



September 28, 2015

The Honorable Orrin G. Hatch
Chairman
Committee on Finance
United States Senate
219 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Ron Wyden
Ranking Member
Committee on Finance
United States Senate
219 Dirksen Senate Office Building
Washington, DC 20510

Dear Chairman Hatch and Ranking Member Wyden,

On September 11, 2015, you released a description of a bipartisan bill (the "Bill") that would curb identity theft and tax refund fraud. Section 15 of the Bill contains a provision that would provide the Treasury and the Internal Revenue Service ("IRS") with the authority to regulate all paid tax return preparers.

The National Society of Accountants ("NSA") supports the regulation of tax return preparers as a necessary step to insure that American taxpayers receive competent advice. NSA, however, is concerned that the IRS in its regulation of tax return preparers will again ignore the fact that some states, such as Oregon, Maryland and New York, already issue credentials or licenses to professionals, other than attorneys and CPAs, after the passage of an examination recognized by the state that demonstrates competency in tax matters and that many tax return preparers have already distinguished themselves by successfully taking tax return preparer competency tests and continuing education from third party providers. As you know, the IRS issued regulations in 2011 to regulate tax return preparers which the D.C. Court of Appeals subsequently rejected. Those regulations did in fact ignore state competency certifications and third party examinations and required all tax return preparers to take an IRS test.

NSA notes that the description of the Bill provides that the Finance Committee "encourages" the Treasury and IRS to expeditiously approve third party examination and continuing education providers for purposes of allowing individuals to obtain registered tax return preparer status and to establish a program for evaluating and approving State tax



credential programs for purposes of providing individuals with registered tax return preparer status. In our view, however, any federal regulation of tax return preparers *must* recognize State certifications and credentials obtained through examinations that establish competency in tax. Accordingly, we ask that any provision granting the Treasury and the IRS with the authority to regulate tax return preparers *directs*, rather than encourages, the IRS and Treasury to expeditiously approve third party examination providers and state credential programs either in legislative language or Committee Report language.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "John G. Ams". The signature is fluid and cursive, with the first name "John" being more prominent.

John G. Ams
Executive Vice President
National Society of Accountants