



H.R. 9499, *Protecting Taxpayers from Ghost Preparers Act* Rep. Malliotakis (R-NY)

Background:

- Under current law, there are penalties for tax return preparers who unreasonably understate a taxpayer's liability or violate IRC Sections 6694, for the understatement of a Taxpayer's liability by a return preparer, 6695, assessable penalties with respect to the preparation of tax returns, or 6695A, gross valuation misstatements for incorrect appraisals.
- **Misconduct solely by a taxpayer's return preparer can indefinitely suspend the assessment limitation period which is 3 years.**
 - This occurs when an **unlicensed tax professional refuses to sign your tax return, and makes the return appear as if the taxpayer prepared it themselves**

H.R. 9499, *Protecting Taxpayers from Ghost Preparers Act:*

- Clarifies that the **exception to the general statute of limitation for fraudulent returns** applies only when it is **the taxpayer who seeks to evade their tax obligations.**
- Also includes a technical correction to redesignate a section of IRC §7508A.