



**Testimony in Support of House Bill HB 452
Individual Tax Preparers – Code of Ethics, Notification of Actions, Enforcement, and
Penalties (Stop Scam Tax Preparers Act)**

**House Ways and Means Committee
February 8, 2024**

Maryland Rise supports HB 452, which mandates information sharing between the Comptroller and the Maryland Board of Individual Tax Preparers when either body takes disciplinary action against an individual. It also directs the Board to develop a code of ethics and rules of professional conduct for individual tax preparers registering in Maryland, and creates a new authority for the Comptroller’s Field Enforcement Bureau to pursue financial penalties against individuals engaging in scam and unregistered tax preparation services.

HB 452 puts safeguards in place to protect Marylanders from scam tax preparers, ultimately making our tax system fairer and more equitable. As taxes have become increasingly complicated, Maryland’s current oversight of the tax preparer industry is out of date, leaving the door open for the victimization of taxpayers. Residents, particularly older adults and immigrant communities, who seek assistance in navigating Maryland’s tax laws are disproportionately victims of scam tax preparers, causing significant harm to already vulnerable populations.ⁱ No Marylander seeking tax assistance should be left open to victimization and financial devastation.

HB 452 strengthens the fraud prevention tools the state can leverage, which benefits all Marylanders. Developing a code of ethics for all tax preparers reinforces protections for Maryland taxpayers, and allowing the Comptroller to pursue financial penalties against bad actors will direct more funding to low-income tax clinics. HB 452 represents a win-win.

Maryland Rise appreciates your consideration and urges the committee to issue a favorable report on HB 452.

Submitted by: Lisa Klingenmaier, Executive Director

Maryland Rise works to promote economic opportunity for all Marylanders.

ⁱ IRS. 2021. <https://www.irs.gov/newsroom/irs-dirty-dozen-list-warns-people-to-watch-out-for-tax-related-scams-involving-fake-charities-ghost-preparers-and-other-schemes>