

# COMMITTEE ON WAYS AND MEANS

U.S. HOUSE OF REPRESENTATIVES

WASHINGTON, DC 20515

January 31, 2013

Mr. Steve Miller  
Acting Commissioner  
Internal Revenue Service  
1111 Constitution Avenue, NW  
Washington, DC 20224

Dear Acting Commissioner Miller,

On January 18, 2013, the United States District Court for the District of Columbia held that the Internal Revenue Service (IRS) does not have the authority to license and regulate hundreds of thousands of tax preparers under its Registered Tax Return Preparer Program. This program required all paid preparers to register with the IRS and provided for competency testing.

As you know, an estimated sixty percent of taxpayers pay a professional to prepare their Federal income tax returns. With the 2013 tax-filing season underway, it is unclear how the suspension of the program will impact taxpayers that rely on paid preparers, and the preparers themselves that rely on the income from tax preparation. Given the extensive marketing and outreach efforts conducted to promote the program, it is critical for taxpayers and preparers to be apprised of how the January 18 court decision affects them.

The IRS website, [www.irs.gov](http://www.irs.gov), provides a link on its homepage titled “Statement on Court Ruling Related to Return Preparers.” However, unless a taxpayer is already aware of the court decision, there is no other notice on the website to indicate that the return preparer program has been changed in any way. To the contrary, the tax return preparer FAQs (Frequently Asked Questions), also available on your agency’s website, read as if the invalidated preparer requirements remain in force, including the need for preparers to obtain and use a preparer identification number. This anomaly—between the injunction and the apparent direction to continue with the program—would seem likely to cause serious confusion among affected preparers. For these reasons, it is necessary that both taxpayers and return preparers be given clear and immediate guidance so as to avoid disruption to the 2013 filing season.

In order to ensure the IRS has appropriate plans in place to deal with the effects of the U.S. District Court’s decision, please provide answers to the following questions by February 13, 2013:

1. Following the U.S. District Court’s decision, has the IRS conducted any outreach to taxpayers and others affected regarding the return preparer requirements?

2. Does the IRS plan to make changes to its website that reflect the change in requirements and explain to taxpayers and preparers the proper protocol for this filing season?
3. Does the IRS anticipate that the suspension of the program will impact tax administration during this filing season? If so, in what manner?
4. Has the IRS made any adjustments to its 2013 tax filing season plans to accommodate more taxpayer inquiries on this topic? If not, has the IRS provided taxpayers with self-help options on its website that answer taxpayer inquiries?
5. Can all paid tax preparers, registered and unregistered, properly sign and file returns? If so, must a paid return preparer include a PTIN on prepared returns?
6. Has the IRS suspended the issuance of preparer identification numbers (PTIN)? If so, will the IRS website be updated to reflect the new requirements?
7. Are paid return preparers that met the competency and filing requirements prior to the U.S. District Court's decision date permitted to continue using the Registered Tax Return Preparer credential?

Thank you in advance for your cooperation in this matter. If you have any questions, please contact Mark Epley or Jen Acuña at (202) 225-5522.

Sincerely,

A handwritten signature in blue ink that reads "C.W. Boustany Jr." with a stylized flourish at the end.

CHARLES BOUSTANY Jr., M.D.  
Chairman  
Subcommittee on Oversight