STATE OF MARYLAND BOARD OF INDIVIDUAL TAX PREPARERS

Business Meeting Minutes June 13, 2016

TIME: 1:00 PM

PLACE: 500 N. Calvert Street

3rd Floor Conference Room Baltimore, MD 21202

PRESENT: Fredric "Rob" Bader, Chair

Kay Riddle, Vice Chair

Jane Bourassa Michael Canet

Marianela Del-Pino- Rivera

ABSENT: Theodore "Teddy" Prioleau

Patricia Snell

DLLR STAFF

PRESENT: Dennis Gring, Executive Director

Matthew Lawrence, Board Counsel and AAG

Alicia Coar, Board Secretary

OTHERS

PRESENT: Mary Beth Halpern, MACPA

Alverta Steinwdel, MSATP

Steve Wions, ITP

Chairman Bader called the meeting to order at 1:06 PM.

Upon a motion (I) by Ms. Del-Pino Rivera, and seconded by Mr. Canet, the minutes of the May 9, 2016 meeting were approved with corrections unanimously.

Report of the Chair

No Report

Executive Director's Report

Mr. Gring advised that National Association of State Board of Accountancy (NASBA) provided the CPA Board with a list of individuals who have been issued PTIN numbers in Maryland. The list was obtained through a Freedom of Information Act (FOIA) request made by NASBA on behalf of all state boards of accountancy. This list will be used to formulate an awareness campaign in the fall to advise individual tax preparers to become registered (if not already) and advise the public to use only a qualified tax professional to prepare their 2016 tax returns.

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The list contains the names of nearly 14, 000 persons who have been issued PTIN numbers and is composed of:

5,142 CPAs
708 EAs
437 Attorneys,
141 A combination of CPAs, EAs and Attorneys
585 State Tax Return Preparers
6,941 Did not indicate a profession

Old Business

The Board continued discussions regarding whether to adopt regulations to specify the activities that fall under the statutory definition of "Provide individual tax preparation services," as provided in §21-101 (f), Business Occupations Article, Annotated Code of Maryland. Board counsel Matthew Lawrence distributed a draft of regulatory language that would specify activities that constituted providing tax preparation services and activities that would not be considered as providing these services. Upon a motion (II) by Ms. Riddle, and seconded by Mr. Canet, the Board proposed to amend COMAR 09.38.01.01 to specify the activities that fall under the statutory definition of "Provide individual tax preparation services" and those activities that do not constitute providing the service.

New Business

The Board discussed two issues that warranted consideration as legislative proposals to be forwarded to Secretary Kelly Schulz for the 2017 General Assembly. The first issue concerned amending §13-201 - *Confidentiality*, §13- 2033 *Exceptions*, and §13-205 *Types of Disclosure*, under the Tax General Article, to authorize the Board of Individual Tax Preparers to obtain information from the Office of Comptroller about individual tax return preparers. Currently, the Office of the Comptroller is prohibited from disclosing information to the Board that could assist the Board in conducting investigations and providing outreach to tax return preparers.

The other issue concerned amending the Maryland Individual Tax Preparers Act to include a provision that establishes the responsibility of owners of tax preparation businesses, especially non-registered owners, who provide tax preparation services to ensure that tax preparers who prepare individual tax return through the business are registered with the Board or otherwise exempt from the registration requirements. The Board's investigation into the Comptroller's Office's suspension of e-filing rights by tax preparation services has revealed that owners of tax preparation businesses avoid responsibility for wrongdoing by arguing that they did not know that the tax preparer was not registered or assert that the tax preparer is an independent contractor. Regulatory options are limited in that regulatory requirements and disciplinary action only apply to those individuals who are registered by the Board.

After discussion, the Board felt that tax return preparer business owners should be held responsible for the conduct of persons that are employed to prepare tax returns. The Board considered an approach, similar to that in the Plumbing Law, prohibiting an individual or business that provides individual tax preparation services from employing a person to perform

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tax preparation services that is not registered or exempt from registration such as an attorney, CPA or enrolled agent.

Upon a motion by (III) Mr. Canet, and seconded by Del-Pino Rivera, the Board approved these recommendations for the consideration of the Secretary for legislation in 2017.

Additional Meeting Dates to Conduct Hearing

Mr. Canet advised the Board that additional meetings dates would be required to accommodate the anticipated number of hearings that would be necessary to as a result of the high number of Comptroller's Office complaints. Additional meetings need to be scheduled in September and December for these hearings. Ms. Coar will look at the available meeting dates, places and times and advise the Board members as soon as possible.

Executive Session

Upon a motion (IV) made by Ms. Del-Pino-Rivera, and seconded by Mr. Canet, 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). The Board went into Executive Session at 3:15 PM. Upon a motion (V) by Ms. Del-Pino-Rivera, and seconded by Ms. Bourassa, the Board unanimously voted to return to public session at 3:45 PM.

Mr. Canet presented the Complaint Committee report. The Board received two (2) complaints, one (1) consumer complaint was closed. Four administrative hearings are scheduled for the August 8, 2016 meeting. Upon a motion (V) by Ms. Del-Pino-Rivera, and seconded by Ms. Bourassa, the Board unanimously accepted the Complaint Committee Report.

Next Meeting Date

The next meeting of the Board will be held on Monday, August 8, 2016 at 1:00 PM.

Adjournment

U	o further business, a motion (VI) was made by Ms. Riddle, seconded by Mr. Cane isly carried to adjourn the meeting at 3:48 PM.
X	With corrections
	Name of the Control o

Without corrections	
Signer on file	August 8, 2016
Fredric Bader, Chair	Date