

STATE OF MARYLAND  
**BOARD OF INDIVIDUAL TAX PREPARERS**  
Business Meeting Minutes  
May 22, 2017

**TIME:** 10:00 a.m.

**PLACE:** 500 N. Calvert Street  
3<sup>rd</sup> Floor Conference Room  
Baltimore, MD 21202

**PRESENT:** Kay Riddle, Vice Chair  
Jane Bourassa  
Jacqueline Clarke  
Amy Hennen  
Steve Wions

**ABSENT:** Mike Canet  
Marianela Del-Pino-Rivera  
Symon Mayara

**DLLR STAFF PRESENT:** Dennis Gring, Executive Director  
Matthew Lawrence, Board Counsel and AAG  
Alicia Coar, Board Secretary

**OTHERS PRESENT:** Tom Brady, MSATP  
MaryBeth Halpern, MACPA

Vice-Chair Kay Riddle called the meeting to order at 10:05 AM.

Upon a motion **(I)** by Mr. Steve Wions and seconded by, Ms. Amy Hennen the minutes from the April 24, 2017 meeting were approved with corrections unanimously.

**Report of the Chair**

There was no report of the Chair .

**Executive Director's Report**

Mr. Gring reported that Governor Hogan signed the Tax Payer Protection Act on May 4, 2017. The relevant provisions of the Act pertaining to the Board are: 1) the Board has civil penalty authority over the owners of tax preparation businesses; and 2) authorizes the Office of the Comptroller to provide tax preparer information to the Board.

Board of Individual Tax Preparers Minutes

Mr. Gring also presented a status report pertaining to current registrants. The Board currently has 3,665 active registrants. A breakdown of the qualifications of the registrants shows that 60% are exam qualified, 23% are RTRP qualified, 9% are experience qualified, and 8% are registered but have not passed the examination or otherwise granted a waiver from the examination by the Board. Since late 2015, the number of registrants has fallen from a high of Nearly 4,300 to 3,665.

Upon a motion (II) by Ms. Clarke, and seconded by Ms. Hennen, the Board accepted the Executive Director report.

### **Examination Committee Report**

Ms. Bourassa reported on the examination committee's review of the examination with PSI on April 25-27, 2017. Candidate performance is at 40.47% overall, 49.11% for first time attempts. There is no breakdown of how many candidates take the exam multiple times. The committee evaluated and improved the bank of 442 questions. The major highlights included the following:

- The Board should consider establishing a waiting period between attempts to pass the examination. Mr. Lawrence advised that a statutory change would be necessary if the Board wishes to pursue this option.
- Development of four ethics related questions that will be tested and evaluated during fall 2017.
- Strengthening the nature and number of questions pertaining to ethics and to examine the possibility of modifying the exam structure into two parts: technical competence and ethics. Questions in the ethics section could be weighted greater than technical questions.
- Modernize and upgrade the code of professional conduct to incorporate Circular 230, and other ethics standards in the industry; and develop questions based of the provisions of the updated code.
- Shift the structure of the exam to include more practical, real life scenario type questions in addition to simple open book multiple choice questions.
- Consider holding the examination evaluation meetings prior to tax season. The deadline for incorporating changes for the following year's exam when the meeting takes place in April is too tight to effect meaningful changes. Unless the timetable is moved up, next year's evaluation meeting is scheduled for April 24-26, 2018.
- PSI representative Chanda Turnbull will explore the possibility of making electronic version of Publication 17 and the Maryland instruction available.

Upon a motion (III) by Ms. Hennen, and seconded by Ms. Clarke, the Board accepted the Examination Committee report.

### **New Business**

Mr. Gring advised that it would be prudent for the Board to create a committee to review and update the code of professional conduct and task the examination committee to evaluate the framework of the examination before Spring 2019, when the current contract expires. The work

of the committee to study the code of professional conduct could serve to strengthen the questions for the ethics section of the examination. Discussion of this issue was tabled until the next Board meeting.

The Board reviewed the continuing education course provided by Platinum Professional Service. Upon a motion **(IV)** by Mr. Wions and seconded by Ms. Bourassa, the Board approved the course.

The Board also agreed that in the future, staff, in conjunction with the CPA Board's continuing education auditor, would evaluate course learning objectives and testing methodology of courses recommended by providers who are seeking the approval of the Board to offer CE to registrants. Upon a motion **(V)** by Mr. Wions and seconded by Ms. Bourassa, the Board approved delegated continuing education approval to the executive director.

### **Old Business**

Mr. Lawrence presented the final amendments to regulations, first proposed by the Board in September, to clarify the meaning of "providing individual tax preparation services" in the Board's statute. Generally, the Board's statute provides that individuals who are not exempt (CPAs, attorneys, enrolled agents, or employees/assistants of a registered preparer or other exempt individual) must be registered by the Board to provide individual tax preparation services. After receiving comments from the Maryland Society of Accounting and Tax Professionals (MSATP), and other tax professionals, the Board established a committee to draft amendments to the regulation that would meet the needs of the Board, the profession, and the public. The final draft included the following as activities within the meaning of "providing individual tax preparation services:

- the entering of data or information on to a personal income tax return;
- changing any information or data on a personal income tax return;
- making inquiries of clients pertaining to personal income-tax related questions;
- answering any questions relating to personal income tax related issues; and
- signing a personal income tax return as the preparer.

The committee chose to delete all references to activities that do not constitute providing tax preparation services.

Upon a motion **(VI)** by Mr. Wions and seconded by Ms. Bourassa, the Board approved delegated committee approval to the executive director.

### **Executive Session**

Upon a motion **(VII)** made by Mr. Wions and seconded by Ms. Hennen, the Board voted to go into Executive Session in order to consult with counsel, which is permitted to be closed pursuant to State Government Title Section 10-508 (a), (7) pertaining to an executive session. The Board

went into Executive Session at 12:00 p.m. Upon a motion (VIII) by Mr. Wions and seconded by Ms. Clarke, the Board unanimously voted to return to public session at 12:15 p.m.

**Complaint Committee**

Mr. Gring presented the Complaint Committee Report. During the period April 24, to May 22, 2017 the Complaint Committee has closed 7 complaints. Since July 2016 the Board has taken 29 administrative actions. Those actions have resulted in two license revocations and five license suspensions. A total of \$151,350 in civil penalties has been assessed in these administrative actions..

Upon a motion (IX) by Ms. Bourassa and seconded by Ms. Clarke, the Board unanimously accepted the Complaint Committee Report.

**Next Meeting Date**

The next meeting of the Board will be held on Monday, June 26, 2017 at 10:00 a.m. Six administrative hearings are scheduled for this meeting.

**Adjournment**

There being no further business, a motion (X) was made by Ms. Hennen, seconded by Ms. Bourassa and unanimously carried to adjourn the meeting at 12:30 p.m.

With corrections

Without corrections

**Signature on File**

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Kay Riddle, Vice Chair

  
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Date