

Chapter 462

**(House Bill 871)**

AN ACT concerning

**State Board of Individual Tax Preparers – Expiration and Surrender of Registrations and Civil and Criminal Penalties**

FOR the purpose of providing that the registration issued to an individual tax preparer remains in effect and does not expire by operation of law under certain circumstances; providing that an extension of a certain registration term under certain circumstances is effective only for a certain purpose; prohibiting an individual tax preparer from surrendering a registration under certain circumstances; establishing certain criminal penalties for violations of certain provisions of law; authorizing the State Board of Individual Tax Preparers to impose a certain civil penalty for violations of certain provisions of law; requiring the Board to consider certain factors in setting the amount of a civil penalty; requiring the Board to pay certain penalties into the General Fund of the State; and generally relating to the registration of individual tax preparers and the State Board of Individual Tax Preparers.

BY repealing and reenacting, without amendments,  
Article – Business Occupations and Professions  
Section 21–101(a), (b), (e), (f), and (g)  
Annotated Code of Maryland  
(2010 Replacement Volume and 2014 Supplement)

BY adding to  
Article – Business Occupations and Professions  
Section 21–314 and 21–405  
Annotated Code of Maryland  
(2010 Replacement Volume and 2014 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
That the Laws of Maryland read as follows:

**Article – Business Occupations and Professions**

21–101.

- (a) In this title the following words have the meanings indicated.
- (b) “Board” means the State Board of Individual Tax Preparers.
- (e) “Individual tax preparer” means an individual who is registered by the Board to provide individual tax preparation services.

(f) “Provide individual tax preparation services” means to prepare, advise or assist in the preparation of, or assume final responsibility for another person’s preparation of a federal or State income tax return of another for valuable consideration.

(g) “Registration” means, unless the context requires otherwise, an authorization issued by the Board to provide individual tax preparation services.

#### 21-314.

**(A) (1) FOR THE LIMITED PURPOSE SET FORTH IN PARAGRAPH (2) OF THIS SUBSECTION, THE REGISTRATION ISSUED TO AN INDIVIDUAL TAX PREPARER SHALL REMAIN IN EFFECT AND DOES NOT EXPIRE BY OPERATION OF LAW WHILE THE INDIVIDUAL TAX PREPARER IS UNDER INVESTIGATION BY THE BOARD OR AWAITING A HEARING OR DISPOSITION ON CHARGES RELATED TO DISCIPLINARY ACTION UNDER THIS SUBTITLE.**

**(2) AN EXTENSION OF A REGISTRATION TERM UNDER THIS SUBSECTION IS EFFECTIVE ONLY FOR THE PURPOSE OF RETAINING THE JURISDICTION OF THE BOARD OVER THE INDIVIDUAL TAX PREPARER DURING THE COURSE OF DISCIPLINARY PROCEEDINGS AND DOES NOT PREVENT THE REGISTRATION FROM EXPIRING FOR ANY OTHER PURPOSE.**

**(B) UNLESS THE BOARD AGREES TO ACCEPT THE SURRENDER, AN INDIVIDUAL TAX PREPARER MAY NOT SURRENDER A REGISTRATION WHILE THE INDIVIDUAL TAX PREPARER IS UNDER INVESTIGATION OR AWAITING A HEARING OR DISPOSITION ON CHARGES RELATED TO DISCIPLINARY ACTION UNDER THIS SUBTITLE.**

#### 21-405.

~~**(A) A PERSON WHO VIOLATES ANY PROVISION OF THIS TITLE IS GUILTY OF A MISDEMEANOR AND ON CONVICTION IS SUBJECT TO A FINE NOT EXCEEDING \$500 OR IMPRISONMENT NOT EXCEEDING 6 MONTHS OR BOTH.**~~

~~**(B)**~~ **(A) (1) THE BOARD MAY IMPOSE ON A PERSON WHO VIOLATES ANY PROVISION OF THIS TITLE A PENALTY NOT EXCEEDING \$5,000 FOR EACH VIOLATION.**

**(2) IN SETTING THE AMOUNT OF THE PENALTY, THE BOARD SHALL CONSIDER:**

- (I) THE SERIOUSNESS OF THE VIOLATION;**
- (II) THE HARM CAUSED BY THE VIOLATION;**

(III) THE GOOD FAITH OF THE VIOLATOR;

(IV) ANY HISTORY OF PREVIOUS VIOLATIONS BY THE VIOLATOR;

AND

(V) ANY OTHER RELEVANT FACTORS.

(3) THE BOARD SHALL PAY ANY PENALTY COLLECTED UNDER THIS SUBSECTION INTO THE GENERAL FUND OF THE STATE.

**(B) A PERSON WHO VIOLATES ANY PROVISION OF THIS TITLE AND WHO HAS PREVIOUSLY BEEN ASSESSED A PENALTY UNDER SUBSECTION (A) OF THIS SECTION FOR ANOTHER VIOLATION OF THIS TITLE IS GUILTY OF A MISDEMEANOR AND ON CONVICTION IS SUBJECT TO A FINE NOT EXCEEDING \$500 OR IMPRISONMENT NOT EXCEEDING 6 MONTHS OR BOTH.**

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2015.

Approved by the Governor, May 12, 2015.