

**Department of Legislative Services**  
Maryland General Assembly  
2024 Session

**FISCAL AND POLICY NOTE**  
**Third Reader - Revised**

Senate Bill 288

(Chair, Education, Energy, and the Environment  
Committee)(By Request - Departmental - Labor)

Education, Energy, and the Environment

Economic Matters

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**State Board of Individual Tax Preparers - Sunset Extension and Report**

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This departmental bill extends the termination date for the State Board of Individual Tax Preparers within the Maryland Department of Labor (MDL) by one year, to July 1 2027, subject to the evaluation and reestablishment provisions of the Maryland Program Evaluation Act (MPEA). It also requires MDL to submit a report to the Joint Audit and Evaluation Committee (JAEC) by July 1, 2025, with information – regarding the State Board of Individual Tax Preparers – to be determined by JAEC. **The bill takes effect July 1, 2024.**

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**Fiscal Summary**

**State Effect:** Special fund revenues and expenditures for the board are maintained through FY 2027. MDL can likely prepare the required report with existing resources.

**Local Effect:** None.

**Small Business Effect:** MDL has determined that this bill has minimal or no impact on small business (attached). The Department of Legislative Services (DLS) concurs with this assessment. (The attached assessment does not reflect amendments to the bill.)

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**Analysis**

**Current Law/Background:** The General Assembly established the State Board of Individual Tax Preparers to protect the public from incompetent, unqualified, and corrupt tax preparers and to establish standards for the field of tax preparation. Chapter 623 of 2008 (the Maryland Individual Tax Preparers Act) established the eight-member board to

register qualified individuals to provide individual tax preparation services. The Act also established the Individual Tax Preparers Fund to cover the costs associated with administration and enforcement of the Maryland Individual Tax Preparers Act. Chapter 623 requires an individual to be registered by the board before providing individual tax preparation services in the State and specifies the qualifications for an applicant to qualify for registration (the individual must be 18 years of age or older, possess a high school diploma or have passed an equivalency examination, and pass an examination administered by the board). Registration is valid for two years; a continuing education requirement must be fulfilled for renewal.

The board is 1 of approximately 60 regulatory entities and activities subject to termination unless reauthorized periodically through statute. Under MPEA, these entities may also be subject to an evaluation by the Office of Program Evaluation and Government Accountability (OPEGA) within DLS prior to their termination. However, OPEGA may conduct an evaluation only if directed by specified entities or by legislation. The board is scheduled to terminate July 1, 2026. OPEGA was not asked to conduct an evaluation prior to its termination. Accordingly, the board has requested reauthorizing legislation.

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### **Additional Information**

**Recent Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** None.

**Information Source(s):** Maryland Department of Labor; Department of Legislative Services

**Fiscal Note History:** First Reader - March 7, 2024  
rh/ljm Third Reader - March 26, 2024  
Revised - Amendment(s) - March 26, 2024

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Analysis by: Michael C. Rubenstein

Direct Inquiries to:

(410) 946-5510

(301) 970-5510

**ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES**

TITLE OF BILL: State Board of Individual Tax Preparers – Sunset Extension

BILL NUMBER: SB0288

PREPARED BY: Christopher Dorsey

**PART A. ECONOMIC IMPACT RATING**

This agency estimates that the proposed bill:

WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND  
SMALL BUSINESSES

**OR**

WILL HAVE A MEANINGFUL ECONOMIC IMPACT ON MARYLAND  
SMALL BUSINESSES