

CTEC Launches Public Awareness Campaign

During the 2015 tax season, CTEC will launch a media relations and advertising campaign to help educate California taxpayers on how to choose a legal tax preparer.

Billboards and bus signs will be posted in Los Angeles, Sacramento, San Diego, Fresno and Bakersfield from late December through mid-April. Internet advertisements will also run statewide. The Internet advertisements will target California consumers through mobile phones, tablets and social media.

CTEC will also launch a print advertising campaign to reach the Chinese and Filipino communities in Los Angeles.

The target markets listed for the 2015 advertising campaign were based on demographics and enforcement reports from the Franchise Tax Board (FTB).

In addition to paid advertisements, CTEC will send press releases to the media. Public Service Announcements will also be sent to English and Spanish radio stations statewide. The message will

focus on CTEC and the requirements CTEC Registered Tax Preparers (CRTPs) must complete.

Outdoor Advertisement Samples



Welcome Our New Board Member

Susie DiMaggio was appointed by the California Society of Enrolled Agents (CSEA). She is an enrolled agent with expertise in tax representation before the Examinations, Appeals and Collections Division of the IRS.

Susie is a past President of the Channel Islands Chapter of CSEA. She currently serves as the State Director for the Channel Islands Chapter of CSEA and is also the Vice Chair of the Education Committee at the state level for CSEA.

Susie owns a tax resolution and preparation business in Ventura, CA.

New IRS Voluntary Tax Preparer Program

The new IRS voluntary Annual Filing Season Program (AFSP) is in effect as of January 1, 2015.

Participants of the program are required to obtain a valid 2015 IRS Preparer Tax Identification Number (PTIN), pass the Annual Federal Tax Refresher (AFTR) course and test (if required), plus meet federal continuing education (CE) requirements.

Some tax preparers, including CTEC Registered Tax Preparers (CRTPs), are exempt from the AFTR course. CTEC federal CE hours must be uploaded by the CE provider to the IRS to qualify for the CE component of the AFSP—Record of Completion.

The deadline to complete the program requirements was **December 31, 2014**. CRTPs who met all the requirements should have received an email from the IRS with instructions on how to participate.

Starting in January, participants will also be listed on the IRS website to help taxpayers search for qualified tax preparers.

The “Directory of Federal Tax Return Preparers with Credentials and Select Qualifications” will only include attorneys, certified public accountants (CPAs), enrolled agents (EAs), enrolled retirement plan agents (ERPAs), enrolled actuaries and individuals who have received an Annual Filing Season Program – Record of Completion.

Below are the most frequently asked questions from CRTPs regarding the new IRS program...

I completed all my requirements on time, but I did not sign up for

the program before December 31st. Is it too late to participate in the program?

If you renewed your PTIN, completed your educational requirements and CTEC renewal by December 31, 2014, then you still have time to sign up for the program.

If you qualify for the AFSP—Record of Completion, the IRS should have emailed you instructions on what to do next. To complete the process, you must:

- Visit www.irs.gov/ptin and log into your PTIN account
- On the Main Menu, select “AFSP Record of Completion – Circular 230 Consent”
- Follow the screen prompts to elect to participate
- In 24 hours, log in again to find your printable Record of Completion in your “View My Messages” mailbox

It is vital that tax preparers sign the Circular 230 consent form if they want to participate in the program. Tax preparers who fail to sign the form will not receive the Record of Completion or be included in the IRS public database.

I completed all my requirements, but I never received an email from the IRS explaining how to sign up for the program. Why not?

If you renewed your PTIN and CTEC registration by December 31, 2014, then it could be your education was never reported to the IRS by your IRS-approved CE provider.

It is the education provider's

responsibility to report your education to the IRS. If the education was not reported, then the IRS cannot validate your status for the program. Education providers are given ten business days to report the hours to the IRS during the October-December timeframe.

Will the IRS directory of federal tax return preparers show my CTEC ID and designation?

No, the list will not include state designations for tax preparers. The directory will only show that you are an Annual Filing Season Program participant.

Am I required to participate in the program?

No, it is strictly voluntary.

For more information about the program, visit www.irs.gov/Tax-Professionals/Annual-Filing-Season-Program.

Find CTEC



**MARK YOUR CALENDAR!
YOU ARE INVITED!**

All CTEC committee and board meetings are open to the public

May 20- 22, 2015
Sacramento, CA

November 19- 20, 2015
Napa, CA

Call **877-850-2832**
if you would like to attend

CTEC
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Late Renewals Due Soon

CTEC Registered Tax Preparers (CRTPs) who did not meet the October 31, 2014 renewal deadline have until January 15, 2015 to pay the \$55 late fee and renew late.

To renew online, CRTPs will need:

- 20 hours of completed continuing education (10 hours of federal tax law, 3 hours of federal tax law updates, 2 hours of ethics and 5 hours of state)
- A valid PTIN from the IRS

- Current \$5,000 surety bond
- Visa or MasterCard to pay the \$88 fee (\$33 registration fee, plus \$55 late fee)

CRTPs who fail to meet the late renewal deadline will be required to start over, retake the 60-hour qualifying education course and register as a new tax preparer.

By law, CRTPs cannot prepare tax returns for a fee until their registration is current with CTEC.

New Enforcement Results

During the 2013/2014 enforcement cycle, the Franchise Tax Board (FTB) contacted 692 tax preparers statewide. Of those:

- 44 percent complied and registered with CTEC
- 32 percent were issued either a \$2,500 penalty or \$5,000 penalty
- 21 percent had already met requirements (exempt or CTEC registered)
- 3 percent are still considered "open cases"

Unregistered tax preparers caught preparing, or assisting with preparing, tax returns for a fee will be issued a \$2,500 penalty letter from FTB. They have 90 days to register with CTEC before the penalty is enforced. If a tax preparer does not comply, the

\$2,500 penalty is enforced. If a tax preparer still fails to comply the next year, the penalty increases to \$5,000.

Of the 32 percent who were issued penalties during the 2014 tax season:

- 193 received a \$2,500 penalty
- 72 have now received one \$2,500 penalty and one \$5,000 penalty
- 18 have now received one \$2,500 penalty and two \$5,000 penalties
- 3 have now received one \$2,500 penalty and three \$5,000 penalties
- 2 have now received one \$2,500 penalty and four \$5,000 penalties

To report an unregistered tax preparer, visit **www.ctec.org**. All reports submitted through the CTEC website are investigated by FTB.