

Individual Tax Preparers - Code of Ethics, Notification of Actions, Enforcement, and Penalties**(Stop Scam Tax Preparers Act)**

HB452/SB675

Good afternoon,

My name is Luz Lanza and I am here today on behalf of the Comptroller of Maryland Taxpayer Services Division. Thank you for giving me the time today to discuss House Bill 452 which will improve coordination between our office and the Department of Labor, allowing both agencies to intervene sooner when either entity suspect fraud.

In my position as a bilingual representative at the Comptroller's Hagerstown Maryland Branch Office, I see firsthand that the Hispanic Community is being targeted by unscrupulous and unregistered tax preparers.

There are bad actors out there who offer to get taxpayers access to drivers' licenses and motor vehicle registrations, file fraudulent tax returns containing false information and charging outrageous sums to file those returns, charge for assistance with very simple forms, and even schemes that charge to setup an appointment at our branch offices – which is always free of charge, to be clear.

This is a significant problem in our state, and as a bilingual representative for the Comptroller, I was able to encourage some of these filers to confide in me that they had been defrauded and faced both financial and tax consequences as a result. Among the most egregious examples of this fraud are:

- Unregistered tax preparers not disclosing consequences of filing fraudulent information and charging unreasonable fees
 - \$150 to make an appointment making
 - \$800 to complete a simple tax Form 130
 - \$1500 for tax preparation services that our agency offers for free to Maryland residents.

Thank you for your leadership and the opportunity to speak.

I urge a favorable report on HB452.



