

## IRS weighs new rules on tax preparers

Tom Gallagher | Jun. 5, 2009 NCR Today

The IRS is considering the [licensing of tax preparers](#) [1] in order to raise the ethical standards and to reduce fraud, says IRS Commissioner Doug Shulman.

Mr. Shulman said he wants better leverage to make sure tax preparers act ethically, not only to improve enforcement, but also to ensure that taxpayers get quality help in preparing their returns.

"Paying taxes is one of the largest financial transactions individual Americans have each year, and we need to make sure that professionals who serve them are ethical and ensure the right amount of tax is paid," Mr. Shulman told the House Ways and Means Subcommittee on Oversight.

One of the big challenges for the IRS is the lack of enforcement due largely to a lack of staffing. Any new legislation ought to include funds for enforcement and compliance.

The poor often are on the short-end of the stick, again. This needs to change.

"Rep. John Lewis (D., Ga.) said low-income taxpayers are often taken advantage of by "fly-by-night" tax preparers who set up shop in storefronts, only to go out of business after tax season. "If they have problems, they cannot be located," said Mr. Lewis, who is chairman of the oversight subcommittee. "We're going to find a way to deal with it."

In addition, tax preparers should be subject to penalties, along with the taxpayer. "But when the IRS detects a fraudulent return, it's the taxpayer--not the tax preparer--who must pay the additional taxes, interest and any penalties, according to the IRS." Otherwise, what's the point?

Is there any meaningful Catholic organization that advocates on behalf of the poor to the IRS? If not, there should be.

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