

# HOUSE BILL 998

Q7, C2, Q3

71r1502  
CF SB 513

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By: **Delegates Krysiak, Ali, Anderson, Bobo, Burns, Feldman, Hucker, Kirk, Love, Manno, McHale, McIntosh, Minnick, Taylor, and Vaughn**

Introduced and read first time: February 9, 2007

Assigned to: Economic Matters

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## A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Tax Preparers Act**

3 FOR the purpose of creating the State Board of Tax Preparers in the Department of  
4 Labor, Licensing, and Regulation; providing for the composition, appointment,  
5 terms, and expenses of the Board members; specifying the terms of the initial  
6 members of the Board; establishing certain powers and duties of the Board;  
7 requiring certain persons to be licensed by the Board as tax preparers before  
8 performing certain work; establishing certain education and experience  
9 requirements for tax preparers; establishing certain licensing and license  
10 renewal requirements for tax preparers; establishing certain examination  
11 requirements for tax preparers; authorizing the Board to deny a license to an  
12 applicant, refuse to renew a license, reprimand a licensee, suspend or revoke a  
13 license, or impose certain penalties under certain circumstances; providing for  
14 certain criminal penalties; requiring certain fees and penalties collected by the  
15 Board to be paid into the General Fund of the State; requiring that an  
16 evaluation of the State Board of Tax Preparers and the statutes and regulations  
17 that relate to the State Board be performed on or before a certain date; defining  
18 certain terms; and generally relating to the State Board of Tax Preparers.

19 BY renumbering

20 Article – Business Regulation

21 Section 2–108(a)(23) through (33), respectively

22 to be Section 2–108(a)(24) through (34), respectively

23 Annotated Code of Maryland

24 (2004 Replacement Volume and 2006 Supplement)

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 BY renumbering

2 Article – State Government  
 3 Section 8–403(b)(66) through (69), respectively  
 4 to be Section 8–403(b)(67) through (70), respectively  
 5 Annotated Code of Maryland  
 6 (2004 Replacement Volume and 2006 Supplement)

7 BY adding to

8 Article – Business Occupations and Professions  
 9 Section 19.5–101 through 19.5–502 to be under the new title “Title 19.5. Tax  
 10 Preparers”  
 11 Annotated Code of Maryland  
 12 (2004 Replacement Volume and 2006 Supplement)

13 BY adding to

14 Article – Business Regulation  
 15 Section 2–108(a)(23)  
 16 Annotated Code of Maryland  
 17 (2004 Replacement Volume and 2006 Supplement)

18 BY adding to

19 Article – State Government  
 20 Section 8–403(b)(66)  
 21 Annotated Code of Maryland  
 22 (2004 Replacement Volume and 2006 Supplement)

23 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
 24 MARYLAND, That Section(s) 2–108(a)(23) through (33), respectively, of  
 25 Article – Business Regulation of the Annotated Code of Maryland be renumbered to be  
 26 Section(s) 2–108(a)(24) through (34), respectively.

27 SECTION 2. AND BE IT FURTHER ENACTED, That Section(s) 8–403(b)(66)  
 28 through (69), respectively, of Article – State Government of the Annotated Code of  
 29 Maryland be renumbered to be Section(s) 8–403(b)(67) through (70), respectively.

30 SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland  
 31 read as follows:

32 **Article – Business Occupations and Professions**

33 **TITLE 19.5. TAX PREPARERS.**



1 **19.5-201.**

2 **THERE IS A STATE BOARD OF TAX PREPARERS IN THE DEPARTMENT.**

3 **19.5-202.**

4 **(A) (1) THE BOARD CONSISTS OF EIGHT MEMBERS OF WHICH:**

5 **(I) SEVEN SHALL HAVE AT LEAST 5 YEARS TAX**  
6 **PREPARATION EXPERIENCE; AND**

7 **(II) ONE SHALL BE A MEMBER OF A NONPROFIT TAX**  
8 **PROGRAM OR NONPROFIT CONSUMER ADVOCATE PROGRAM.**

9 **(2) OF THE EIGHT MEMBERS OF THE BOARD:**

10 **(I) THE GOVERNOR SHALL APPOINT TWO MEMBERS;**

11 **(II) THE COMPTROLLER SHALL APPOINT ONE MEMBER;**

12 **(III) THE ATTORNEY GENERAL SHALL APPOINT ONE**  
13 **MEMBER;**

14 **(IV) A COMMERCIAL TAX PREPARER SHALL APPOINT ONE**  
15 **MEMBER;**

16 **(V) THE MARYLAND ASSOCIATION OF CERTIFIED PUBLIC**  
17 **ACCOUNTANTS SHALL APPOINT ONE MEMBER;**

18 **(VI) THE MARYLAND STATE BAR ASSOCIATION SHALL**  
19 **APPOINT ONE MEMBER; AND**

20 **(VII) A NONPROFIT TAX PROGRAM SHALL APPOINT ONE**  
21 **MEMBER.**

22 **(B) EACH MEMBER OF THE BOARD SHALL BE:**

23 **(1) A CITIZEN OF THE UNITED STATES; AND**

1           (2)    **A RESIDENT OF THE STATE.**

2           (C)    **BEFORE TAKING OFFICE, EACH APPOINTEE TO THE BOARD SHALL**  
3 **TAKE THE OATH REQUIRED BY ARTICLE I, § 9 OF THE MARYLAND**  
4 **CONSTITUTION.**

5           (D)    (1)   **THE TERM OF A MEMBER IS 3 YEARS AND BEGINS ON JULY 1.**

6                   (2)   **THE TERMS OF MEMBERS ARE STAGGERED.**

7                   (3)   **AT THE END OF A TERM, A MEMBER CONTINUES TO SERVE**  
8 **UNTIL A SUCCESSOR IS APPOINTED AND QUALIFIES.**

9                   (4)   **A MEMBER WHO IS APPOINTED AFTER A TERM HAS BEGUN**  
10 **SERVES ONLY FOR THE REST OF THE TERM AND UNTIL A SUCCESSOR IS**  
11 **APPOINTED AND QUALIFIES.**

12                   (5)   **EACH MEMBER OF THE BOARD IS ELIGIBLE FOR**  
13 **REAPPOINTMENT BUT MAY NOT SERVE MORE THAN TWO CONSECUTIVE TERMS.**

14           (E)    (1)   **THE GOVERNOR MAY REMOVE A MEMBER FOR**  
15 **INCOMPETENCE, MISCONDUCT, NEGLIGENCE OF DUTIES, OR OTHER SUFFICIENT**  
16 **CAUSE.**

17                   (2)   **THE GOVERNOR SHALL REMOVE A MEMBER WHO CEASES TO**  
18 **MEET THE REQUIREMENTS UNDER WHICH THE MEMBER WAS APPOINTED, AS**  
19 **PROVIDED UNDER SUBSECTIONS (A) AND (B) OF THIS SECTION.**

20   **19.5-203.**

21           (A)    **FROM AMONG ITS MEMBERS, THE BOARD SHALL ELECT A CHAIR**  
22 **AND OTHER OFFICERS AS NECESSARY.**

23           (B)    **THE MANNER OF ELECTION AND THE TERM OF AN OFFICER SHALL**  
24 **BE AS THE BOARD DETERMINES.**

25   **19.5-204.**

1           (A)    **A MAJORITY OF THE MEMBERS THEN SERVING ON THE BOARD IS A**  
2 **QUORUM.**

3           (B)    **THE BOARD SHALL MEET AT LEAST FIVE TIMES A YEAR, WITH AT**  
4 **LEAST TWO MEETINGS BEING HELD BETWEEN JANUARY 1ST AND APRIL 15TH.**

5           (C)    **EACH MEMBER OF THE BOARD IS ENTITLED TO:**

6                   (1)    **COMPENSATION IN ACCORDANCE WITH THE STATE BUDGET;**

7 **AND**

8                   (2)    **REIMBURSEMENT FOR EXPENSES UNDER THE STANDARD**  
9 **STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.**

10          (D)    **THE BOARD MAY EMPLOY STAFF IN ACCORDANCE WITH THE STATE**  
11 **BUDGET.**

12 **19.5-205.**

13           **THE BOARD SHALL:**

14                   (1)    **ADOPT REGULATIONS TO CARRY OUT THE PROVISIONS OF**  
15 **THIS TITLE;**

16                   (2)    **ADMINISTER EXAMINATIONS;**

17                   (3)    **MAINTAIN A LIST OF ALL LICENSEES; AND**

18                   (4)    **MAINTAIN A RECORD OF ITS PROCEEDINGS.**

19 **19.5-206.**

20          (A)    **THE BOARD MAY INVESTIGATE A COMPLAINT THAT ALLEGES A**  
21 **VIOLATION OF THIS TITLE.**

22          (B)    **ON RECEIPT OF THE RESULTS OF AN INVESTIGATION MADE UNDER**  
23 **THIS SECTION, THE BOARD SHALL PROMPTLY TAKE ACTION THAT IS**  
24 **APPROPRIATE UNDER THIS TITLE TO ENSURE COMPLIANCE WITH THE TITLE.**

1           **(C) (1) IF THE BOARD CONCLUDES THAT CONDUCT ALLEGED TO BE**  
2 **IN VIOLATION OF THIS TITLE WILL RESULT IN HARM TO A CITIZEN OF THE**  
3 **STATE, THE BOARD MAY SEEK A PERMANENT OR TEMPORARY INJUNCTION**  
4 **WITH RESPECT TO THE CONDUCT FROM THE CIRCUIT COURT OF THE COUNTY IN**  
5 **WHICH THE ALLEGED VIOLATION OCCURS.**

6           **(2) IN SEEKING AN INJUNCTION UNDER THIS SUBSECTION, THE**  
7 **BOARD IS NOT REQUIRED TO:**

8                   **(I) POST BOND;**

9                   **(II) ALLEGE OR PROVE THAT AN ADEQUATE REMEDY AT LAW**  
10 **DOES NOT EXIST; OR**

11                   **(III) ALLEGE OR PROVE THAT SUBSTANTIAL OR**  
12 **IRREPARABLE DAMAGE WOULD RESULT FROM THE CONTINUED VIOLATION.**

13           **(3) A MEMBER OF THE BOARD MAY NOT BE HELD PERSONALLY**  
14 **LIABLE FOR ACTION TAKEN UNDER THIS SUBSECTION IN GOOD FAITH WITH**  
15 **REASONABLE GROUNDS.**

16           **(D) THE BOARD, OR A HEARING OFFICER DESIGNATED BY THE BOARD,**  
17 **MAY ADMINISTER OATHS, HOLD HEARINGS, AND TAKE TESTIMONY ABOUT ALL**  
18 **MATTERS WITHIN THE JURISDICTION OF THE BOARD.**

19           **(E) (1) THE BOARD OR ITS DESIGNEE MAY ISSUE A SUBPOENA FOR**  
20 **THE ATTENDANCE OF A WITNESS TO TESTIFY OR THE PRODUCTION OF**  
21 **EVIDENCE IN CONNECTION WITH:**

22                   **(I) A DISCIPLINARY ACTION BROUGHT UNDER THIS TITLE;**  
23 **OR**

24                   **(II) A PROCEEDING BROUGHT FOR AN ALLEGED VIOLATION**  
25 **OF THIS TITLE.**

26           **(2) IF AN INDIVIDUAL FAILS TO COMPLY WITH A SUBPOENA**  
27 **ISSUED UNDER THIS SUBSECTION, ON PETITION OF THE BOARD, A COURT OF**  
28 **COMPETENT JURISDICTION MAY COMPEL COMPLIANCE WITH THE SUBPOENA.**

1 **19.5-207.**

2 (A) **THE BOARD MAY SET REASONABLE FEES FOR ITS SERVICES.**

3 (B) **THE BOARD SHALL GENERATE REVENUES EQUAL TO THE DIRECT**  
4 **AND INDIRECT COSTS ASSOCIATED WITH THE OPERATION OF THE BOARD.**

5 (C) **THE BOARD SHALL PAY ALL MONEY COLLECTED UNDER THIS TITLE**  
6 **INTO THE GENERAL FUND OF THE STATE.**

7 **19.5-208.**

8 (A) **ON REQUEST OF AN INDIVIDUAL AND PAYMENT OF A VERIFICATION**  
9 **FEE SET BY THE BOARD, THE BOARD SHALL CERTIFY THE LICENSING STATUS**  
10 **AND QUALIFICATIONS OF ANY PERSON WHO IS THE SUBJECT OF THE REQUEST.**

11 (B) **EACH CERTIFICATION UNDER THIS SECTION:**

12 (1) **SHALL INCLUDE A STATEMENT OF THE LICENSING STATUS OF**  
13 **THE PERSON WHO IS THE SUBJECT OF THE REQUEST; AND**

14 (2) **MAY INCLUDE:**

15 (I) **INFORMATION ABOUT THE EXAMINATION RESULTS AND**  
16 **OTHER QUALIFICATIONS OF THAT PERSON;**

17 (II) **INFORMATION ABOUT THE DATES OF ISSUANCE OF THE**  
18 **LICENSE OF THAT PERSON;**

19 (III) **INFORMATION ABOUT ANY DISCIPLINARY ACTION**  
20 **TAKEN AGAINST THAT PERSON; AND**

21 (IV) **IF AUTHORIZED BY THAT PERSON, INFORMATION ABOUT**  
22 **ANY COMPLAINT AGAINST THAT PERSON.**

23 **19.5-209.**



1 **19.5-302.**

2 (A) TO QUALIFY FOR A LICENSE, THE APPLICANT SHALL BE AN  
3 INDIVIDUAL WHO MEETS THE REQUIREMENTS OF THIS SECTION.

4 (B) THE APPLICANT SHALL BE OF GOOD CHARACTER AND REPUTATION.

5 (C) THE APPLICANT SHALL BE AT LEAST 18 YEARS OLD.

6 (D) THE APPLICANT SHALL POSSESS A HIGH SCHOOL DIPLOMA OR HAVE  
7 PASSED AN EQUIVALENCY EXAMINATION.

8 (E) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBTITLE, THE  
9 APPLICANT SHALL PASS AN EXAMINATION GIVEN BY THE BOARD UNDER THIS  
10 SUBTITLE.

11 **19.5-303.**

12 AN APPLICANT FOR A LICENSE SHALL:

13 (1) SUBMIT TO THE BOARD AN APPLICATION ON THE FORM THAT  
14 THE BOARD PROVIDES; AND

15 (2) PAY TO THE BOARD OR THE BOARD'S DESIGNEE AN  
16 EXAMINATION FEE SET BY THE BOARD IN AN AMOUNT NOT TO EXCEED THE  
17 COST OF THE REQUIRED EXAMINATION.

18 **19.5-304.**

19 (A) AN APPLICANT WHO OTHERWISE QUALIFIES FOR A LICENSE IS  
20 ENTITLED TO BE EXAMINED AS PROVIDED IN THIS SECTION.

21 (B) THE BOARD SHALL GIVE EXAMINATIONS TO APPLICANTS AT LEAST  
22 TWICE A YEAR, AT THE TIMES AND PLACES THAT THE BOARD DETERMINES.

23 (C) THE BOARD SHALL GIVE EACH QUALIFIED APPLICANT NOTICE OF  
24 THE TIME AND PLACE OF EXAMINATION.

1           (D) THE BOARD SHALL ADOPT REGULATIONS THAT ESTABLISH THE  
2 PASSING SCORE FOR AN EXAMINATION.

3           (E) (1) THE BOARD SHALL MAIL TO EACH APPLICANT NOTICE OF THE  
4 APPLICANT'S EXAMINATION SCORE.

5                   (2) ANY APPLICANT WHO REQUESTS AN APPOINTMENT WITHIN 60  
6 DAYS AFTER THE DATE ON WHICH THE NOTICE IS MAILED MAY REVIEW THE  
7 APPLICANT'S ANSWERS TO THE EXAMINATION.

8 **19.5-305.**

9           (A) SUBJECT TO THE PROVISIONS OF THIS SECTION, AN APPLICANT  
10 WHO FAILS AN EXAMINATION GIVEN UNDER § 19.5-304 OF THIS SUBTITLE MAY  
11 RETAKE THE EXAMINATION.

12           (B) (1) SUBJECT TO THE PROVISIONS OF THIS SUBSECTION, THE  
13 BOARD MAY NOT LIMIT THE NUMBER OF TIMES THAT AN APPLICANT MAY TAKE  
14 AN EXAMINATION.

15                   (2) THE BOARD MAY ADOPT REGULATIONS TO SET CONDITIONS  
16 FOR RETAKING EXAMINATIONS, INCLUDING REQUIREMENTS THAT AN  
17 APPLICANT:

18                           (I) WAIT A REASONABLE PERIOD BETWEEN EXAMINATIONS;  
19 AND

20                           (II) PREPARE FOR REEXAMINATION IN A MANNER  
21 SPECIFIED BY THE BOARD.

22           (C) (1) AN APPLICANT FOR REEXAMINATION SHALL:

23                           (I) SUBMIT TO THE BOARD AN APPLICATION FOR  
24 REEXAMINATION ON THE FORM THAT THE BOARD PROVIDES; AND

25                           (II) PAY TO THE BOARD OR THE BOARD'S DESIGNEE A  
26 REEXAMINATION FEE SET UNDER THIS SUBSECTION.

27                   (2) THE BOARD SHALL SET FEES FOR REEXAMINATION SO THAT:

1                   (I)    THE FEE FOR REEXAMINATION ON THE ENTIRE  
2 EXAMINATION DOES NOT EXCEED THE COST OF THE REQUIRED  
3 REEXAMINATION; AND

4                   (II) THE FEE FOR REEXAMINATION ON LESS THAN THE  
5 ENTIRE EXAMINATION IS LESS THAN THE FEE SET FOR THE ENTIRE  
6 EXAMINATION.

7 **19.5-306.**

8           (A)    IF AN APPLICANT QUALIFIES FOR A LICENSE UNDER THIS SUBTITLE,  
9 THE BOARD SHALL SEND THE APPLICANT A NOTICE THAT STATES THAT:

10                   (1)   THE APPLICANT HAS QUALIFIED FOR A LICENSE; AND

11                   (2)   ON RECEIPT OF A LICENSE FEE, THE BOARD WILL ISSUE A  
12 LICENSE TO THE APPLICANT.

13           (B)    ON PAYMENT OF THE LICENSE FEE, THE BOARD SHALL ISSUE A  
14 LICENSE TO EACH APPLICANT WHO MEETS THE REQUIREMENTS OF THIS  
15 SUBTITLE.

16 **19.5-307.**

17           WHILE A LICENSE IS IN EFFECT, IT AUTHORIZES THE LICENSEE TO  
18 PROVIDE TAX PREPARATION SERVICES.

19 **19.5-308.**

20           (A)    UNLESS A LICENSE IS RENEWED FOR A 2-YEAR TERM AS PROVIDED  
21 IN THIS SECTION, THE LICENSE EXPIRES ON THE FIRST DECEMBER 31 THAT  
22 COMES:

23                   (1)   AFTER THE EFFECTIVE DATE OF THE LICENSE; AND

24                   (2)   IN AN EVEN-NUMBERED YEAR.

1           **(B) AT LEAST 1 MONTH BEFORE A LICENSE EXPIRES, THE BOARD SHALL**  
2 **MAIL TO THE LICENSEE, AT THE LAST KNOWN ADDRESS OF THE LICENSEE:**

3                   **(1) A RENEWAL APPLICATION FORM; AND**

4                   **(2) A NOTICE THAT STATES:**

5                           **(I) THE DATE ON WHICH THE CURRENT LICENSE EXPIRES;**

6                           **(II) THE DATE BY WHICH THE BOARD MUST RECEIVE THE**  
7 **RENEWAL APPLICATION FOR THE RENEWAL TO BE ISSUED AND MAILED BEFORE**  
8 **THE LICENSE EXPIRES; AND**

9                           **(III) THE AMOUNT OF THE RENEWAL FEE.**

10           **(C) BEFORE A LICENSE EXPIRES, THE LICENSEE PERIODICALLY MAY**  
11 **RENEW IT FOR AN ADDITIONAL 2-YEAR TERM, IF THE LICENSEE:**

12                   **(1) OTHERWISE IS ENTITLED TO BE LICENSED;**

13                   **(2) PAYS TO THE BOARD A RENEWAL FEE, AS SET BY THE BOARD;**

14 **AND**

15                   **(3) SUBMITS TO THE BOARD:**

16                           **(I) A RENEWAL APPLICATION ON THE FORM THAT THE**  
17 **BOARD PROVIDES; AND**

18                           **(II) SATISFACTORY EVIDENCE OF COMPLIANCE WITH THE**  
19 **CONTINUING EDUCATION REQUIREMENTS SET UNDER THIS SUBTITLE FOR**  
20 **LICENSE RENEWAL.**

21           **(D) THE BOARD SHALL RENEW THE LICENSE OF EACH LICENSEE WHO**  
22 **MEETS THE REQUIREMENTS OF THIS SECTION.**

23           **(E) THE SECRETARY MAY DETERMINE THAT LICENSES ISSUED UNDER**  
24 **THIS SUBTITLE SHALL EXPIRE ON A STAGGERED BASIS.**

25 **19.5-309.**

1           **(A) (1) THE BOARD SHALL ADOPT REGULATIONS THAT SET, IN**  
2 **ACCORDANCE WITH THIS SECTION, CONTINUING EDUCATION REQUIREMENTS AS**  
3 **A CONDITION TO THE RENEWAL OF LICENSES UNDER THIS SUBTITLE.**

4           **(2) A CONTINUING EDUCATION REQUIREMENT DOES NOT APPLY**  
5 **TO THE FIRST RENEWAL OF A LICENSE.**

6           **(B) THE BOARD SHALL SET CONTINUING EDUCATION REQUIREMENTS**  
7 **UNDER THIS SECTION:**

8                   **(1) TO ENSURE REASONABLE KNOWLEDGE ABOUT THE CURRENT**  
9 **TRENDS IN TAX PREPARATION SERVICES AND, THUS, TO ENSURE A HIGH**  
10 **STANDARD OF PRACTICE IN THE PROFESSION;**

11                   **(2) TO PROVIDE A LICENSEE WITH ALTERNATIVE WAYS BY WHICH**  
12 **TO QUALIFY THROUGH A VARIETY OF PROGRAMS, WHICH MAY INCLUDE:**

13                           **(I) PROFESSIONAL DEVELOPMENT PROGRAMS;**

14                           **(II) TECHNICAL SESSIONS OF PROFESSIONAL SOCIETIES OR**  
15 **CHAPTERS;**

16                           **(III) COLLEGE COURSES;**

17                           **(IV) SEMINARS PROVIDED BY GOVERNMENTAL UNITS; AND**

18                           **(V) OTHER SEMINARS OR SYMPOSIUMS RELATED TO TAX**  
19 **PREPARATION SERVICES; AND**

20                   **(3) TO ENSURE THAT THE PROGRAMS APPROVED FOR**  
21 **COMPLIANCE WITH THE CONTINUING EDUCATION REQUIREMENTS ARE**  
22 **AVAILABLE AT REASONABLE INTERVALS THROUGHOUT THE STATE.**

23           **(C) THE BOARD MAY APPOINT A CONTINUING EDUCATION COMMITTEE**  
24 **TO HELP THE BOARD IN CARRYING OUT THIS SECTION.**

25           **(D) THE REGULATIONS ADOPTED UNDER THIS SECTION SHALL PROVIDE**  
26 **FOR A SYSTEM FOR REPORTING AND RECORDING THE PROGRAM HOURS THAT**

1 EACH LICENSEE EARNS. HOWEVER, THE BOARD MAY NOT REQUIRE A LICENSEE  
2 TO SUBMIT SCORES OR GRADES EARNED DURING PARTICIPATION BY THE  
3 LICENSEE IN A PROGRAM.

4 (E) (1) THE BOARD MAY ENTER INTO WRITTEN AGREEMENTS WITH  
5 QUALIFIED PERSONS WISHING TO CONDUCT APPROVED PROGRAMS.

6 (2) A PERSON SEEKING APPROVAL BY THE BOARD FOR THIS  
7 PURPOSE SHALL:

8 (I) SUBMIT TO THE BOARD AN APPLICATION ON THE FORM  
9 THAT THE BOARD PROVIDES; AND

10 (II) PAY AN APPLICATION FEE, AS SET BY THE BOARD.

11 **19.5-310.**

12 IN ACCORDANCE WITH ITS REGULATIONS, THE BOARD MAY REINSTATE  
13 THE LICENSE OF AN INDIVIDUAL WHO HAS FAILED TO RENEW THE LICENSE FOR  
14 ANY REASON IF THE INDIVIDUAL:

15 (1) OTHERWISE IS ENTITLED TO BE LICENSED;

16 (2) COMPLIES WITH EACH CONTINUING EDUCATION  
17 REQUIREMENT THAT THE BOARD SETS FOR THIS PURPOSE; AND

18 (3) PAYS TO THE BOARD:

19 (I) ALL PAST DUE RENEWAL FEES; AND

20 (II) A REINSTATEMENT FEE, AS SET BY THE BOARD.

21 **SUBTITLE 4. PROHIBITED ACT; PENALTIES.**

22 **19.5-401.**

23 EXCEPT AS OTHERWISE PROVIDED IN THIS TITLE, A PERSON MAY NOT  
24 PRACTICE, ATTEMPT TO PRACTICE, OR OFFER TAX PREPARATION SERVICES IN  
25 THE STATE UNLESS LICENSED BY THE BOARD.

1 **19.5-402.**

2 **UNLESS AUTHORIZED UNDER THIS TITLE TO PROVIDE TAX PREPARATION**  
3 **SERVICES, AN INDIVIDUAL MAY NOT REPRESENT TO THE PUBLIC, BY USE OF A**  
4 **TITLE, INCLUDING “LICENSED TAX PREPARER”, “CERTIFIED TAX PREPARER”,**  
5 **OR “TAX PREPARER”, BY DESCRIPTION OF SERVICES, METHODS, OR**  
6 **PROCEDURES, OR OTHERWISE, THAT THE INDIVIDUAL IS AUTHORIZED TO**  
7 **PROVIDE TAX PREPARATION SERVICES IN THE STATE.**

8 **19.5-403.**

9 **(A) (1) FOR AT LEAST 4 YEARS A TAX PREPARER SHALL MAINTAIN**  
10 **RECORDS OF:**

11 **(I) ALL PERSONAL INCOME TAX RETURNS PREPARED BY**  
12 **THE TAX PREPARER; AND**

13 **(II) ALL ADVICE OR ASSISTANCE GIVEN BY THE TAX**  
14 **PREPARER.**

15 **(B) PRIOR TO RENDERING TAX PREPARATION SERVICES, A TAX**  
16 **PREPARER SHALL PROVIDE THE CUSTOMER, IN WRITING, WITH THE TAX**  
17 **PREPARER’S NAME, ADDRESS, TELEPHONE NUMBER, AND EVIDENCE OF**  
18 **COMPLIANCE WITH THE STATE REQUIREMENTS.**

19 **(C) A TAX PREPARER MAY NOT:**

20 **(1) FAIL TO SIGN A CUSTOMER’S TAX RETURN IF PAYMENT FOR**  
21 **THE TAX PREPARER’S SERVICES ARE MADE;**

22 **(2) OBTAIN THE CUSTOMER’S SIGNATURE TO A TAX RETURN OR**  
23 **OTHER AUTHORIZING DOCUMENT PRIOR TO THE COMPLETION OF THE TAX**  
24 **PREPARATION SERVICES; OR**

25 **(3) DISCLOSE INFORMATION RECEIVED FOR THE PURPOSES OF**  
26 **PREPARING A CUSTOMER’S FEDERAL OR STATE INCOME TAX RETURN, UNLESS:**

27 **(I) CONSENTED TO IN WRITING BY THE CUSTOMER;**

- 1                   (II) EXPRESSLY AUTHORIZED BY LAW;
- 2                   (III) NECESSARY FOR THE PREPARATION OF THE TAX  
3 RETURN; OR
- 4                   (IV) PURSUANT TO A COURT ORDER.

5 **19.5-404.**

6           (A) SUBJECT TO THE HEARING PROVISIONS OF § 19.5-405 OF THIS  
7 SUBTITLE, THE BOARD, ON THE AFFIRMATIVE VOTE OF A MAJORITY OF ITS  
8 MEMBERS THEN SERVING, MAY DENY A LICENSE TO ANY APPLICANT,  
9 REPRIMAND ANY LICENSEE, SUSPEND, OR REVOKE A LICENSE IF THE  
10 APPLICANT OR LICENSEE:

11                   (1) FRAUDULENTLY OR DECEPTIVELY OBTAINS OR ATTEMPTS TO  
12 OBTAIN A LICENSE FOR THE APPLICANT OR LICENSEE OR FOR ANOTHER;

13                   (2) FRAUDULENTLY OR DECEPTIVELY USES A LICENSE;

14                   (3) UNDER THE LAWS OF THE UNITED STATES OR OF ANY STATE,  
15 IS CONVICTED OF:

16                           (I) A FELONY; OR

17                           (II) A MISDEMEANOR THAT IS DIRECTLY RELATED TO THE  
18 FITNESS AND QUALIFICATION OF THE APPLICANT OR LICENSEE TO PROVIDE  
19 TAX PREPARATION SERVICES;

20                   (4) IS GUILTY OF NEGLIGENCE, INCOMPETENCE, OR MISCONDUCT  
21 WHILE PROVIDING TAX PREPARATION SERVICES;

22                   (5) VIOLATES ANY REGULATION ADOPTED UNDER THIS TITLE; OR

23                   (6) VIOLATES ANY PROVISION OF THIS TITLE.

1           **(B) (1) IN ADDITION TO REPRIMANDING, SUSPENDING, OR REVOKING**  
2 **A LICENSE UNDER THIS SUBSECTION, THE BOARD MAY IMPOSE A PENALTY NOT**  
3 **EXCEEDING \$5,000 FOR EACH VIOLATION.**

4           **(2) TO DETERMINE THE AMOUNT OF THE PENALTY IMPOSED**  
5 **UNDER THIS SUBSECTION, THE BOARD SHALL CONSIDER:**

6                   **(I) THE SERIOUSNESS OF THE VIOLATION;**

7                   **(II) THE HARM CAUSED BY THE VIOLATION;**

8                   **(III) THE GOOD FAITH OF THE LICENSEE; AND**

9                   **(IV) ANY HISTORY OF PREVIOUS VIOLATIONS BY THE**  
10 **LICENSEE.**

11           **(3) THE BOARD SHALL PAY A PENALTY COLLECTED UNDER THIS**  
12 **SUBSECTION INTO THE GENERAL FUND OF THE STATE.**

13 **19.5-405.**

14           **(A) EXCEPT AS OTHERWISE PROVIDED IN § 10-226 OF THE STATE**  
15 **GOVERNMENT ARTICLE, BEFORE THE BOARD TAKES ANY FINAL ACTION UNDER**  
16 **§ 19.5-404 OF THIS SUBTITLE, IT SHALL GIVE THE INDIVIDUAL AGAINST WHOM**  
17 **THE ACTION IS CONTEMPLATED AN OPPORTUNITY FOR A HEARING BEFORE THE**  
18 **BOARD.**

19           **(B) THE BOARD SHALL GIVE NOTICE AND HOLD THE HEARING IN**  
20 **ACCORDANCE WITH TITLE 10, SUBTITLE 2 OF THE STATE GOVERNMENT**  
21 **ARTICLE.**

22           **(C) IF, AFTER DUE NOTICE, THE INDIVIDUAL AGAINST WHOM THE**  
23 **ACTION IS CONTEMPLATED FAILS OR REFUSES TO APPEAR, THE BOARD MAY**  
24 **HEAR AND DETERMINE THE MATTER.**

25 **19.5-406.**

1           **A PERSON AGGRIEVED BY A FINAL ACTION OF THE BOARD MAY TAKE AN**  
2 **APPEAL AS SPECIFIED UNDER §§ 10-222 AND 10-223 OF THE STATE**  
3 **GOVERNMENT ARTICLE.**

4           **19.5-407.**

5           **(A) A VIOLATION OF THIS TITLE IS AN UNFAIR OR DECEPTIVE TRADE**  
6 **PRACTICE WITHIN THE MEANING OF TITLE 13 OF THE COMMERCIAL LAW**  
7 **ARTICLE AND IS SUBJECT TO THE ENFORCEMENT AND PENALTY PROVISIONS**  
8 **CONTAINED IN TITLE 13 OF THE COMMERCIAL LAW ARTICLE.**

9           **(B) IN ADDITION TO THE REMEDIES PROVIDED IN TITLE 13 OF THE**  
10 **COMMERCIAL LAW ARTICLE, AN INDIVIDUAL WHO IS AGGRIEVED BY A**  
11 **VIOLATION OF THIS TITLE MAY BRING AN ACTION AGAINST A PERSON WHO**  
12 **VIOLATES THIS TITLE TO RECOVER:**

13                   **(1) \$500 FOR EACH VIOLATION; AND**

14                   **(2) ACTUAL DAMAGES SUSTAINED AS A RESULT OF THE**  
15 **VIOLATION.**

16                                   **SUBTITLE 5. SHORT TITLE.**

17           **19.5-501.**

18           **THIS TITLE MAY BE CITED AS THE “MARYLAND TAX PREPARERS ACT”.**

19           **19.5-502.**

20           **SUBJECT TO THE EVALUATION AND REESTABLISHMENT PROVISIONS OF**  
21 **THE MARYLAND PROGRAM EVALUATION ACT, THIS TITLE AND ALL**  
22 **REGULATIONS ADOPTED UNDER THIS TITLE SHALL TERMINATE AND BE OF NO**  
23 **EFFECT AFTER JULY 1, 2014.**

24                                   **Article – Business Regulation**

25           **2-108.**

26           **(a) The following units are in the Department:**

1                   **(23) THE STATE BOARD OF TAX PREPARERS.**

2                                   **Article – State Government**

3   8–403.

4           (b)    Except as otherwise provided in subsection (a) of this section, on or before  
5 the evaluation date for the following governmental activities or units, an evaluation  
6 shall be made of the following governmental activities or units and the statutes and  
7 regulations that relate to the governmental activities or units:

8                   **(66) TAX PREPARERS, STATE BOARD OF (§ 19.5–201 OF THE**  
9 **BUSINESS OCCUPATIONS AND PROFESSIONS ARTICLE: JULY 1, 2014);**

10           SECTION 4. AND BE IT FURTHER ENACTED, That the terms of the initial  
11 members of the State Board of Tax Preparers shall expire as follows:

- 12                   (1)   two members in 2008;
- 13                   (2)   two members in 2009;
- 14                   (3)   two members in 2010; and
- 15                   (4)   two members in 2011;

16           SECTION 5. AND BE IT FURTHER ENACTED, That an individual who  
17 provides tax preparation in the State has 1 year from the effective date of this Act to  
18 become compliant with the requirements of Title 19.5 of the Business Occupations and  
19 Professions Article, as enacted by Section 3 of this Act.

20           SECTION 6. AND BE IT FURTHER ENACTED, That this Act shall take effect  
21 July 1, 2007.