DESCRIPTION OF H.R. 9499,
THE "PROTECTING TAXPAYERS FROM GHOST PREPARERS ACT"

Scheduled for Markup
by the
HOUSE COMMITTEE ON WAYS AND MEANS
on July 1, 2026

Prepared by the Staff
of the
JOINT COMMITTEE ON TAXATION

June 29, 2026
JCX-24-26

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INTRODUCTION

The House Committee on Ways and Means has scheduled a committee markup for July 1, 2026, of H.R. 9499, the "Protecting Taxpayers from Ghost Preparers Act." This document,[1] prepared by the staff of the Joint Committee on Taxation, provides a description of this bill.

[1] This document may be cited as follows: Joint Committee on Taxation, *Description of H.R. 9499, the "Protecting Taxpayers from Ghost Preparers Act."* (JCX-24-26), June 29, 2026. This document can also be found on the Joint Committee on Taxation website at www.jct.gov. All section references in the document are to the Internal Revenue Code of 1986, as amended (the "Code"), unless otherwise stated.

A. Penalties for Tax Return Preparers Who Improperly Alter Returns

Present Law

Under present law, the term "return" for purposes of the tax return preparer penalty provisions includes (i) any return of any tax imposed by the Code; (ii) any administrative adjustment request filed under section 6227; and (iii) any partnership adjustment tracking report under section 6226(b)(4)(A).[2] The term does not include other documents that merely purport to be a return, an administrative adjustment request, or a partnership adjustment tracking report. These documents may resemble these filings but do not qualify as valid returns. For example, a draft return that has not been filed with the Internal Revenue Service (the "IRS"), an unsigned return, an incomplete return missing required information or schedules, a document submitted in the wrong format or to the wrong IRS office, or a return that has been altered by the preparer after the taxpayer signed may appear similar to a filing but are not treated as valid submissions.

Description of Proposal

The proposal expands the definition of "return" to include any other document purporting to be a return of tax, an administrative adjustment request under section 6227, or a partnership adjustment tracking report under section 6226(b)(4)(A). This addition ensures that preparer penalties apply to both valid filings and to documents submitted as filings that do not meet the requirements to be treated as valid returns, including situations in which a preparer alters a return after the taxpayer has signed.

Effective Date

The proposal is effective on the date of enactment.

[2] Sec. 6696(e).

B. Limitation Period Not Extended for Victims of Preparer Fraud

Present Law

Section 6501 specifies the period of limitations for assessment of any tax imposed under the Code. In general, the limitations period is three years after the taxpayer files the return.[3] In cases of substantial omissions from the tax return, the general three-year period is enlarged to six years from the filing date of the return.[4] There are numerous exceptions to this general rule, including an exception for fraud, which provides that the tax may be assessed at any time "[i]n the case of a false or fraudulent return with the intent to evade tax[.]"[5]

Courts have addressed the issue of whether the fraud exception applies if the taxpayer whose tax liability is in question is not accused of fraud. In the United States Tax Court, the fraud exception is triggered if there is fraud on the return, and the open statute applies to the taxpayer who is not the fraudulent actor. In *Murrin v. Commissioner*,[6] a taxpayer who filed a return that included fraudulent information on advice of a paid return preparer was unsuccessful in contesting the timeliness of the government's assertion that the assessment period remained open due to the fraudulent intent of the preparer. Similarly, a taxpayer who signed a joint return was unsuccessful in challenging the timeliness of a notice of deficiency issued to her based on the spouse's fraudulent intent.[7] In contrast, in the Court of Federal Claims, a taxpayer successfully argued that the fraudulent intent of an outside counsel was insufficient grounds for the government contention that the limitations period was tolled.[8]

Description of Proposal

The proposal restricts the limitations period exception for false or fraudulent returns to cases in which the intent to evade tax is that of the taxpayer.

Effective Date

The proposal applies to assessments made and proceedings begun after the date of enactment.

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[3] Secs. 6501(a). If a return is filed before its due date, it is considered to have been filed on the due date. Sec. 6501(b)(1).

[4] See sec. 6501(e).

[5] Sec. 6501(c)(1).

[6] *Murrin v. Commissioner*, T.C. Memo. 2024-10, aff'd 158 F.4th 527 (3d Cir. 2025), *cert.* denied Sup. Ct. Dkt. No. 25-988 (June 22, 2026).

[7] *Li v. Commissioner*, T.C. Memo. 2026-42.

[8] *BASR Partnership v. United States*, 113 Fed. Cl. 181 (2013), aff'd 796 F.3d 1338 (3d Cir. 2014).

C. Technical Amendment Related to the Disaster Related Extension of Deadlines Act

Present Law

Section 7508A, as amended by the Disaster Related Extension of Deadlines Act, includes a subsection designated as subsection (f).[9] Due to the structure of the prior amendment, this subsection was intended to be placed at the end of section 7508A, but its current placement results in a numbering inconsistency within the subsection sequence.

Description of Proposal

The proposal corrects the numbering of section 7508A by redesignating subsection (f), as added by the Disaster Related Extension of Deadlines Act, as subsection (g). The proposal makes no substantive change and serves only to align the subsection numbering with the intended statutory structure.

Effective Date

The proposal takes effect as if it had been included in section 2(a) of the Disaster Related Extension of Deadlines Act.

[9] Pub. L. No. 119–64, sec. 2(a), December 26, 2025.

D. Estimated Revenue Effects of the Proposals

The staff of the Joint Committee on Taxation estimates the revenue effects of the proposals to be as follows:

Fiscal Years
[Millions of Dollars]

Item	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**	**2027-36**
Preparer penalties……….	[1]	[1]	[1]	1	1	1	1	1	1	1	5
Limitation period……..........	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	-2
Technical amendment……	--*No Revenue Effect*--										

NOTE: Details do not add to totals due to rounding. The date of enactment is assumed to be October 1, 2026.
[1] Gain of less than $500,000.
[2] Loss of less than $500,000.