

1 SJR80
2 116725-1
3 By Senators Ross, Barron, Beason, Bedford, Benefield, Bishop,
4 Brooks, Butler, Coleman, Denton, Dixon, Dunn, Erwin, Figures,
5 French, Glover, Holley, Keahey, Little (T), Little (Z), Marsh,
6 Means, Mitchell, Mitchem, Orr, Penn, Pittman, Poole, Preuitt,
7 Sanders, Sanford, Singleton, Smith, Smitherman, and Waggoner
8 RFD:
9 First Read: 25-FEB-10

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8 SUPPORTING FEDERAL RULES TO REGULATE TAX PREPARERS.

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10 WHEREAS, in 2009 the Alabama State Senate passed a
11 law to regulate tax preparers in Alabama; and

12 WHEREAS, the Alabama Taxpayer Protection and
13 Assistance Act, if it had been enacted, would have required
14 tax preparers to be certified and licensed in this state; and

15 WHEREAS, there are currently no educational
16 qualifications, no training standards, and no licensing
17 requirements that must be met to become a paid tax preparer in
18 Alabama; and

19 WHEREAS, the Federal Earned Income Tax Credit (EITC)
20 was established by Congress in 1975 for low-wage, working
21 individuals and families as a refundable tax credit designed
22 to encourage people to get and keep their jobs; and

23 WHEREAS, it is estimated that in 2008, \$133 million
24 in earned income tax credit dollars went undistributed to
25 Alabama families because these families sought help from tax

1 preparers who were not qualified to advise them on this
2 important tax credit; and

3 WHEREAS, studies in Alabama indicate that unlicensed
4 tax preparers prey on low-wage workers by charging high prices
5 to prepare the returns and based on anticipated refunds, offer
6 them loans with oppressive rates of interest as much as 800
7 percent; and

8 WHEREAS, too often returns are filed with mistakes
9 that cause hard working individuals to go through an audit,
10 leaving those who can least afford it to clean up the mess of
11 the unregulated tax preparers; and

12 WHEREAS, the reforms passed by the Alabama State
13 Senate would have helped ensure that taxpayers receive
14 competent, accountable, and ethical services from qualified
15 trained professionals; and

16 WHEREAS, following the lead of states like Alabama
17 on this initiative, the federal government has announced that
18 for the first time, tax preparers will be required to register
19 with the federal government; and

20 WHEREAS, the federal government will now require a
21 large percentage of tax preparers to pass competency tests and
22 take annual continuing education courses; and

23 WHEREAS, the changes will be implemented for the
24 2011 tax season, ensuring that as taxpayers turn to tax
25 preparers for help, the citizens of this state and this

1 country will be represented by competent advocates; now
2 therefore,

3 BE IT RESOLVED BY THE LEGISLATURE OF ALABAMA, BOTH
4 HOUSES THEREOF CONCURRING, That we express our support for the
5 new rules set forth by the federal guidelines related to the
6 registration, testing, and education of tax preparers. The
7 guidelines represent a monumental shift in the regulation of
8 tax return preparers, which will ensure that the hard working
9 people of this great state and country are protected when they
10 file their annual returns.

11 BE IT FURTHER RESOLVED, That a copy of this
12 resolution, on behalf of the State of Alabama and its
13 citizens, be forwarded to the Alabama Congressional Delegation
14 and President Barack Obama commending their work on this
15 important initiative.