

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1583 Session of 2019

INTRODUCED BY PEIFER, BERNSTINE, DUNBAR, GREINER, JAMES,
MILLARD, MOUL, PICKETT AND RYAN, JUNE 6, 2019

REFERRED TO COMMITTEE ON FINANCE, JUNE 6, 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,
34 every State depository and every debtor or creditor of the

1 Commonwealth," in Department of Revenue, providing for paid
2 tax return preparers and required information on personal
3 income tax return.

4 The General Assembly of the Commonwealth of Pennsylvania
5 hereby enacts as follows:

6 Section 1. The act of April 9, 1929 (P.L.343, No.176), known
7 as The Fiscal Code, is amended by adding a section to read:

8 Section 202.3. Paid Tax Return Preparers; Required
9 Information on Personal Income Tax Returns.--(a) For taxable
10 years beginning on or after January 1, 2020, the department
11 shall require that any personal income tax return prepared by a
12 paid tax return preparer shall be signed by the paid tax return
13 preparer and shall bear the paid tax return preparer's Internal
14 Revenue Service preparer tax identification number.

15 (b) (1) The department may impose an administrative penalty
16 of \$50 on a paid tax return preparer each time the paid tax
17 return preparer fails to sign the return or fails to provide the
18 preparer's tax identification number, unless it can be shown
19 that the failure was due to reasonable cause and not willful or
20 reckless conduct.

21 (2) The maximum amount imposed on any individual paid tax
22 return preparer with respect to returns filed during any
23 calendar year shall not exceed \$25,000 per paid tax return
24 preparer.

25 (c) (1) The department may commence suit in a court of
26 competent jurisdiction to enjoin any paid tax return preparer
27 from further engaging in any conduct described in paragraph (2)
28 or from further action as a paid tax return preparer.

29 (2) The court may enjoin the paid tax return preparer from
30 further engaging in any conduct specified in this subsection if
31 the court finds that the preparer committed any of the following

1 activities and that injunctive relief is appropriate to prevent
2 the recurrence of the activity:

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

6 (ii) Prepared a tax return that includes an understatement
7 of the taxpayer's legality due to willful or reckless conduct on
8 the part of the paid tax return preparer.

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

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

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

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

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

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

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

23 (x) Misrepresented the paid tax return preparer's
24 experience, education or licensure.

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

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

30 (3) If the court finds that a paid tax return preparer has

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

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

11 (d) As used in this section:

12 "Department" shall mean the Department of Revenue of the
13 Commonwealth.

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

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

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

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

30 (4) An individual employed by a firm licensed in another

1 jurisdiction and practicing in this Commonwealth under the CPA
2 Law and who is preparing a return under the supervision of an
3 individual described in paragraph (1) or (2).

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

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

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

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

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