



April 11, 2016

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,

In August 2015, you introduced a bipartisan bill (the "Bill") that would curb identity theft and tax refund fraud. Your legislation would, among other things, impose civil and criminal penalties on a person using a stolen identity to file returns or other documents and require the IRS to develop guidelines for identity theft refund fraud cases to reduce the burdens on victims. The National Society of Accountants ("NSA") urges you to proceed with consideration of the Bill as soon as practicable because the need to address this issue is now greater than ever. The Internal Revenue Service (the "IRS") announced in March that it has seen a 400 percent increase in email "phishing" schemes, while the Treasury Inspector General for Tax Administration has received reports of almost 900,000 phone scam contacts since October 2013.

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. Furthermore, 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 (other than attorneys, CPAs and EAs) 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.

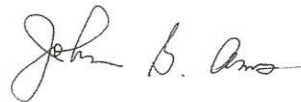
Accordingly, we ask that any provision granting the Treasury and the IRS the authority to regulate tax return preparers *directs*, rather than encourages, the IRS and Treasury to expeditiously approve third party examination providers and state credential programs either in legislative language or Committee Report language.

Thank you for your consideration.

Sincerely,



Kathy R. Hettick  
President  
National Society of Accountant



John G. Ams  
Executive Vice President  
National Society of Accountants

Cc: The Honorable Chuck Grassley  
The Honorable Mike Crapo  
The honorable Pat Roberts  
The Honorable Michael B. Enzi  
The Honorable John Cornyn  
The Honorable John Thune  
The Honorable Richard Burr  
The Honorable Johnny Isakson  
The Honorable Rob Portman  
The Honorable Patrick J. Toomey  
The Honorable Dan Coats  
The Honorable Dean Heller  
The Honorable Tim Scott

The Honorable Charles E. Schumer  
The Honorable Debbie Stabenow  
The Honorable Maria Cantwell  
The Honorable Bill Nelson  
The Honorable Robert Menendez  
The Honorable Thomas R. Carper  
The Honorable Benjamin L. Cardin  
The Honorable Sherrod Brown  
The Honorable Michael F. Bennet  
The Honorable Robert P. Casey, Jr.  
The Honorable Mark R. Warner