

Special AICPA News Update Volume 13 No. 35

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A Weekly Email Newsletter on Issues & Events Surrounding the CPA Profession

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URGENT ACTION NEEDED

Contact the IRS to express concerns about tax preparer registration proposal.

CPAs across the country should IMMEDIATELY contact the IRS to emphasize the burdens CPAs, CPA firms and businesses will face if the IRS fully implements its proposed Tax Preparer Registration program.

An email from you to the IRS National Public Liaison will help IRS Commissioner Douglas Shulman understand why several of the proposed rules are redundant and unnecessary and how they will lead to higher tax preparation costs for taxpayers. **The AICPA supports the IRS's overall goals of improving compliance and elevating ethical conduct, but the AICPA has specific concerns that the proposed program is moving too far and too quickly.**

AICPA is asking ALL members to send emails to the IRS to state your concerns. A sample email message for your use is printed below.

Please email the short letter below IMMEDIATELY to the National Public Liaison at [*public_liaison@irs.gov](mailto:public_liaison@irs.gov).

We want to generate a high volume of CPA emails, so that the IRS understands that this issue is critically important to the CPA profession.

Please ask other CPAs in your businesses and firms to send their letters as soon as possible, too.

If you have questions, please send them to irsconcerns@aicpa.org.

Sample Email:

You can cut and paste this into an email to [*public_liaison@irs.gov](mailto:public_liaison@irs.gov).

Subject line: IRS should slow down implementing tax preparer registration proposal

Body of email:

I urge the IRS to exempt CPA firms from the requirement to register their employees who are non-signing tax return preparers, and I urge the IRS to delay the implementation of its preparer examination.

I am a CPA and I support the goals to increase compliance and raise the ethical conduct of paid preparers embodied in your proposal to regulate paid income tax preparers. However, the costs and burdens of this proposal go too far, too fast – we need to see a reasoned, rational approach that creates benefits that outweigh the burdens on the CPA preparer community and ultimately the tax-paying public.

CPA firms stand behind the work done by the CPAs and employees of their firms. Requiring PTINs on tax returns should give the IRS enough information to track and weed out incompetent preparers, WITHOUT the need to require PTINs for non-signing preparers who work at CPA firms. CPAs are already regulated by state boards of accountancy and Treasury Department Circular 230, so I believe strongly that the PTIN requirement should not be extended to non-signing preparers at CPA firms.

I also feel strongly that the exam component should be delayed until evidence is gathered that proves the need for such an exam. The goal is to raise competency and ethical conduct; therefore, the PTIN tracking proposal should be given time to do just that, before layering on potentially unnecessary and redundant regulatory burdens on CPA firms in particular, and on all preparers and the public. In addition, I have concerns about certain aspects of the proposed Circular 230 rules that were recently released.

I request that the IRS: (1) exempt CPA firms from the non-signing preparer requirements of the proposed regulations, and (2) delay the implementation of the exam requirement until the PTIN process is fully implemented and results are known.

Thank you for your consideration of my thoughts on these important issues.

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Brief Background About the IRS Tax Preparer Registration Proposal

The IRS has proposed to register paid tax preparers by requiring:

1. A personal tax identification number (PTIN) for all preparers;

2. All preparers to be subject to Circular 230;
3. An exam for registered preparers; and
4. Continuing education for registered preparers.

CPAs, attorneys and enrolled agents would be exempt from the exam and continuing education requirements, but would be required to obtain and use a PTIN number.

The AICPA supports the IRS goal to improve the competency and ethical conduct of paid tax preparers. However, after the proposal was announced, the IRS also indicated its intent to require non-signing preparers (who are not CPAs) to register and take the proposed exam – **even non-signing preparers who work at CPA firms under the supervision of a CPA.**

The AICPA believes that requiring registration for non-signing preparers working at CPA firms under a CPA's supervision is a duplicative regulatory burden on CPAs, who are already appropriately regulated by state boards of accountancy.

The AICPA also believes that the IRS is moving too quickly to implement an exam for all registered preparers, and believes that the results of PTIN tracking should be analyzed to prove whether there is a need for an exam for registered preparers.

The additional and unnecessary registration and exam requirements are a burden on American businesses, as the registration and examination costs will ultimately be passed on to consumers and businesses.

The AICPA supports the IRS goal to weed out "bad actors" through tracking personal tax identification numbers (PTIN) for all signing preparers, and encourages the IRS to fully implement the PTIN regulations before extending the requirement to non-signing preparers AND before requiring an examination.

Resources

For more information, please see the resources below:

- ▶ [Article from July's *The Tax Adviser* about the AICPA's concerns with the proposal.](#)
- ▶ [Letter from AICPA President and CEO Barry C. Melancon, CPA sent to IRS Commissioner Shulman regarding the non-signing preparer and exam implementation issues.](#)
- ▶ [Article from *JournalofAccountancy.com* about the letter signed by 31 Members of Congress to IRS Commissioner Shulman supporting a measured approach.](#)
- ▶ [Article from *JournalofAccountancy.com* on AICPA's comment letter regarding the entire tax preparer registration proposal.](#)
- ▶ [IRS proposed changes to Circular 230 issued on Aug. 19.](#)

If you have questions, please send them to irsconcerns@aicpa.org.

THANK YOU for adding your CPA voice to this important issue.