

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 771 Session of 2019

INTRODUCED BY BROWNE, MENSCH, BLAKE, KILLION, FONTANA AND SCHWANK, JUNE 17, 2019

REFERRED TO FINANCE, JUNE 17, 2019

AN ACT

1 Amending the act of March 4, 1971 (P.L.6, No.2), entitled "An
 2 act relating to tax reform and State taxation by codifying
 3 and enumerating certain subjects of taxation and imposing
 4 taxes thereon; providing procedures for the payment,
 5 collection, administration and enforcement thereof; providing
 6 for tax credits in certain cases; conferring powers and
 7 imposing duties upon the Department of Revenue, certain
 8 employers, fiduciaries, individuals, persons, corporations
 9 and other entities; prescribing crimes, offenses and
 10 penalties," in personal income tax, providing for paid tax
 11 return preparers and required information on personal income
 12 tax returns.

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

15 Section 1. The act of March 4, 1971 (P.L.6, No.2), known as
 16 the Tax Reform Code of 1971, is amended by adding a section to
 17 read:

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

1 Revenue Service preparer tax identification number.

2 (b) (1) The department may impose an administrative penalty
3 of fifty dollars (\$50) on a paid tax return preparer each time
4 the paid tax return preparer fails to sign the return or fails
5 to provide the preparer's tax identification number, unless it
6 can be shown that the failure was due to reasonable cause and
7 not willful or reckless conduct.

8 (2) The maximum amount imposed on any individual paid tax
9 return preparer with respect to returns filed during any
10 calendar year shall not exceed twenty-five thousand dollars
11 (\$25,000) per paid tax return preparer.

12 (c) As used in this section:

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

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

23 (2) An individual licensed as a certified public accountant
24 in another jurisdiction and practicing in this Commonwealth
25 under the "CPA Law."

26 (3) An individual employed by a firm licensed under the "CPA
27 Law" and who is preparing a return under the supervision of an
28 individual described in paragraph (1) or (2).

29 (4) An individual employed by a firm licensed in another
30 jurisdiction and practicing in this Commonwealth under the "CPA

1 Law" and who is preparing a return under the supervision of an
2 individual described in paragraph (1) or (2).

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

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

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