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(Original Signature of Member)

113TH CONGRESS
1ST SESSION

H. R.

To amend title 31, United States Code, to provide for the regulation of tax return preparers.

IN THE HOUSE OF REPRESENTATIVES

Mr. RICHMOND introduced the following bill; which was referred to the Committee on _____

A BILL

To amend title 31, United States Code, to provide for the regulation of tax return preparers.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Taxpayer Protection
5 and Preparer Fraud Prevention Act of 2013”.

6 **SEC. 2. REGULATION OF TAX RETURN PREPARERS.**

7 (a) IN GENERAL.—Section 330 of title 31, United
8 States Code, is amended by adding at the end the fol-
9 lowing new subsection:

1 “(e)(1) The Secretary of the Treasury may—

2 “(A) regulate tax return preparers who do not
3 practice as representatives of persons before the De-
4 partment of the Treasury; and

5 “(B) before licensing or certifying a person as
6 a tax return preparer, require that the person dem-
7 onstrate—

8 “(i) good character;

9 “(ii) good reputation;

10 “(iii) necessary qualifications to enable the
11 person to provide to persons valuable service;
12 and

13 “(iv) competency to perform the functions
14 of a tax return preparer.

15 “(2) For purposes of this section, the term ‘tax re-
16 turn preparer’ has the meaning given such term by section
17 7701(a)(36) of the Internal Revenue Code of 1986.”.

18 (b) DISCIPLINARY PROCEDURES.—Subsection (b) of
19 section 330 of title 31 of such Code is amended—

20 (1) by inserting “or tax return preparer” after
21 “representative” each place it appears, and

22 (2) by inserting before the period at the end of
23 paragraph (4) the following: “, or for whom a return
24 or claim for refund is being or is to be prepared”.

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall take effect on the date of the enactment
3 of this Act.

4 **SEC. 3. AUTHORITY TO IMPOSE A FEE FOR LICENSING.**

5 (a) IN GENERAL.—Subsection (a) of section 7528 of
6 the Internal Revenue Code of 1986 is amended—

7 (1) by inserting “other similar requests, and”
8 at the end of paragraph (1), and

9 (2) by amending paragraph (2) to read as fol-
10 lows:

11 “(2) regulating representatives and tax return
12 preparers under section 330 of title 31, United
13 States Code.”.

14 (b) AVERAGE FEE REQUIREMENT.—Paragraph (3)
15 of section 7528(b) of such Code is amended by adding at
16 the end the following flush sentence: “The fees charged
17 pursuant to the regulation of representatives and tax re-
18 turn preparers shall be reasonable, as determined by the
19 Secretary.”.

20 (c) EFFECTIVE DATE.—The amendments made by
21 this section shall apply with respect to returns for taxable
22 years ending after the date of the enactment of this Act.