

Department of Legislative Services
Maryland General Assembly
2019 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1278
Economic Matters

(Delegate Wilson)

State Board of Individual Tax Preparers - Reciprocity Standards

This bill authorizes the State Board of Individual Tax Preparers to adopt regulations establishing reciprocity standards for individuals registered as tax preparers in other states.

Fiscal Summary

State Effect: The bill does not materially affect State finances or operations, as discussed below.

Local Effect: None.

Small Business Effect: Minimal. The bill is anticipated to apply in a limited number of circumstances.

Analysis

Current Law/Background: Unless otherwise exempt, an individual must register with the State Board of Individual Tax Preparers before providing, attempting to provide, or offering to provide individual tax preparation services in the State. Exempt individuals include licensed accountants, lawyers, and certain individuals serving as employees or assistants to registered individual tax preparers or other exempt individuals. There are no reciprocity standards. About 3,500 individuals are registered with the board.

The Department of Labor, Licensing, and Regulation (DLLR) advises that only three other states require a credential for tax preparers: California, New York, and Oregon.

State Fiscal Effect: DLLR can adopt regulations establishing reciprocity standards with existing resources. Assuming such regulations are adopted, the number of individuals registered via reciprocity is expected to be minimal, given that the three other states that register tax preparers are not geographically close to Maryland. Therefore, the bill does not materially affect State finances or operations.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Labor, Licensing, and Regulation; Department of Legislative Services

Fiscal Note History: First Reader - March 8, 2019
sb/mcr

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