

Department of Legislative Services
Maryland General Assembly
2009 Session

FISCAL AND POLICY NOTE

House Bill 329
Economic Matters

(Delegate Krysiak)

Business Occupations and Professions - Individual Tax Preparers - Registration Requirements

This bill establishes an alternative route to licensure with the Board of Individual Tax Preparers. Applicants have the option of completing 36 hours in a tax preparation program in lieu of the required examination. The program must be approved by the Maryland Higher Education Commission (MHEC) in consultation with the board.

The bill also requires that the board's examination be designed by the Department of Labor, Licensing, and Regulation (DLLR), with input from members of the tax preparation industry, instead of an exam prepared by the Internal Revenue Service.

Fiscal Summary

State Effect: None. DLLR anticipates outsourcing exam development and administration to a private vendor, with the department specifying basic exam content, number of exam locations, and related factors. Exam fees are set to cover development costs, and DLLR expects fees to be comparable to the current exam requirements. MHEC advises that the bill's requirements can be handled with existing budgeted resources.

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Current Law: Chapter 623 of 2008 established the State Board of Individual Tax Preparers. Upon creation of the board, individuals will be required to register with the board before providing individual tax preparation services in the State. To qualify, an individual must pass an examination equivalent to the Special Enrollment Examination prepared by the Internal Revenue Service, be a high school graduate, and pay a registration fee. Registration will be valid for two years; a continuing education requirement must be fulfilled for renewal.

Background: Chapter 623 has not been implemented, and funds have not been appropriated in the fiscal 2009 budget or the Governor's proposed fiscal 2010 budget. DLLR advises that it is difficult to predict when the board will receive funding.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Governor's Office; Maryland Higher Education Commission; Department of Labor, Licensing, and Regulation; Department of Legislative Services.

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