

STATE OF MARYLAND
BOARD OF INDIVIDUAL TAX PREPARERS
Business Meeting Minutes
June 13, 2016

TIME: 1:00 PM

PLACE: 500 N. Calvert Street
3rd Floor Conference Room
Baltimore, MD 21202

PRESENT: Fredric “Rob” Bader, Chair
Kay Riddle, Vice Chair
Jane Bourassa
Michael Canet
Marianela Del-Pino- Rivera

ABSENT: Theodore “Teddy” Prioleau
Patricia Snell

DLLR STAFF
PRESENT: Dennis Gring, Executive Director
Matthew Lawrence, Board Counsel and AAG
Alicia Coar, Board Secretary

OTHERS
PRESENT: Mary Beth Halpern, MACPA
Alverta Steinwdel, MSATP
Steve Wions, ITP

Chairman Bader called the meeting to order at 1:06 PM.

Upon a motion **(I)** by Ms. Del-Pino Rivera, and seconded by Mr. Canet, the minutes of the May 9, 2016 meeting were approved with corrections unanimously.

Report of the Chair

No Report

Executive Director’s Report

Mr. Gring advised that National Association of State Board of Accountancy (NASBA) provided the CPA Board with a list of individuals who have been issued PTIN numbers in Maryland. The list was obtained through a Freedom of Information Act (FOIA) request made by NASBA on behalf of all state boards of accountancy. This list will be used to formulate an awareness campaign in the fall to advise individual tax preparers to become registered (if not already) and advise the public to use only a qualified tax professional to prepare their 2016 tax returns.

The list contains the names of nearly 14, 000 persons who have been issued PTIN numbers and is composed of:

| | |
|-------|------------------------------------------|
| 5,142 | CPAs |
| 708 | EAs |
| 437 | Attorneys, |
| 141 | A combination of CPAs, EAs and Attorneys |
| 585 | State Tax Return Preparers |
| 6,941 | Did not indicate a profession |

Old Business

The Board continued discussions regarding whether to adopt regulations to specify the activities that fall under the statutory definition of "Provide individual tax preparation services," as provided in §21-101 (f), Business Occupations Article, Annotated Code of Maryland. Board counsel Matthew Lawrence distributed a draft of regulatory language that would specify activities that constituted providing tax preparation services and activities that would not be considered as providing these services. Upon a motion **(II)** by Ms. Riddle, and seconded by Mr. Canet, the Board proposed to amend COMAR 09.38.01.01 to specify the activities that fall under the statutory definition of "Provide individual tax preparation services " and those activities that do not constitute providing the service.

New Business

The Board discussed two issues that warranted consideration as legislative proposals to be forwarded to Secretary Kelly Schulz for the 2017 General Assembly. The first issue concerned amending §13-201 - *Confidentiality*, §13- 2033 *Exceptions*, and §13-205 *Types of Disclosure*, under the Tax General Article, to authorize the Board of Individual Tax Preparers to obtain information from the Office of Comptroller about individual tax return preparers. Currently, the Office of the Comptroller is prohibited from disclosing information to the Board that could assist the Board in conducting investigations and providing outreach to tax return preparers.

The other issue concerned amending the Maryland Individual Tax Preparers Act to include a provision that establishes the responsibility of owners of tax preparation businesses, especially non-registered owners, who provide tax preparation services to ensure that tax preparers who prepare individual tax return through the business are registered with the Board or otherwise exempt from the registration requirements. The Board's investigation into the Comptroller's Office's suspension of e-filing rights by tax preparation services has revealed that owners of tax preparation businesses avoid responsibility for wrongdoing by arguing that they did not know that the tax preparer was not registered or assert that the tax preparer is an independent contractor. Regulatory options are limited in that regulatory requirements and disciplinary action only apply to those individuals who are registered by the Board.

After discussion, the Board felt that tax return preparer business owners should be held responsible for the conduct of persons that are employed to prepare tax returns. The Board considered an approach, similar to that in the Plumbing Law, prohibiting an individual or business that provides individual tax preparation services from employing a person to perform

