

*The following information is tentative as we are waiting on final regulations. IRS has indicated that final regulations will be presented within the next thirty days. Keep watching our website for additional information.*

## **UPDATE ON TAX RETURN PREPARER REGISTRATION**

All Paid Tax Return Preparers are currently required to:

- A) Obtain a PTIN starting 9/1/10 thru 12/31/10 by registering with IRS, **OR**
- B) Refresh/Revalidate a PTIN starting 9/1/10 thru 12/31/10 by registering with IRS.
- C) There will be a fee to register
  - 1) Not determined but estimated to be \$100.00 to \$200.00.
  - 2) Since Attorney, CPA, EA & PA already pay a registration fee; One source has indicated they **may** be entitled to a refund. However another source indicates only the EA's **may** receive a refund. **The refund has only been mentioned, it is not official.**
- D) PSPA recommends all preparers register from 9/1/10 to 12/31/10 (even if the regulations change to loosen up this requirement).
- E) Competency Test expected to be available starting in April, 2011.
  - 1) Every preparer registered with IRS must take and pass test except Attorneys, CPA's EA's and PA's.
  - 2) PSPA is in talks with a Provider to teach a course to assist in preparing for the competency exam. (Both Parts)
  - 3) Competency Exam is 2 parts:
    - a) Individual tax and
    - b) Business tax (Sch C or Sch E)

Not sure if there is a separate fee to take exam  
but there might be.

  - 4) Registrations will be required to be updated every so many years (We think it may be every 3 years).
- F) Who is a Paid Tax Return Preparer who is required to register and get a PTIN?
  - Anyone who signs a return.
  - Anyone who is involved with a substantial part of return.
    - Factor to Consider
      - 1) Complexity of work performed.
      - 2) The amount of Income, Deduction or Loss
      - 3) While the above factors should be considered, it is not limited to those factors.

See Examples 1,2,3 at end of Proposed Regulations.  
(See Proposed Rules March 26, 2010 Volume 75 Number 58, Page 14.539 – 14.545).

**[Proposed Reg on PSPA Website]**

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