

## CTEC Enforcement Contacts

Below is a historical look at the number of questionable tax preparers the California Franchise Tax Board has contacted from 2010-2012. As the graphic shows, most of the tax preparers contacted were from Los Angeles, San Bernardino, Riverside, Orange and San Diego Counties.



Alameda	18	Humboldt	3	San Francisco	24
Amador	44	Imperial	7	San Joaquin	19
Butte	3	Kern	28	San Luis Obispo	4
Calaveras	2	King	2	San Mateo	16
Colusa	1	Los Angeles	701	Santa Barbara	8
Contra Costa	39	Madera	7	Santa Clara	42
El Dorado	15	Marin	3	Santa Cruz	4
Fresno	36	Mendocino	4	Shasta	14
Glenn	3	Merced	6	Solano	28
		Monterey	19	Sonoma	16
		Napa	4	Stanislaus	12
		Nevada	2	Sutter	7
		Orange	93	Tehama	1
		Placer	27	Trinity	1
		Plumas	5	Tulare	15
		Riverside	130	Tuolumne	1
		Sacramento	67	Ventura	16
		San Bernardino	141	Yolo	7
		San Diego	143	Yuba	1

Top 5 Counties

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California Tax Education Council



# CTEC news views

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## CTEC Online Registration Required

There still seems to be some confusion that CTEC registration is no longer required now that a federal court has ruled to suspend the IRS Registered Tax Return Preparer (RTRP) program.

**Please be advised that the ruling has absolutely no impact on CTEC.**

**CTEC registration is still required by California law.**

Before the ruling, CTEC Registered Tax Preparers (CRTPs) had to comply with the new RTRP exam and continuing education requirements in order to be compliant with CTEC.

That said, CRTPs are still required to obtain a valid Preparer Tax Identification Number (PTIN) before they can register or renew with CTEC—the only IRS requirement not challenged in the lawsuit.

The PTIN requirement does not replace CTEC requirements. Obtaining a valid PTIN from the IRS is an additional requirement to CTEC registration.

All paid tax preparers who are not attorneys, certified public accountants or enrolled agents, must register with CTEC by **October 31, 2013.**

To renew your registration, CRTPs must maintain a \$5,000 surety bond and complete at least 20 hours of continuing education (15 hours federal and five hours state) from a CTEC-approved education provider.

The federal hours are:

- 10 hours of federal tax law
- 3 hours of federal tax law updates
- 2 hours of ethics

To find an approved education provider who offers courses to fulfill the 15-hour federal and five-hour state requirement, visit [www.ctec.org](http://www.ctec.org) and click on “Approved Education Providers.”

To renew online, CRTPs will need:

- 20 hours of completed continuing education that has already been uploaded into the CTEC database.
- A valid PTIN from the IRS.
- Current \$5,000 surety bond.
- Visa or MasterCard to pay the \$25 registration fee.

*Continued on page 2*

## What If You Miss the October 31st Deadline?

CRTPs who fail to renew their registration by October 31, 2013 have until **January 15, 2014** to renew late and pay a \$55 late fee. CRTPs who do not renew by January 15th will be required to re-take the 60 hours of qualifying education, pass a final exam from an approved education provider and re-register as a new CRTP.

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## CTEC Online Registration Required

Education providers now have ten days from the date the course was completed to report the hours to CTEC. Please do not wait until the last minute to complete the continuing education requirement. It is strongly recommended CRTPs complete their 20 hours of continuing education no later than October 15th to avoid the risk of paying the \$55 late fee.

CRTPs who do not renew by the October 31st deadline have until January 15, 2014 to renew late. CRTPs who do not renew

by January 15th, will be required to start over, re-take the 60 hours of qualifying education, pass a final exam from an approved education provider and re-register as a new CRTP.

According to California law, CRTPs cannot prepare any tax returns for a fee until their registration is current with CTEC.

For more information regarding the PTIN requirement and updates regarding the RTRP lawsuit, visit [www.irs.gov](http://www.irs.gov).

## CTEC Takes a Closer Look at Courses

At its last board meeting in May, the Curriculum Provider Standards Committee introduced new policy procedures for CTEC-approved education providers. The goal of the policy revisions was to implement higher educational standards for **CTEC Registered Tax Preparers (CRTPs)**.

Since the mission of CTEC is to protect the public against incompetent tax preparation by promoting educational standards, the committee decided to take a closer look at the courses being offered on a more consistent basis.

Some highlights of the policy revisions include...

- Reviewing overly simplistic courses that provide little, if any, educational value to students. For instance, if a course shows to be technically inaccurate, poorly written, incomplete, or has other quality issues, that course may be disqualified by CTEC course reviewers.

• Adopting a different method of determining self-study continuing education hours, similar to methods used by the National Association of State Board of Accountancy (NASBA).

• Enforcing an audit program on CTEC-approved education courses. The audit program took effect in January and so far three of the four courses that were reviewed failed the audit. Those courses are now being recommended for disqualification, which means CRTPs should be especially careful this year when choosing an education provider.

• Shortening the grace period for education providers to report continuing education hours to CTEC from 45 days to ten days.

The 2013/2014 CTEC renewal cycle starts August 1, 2013 and ends October 31, 2013. It is recommended CRTPs complete their 20 hours of continuing education no later than mid-October to avoid registering late and paying the \$55 late fee.

## IRS Nationwide Tax Forums

Registration is open for the 2013 IRS Nationwide Tax Forums. CTEC will have a table at the below forum:

**San Diego  
Town & Country Resort  
September 17-19, 2013**

CTEC is scheduled to do a joint presentation with the California Franchise Tax Board at the San Diego forum. The presentation will count for one state hour. **CTEC Registered Tax Preparers (CRTPs)** who attend the forums can also earn up to 18 federal hours.

If you plan to attend, please remember to provide your CTEC number to the IRS when you register. If you do not give the IRS your CTEC number, you may not get credit for the courses you take.

Several weeks after the forum, the IRS will either mail or e-mail your course completion certificate. If you decide to skip San Diego and go to one of the other forums, you will have to submit a copy of the IRS completion certificate to CTEC and renew your registration by mail (One of the few exceptions to the CTEC online registration requirement).

This is an IRS event so please do not call CTEC with questions. For more information or to register, visit [www.irstaxforum.com](http://www.irstaxforum.com).

## Who Needs to Register with CTEC?

It is quickly becoming one of the most asked questions — Do **CTEC Registered Tax Preparers (CRTPs)** need to meet California requirements if they have a valid **IRS Preparer Tax Identification Number (PTIN)**?

The answer is YES. CTEC registration is still in full force.

Please keep in mind that obtaining a PTIN is a federal requirement. California law still has its own requirements for tax preparers. Providing proof of a valid PTIN is not enough to qualify as a legal tax preparer in California.

California law requires an individual to register with CTEC if he/she...

- Is not an attorney, certified public accountant (CPA) or enrolled agent (EA) and prepares federal and/or state tax returns for compensation.
- Works under an attorney, CPA or EA and signs the client's tax return.
- Assists a CRTP with tax returns by taking income tax data from a client and enters it into a computer (whether in person or other contact); even if the individual never signs the tax return.
- Is not an attorney, CPA or EA, but passed the IRS competency exam and received the **Registered Tax Return Preparer (RTRP)** designation. **Obtaining the RTRP designation does not meet California requirements.**
- Is not an attorney, CPA or EA and prepares income tax returns that are bundled or included with other services.

For more information regarding who is required to register with CTEC, visit [www.ftb.ca.gov](http://www.ftb.ca.gov) and search the keyword "CTEC."

## New CTEC Certificate Requirement

Starting the 2013/2014 CTEC registration cycle, all certificates must be made visible to consumers at the place of business. The CTEC certificate can be displayed at the entrance, desks or another conspicuous location where business activities are performed.

### MARK YOUR CALENDAR! YOU ARE INVITED!

**CTEC Board and Committee meetings are open to the public**

Monterey • Nov. 14-15, 2013

Sacramento • May 21-23, 2014

Palm Springs • Nov. 19-21, 2014

Call CTEC at **(877) 850-2832**

if you would like to attend.

## WELCOME OUR NEW CTEC BOARD MEMBER

**Ruth Godfrey** was appointed by the National Society of Accountants (NSA). She has been an enrolled agent since 1984 and owns a private tax practice in the Los Angeles area.

Ruth specializes in 1031 tax-deferred exchanges and business tax returns. She also conducts seminars and workshops throughout California and Nevada.

Ruth is a fellow of the prestigious National Tax Practice Institute, as well as a Gold Card Graduate of the National Institute of Exchange Counselors.

## CONTACT CTEC

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