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**Isaac M. O'Bannon** • May. 18, 2014

For many years, states and local governments have been trying to rein in unlicensed income tax preparers, and the Internal Revenue Service joined a few years ago with the idea of a national testing and regulatory system that the agency would oversee. So, it created one.

Why? Most American taxpayers probably don't know, but in most states, there are no requirements to call yourself a tax professional. A few states have adopted their own registration laws, and the IRS tried to do so unilaterally, but there is no federal law mandating a level of skill, education or testing for a business that wants to file your taxes.

The Registered Tax Return Preparer credential was supposed to fix the whole mess of unscrupulous people with no training, who were preparing other people's taxes. There was going to be a modicum of licensing, and training, and retraining required, after all. And background checks.

But a little more than a year ago, [a federal court said no](#). Which doesn't mean no, it means... time to go to the appeals court.

Well, today, according to the Institute for Justice, the IRS decided not to continue to pursue the appeal:

“Today, three independent tax-return preparers’ [victory over the IRS](#) became final, after the agency declined to file a petition seeking review from the U.S. Supreme Court. The lapse of the deadline marks the conclusion of a

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such licensing authority. By not filing a petition for certiorari, the IRS has wisely chosen not to ride this horse law any further.”

Never the less, many in the tax and accounting profession [think that preparers should be regulated](#), after all, they help process trillions of dollars of revenue that go to and from the U.S. government.

“This is a major victory for economic liberty nationwide,” the lead attorney in the *Loving v. IRS* case, Dan Alban, told *CPA Practice Advisor*. “We are pleased that the IRS has finally decided to obey the law and will no longer try to impose unlawful and protectionist licensing regulations on independent entrepreneurs who provide for their families by assisting taxpayers with their tax returns.”

While the nation's taxing entity hasn't necessarily given up on finding ways to license or regulate tax preparers, it's spokespersons were not available for comment at the time of this article.

Taxpayers who want more assurance when they have their taxes filed should use a CPA, and Enrolled Agent or a licensed tax attorney. These are the only professionals who can not only help you file taxes in accordance with tax law, but can also represent taxpayers before the IRS if an audit or other communication is necessary.

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