

**Prepared Statement of Cynthia L. MacIntosh, A.B.A.
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I am an independent accountant and un-enrolled preparer. I thank you for inviting me to participate in this forum. I have been preparing tax returns for clients for over 20 years. I take pride in my practice as do many other unregulated preparers that I know. I keep abreast of tax law changes by participating in numerous educational seminars and classes throughout each year. I feel it my duty and obligation to my clients, the taxpayers, to be familiar and educated on tax laws that impact their tax returns. I got involved with the Independent Accountants Association of Illinois which is a State Affiliate of NSA. NSA's director, Jim Nolan, addressed this forum on July 30th. I joined that organization because of its emphasis on education and support for independent accountants. It has been a pleasure participating and serving the organization. I know we stress education and offer quite a few classes and seminars in order to involve our membership.

While reading the transcript of the forum held on July 30th, I am saddened and dismayed to see how others in my profession are conducting business. To that end, I must conclude that some level of registration is needed in order to curb these abuses. I invite some form of accountability since I work very hard to provide expertise to my clients. The most important issue for me is to keep focus on my responsibility. My job as a tax preparer is to prepare my client's return accurately so that the taxpayer pays the correct amount of tax. I hope that the focus of this panel and of these forums is the same.

To that end, I see four recurring topics of concern: Registration, education of both the tax professional and taxpayer community, testing, and enforcement.

As far as registration goes, I see no reason why there can't be one database of numbers corresponding to each individual tax preparer. If you want to prepare a tax return for someone other than yourself, you must be REGISTERED with the IRS and given a specific number in that database. A paid preparer return should not be accepted electronically or by paper without a valid tax preparer registration number. This would also create a database to which IRS can mail, or email announcements, tax law change notices, filing changes, etc. It would also provide the vehicle for tracking those preparers that are unscrupulous and downright criminal. One last point here is the need for all tax preparers to sign the returns. This centralized number would provide that signature. After all, we tax preparers should be more than happy to sign our work.

With regard to education of tax preparers, it seems like there should be plenty of opportunity for tax preparers to get a required number of education credits each year in tax preparation. Between NATP, NAEA, NSA, and the IRS Forums to mention a few, they offer a host of locations, topics, and dates to fulfill educational requirements. There should be no reason why one couldn't comply. This also addresses the issue of attorneys and CPAs that do not prepare tax returns. They obviously would not maintain a registration number, and therefore not prepare returns, since they probably wouldn't acquire the required education credits in order to prepare returns. This addresses the issue broached by Ms. Hawkins and the suggestion made by Ms. Speedy in the July 30th forum regarding not exempting attorneys and CPAs. There is no reason

why ANYONE should be treated differently based on their credentials. There are many CPAs and attorneys who have absolutely no business preparing tax returns. This way, at least, we'd know that registered preparers have taken steps to remain "prepared" each year.

As far as educating the taxpayer goes, I feel strongly that a public campaign via PSAs, news outlets, and as much free publicity as possible, be put forth. I seem to remember the California Tax Education Council had discussed their experience in this at a previous forum. I commend them for raising awareness on this issue.

On the subject of testing, I don't see any reason why some testing vehicle can't be implemented. However, I feel that an initial test should be passed and continuing education should take over from there. I don't think CPAs and attorneys would like to retake their tests each year in order to practice their profession. However, they do require continuing education to maintain their license. As stated earlier, I don't have a problem with yearly education requirements due to the changing tax law that seems to happen monthly now.

As to enforcement: I believe that Circular 230 should be scratched. I am not paid by the IRS. I am paid by my client to assist them in preparing their tax return accurately and calculating their 'tax due' correctly. I interpret the tax law for my client's situation. I do not feel I should be an auditor for the IRS. I challenge anyone reading the Circular 230 to not come to that conclusion. A new set of regulations should be developed based on the new rules and regulations eventually suggested by the IRS and voted into law by Congress regarding the registration of preparers. Between the Circular 230 and the individual IRS penalties to date, I believe there should be enough tools already drafted for enforcing violations to the new law. There is no one-size-fits-all here. Remember, I don't think your intention is to change the role of the tax preparer. The goal is to protect the taxpayer. Which is all our goal.

I hope that you can understand my position as an independent accountant and tax preparer. It seems like I fall in the majority of tax preparers. Unfortunately, there are some in my group, as well as the regulated group, that exhibit bad behavior. I see the need to identify those and restrict them from preparing tax returns for others. However, passing a test won't change the characters of these individuals. Of course, there is the slippery slope in which tax preparers are required to take a test, increased costs for testing and education are passed on to the client, taxpayers are required to use a licensed preparer, a mandate on tax preparation pricing is issued so all can afford to have their taxes prepared, insurance for the tax preparer rises due to liability issues, and on and on and on.

Finally, it has been my pleasure to participate in this panel. I commend your effort to include all facets of tax preparation from governmental agencies, low-income volunteer organizations, tax preparer organizations and tax preparers, enrolled or not. I look forward to the outcome. Thank you.