



Media contact:  
Nancy Kasten, NATP marketing and communications director  
nkasten@natptax.com  
800-558-3402 ext. 1172

NATP supports expanded preparer regulation, enforcement

*Association submits letter to Congress in support of a 'higher standard for all tax professionals'*

APPLETON, Wis. (June 17, 2021) – Every year, millions of hardworking taxpayers place their trust in someone else to help them uphold their civic duties and decipher one of the most complicated code of laws around – the U.S. Tax Code.

The National Association of Tax Professionals (NATP) is proud to support “raising the bar” of excellence in the tax preparation industry through fair, effective and not overly-burdensome regulation of all tax preparers.

The effectiveness of tax administration, in part, relies on the consistent quality of work generated by tax return preparers who stay up to date on tax law through continuing regulation. In response to this, the association’s Board of Directors and executive director [reaffirmed its position](#) on the regulation of tax return preparers, especially as a new presidential administration begins to initiate conversations on the same topic.

“Our intent is to urge Congress to pursue pathways toward a higher standard for all tax professionals,” said NATP Executive Director Scott Artman. “To do this, we believe the IRS must be provided with the regulatory authority and budgetary resources to effectively administer a program regulating tax preparers. While the RTRP program ended in 2013, we saw many benefits to the program, especially that it encouraged tax preparers to participate in continuing education. We’d like to see that encouragement continued in new preparer regulation to better serve the U.S. taxpayers.”

[90% of taxpayers](#) rely on tax return preparers or tax preparation software for assistance preparing their returns. Based on this statistic, it’s clear that there is a need to ensure competency among tax preparers. Whether this is accomplished in the way of testing, continuing education, or both, remains to be seen.

At the very minimum, NATP believes that some amount of annual continuing education should be required of preparers authorized to file returns on behalf of taxpayers. Accurate tax return preparation is a fundamental need for effective tax administration. The lack of rules preventing unqualified individuals from becoming tax return preparers decreases the quality of tax return filings and contributes to widening of the tax gap.

During a [Senate Finance Committee hearing](#) in April 2021, [IRS Commissioner] Rettig estimated that the tax gap could be around \$1 trillion. That figure is much higher than the IRS's estimate released in 2019 that the average annual tax gap from 2011 to 2013 was \$441 billion.

Well-educated tax return preparers are in a unique position to accurately file tax returns on behalf of taxpayers. In doing so, taxpayers are assured they are paying the correct amount of tax, reducing, and in many cases eliminating, the possibility of post-filing season notices from



the IRS. Congress should use its authority to protect the taxpayer and mandate that if a tax preparer is compensated for his or her services, those services meet a minimum standard of competency, knowledge, and ethics.

Overall, the tax practitioner community by and large is honest, ethical, competent and conscientious. Taxpayers should be able to rely on licensed or registered preparers as competent guides in tax matters and the preparation and filing of tax returns.

“Licensing and/or registering tax return preparers will not guarantee 100% ethical and scrupulous behavior, but there should be a process in place that both protects the taxpayer while also rewarding those preparers who adhere to the law as it applies to professional tax preparation,” Artman said.

###

**About NATP:** The National Association of Tax Professionals (NATP) is the largest association dedicated to equipping tax professionals with the resources, connections and education they need to provide the highest level of service to their clients. 23,000 members rely on NATP to deliver professional connections, content expertise and advocacy that provides them with the support they need to best serve their clients. The NATP headquarters is located in Appleton, WI. To learn more, visit [www.natptax.com](http://www.natptax.com).

**Looking for a tax expert?** Rhonda Collins, EA, CPA, MBA, is the director of tax content and government relations at the National Association of Tax Professionals (NATP). Collins has a diverse background of over 25 years in the industry. As a licensed CPA and EA, Collins can represent clients before the IRS. She is available for phone or video interviews to discuss federal tax topics including tax law change and its implications, taxpayer issues, tax preparer regulation and more. To schedule an interview with Collins, contact [nkasten@natptax.com](mailto:nkasten@natptax.com).