
EXPERIENCE IN LIEU OF EDUCATION

Background: In order to register as a new CTEC registered tax preparer (CRTP), the California Business & Professions Code Sec. 22255 (a) requires that an individual complete a 60 hour qualifying education course with instruction in basic personal income tax law, theory, and practice. The California Business & Professions Code Sec. 22255 (c) allows individuals to register as a new CRTP using their experience, as an exempt preparer, in lieu of taking a qualifying education course.

Experience Exemptions: The California Business & Professions Code has identified the following experience in lieu of education exemptions:

1. An individual who has relocated into California and was an active attorney, CPA, or EA of a state other than California for the most recent two years, or an employee of such a person who prepared tax returns within the scope of his or her employment; or
2. A person who is or was a California CPA licensed with the California Board of Accountancy in the prior two years, and no longer maintains the CPA status, or an employee of such a person who prepared tax returns within the scope of his or her employment; or
3. A person who is or was an attorney licensed with the State Bar of California in the prior two years, and no longer maintains an active membership with the State Bar of California, or an employee of such a person who prepared tax returns within the scope of his or her employment; or
4. A person who is or was an Enrolled Agent licensed with the Internal Revenue Service within the prior two years, and no longer maintains the EA status, or an employee of such a person who prepared tax returns within the scope of his or her employment.

Experience Defined: The California Tax Education Council has established the following experience in lieu of education requirements:

1. Any person who has a minimum of two recent years of experience;
2. Any person who has prepared a minimum of 100 tax returns in the two prior years; and,
3. Any person who has been operating as an exempt preparer as indicated above.

An individual who does not meet the above requirements, but feels they are qualified, may petition the Board of Directors for exemption.

Application Requirements: To apply for registration under the experience in lieu of education exemption, an applicant shall:

1. Complete a New Preparer – Experience in Lieu of Education Application (Form CTEC 005 - Experience In Lieu of Education),
2. Attach a letter to the application stating under which exemption the applicant is applying. Additional documentation may consist of the types of returns the individual has prepared, an estimate of how many returns he or she prepared a year, and the length of time the individual has prepared tax returns,
3. Include in the attached letter the following statement: ***“Under penalty of perjury, I swear that I have prepared, for compensation, a minimum of 100 tax returns in the two years prior to the date of this application as an exempt preparer,”***
4. Attach the verification required for the exemption such as an identification number issued by the corresponding authority,



5. Provide evidence of a \$5,000 tax preparer bond.
6. A social security number and PTIN are required on the application.
7. Individuals applying under Experience Exemptions #1 above, must complete a 15-hour California qualifying education course through a CTEC approved education provider.

Approved December 13, 1999
CTEC Board of Directors

Responsibility: Tax Preparer Committee