

STATE OF MARYLAND
BOARD OF INDIVIDUAL TAX PREPARERS
Business Meeting Minutes
August 26, 2017

TIME: 10:00 a.m.

PLACE: 500 N. Calvert Street
3rd Floor Conference Room
Baltimore, MD 21202

PRESENT: Kay Riddle, Vice Chair
Jane Bourassa
Mike Canet
Jacqueline Clarke
Amy Hennen
Symon Manyara
Steve Wions

ABSENT: Dennis Gring, Executive Director
Marianela Del-Pino-Rivera

DLLR STAFF

PRESENT: Alicia Coar, Board Secretary
Mason Land, Investigator
Matthew Lawrence, Board Counsel and AAG

OTHERS

PRESENT: Thorman Jerry, ITP
Alverta Steinwedel, MSATP

Ms. Riddle, Vice Chair called the meeting to order at 10:10 AM.

Upon a motion **(I)** by Mr. Canet and seconded by, Mr. Wions the minutes from the June 26, 2017 meeting were approved with corrections unanimously.

Report of the Chair

There was no report of the Chair.

Executive Director's Report

Ms. Coar distributed the Executive Director's report in the absence of Mr. Gring, who was conducting interviews for the position of Assistant Director. In summary, the Executive Director's Report advised the Board of the following:

Personnel

The process to hire an Assistant Director for the Board is proceeding. Interviews with qualified candidates have been scheduled this week. The target date for the Assistant Director to start is shortly after Labor Day.

Governor's Commission on Regulatory Reform

Governor Hogan has instituted a freeze on new regulations promulgated by state agencies until December 2017. The Governor's Commission on Regulatory Reform will issue its annual report at that time. The Governor has requested agencies to cease the promulgation of regulations until after the Commission issues its report. The Governor's request means that publication of the proposed regulations that define actions that constitute providing tax preparation services will be delayed until at least early December.

2018 Legislation

DLLR Secretary Kelly M. Schulz has approved the Board's legislative proposal to clarify which employees who work under authorized tax preparers (registrants, CPAs, enrolled agents, attorneys, etc.) will have to be registered with the Board. The proposed legislation would expressly require individuals employed by tax preparation service businesses to be registered with the Board if the individual signs as the preparer of a tax return, regardless of their status as an employee of an authorized person. The requested statutory change is a bright line limit that would protect the public and still allow employees of registered preparers and exempt individuals to perform necessary support services.

The proposal will be reviewed by Governor Hogan's Office for final approval. If approved, the proposal will be introduced in the 2018 General Assembly.

Memorandum of Understanding

The legal staffs of both the Board and the Office of the Comptroller are reviewing the drafts the Memorandum Of Understanding ("MOU") for the sharing of information about tax preparers.

Meeting with IRS Officials and Quarterly Conference Call.

On August 10, 2017, Assistant Attorneys General Matt Lawrence and Kris King, the Executive Director, Investigator Mason Land Board Secretary Alicia Coar, and Outreach/Web Coordinator Janet Morgan met with Susan Gaston from the IRS, Return Preparer Office and Kyle Roberts from the IRS. Highlights included the review of the following:

- The need to establish coordinated enforcement efforts between the Board, Office of the Comptroller and the IRS to assist in investigations and compliance. Discussed the need for contact information for permissible exchange of information.
- Explored the necessity of background investigation and criminal history records check requirements for current and prospective employees and contractors with access to

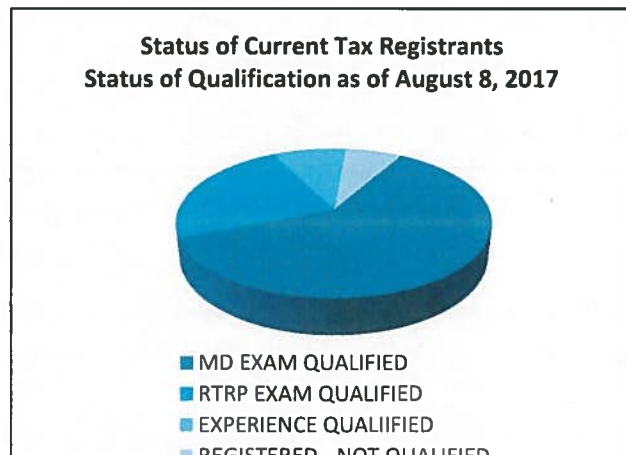
confidential Federal Tax Information (CPA and Tax Boards). An IRS Advice of Counsel memorandum may provide a way to avoid this process.

- Discussion of the IRS data needs from the Board pertaining to the Annual Filing Season Program (AFSP) and status of registrants who pass the MD tax exam. Registrants who pass the MD exam permanent qualify for the AFSP program very year.
- The Executive Director expressed the willingness of the Board to participate in local efforts through social media and the website to support the IRS initiative to increase awareness of the data security vulnerability of tax preparers' client records. Hackers, scammers and organized crime (US and International) are targeting tax preparers, CPAs and other tax professionals to steal client identity and tax records. These activities seek to obtain PTIN and identity information about tax preparers and identity and income data about their clients. The IRS and state tax official acknowledge that tax professionals have minimal awareness of the magnitude of this problem or have knowledge necessary to thwart hacking attempts.
- The Board's website and other social media platforms will promote the IRS Security Summit Awareness Campaign to Maryland registrants and CPAs.

The Executive Director and Investigator Land participated on the quarterly conference call with the IRS and tax preparer regulatory agencies from the states of California, Connecticut, New York and Oregon. Major issues that were discussed included the discussion of the protection of client data; the IRS recognition of ID Theft/security-related continuing education programs for IRS credit and notification to CE Providers of the ability to offer for credit; the IRS and the other states report a significant uptick in cases where individuals "Ghost Preparers" are charging taxpayers to prepare returns but instructing the taxpayer to submit the returns as self-prepared. and trends that suggest decreases in the number of individuals licensed or registered to prepare tax returns.

Registration Statistics
Registrations issued through August 8, 2107

CATEGORY	NO	PCT
MD EXAM QUALIFIED	2206	0.61
RTRP EXAM QUALIFIED	852	0.23
EXPERIENCE QUALIIFIED	327	0.09
REGISTERED - NOT QUALIFIED	251	0.07
	3636	1.00



Upon a motion **(II)** by Ms. Hennen, and seconded by Ms. Bourassa, the Board accepted the Executive Director report.

Examination Committee Report

Ms. Bourassa reported the PSI Maryland Examination has started on July 1, 2017 with the new Tax Law for Maryland. Upon a motion **(III)** by Mr. Canet, and seconded by Mr. Wions, the Board accepted the Examination Committee Report.

New Business

Mr. Kris King, of the Attorney General Office spoke to the Board on adding extra Board Meetings in the coming month for hearings. Mr. King explained to the Board that it is fine to have the hearings on the regular board meeting dates. However, the considerable number of current complaints requires the Board to schedule additional meeting dates for administrative hearings.

Mr. Lawrence informed the board members that five (5) members must be in attendance for the Board to have a quorum under the law. After discussion the Board agreed to the following dates and times for these additional meetings:

October 11, 2017, 2nd floor Conference room at 10 a.m.

November 9, 2017, 2nd floor Conference at 10 a.m.

December 19, 2017, 2nd floor Conference room from 10 a.m.

Old Business

There was no old business.

Executive Session

Upon a motion **(IV)** made by Mr. Canet and seconded by Mr. Wions the Board voted to go into Executive Session in order to consult with counsel, which is permitted to be closed pursuant to State Government Title Section 10-508 (a), (7) pertaining to an executive session. The Board went into Executive Session at 11:30 a.m. Upon a motion **(V)** by Mr. Wions and seconded by Ms. Bourassa, the Board unanimously voted to return to public session at 12:26 p.m.

Complaint Committee

Mr. Canet presented the Complaint Committee Report. (

Upon a motion **(VI)** by Mr. Wions and seconded by Ms. Bourssa, the Board unanimously accepted the Complaint Committee Report.

Next Meeting Date

The next meeting of the Board will be held on Monday, September 25, 2017 at 10:00 a.m.

Adjournment

There being no further business, a motion **(VII)** was made by Mr. Wions seconded by Mr. Canet and unanimously carried to adjourn the meeting at 12:25 p.m.

With corrections

Without corrections

Signature on File

Jane Bourassa, Acting Chair

September 25, 2017
Date