



THE PROVIDER



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Recap of November 2011 Annual Board Meeting

NEW EDUCATION REQUIREMENTS

The new IRS continuing education requirement for nonexempt tax preparers is in effect as of January 1, 2012. It means any tax preparer who is not an attorney, certified public accountant (CPA) or enrolled agent (EA) must start completing 15 hours of federal continuing education each year. CRTPs are not exempt from any of the new IRS rules.

To help lighten the load so CRTPs are not forced to complete "double" requirements, CTEC has conformed its federal continuing education rules to the IRS.

California Senate Bill 944 will take effect January 1, 2012 to change CTEC continuing education requirements from 12 hours federal, 4 hours state and 4 hours federal and/or state to **15 hours federal and five hours state**.

The 15 hour annual requirement consists of 10 hours of federal tax law topics, three hours of tax law updates and two hours of ethics and/or professional conduct. Preparers must obtain the courses from IRS/CTEC approved providers.

Despite the change to conform to federal regulations, please remember CTEC and IRS still have different requirements and deadlines for tax preparers.

CTEC requirements for CRTPs are not going away. CRTPs must comply with both CTEC and IRS requirements from this point forward.

To find out more about the new IRS requirements, visit www.irs.gov/taxpros.

CONTINUING EDUCATION

If an individual takes a continuing education course before registering with CTEC, those CE hours **cannot** be used toward the annual CE requirement. CE courses must be taken after an initial CTEC registration. Providers need to be sure that individuals signing up to comply with CTEC's annual CE requirements are currently CTEC registered and have a **valid** CTEC ID number.

LATE FEES AND REGISTRATIONS

Starting November 1, 2012, the late fee will increase from **\$15 to \$55**. Additionally, CRTPs who do not renew their registration by January 15, 2013, and each year thereafter, will have to *re-take* the 60-hour qualifying education course, pass a competency exam from an approved education provider and register as a *new* CRTP. The new policy will shorten the grace period from 12 months to 10 weeks.

ONLINE REGISTRATION REQUIRED

Online registration will be required beginning August 1, 2012 for the 2012/2013 registration cycle year. Mail-in applications will be accepted only on a case-by-case basis.

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IRS ANNOUNCES STANDARDS FOR CONTINUING EDUCATION PROVIDERS AND ACCREDITING ORGANIZATIONS

The Internal Revenue Service has announced the standards to become an IRS-approved Continuing Education (CE) Provider and the requirements to become an IRS CE Accrediting organization.

To be an IRS-approved CE Provider, an organization must be one of the following:

- (i) An accredited educational institution,
- (ii) Recognized for continuing education purposes by the licensing body of any state or U.S. territory,
- (iii) Approved by a qualifying organization as a provider of CE on subject matters designed for registered tax return preparers, enrolled agents, and enrolled retirement plan agents (such qualifying organizations will be known as accrediting organizations), or
- (iv) Any other professional organization, society or business recognized by the IRS as a provider of CE on subject matters designed for registered tax return preparers, enrolled agents, and enrolled retirement plan agents.

CTEC has been indentified by the IRS as a state licensing body. A provider approved by CTEC will need to submit an approval letter from CTEC, register as a status (ii) provider, and upload in email as a copy of the CTEC letter with the application. Additional information regarding procedures necessary to obtain CTEC approval letter will be emailed to providers in January 2012.

Organizations in all four categories must obtain an IRS CE provider number. Organizations are able to apply through a new online process. As part of the process, continuing education providers are required to pay an annual fee to the third-party vendor selected by the IRS to administer the CE provider application and renewal processes.

To apply for a provider number and program number (s), organizations should visit: www.irs.gov/taxpros/ce and click on the "Apply to become an IRS Approved CE Provider" link. Assistance for CE Provider questions is available Monday—Friday 8:00am—8:00pm EST by calling 855-296-3150 (toll-free) or 202-499-5606.

Additional information, including Frequently Asked Questions, is available at www.IRS.gov/ptin and www.IRS.gov/taxpros/ce.

C R T P V A C A N C Y

CTEC is looking for a qualified CTEC Registered Tax Preparer (CRTP) to serve on the board of directors. Interested applicants must be a CRTP for at least two years and cannot have another tax preparer designation (i.e. CPA, attorney or enrolled agent). As a CRTP Director you will be required to serve at least 130 volunteer hours each year, attend at least two board meetings each year, plus be available for conference calls from time to time.

For more information about the position and its requirements, visit www.ctec.org and download the "CTEC Director Opening" application located at the bottom of the home page. CRTPs can fax the application to (877) 851-CTEC (2832) or e-mail to info@ctec.org.

Approved Education Provider Status

- 121—CTEC approved providers
- 73—Providers offering Qualifying Education courses
- 48—Providers offering Continuing Education courses
- 73—Providers offering both Qualifying and Continuing Education courses

Registration update

From August 1, 2011 to December 12, 2011, CTEC has registered the following:

Total Registrations:	30,051
Total Renewals:	29,071
Total New:	980

CTEC New and Revised Policies

QE Guidelines

Revisions to the QE Guidelines were proposed by the CP Committee and approved by the CTEC board at the November 2011 board meeting. The revised guidelines can be found on the CTEC website at www.ctec.org under Provider Materials.

CP25 (Provider Task Force Meeting)

At the November 2011 annual board meeting the board approved the following policies:
CP25 Provider Task Force Meeting:

Beginning January 1, 2012, the following policies will take effect regarding both new providers and currently approved providers:

1. New providers will be required to attend a provider orientation session within the first year of their approval. This orientation session will occur Wednesday morning prior to CTEC's May and November board meetings.

If these dates are not available for a new provider, an individual orientation session can be scheduled in Sacramento. Travel expenses to this session will be paid by the provider.

1. For all currently approved providers, they will be required to attend a Provider Task Force Meeting once every three years beginning January 1, 2012. Travel expenses to these meetings will be paid by the provider.

Failure to meet either one of the above requirements will result in the loss of a provider's "approval" status.

CE06 (Continuing Education Courses Disclosures)

The following changes were made under number of federal and state hours—second sentence was eliminated and the following was added "and must clearly state the allocation of hours between federal and California tax law in both their advertising for the course and on the course completion certificate".

CE07 (Alternative Courses for CE Credit—Program Developers and Instructors):

Each CRTP must complete 20 hours of continuing education annually; this includes 15 hours of federal taxation (which include 2 hours of ethics) and 5 hours of California taxation.

Program developers and/or instructors : One hour of continuing education credit will be awarded for each hour of instruction, preparation, or development of a course. The maximum credit for instruction, preparation, or development may not exceed 4 hours of continuing education requirement. Approved providers must designate a CTEC course number and report developers and/or instructors electronically.

CP22 (Ethics)

CTEC will require all approved qualifying education courses to have 2 hours of ethics education.

Continuing education providers will be required to include ethics education as part of their federal curriculum.

CP23-01 (Education Standards)

The following new language was added to the policy: A course qualified as federal taxation or federal tax updates by the IRS will be considered federal continuing hours by CTEC.

CTEC Mission Statement

“The California Tax Education Council (CTEC) will continue to establish professional tax education standards, approve tax education providers, who comply with these standards, and facilitate tax preparer compliance for the benefit of California taxpayers”

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C T E C P R O D U C T S

- ◆ Logo Slicks
- ◆ CRTP mailing list
- ◆ 20" x 26" color CTEC poster
- ◆ CTEC Brochures—Choosing Your Professional Tax Preparer (English and Spanish)
- ◆ CTEC 2010–2011 Annual reports are available now either online or by mail. Call CTEC toll free 1-877-850-CTEC (8232) to request a free copy.

Mark Your Calendar!

The next Curriculum Provider Task Force meeting is scheduled for May 16, 2012 in Sacramento, CA

The next CTEC board and committee meetings are scheduled for May 17 and 18, 2012 in Sacramento , CA

Details on meeting locations will be posted on our website as information becomes available. Agendas are posted on the website one week prior to the board meeting. CTEC board minutes are now available online by going to www.ctec.org under CTEC Board—Board Minutes.

Welcome Our New CTEC Board Member



Jennifer MacMillan was appointed by the California Society of Enrolled Agents (CSEA). She has been an enrolled agent since 1994 and owns a private practice in Santa Barbara, specializing in individual income tax preparation and tax representation services. Jennifer is a Fellow of the National Tax Practice Institute (NTPI®) and is a faculty member of NTPI, where she teaches representation skills to Circular 230 practitioners. She also speaks and writes on a variety of topics, including technical tax issues, ethics and practice development. She has served as a past president of both CSEA and the CSEA Education Foundation. She is also an active member of the National Association of Enrolled Agents.