

Memorandum

TO: All House Members

FROM: Representative Michael Peifer  
139<sup>th</sup> Legislative District

DATE: 5/29/2019

SUBJECT: PTIN Legislation

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In the near future, I plan to introduce legislation to protect taxpayers and the Commonwealth from the practices of unscrupulous paid tax preparers.

Tax preparation can be complex and confusing, with many filers relying on paid professionals to complete their income tax returns. The vast majority of paid tax preparers are qualified, ethical professionals. However, sometimes unscrupulous preparers take advantage of unsuspecting taxpayers by inflating tax credit claims or falsifying information on the taxpayer's return. While these types of actions constitute fraud and are illegal, it is sometimes difficult to catch the perpetrators at the state level.

As a result, I intend to introduce legislation that would require any paid tax preparer to include his or her preparer tax identification number ("PTIN") on state income tax returns filed on behalf of another taxpayer.

The IRS currently requires the inclusion of a preparer's PTIN on federal returns, however there is no such requirement for PA Personal Income Tax (PIT) returns. My legislation strikes a balance in that it provides the ability for the state to identify a pattern of fraudulent returns filed by a preparer, while circumventing an onerous mandate on tax preparers.

All preparers who file federal returns must have their IRS-issued PTIN on the federal return. My legislation would simply require that the same number be filed on the PA PIT return as well.

I urge you to join me in sponsoring this straightforward, common-sense measure that will protect our taxpayers and the Commonwealth alike. Please join me in co-sponsoring this legislation.