

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1583 Session of
2019INTRODUCED BY PEIFER, BERNSTINE, DUNBAR, GREINER, JAMES,
MILLARD, MOUL, PICKETT AND RYAN, JUNE 6, 2019AS REPORTED FROM COMMITTEE ON FINANCE, HOUSE OF REPRESENTATIVES,
AS AMENDED, JUNE 11, 2019

AN ACT

1 ~~Amending the act of April 9, 1929 (P.L.343, No.176), entitled, <--~~
2 ~~as amended, "An act relating to the finances of the State~~
3 ~~government; providing for cancer control, prevention and~~
4 ~~research, for ambulatory surgical center data collection, for~~
5 ~~the Joint Underwriting Association, for entertainment~~
6 ~~business financial management firms, for private dam~~
7 ~~financial assurance and for reinstatement of item vetoes;~~
8 ~~providing for the settlement, assessment, collection, and~~
9 ~~lien of taxes, bonus, and all other accounts due the~~
10 ~~Commonwealth, the collection and recovery of fees and other~~
11 ~~money or property due or belonging to the Commonwealth, or~~
12 ~~any agency thereof, including escheated property and the~~
13 ~~proceeds of its sale, the custody and disbursement or other~~
14 ~~disposition of funds and securities belonging to or in the~~
15 ~~possession of the Commonwealth, and the settlement of claims~~
16 ~~against the Commonwealth, the resettlement of accounts and~~
17 ~~appeals to the courts, refunds of moneys erroneously paid to~~
18 ~~the Commonwealth, auditing the accounts of the Commonwealth~~
19 ~~and all agencies thereof, of all public officers collecting~~
20 ~~moneys payable to the Commonwealth, or any agency thereof,~~
21 ~~and all receipts of appropriations from the Commonwealth,~~
22 ~~authorizing the Commonwealth to issue tax anticipation notes~~
23 ~~to defray current expenses, implementing the provisions of~~
24 ~~section 7(a) of Article VIII of the Constitution of~~
25 ~~Pennsylvania authorizing and restricting the incurring of~~
26 ~~certain debt and imposing penalties; affecting every~~
27 ~~department, board, commission, and officer of the State~~
28 ~~government, every political subdivision of the State, and~~
29 ~~certain officers of such subdivisions, every person,~~
30 ~~association, and corporation required to pay, assess, or~~
31 ~~collect taxes, or to make returns or reports under the laws~~
32 ~~imposing taxes for State purposes, or to pay license fees or~~
33 ~~other moneys to the Commonwealth, or any agency thereof,~~

1 ~~every State depository and every debtor or creditor of the~~
2 ~~Commonwealth," in Department of Revenue,~~ AMENDING THE ACT OF <--
3 MARCH 4, 1971 (P.L.6, NO.2), ENTITLED "AN ACT RELATING TO TAX
4 REFORM AND STATE TAXATION BY CODIFYING AND ENUMERATING
5 CERTAIN SUBJECTS OF TAXATION AND IMPOSING TAXES THEREON;
6 PROVIDING PROCEDURES FOR THE PAYMENT, COLLECTION,
7 ADMINISTRATION AND ENFORCEMENT THEREOF; PROVIDING FOR TAX
8 CREDITS IN CERTAIN CASES; CONFERRING POWERS AND IMPOSING
9 DUTIES UPON THE DEPARTMENT OF REVENUE, CERTAIN EMPLOYERS,
10 FIDUCIARIES, INDIVIDUALS, PERSONS, CORPORATIONS AND OTHER
11 ENTITIES; PRESCRIBING CRIMES, OFFENSES AND PENALTIES," IN
12 PERSONAL INCOME TAX, providing for paid tax return preparers
13 and required information on personal income tax return.

14 The General Assembly of the Commonwealth of Pennsylvania
15 hereby enacts as follows:

16 Section 1. The act of ~~April 9, 1929 (P.L.343, No.176), known~~ <--
17 ~~as The Fiscal Code,~~ MARCH 4, 1971 (P.L.6, NO.2), KNOWN AS THE <--
18 TAX REFORM CODE OF 1971, is amended by adding a section to read:

19 Section 202.3 336.3. Paid Tax Return Preparers; Required <--
20 Information on Personal Income Tax Returns.--(a) For taxable
21 years beginning on or after January 1, 2020, the department
22 shall require that any personal income tax return prepared by a
23 paid tax return preparer shall be signed by the paid tax return
24 preparer and shall bear the paid tax return preparer's Internal
25 Revenue Service preparer tax identification number.

26 (b) (1) The department may impose an administrative penalty
27 of ~~\$50~~ FIFTY DOLLARS (\$50) on a paid tax return preparer each <--
28 time the paid tax return preparer fails to sign the return or
29 fails to provide the preparer's tax identification number,
30 unless it can be shown that the failure was due to reasonable
31 cause and not willful or reckless conduct.

32 (2) The maximum amount imposed on any individual paid tax
33 return preparer with respect to returns filed during any
34 calendar year shall not exceed ~~\$25,000~~ TWENTY-FIVE THOUSAND <--
35 DOLLARS (\$25,000) per paid tax return preparer.

36 (c) (1) The department may commence suit in a court of

competent jurisdiction to enjoin any paid tax return preparer
from further engaging in any conduct described in paragraph (2)
or from further action as a paid tax return preparer.

(2) The court may enjoin the paid tax return preparer from
further engaging in any conduct specified in this subsection if
the court finds that the preparer committed any of the following
activities and that injunctive relief is appropriate to prevent
the recurrence of the activity:

(i) Prepared a personal income tax return that includes an
understatement of a taxpayer's liability due to an unreasonable
position.

(ii) Prepared a PERSONAL INCOME tax return that includes an <--
understatement of the A taxpayer's legality LIABILITY due to <--
willful or reckless conduct on the part of the paid tax return
preparer.

(iii) Where required, failed to furnish a copy of the
personal income tax return to the department.

(iv) Where required, failed to sign the personal income tax
return.

(v) Where required, failed to furnish the Internal Revenue
Service preparer tax identification number.

(vi) Where required, failed to retain a copy of the personal
income tax return.

(vii) Failed to exercise due diligence in determining
eligibility for tax benefits.

(viii) Negotiated a check issued by the department without
permission of the taxpayer.

(ix) Engaged in criminal conduct incompatible with the
duties of a paid tax preparer.

(x) Misrepresented the paid tax return preparer's

experience, education or licensure.

(xi) Guaranteed payment of a personal income tax refund or the allowance of a personal income tax credit.

(xii) Engaged in any other fraudulent or deceptive activity that substantially interferes with the proper administration of the tax laws of this Commonwealth.

(3) If the court finds that a paid tax return preparer has continually or repeatedly engaged in conduct described in paragraph (vii) and that an injunction prohibiting the conduct would not be sufficient to prevent the person's interference with the tax laws of this Commonwealth, the court may enjoin the person from acting as a paid tax return preparer.

(4) The fact that a person has been enjoined from preparing tax returns for the United States or any other jurisdiction in the five years preceding the petition of an injunction shall establish a prima facie case for an injunction to be issued under this subsection.

(d) As used in this section:

~~"Department" shall mean the Department of Revenue of the Commonwealth.~~

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"Paid tax return preparer" shall mean a person who prepares for compensation, or employs one or more persons to prepare for compensation, a personal income tax return required to be filed under this act. Preparation of a substantial portion of any personal income tax return shall be treated as if it were the preparation of any personal income tax return. The term shall not include:

(1) An individual licensed as a certified public accountant under the act of May 26, 1947 (P.L.318, No.140), known as the "CPA Law."

1 (2) An individual licensed as a certified public accountant
2 in another jurisdiction and practicing in this Commonwealth
3 under the ~~CPA Law~~. "CPA LAW." <--

4 (3) An individual employed by a firm licensed under the ~~CPA~~ <--
5 ~~Law~~ "CPA LAW" and who is preparing a return under the <--
6 supervision of an individual described in paragraph (1) or (2).

7 (4) An individual employed by a firm licensed in another
8 jurisdiction and practicing in this Commonwealth under the ~~CPA~~ <--
9 ~~Law~~ "CPA LAW" and who is preparing a return under the <--
10 supervision of an individual described in paragraph (1) or (2).

11 (5) An individual designated by the Internal Revenue Service
12 as an enrolled agent.

13 (6) An individual admitted to practice law by a court of
14 record of this Commonwealth.

15 "Unreasonable position" shall have the same meaning as
16 provided by section 6694(a)(2) of the Internal Revenue Code
17 (Public Law 99-514, 26 U.S.C. § 6694 (a)(2)).

18 "Willful and reckless conduct" shall have the same meaning as
19 provided by section 6694(b)(2) of the Internal Revenue Code
20 (Public Law 99-514, 26 U.S.C. § 6694 (b)(2)).

21 Section 2. This act shall take effect in 60 days.