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to learn things that didn't exist.

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*From the Dec. 2005 Issue*

My father was a firm believer in higher education. When I was in high school, he was always after me to do two things. First, to become a “professional” man, and, second, to learn things that didn’t exist. The first one wasn’t a problem, since I enjoyed bookkeeping and decided to become an accountant and specialize in taxes. The second one, however, frustrated me at the time until I realized that he was advising me to get as much education as possible and to always think ahead.

Contrary to what our children think, computers and software weren’t invented after they were born. I took my first computer course in high school. And while I recognized the great potential of computers, I didn’t visualize the way they would eventually develop into what they are today. Nor did I imagine the impact they would have on our tax profession. Computers have become indispensable aids and can be further utilized to enhance and protect our profession.

For years, we have worked hard to get an education to first become tax practitioners and then to continue to maintain and increase our tax knowledge to truly become income tax professionals (i.e., Enrolled Agents, CPAs and tax attorneys). We have every right to be proud of what we do and to be protective of our profession. Not protective in a way to be exclusionary, but to be proactive in support of the licensing of the profession, maintenance of high standards and protections for the taxpaying community. So how do we utilize computer programs to aid in these goals?

Databases could maintain the data of practitioners eligible to prepare and/or

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and over-see us.

Earlier this year, U.S. Senator Jeff Bingaman from New Mexico introduced S.832, the Taxpayer Protection and Assistance Act of 2005, which was referred to the Committee on Finance. Among other things, the bill would regulate and test paid income tax preparers. The point of this article is not to convince anyone about the merits of this particular bill, but to address the need, in some form, for regulation of paid tax preparation and representation and how the IRS can implement its regulation of these practitioners.

Let's say that a bill is passed that requires the registration of tax preparers and representatives and limits the types of returns, forms and schedules that can be prepared as well as the level of representation allowed. Preparers will know what level of service they are authorized to provide and will be precluded from taking on any assignment that they are not licensed to perform.

To aid in the identification of all practitioners, there would be a requirement to obtain a PTIN (Preparer Tax Identification Number), which is now only required if a paid preparer doesn't want to disclose his or her Social Security Number on returns prepared. The PTIN could be renamed the "Practitioner Tax Identification Number" and consolidated with the Centralized Authorization File number (CAF). The IRS Office of Professional Responsibility would maintain a database of all practitioners (i.e., those currently regulated by Circular 230 and the new practitioners).

The public would be protected from unqualified practitioners. The IRS would be required to educate the public about the different licensees and the level of service they are authorized to perform. The IRS Office of Professional Responsibility

would have a web site where the public can input the contact information and

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By preventing them from charging fees for assignments they are not qualified to perform, unqualified practitioners will be forced to turn away any assignment they are not authorized to perform. Not only would they be avoiding a waste of their time, they would avoid the assessment of penalties for intentionally disregarding the law.

Under former IRS Commissioner Mark W. Everson, the IRS overhauled its computer system. Let's put it to good use to maintain the integrity of our profession for the benefit of the public as well as ourselves. The public deserves the protection, and we deserve to remain proud of who we are. I know our fathers would definitely be proud!

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