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with criminal tax convictions or permanent injunctions from preparing tax returns. This is just one of several recent moves to improve the quality and oversight of the tax preparation industry.

More than 700,000 tax preparers nationwide have registered with the IRS and obtained Preparer Tax Identification Numbers (PTINs). This nine-digit number must be used by paid tax return preparers on all returns or claims for refund. Paid preparers must renew their PTINs annually to legally prepare tax returns.

“We owe it to all taxpayers and the many honest tax return preparers to remove the relatively small number of bad actors from the tax preparation industry,” said Doug Shulman, IRS Commissioner. “Just one unscrupulous tax return preparer can cause a lot of financial damage to both taxpayers and the tax system.”

By comparing the new PTINs with a database managed by the IRS' Office of Professional Responsibility, the IRS was able to identify 19 tax preparers who applied for PTINs and either failed to disclose a criminal tax conviction or have been permanently enjoined from preparing tax returns. A permanent injunction is a court order used by the Department of Justice to stop a preparer who repeatedly prepares erroneous or fraudulent federal tax returns.

The IRS has sent letters to all 19 individuals proposing revocation of their PTINs. Preparers facing revocation have 20 days to file a written response and provide supporting documentation as to why their PTIN should not be revoked.

With the end of the tax filing season, the IRS also will initiate a review of tax returns that were prepared by a preparer who used an identifying number other than a PTIN, did not use any identifying number, or did not sign tax returns they prepared. The agency will send notices to those preparers who used improper identifying numbers.

The IRS is also piloting methods to help identify returns that appear to be

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refund must register for a PTIN and pay a \$64.25 annual fee.

The PTIN registration is the first step in a multi-year effort by the IRS to provide standards for and oversight of the tax preparation industry. Starting this fall, certain paid preparers will be required to pass a new competency test. The IRS will also conduct background checks on certain paid preparers. Additionally, expected to start in 2012, certain paid preparers must have 15 hours of continuing education annually.

Certified Public Accountants, attorneys and enrolled agents are exempt from the competency testing and continuing education requirements because of similar professional standards already applicable to those groups. Supervised employees of these exempt groups also are generally exempt.

For more information on the PTIN, see the [IRS' registration page and website](#).

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