

114TH CONGRESS  
1ST SESSION

# H. R. 4141

To ensure that tax return preparers demonstrate minimum standards of competency.

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## IN THE HOUSE OF REPRESENTATIVES

DECEMBER 1, 2015

Mrs. BLACK (for herself and Mr. MEEHAN) introduced the following bill;  
which was referred to the Committee on Ways and Means

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## A BILL

To ensure that tax return preparers demonstrate minimum standards of competency.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Tax Return Preparer  
5 Competency Act of 2015”.

6 **SEC. 2. MINIMUM COMPETENCY STANDARDS FOR TAX RE-**  
7 **TURN PREPARERS.**

8 (a) IN GENERAL.—Subsection (a) of section 330 of  
9 title 31, United States Code, is amended—

1 (1) by striking paragraph (1) and inserting the  
2 following:

3 “(1) regulate—

4 “(A) the practice of representatives of per-  
5 sons before the Department of the Treasury;  
6 and

7 “(B) tax return preparers (as defined in  
8 section 7701(a)(36) of the Internal Revenue  
9 Code of 1986); and”;

10 (2) in paragraph (2)—

11 (A) by inserting “or tax return preparer”  
12 after “representative” each place it appears;  
13 and

14 (B) by inserting “or in preparing their tax  
15 returns, claims for refund, or documents in con-  
16 nection with tax returns or claims for refund”  
17 after “cases” in subparagraph (D).

18 (b) FAILURE TO MEET MINIMUM COMPETENCY  
19 STANDARDS.—Subsection (b) of section 330 of title 31,  
20 United States Code, is amended—

21 (1) by striking “before the Department”;

22 (2) by inserting “or tax return preparer” after  
23 “representative” each place it appears; and

1           (3) in paragraph (4), by striking “misleads or  
2           threatens” and all that follows and inserting “mis-  
3           leads or threatens—

4                   “(A) any person being represented or any  
5           prospective person being represented; or

6                   “(B) any person or prospective person  
7           whose return (as defined in section 6696(e)(1)  
8           of the Internal Revenue Code of 1986), claim  
9           for refund (as defined in section 6696(e)(2) of  
10          such Code), or document in connection with a  
11          return or claim for refund, is being or may be  
12          prepared.”.

13          (c) MINIMUM COMPETENCY STANDARDS FOR TAX  
14          RETURN PREPARERS.—

15               (1) IN GENERAL.—Section 330 of title 31,  
16          United States Code, is amended by adding at the  
17          end the following new subsection:

18          “(e) TAX RETURN PREPARERS.—

19               “(1) IN GENERAL.—Any tax return preparer  
20          (as defined in section 7701(a)(36) of the Internal  
21          Revenue Code of 1986) shall demonstrate minimum  
22          competency standards under this subsection, by—

23                   “(A) obtaining an identifying number for  
24          securing proper identification of such preparer

1 as described in section 6109(a)(4) of the Inter-  
2 nal Revenue Code of 1986;

3 “(B) satisfying the examination require-  
4 ments described in paragraph (2);

5 “(C) satisfying the annual continuing edu-  
6 cation requirements described in paragraph (3);

7 and

8 “(D) completing a background check as  
9 described in paragraph (4).

10 “(2) EXAMINATION.—

11 “(A) IN GENERAL.—A tax return preparer  
12 shall provide the Secretary with proof of suc-  
13 cessful completion of an examination that evalu-  
14 ates the knowledge and competency of the tax  
15 return preparer, as prescribed by the Secretary  
16 through regulations, forms or instructions, re-  
17 garding—

18 “(i) preparation of a return (as de-  
19 fined in section 6696(e)(1) of the Internal  
20 Revenue Code of 1986);

21 “(ii) ethical standards for preparation  
22 of such returns; and

23 “(iii) other topics as the Secretary  
24 may prescribe.

1           “(B) EXCEPTIONS.—The Secretary shall  
2 exempt tax return preparers from the examina-  
3 tion requirements under this paragraph pursu-  
4 ant to such requirements as are determined ap-  
5 propriate by the Secretary, which shall include  
6 any comparable examinations administered by  
7 the Secretary or any comparable State licensing  
8 or registration programs.

9           “(3) CONTINUING EDUCATION.—A tax return  
10 preparer shall complete continuing education on an  
11 annual basis, which shall consist of not less than 15  
12 hours of instruction, which shall include not less  
13 than 2 hours of training relating to ethics and not  
14 less than 3 hours relating to Federal tax law up-  
15 dates.

16           “(4) BACKGROUND CHECK.—

17           “(A) IN GENERAL.—A tax return preparer  
18 shall demonstrate the requirements of sub-  
19 section (a)(2) by providing the Secretary with a  
20 report, as prescribed by the Secretary through  
21 regulations, forms or instructions.

22           “(B) EXCEPTIONS.—The Secretary shall  
23 exempt tax return preparers who have been  
24 subject to comparable background checks ad-

1 ministered by the Secretary or any comparable  
2 State licensing or registration programs.”.

3 (d) CONTINGENCY FEES.—The Secretary of the  
4 Treasury may not regulate, prohibit, or restrict the use  
5 of a contingent fee in connection with tax returns, claims  
6 for refund, or documents in connection with tax returns  
7 or claims for refund prepared on behalf of a taxpayer.

8 (e) PUBLIC DATABASE FOR TAX RETURN PRE-  
9 PARERS.—Not later than 1 year after the date of the en-  
10 actment of this Act, the Secretary of the Treasury, shall  
11 ensure that the name and identification number (as de-  
12 scribed in section 6109(a)(4) of the Internal Revenue  
13 Code of 1986) of any tax return preparer who satisfies  
14 the requirements under section 330 of title 31, United  
15 States Code, is made publicly available through such  
16 measures as are determined appropriate by the Secretary,  
17 which may include the use of any publicly available data-  
18 base that has been established and operated by the Sec-  
19 retary on or before the date of the enactment of this Act.

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