

MARYLAND BOARD OF INDIVIDUAL \*  
TAX PREPARERS

v.

DAVID N. JOHNSON,  
Respondent

BEFORE THE MARYLAND BOARD OF  
INDIVIDUAL TAX PREPARERS

CASE NO.: MITP-17-0026

\* \* \* \* \*

**CONSENT ORDER**

This matter comes before the Maryland Board of Individual Tax Preparers (the "Board") as a result of a complaint filed by the Maryland Office of the Comptroller (the "Comptroller") against David N. Johnson (the "Respondent"), an unregistered professional individual tax preparer. Upon review of the complaint and a subsequent investigation, the Board determined that administrative charges against the Respondent were appropriate based on certain alleged violations of the Maryland Individual Tax Preparers Act. Prior to the issuance of administrative charges, the parties agreed to enter into this Consent Order as a full and final resolution of this matter, with terms as follows:

**THE PARTIES AGREE AND STIPULATE:**

1. The Respondent is not currently and has never been registered with the Board to provide services as an individual tax preparer in Maryland. At all times relevant to the matters set forth in this Consent Order, the Board had jurisdiction over the subject matter.
2. On or about February 10, 2017, a complaint was filed with the Board by the Comptroller alleging that, as a professional tax preparer, the Respondent began filing Maryland individual tax returns for 2016 on behalf of taxpayers on or about January 19, 2017.
3. Upon receipt of the Comptroller's complaint and a subsequent Board investigation, it was determined that the Respondent provided individual tax preparation services to Maryland taxpayers during 2016 and 2017 while not registered with the Board. From approximately January 8, 2016 through March 16, 2017, the Respondent filed at least 563 Maryland individual tax returns (Form 502) pertaining to the 2015 and/or 2016 tax years. The Respondent typically made filings on behalf of taxpayers through his firm, Eltonia Tax and Contract Services, LLC.
4. Based on the aforementioned facts, the Respondent admits to violations of Md. Ann. Code, Business Occupations and Professions Article ("BOP"), §§ 21-301 and 21-401 for providing, attempting to provide, and/or offering to provide individual tax preparation services in the State while not registered by the Board.
5. As a result of his violations, the Respondent agrees to pay a total civil penalty to the Board in the amount of **\$25,000.00** in accordance with the following schedule:

	<u>Payment Amount</u>	<u>Due Date</u>
i)	\$ 3000.00	4/10/17
ii)	\$ 2000.00	5/10/17
iii)	\$ 2000.00	6/10/17
iv)	\$ 2000.00	7/10/17
v)	\$ 2000.00	8/10/17
vi)	\$ 2000.00	9/10/17
vii)	\$ 2000.00	10/10/17
viii)	\$ 2000.00	11/10/17
ix)	\$ 2000.00	12/10/17
x)	\$ 2000.00	1/10/18
xi)	\$ 2000.00	2/10/18
xii)	\$ 2000.00	3/10/18
Total	<u>\$ 25,000.00</u>	

6. The Respondent agrees that he shall not provide, offer to provide, or attempt to provide individual tax preparation services in Maryland until such time as he is properly registered with the Board and that he shall make prompt and diligent efforts to become registered.

7. The Respondent shall pass the Board's required examination prior to becoming registered with the Board.

8. The Respondent shall be required to pay the 1<sup>st</sup> payment amount of \$3000.00 in accordance with Paragraph 5 of this Consent Order and meet all other legal requirements for registration prior to becoming registered with the Board. In the event that the Respondent obtains a registration issued by the Board, his failure to make any of the required payments in accordance with the terms of this Consent Order shall result in the immediate and automatic suspension of his registration until such time as the required payment is made.

9. The Respondent shall obtain 16 continuing professional education (CPE) credits in subject matter areas described in Code of Maryland Regulations (COMAR) 09.38.02.03F prior to becoming registered with the Board. At least 4 of the 16 required CPE credits shall be in the subject matter area of Practitioner Ethics. The CPE credits obtained in accordance with this paragraph shall be above and beyond any normal statutory or regulatory CPE requirements and, in the event that the Respondent obtains a registration with the Board, shall not be credited toward any future renewal period. The Respondent shall furnish documentary evidence of satisfactory completion of the CPE training prior to becoming registered with the Board.

10. The Respondent shall abide by the provisions of the Maryland Individual Tax Preparers Act and applicable regulations in all relevant future activities.

11. The Respondent acknowledges and agrees that this Consent Order shall constitute a Final Order of the Board and shall be enforceable as such.

12. The Respondent, by entering into this Consent Order, expressly waives the right to further written notification of administrative charges, an administrative hearing, any and all further proceedings before the Board to which he may otherwise be entitled in this matter, and any rights to appeal from this Order.

13. The Respondent enters into this Consent Order freely, knowingly and voluntarily, and with the opportunity to seek advice of counsel.

BASED ON THESE STIPULATIONS, IT IS, THIS 13 DAY OF APRIL, 2017, BY THE MARYLAND BOARD OF INDIVIDUAL TAX PREPARERS:

**ORDERED** that the Respondent has violated BOP, §§ 21-301 and 21-401;

**AND IT IS FURTHER ORDERED** that the Respondent shall pay a civil penalty in the amount of \$25,000.00 to the Board in accordance with the provisions of Paragraph 5 of this Consent Order;

**AND IT IS FURTHER ORDERED** that the Respondent shall comply with all required terms and conditions of this Consent Order prior to becoming registered with the Board;

**AND IT IS FURTHER ORDERED** that this matter shall be resolved in accordance with the terms of this Consent Order, and that the same shall be reflected among the records of the Board;

**AND IT IS FURTHER ORDERED** that this Consent Order shall constitute a Final Order of the Maryland Board of Individual Tax Preparers.

## Signature of File

David N. Johnson  
Respondent

4/6/2017  
Date

KDR/kmk

## Signature of File

~~Signature~~  
Kay D. Riddle, Vice Chair  
Maryland Board of Individual  
Tax Preparers

4/13/17  
Date