tax payers from unethical practices, apply consistent standards across our country and increase taxpayer compliance. Taxpayers may complain about paying taxes (don't you?), but the nation would feel better about doing so if there was confidence that everyone was paying their fair share. Please establish licensing requirements that are equivalent to State of Oregon Tax Preparer licensing requirements or better yet, Enrolled Agent requirements.

Respectfully submitted,  
Dana Nobles

August 6, 2009  
CCPA:LPD:PR (Notice 2009-60)  
Internal Revenue Service  
Subject: Notice 2009-60

My name is Beanna J. Whitlock. I am an Enrolled Agent, licensed to represent taxpayers before all administrative levels of the Internal Revenue Service. I am a tax professional serving over 500 taxpayers annually, representing numerous taxpayers in examination and collection issues before the Internal Revenue Service and I am a tax law instructor teaching numerous tax professionals throughout the country as well as in my duties as an adjunct professor of tax law for Auburn University. I am hopeful that my experience and knowledge will be instrumental in assisting the Internal Revenue Service and Commissioner Shulman to make recommendations on return preparer performance standards. My recommendations include:

- Know who makes up the tax professional community. Although the fight was fought and won on the issue of using the PTIN as an identifying number, there is no requirement that such number be used on a return when prepared for compensation. Various numbers are now used from the PTIN to Social Security Numbers to EIN's. There must be consistency! This would allow for the identification of the tax professional community and the returns for which they are responsible.
- With the required number, return preparation can be tracked. Institute a checking system whereby the preparer's number is tracked and multiple audits for the same issue, problematic returns with repetitive issues can be tracked and a program instituted to require training or corrective action on behalf of the return preparer for repeated errors in preparation. (Provided these are errors and not fraudulent return preparation.)
- Utilizing the ERO program, require all return preparers to file returns electronically. The standards for conduct among ERO's, Electronic Return Originators, is substantial and clearly a guidance for return preparers - the standard for ERO's would then expand to return preparers and further enhance the ability of the IRS to meet their e-filing goal mandated by Congress.
- While each of the Tax Professional Organizations seems to be reporting the need for testing and licensing of this profession, some giving consideration to grandfathering individuals who have been in the business of tax, I would suggest to you a different approach, one which neither grandfathers nor accepts some other credential into a new "licensed" profession.

If there is to be testing, tax and conduct checks before licensure, include everyone. CPA's, Attorneys and Enrolled Agents are licensed in the fields of Accounting, Tax and Taxpayer Representation. None of these credentials indicates or demonstrates the knowledge required to become a tax preparer. If testing for licensure is to take place, exempt no one. This is a new profession - so be it - do not taint the cadre of those with the license, make everyone test for it. Those already covered under Circular 230 are covered not as tax return preparers but because they represent taxpayers. Licensed Return Preparers will not be permitted any further ability to represent then to which they are already entitled. No consideration was made for the unenrolled to allow them to practice so why should the unlicensed be allowed to prepare. As an Enrolled Agent of 30 years, I should be required to demonstrate my ability to prepare a return before being allowed to do so.

- Standards for Ethical and Professional Conduct are clear and are outlined for C230 practitioners in various sections of Circular 230. These standards already apply to the tax preparer community who represent their taxpayers before the IRS on returns they prepared and at the initial examination level. These standards should apply to the entire tax professional community by virtue that each preparer has the ability to represent, albeit under limited circumstances.

- With the new definition of return preparer, the penalties associated are sufficient to extract the desired behavior from good tax professionals, however those who have chosen another path to return preparation will not be bothered or troubled by increased oversight or penalty. We have the "death penalty" in Texas but punishable crimes occur every day and we simply can't kill them fast enough. The graphic principle will be evidenced by increased enforcement on this community. It will not stop bad return preparers; frankly, they don't sign tax returns anyway. They prepare them as SELF-PREPARED. They will become more clever and cunning in avoiding oversight and scrutiny. Good return preparers, and I believe there are vast numbers of us, will simply leave the profession. As I am hearing, "Why put myself through this? It is not worth it."
- Education is a must for any tax professional. Since 1986, a tax professional does not just need to know what the law is in any specific year but when the law changed. 24 hours of CPE, with a minimum of 2 hours of Ethics and Professional Conduct is absolutely required. Good tax professionals have in excess of 60-100 hours per year.

Recommendations:

1. Required a specific number be used to identify the return preparer. *A public information campaign should be launched by the Commissioner warning taxpayers to not accept returns prepared for a fee that are unsigned by the preparer and marked SELF-PREPARED and to notify the IRS if prepared in such a manner.*
2. Register all return preparers with a simple registration process consisting of name, address, years in practice, even a check the box for what type of returns prepared, 1040, 1065, 1120, 1120S, 990, etc. *This would enable the IRS to know who is in the community.*
3. Tracking return preparers through the audit process, keeping statistics on preparers as never before *enabling tax reporting issues to be identified quickly and more importantly, problematic return preparation to be corrected quickly.*
4. Licensure of Return Preparers - *recognizing this new license, examine one of two alternatives:*
  - a) *Grandfather no one into this new profession requiring all be examined, meet tax compliance checks and conduct investigations, or*
  - b) *Grandfather those already licensed under Circular 230 as well as tax preparers who can demonstrate they have prepared tax returns for a minimum of 5 years, done by showing returns which have been signed as the preparer, be compliant in their taxes and who have not had any fines or penalties imposed by the IRS. A further demonstration of their CPE attendance would be a further demonstration of knowledge.*
5. IRS should initiate a web site for BEST PRACTICES for return preparers.

The Office of National Public Liaison works with the tax professional community through various professional organizations and this would be a logical place for such information. Notices of critical issue, compliance and information would be a valuable resource for the community.

The IRS should recognize the value the tax professional community brings to voluntary compliance in this country. The balance individuals in the business of tax bring to the tax system is crucial to the sense of fairness taxpayers should expect from their government.

In return preparation, as in representation, individuals in the business of tax have the "right to believe their taxpayers, absent other evidence" and this means those of us who choose to serve America's taxpayers owe their taxpayers zealous representation and superior return preparation. IRS should acknowledge us for the value we bring to the system and if return preparers are to bear the burden of taxpayer compliance then give us the respect this responsibility deserves. Quit beating up on good return preparers while the bad ones go unpunished.

- Stop electronic filing of returns without meeting the requirement of W-2 availability.
- Take action when referrals on unscrupulous return preparers are identified by the community - we normally see them first.
- Publish the names of these bad preparers in the local community and notify the community through the newspapers, billboards, etc., that the return preparer has been barred from preparation - they reopen for business under a new name.

• Begin a public service campaign, using the Commission, to educate taxpayer's on how to select a good return preparer and what their obligations are to file a complete and accurate tax return. Return preparers who engage in unscrupulous conduct are not the only recipients of benefit, taxpayers are culpable and they should know the results of their actions. DO NOT LET A RETURN PREPARER TALK YOU INTO..... is a great campaign for the IRS. In my experience, teaching 10's of thousands of return preparers, I find the vast majority of us are hard working, honest individuals who work very hard, against incredible odds, to assist in filing complete and accurate tax returns for taxpayers, I have generally found no distinctive advantage a Circular 230 practitioner has over an unenrolled practitioner in the realm of return preparation in their knowledge or ability to prepare. Experience is largely the great teacher here. Understanding the tax professional community is a huge undertaking for the IRS who is by nature apart from the tax professional community. My final recommendation is that the IRS institute a possession at the IRS titled: Tax Professional Advocate – TPA This individual would come from the tax professional community, rather than be an IRS insider, much the same as the National Taxpayer Advocate. This individual would be consulted on issues relating to the tax professional community and act as a resource to the Commissioner and staff on issues involving tax professionals. They would be, much like the NTA, an avenue whereby tax professionals who had unresolved issues with the IRS could bring their issue for elevation to resolve. Over the last several years, IRS has asked much from the tax professional community. Continuing to ask for more, could IRS do less then give the community their own voice within 1111 Constitution Avenue. This acknowledgement of the community would link tax professionals to the IRS in such a way that clearly the tax professional community would become a vital field force of compliance for the IRS. One the IRS could not afford yet would be provided on a cost-free basis. Many Commissioners' have touted a partnership with the tax professional community. Is it not time that the partnership had some real meaning? These comments are submitted by a tax professional/return preparer with 41 years of tax practice experience and a world of respect for a government agency known as the Internal Revenue Service and the fine employees that serve the American taxpayer. They are my own comments and should not be attributed to any professional organization, credential or authorizing agency. I have appreciated the opportunity to comment and wish you well in your evaluation of information being provided. Your task is not easy and deserves the consideration and intense investigation being conducted.

Deanna J. Whitlock, EA CSA

CCPA:LPD:PR (Notice 2009-60)  
Internal Revenue Service  
Attention: Richard S. Goldstein  
Office of Associate Chief Counsel

In response to your Notice 2009-60 I am enclosing a letter I have sent to Commissioner Douglas H Shulman. This was also mailed to several of the Senators and Congressmen and Women from Oregon and Florida regarding the exact recommendations. My feeling is that every paid tax professional be Federally licensed, and answer to the same requirements that the CPA's, Attorney and Enrolled Agents have to answer, according to the Treasury Department Circular 230. There should be a Federal Exam given to every paid Tax Professional, and those who prepare tax returns only during the tax season, somewhat modeled after that of the Oregon Board of Tax Practitioners. The exam, as stated, could be modeled after the Oregon Licensed Tax Consultants Examination. This is a 5 hour exam that covers almost everything a Tax Professional should have knowledge of in order to prepare a correct individual tax return for their client. Upon passing this exam the Tax Professional could be given a Federal Tax Professional number, like those given Enrolled Agents. Their license, however, could indicate they are Enrolled Preparers. The requirement for a preparer in Oregon is at least 80 hours of basic training, with a minimum of 30 hours of continuing education hours every year in order to renew their license. The business owner who hires these individual Tax Professionals should be held accountable to see that the Federal requirements have been met prior to hiring. This is a mandate in Oregon. Tax return preparation services should be regulated to make sure that they are adhering to the Federal regulations. This can be done by having the IRS designate either an Enrolled Agent, CPA, or perhaps like myself, a Licensed Tax Consultant, to travel specific areas in their community, during the tax season to make sure that everyone in the office has a Federal License. Any business or individual found to be in default of the regulations could be shut down and fines established according to the number of returns completed without the required Federal License. Payment for these 'Agents' could be a percent of the fees collected that have been charged for non-compliance of the Federal Regulations. In addition to those examples mentioned in my letter to Commissioner Douglas H Shulman, here is another that passed through my office this past tax season.

- While preparing the return for the client I came across a W-2 for the prior year. I brought this to the attention of the client and explained to them that their prior year return should be amended to include this W-2. The client told me they went back to the person that prepared their prior year's return and the preparer told the client, 'just hold it and add it to your next year's return'. I amended their prior year's return for them. If there is other information you might require, please do not hesitate to contact me.

Respectfully,

Robert L. Smale

June 14, 2009

Commissioner Douglas H. Shulman  
Attention: Commissioner Shulman

I received a notice from H&R Block that you were considering a proposal to have all tax preparers be licensed. Having read the article in The Washington Times, dated June 5, 2009, I totally agree that this should be done, and as soon as possible. Back in 2005 there was a Senate Bill S.882, and a House Bill HR 1528 put before both legislative bodies, but they have never been acted upon. Within these bills was a provision to exempt Enrolled Agents, CPA's, attorneys and Enrolled Preparers. It was also being requested that all active Licensed Tax Consultants from Oregon also be exempt, and grandfathered in. The continuing education hours required to renew the Tax Consultants License (LTC) is a minimum of 30 hours, yearly. This is opposed to an EA that is only required to have 24 hours a year. Although I am now a resident of the State of Florida I began my longevity in tax preparation 26 years ago (1983) in the State of Oregon, of which 21 years has been with H&R Block. As you are aware the State of Oregon has a very strict taxing authority through the Oregon Board of Tax Practitioners. Prior to my move to Florida I obtained my Tax Consultant License by passing the Oregon State Board Examination in 1987, which I have kept active. Many years ago the error rate for Federal Tax Returns prepared by Oregon preparers was less than 1 percent. I would like to give you just a few examples of what I see in my H&R Block office here in Florida during the tax season:

- A client walks into my office and asked if anyone on my staff can do a tax return that has a Form 1099-R. They went to one of our competitors and were told they do not do returns with this form.
- In Office Depot one day I saw a woman having flyers printed for "Tax Preparation". I told her I was looking for someone to do my tax return that year and asked her where her office was located. She said just go down the highway and look for "ABC" Auto Repair and that is where her mechanic husband does the tax returns.
- A young client comes into the office and is not comfortable with the return that was done at another of our competitors. I looked at the return and asked him where the forms were that were used to complete the return in order for me to do a double check. He said they were still at the competitors office and they would not give him the balance of his forms. They kept all of them, which I believe is against regulations, including all copies of his W-2's. These are just some of the common occurrences that I see every year in the office. In addition, we usually do about 10 to 15 amended returns each year as the clients receive letters from the IRS indicating their returns have errors on them. These are returns that have been done by our competitor's. Your consideration to regulate and perhaps license all preparers that do tax returns be expedited at the earliest.

Respectfully Submitted,

Robert L. Smale

Cc: Oregon Board of Tax Practitioners  
Honorable Senator Ron Wyden, Oregon  
Honorable Senator Jeff Merkley, Oregon  
Congressman Earl Blumenauer, Oregon  
Congressman Peter DeFazio, Oregon  
Congressman Kurt Schrader, Oregon  
Congressman Greg Walden, Oregon  
Congressman David Wu, Oregon  
Honorable Senator Bill Nelson, Florida  
Honorable Senator Mel Martinez, Florida  
Congresswoman Corrine Brown, Florida  
Congresswoman Virginia "Ginny" Brown-Waite, Florida  
Congressman Clifford B. Stearns, Florida



From: Latimer, Lori  
Sent: Thursday, August 06, 2009

To Whom It May Concern:

My name is Lori J White-Latimer. I have been preparing Income Taxes for individuals and small business since 1974. I am 50 years old, so I was quite young when I started. I am honest and patriotic. I have mostly self-trained, everyday I update myself with Tax Law changes. I am a trouble-shooter, and have helped many tax payers over the years. I don't agree with a lot of ways our tax dollars are used (until 1/20/09! © ), but I have always believed it is a privilege to live in America and paying taxes is the responsibility part of that. That is my own philosophy; no one can train or certify that belief. Everyday I read the DOJ website and see all of the Tax Firms and Preparers being shut-down and in trouble ...They are often well trained and certified. CPA's, E.A.'s you name it, which does not make them honest or patriotic. In 2006, I finally attempted to start my own real tax business; "Grizzly Bear Tax Care", and passed the Fingerprint and FBI background check - I always will, that is the kind of person I am. I ended up coming to work for the State of Arkansas, while keeping my hand in taxes (always). I have let my E-File status expire, but still have a couple of people I do taxes for. When I started my business, I joined NATP and was a member for 2 years. It was expensive, but I did it for the membership. Everything I need, I find on the IRS.gov website. If you looked at my 'credentials' I would not really be up to par, but as far as honesty, ethics and integrity; I am one of the top. The only thing I can suggest is reaching out to Jr. High School and High School kids for training and setting up in business, where you can find the honest and upright before they get too jaded. There are too many tax firms who have assisted in defrauding the IRS and in the long-run; me as a taxpayer and they continue on. I have turned down as many potential clients as I have taken due to their desire to cheat. They leave me and it won't be long before they find someone who will help them to cheat. I am sorry to say, this is the nature of our world at present. Hopefully, Americans will now look to our present Executive - President Obama and the First Family and see that hard work, dedication and care for others is the way. The population will follow their leaders. For too many years it was corporate greed, theft and meanness.

God Bless U.S. Everyone, Do not hesitate to let me know if I can ever be of assistance to my Country.  
Sincerely,  
Lori Latimer

From: Elke at Ada Tax Professionals  
Sent: Thursday, August 06,2009  
Subject: Notice 2009-60 comments

My history - Accounting degree, licensed originally through the Oregon system, have been an EA since 1991. Opened Ada Tax Professionals November 1991 here in Boise with myself as the sole preparer. Now have 2 year around preparers plus myself and 2 seasonal. My vote is yes to licensing and having continuing education for all paid tax preparers. As the owner of a tax practice I find it very difficult finding qualified preparers to hire. This would be one step in bringing up the quality of the preparers and help me weed out those who think they know how to do taxes from those that understand they will never know it all, but know when to research. Most preparers here in the area seem to be ignorant of their ignorance. One of the side benefits will be that more education will become available. Who to administer? Good question. A state level enforcement will probably be more effective. How about - The federal portion of the test be national and a state portion be developed by each of the states? Re: CPAs - I would like to CPAs that primarily do income tax returns have the same minimum requirements of education in the tax field. Do not do away with EAs. That takes a higher level of skill.

I am glad that after more than 20 years of discussion this issue is finally making it to the forefront. We are constantly correcting the bad returns done by other preparers.

From: Frank Greathouse  
Sent: Thursday, August 06, 2009  
Subject: Tax Preparers

I think if there are problems with tax returns you can see who filed the returns and contact those individuals to address the issues. I attend seminars each year related to tax topics and subscribe to known tax publications for references. I have been doing tax returns for many years and have not had any issue with the IRS as to how those tax returns were filed. If you require additional seminars or test this will just add to my cost of doing business. I would not mind sending a copy of the tax seminars certificates I attend to prove my attendance.

Sent: Thursday, August 06, 2009  
To: Notice Comments  
Subject: Tax Preparers Licensing

Hello,

My name is Sharon Small, I am a Accountant, Licensed Enrolled Agent and Licensed Tax Consultant in Oregon. It is very important that IRS takes a serious look at Oregon and our testing. We have to pass a 80 hour course just to sit for the preparer's exam. Then we must maintain 30 hours of education every year to renew our license and work with a Consultant for so long before you can take the next exam (Consultant exam). As a preparer, you must work under a consultant for this level of tax licensing. To become a consultant, you must study more and pass a second exam. You still have to maintain the education requirements.

At this point, you may work for yourself if you choose. These are the requirements just to prepare taxes in Oregon. This doesn't mean that Oregon is a zero error state, but we do have less errors than most. Besides, exams and licensing would be good revenue for our government. Don't allow any "grandfathering" in unless a state has testing and licensing. The exams and licensing should be as tough as Oregon. Our tests are not designed for 100% pass rate. Only the knowledgeable will pass. Just because you have been preparing taxes for 20 years, doesn't mean you are doing the best job for consumers. What gaps are lurking? What real education has there been? If you really know the tax law, a class and an exam is not a big deal. This would also weed out the people that are in tax preparation JUST for the money!  
It is our government's position to protect - here is the chance to protect!

Sharon Small, EA LTC

From: Becker-Palmer  
Sent: Friday, August 07, 2009  
Subject: licensing of tax professionals

I've been a tax practitioner in Oregon for almost 30 years. I think we have a great program with required education each year and professional groups to associate with. I'm not an enrolled agent as I only do individual returns and refer all others to other practitioners. I would recommend a licensing program for the nation like the one we have.

Penny Palmer

From: STEPHEN BUDZAK  
Sent: Friday, August 07, 2009  
Subject: Regarding "un-enrolled tax preparers"

Hello IRS Counsel Here are my thoughts regarding the subject of possible changes with respect to "un-enrolled tax preparers". I am located in California, which maintains an agency called "C.T.E.C.", which registers tax preparers in our state. But only after it is proven that we have taken their approved tax up-date courses, and have taken a minimum of 20 hours of continuing education, and have taken out a current valid bond, and have paid their annual registration fee .....do they then re-new the registration and the permission to prepare tax returns. In addition to the CTEC registration requirements, a majority of my fellow preparers here in California also belong to various Tax Education Organizations, like the California Society of Tax Consultants (CSTC), and the National Association of Tax Professionals(NSTP), to name a few. These orgs meet regularly throughout the year and also offer seminars and continuing education courses. Should it be decided to make any changes regarding un-enrolled tax preparers, I suggest taking a hard look at how C.T.E.C. has performed in California.....and consider its policy as the "Standard" for the changes you may be looking for.

Respectfully,  
S. Budzak  
CTEC Member  
33 years in Tax Preparation

From: Robert N. Bowman  
Sent: Friday, August 07, 2009  
Subject: Notice 2009-60

As a preparer of taxes in excess of 40 years I have some strong thoughts about preparers. First, and most important many preparers like myself do not do corporate, partnership, or LLC tax returns, why should we have to take a test for those taxes. Could we simple have preparers by categories such as: preparers for individual and Schedule C businesses, preparers of corporate, preparers of partnership, etc. Second, I and many of my fellow preparers go to seminars every year to update ourselves without being required to do so. As I set though those classes I see the CPA's and others reading their newspapers and working on laptops just to get there hours in, they could care less about content. Third, those who get paid under the table do not worry about courses and do not report income how is a license going to stop them? I have had very little trouble with any taxing agency since I started my business and I have no desire to get any larger, isn't there some way to keep things simple for the little guy instead of everything on a large difficult scale?

Robert N. Bowman

From: Steve Stahlberg  
Sent: Friday, August 07, 2009  
Subject: tax preparer standards

To Whom It May Concern:

May I start by stating that I do not advocate additional regulations on any type as most of the time the desired effect is not accomplished. However, as a Certified Public Accountant I am finding increasing difficult to communicate with the Service effectively. A considerable amount of time is simply demonstrating that I am competent at what I do. I also have to interact with other professionals who are not regulated when clients come to our firm. It has become obvious that quite a few of these tax preparers who are not enrolled agents should not be allowed to practice as they clearly demonstrate their incompetence.

Perhaps the enrolled agent exam could be strengthened and a requirement that anyone associated with tax preparation in any form be required to pass the exam. This should include anyone who works at the firm to avoid having the owner pass the exam but hire individuals who have not yet passed.

I take great pride in my CPA license and hate being lumped in with these other preparers.

Sincerely,  
Steve Stahlberg