

January 2020 • Vol. 26, No. 1

## OFFICERS

### Chair

**Susie DiMaggio, EA**  
CA Society of Enrolled Agents

### Treasurer

**Esperanza Escobedo, CRTP**  
Soledad, CA

### Secretary

**Karen De Vaney, CRTP**  
CA Society of Tax Consultants

## DIRECTORS

**Fernando Angell, CRTP**  
Downey, CA

**Marie Archibeque, CRTP**  
Modesto, CA

**Brandon Chanley**  
Jackson Hewitt Tax Services

**C. Lester Crawford, CRTP**  
Los Angeles, CA

**Ray Davis**  
H&R Block Tax Services

**Margaret "Margy" Dunn, EA**  
National Association of Enrolled Agents

**Richard Ernst**  
Liberty Tax Service

**Ruth Godfrey, EA**  
National Society of Accountants

**Cindy Hockenberry, EA**  
National Association of Tax Professionals

**Jett Asinas Mercado, CRTP**  
Fresno, CA

**Katie Zollo, CRTP**  
Ukiah, CA

## REPRESENTATIVES

**Sue Gaston**  
Internal Revenue Service

**Rebecca Landeros**  
California Franchise Tax Board

**California Tax Education Council**  
P.O. Box 2890 • Sacramento, CA  
95812-2890 • (877) 850-CTEC(2832)  
www.ctec.org

## New 2020 Requirements Alert

### Background Checks and Fingerprint Images – Begins July 1, 2020

Effective July 1, 2020, NEW applicants who would like to register as a tax preparer with CTEC must pass a background check.

California Business & Professions Code Section 22251.3 was amended to require new applicants who would like to become a CTEC Registered Tax Preparer (CRTP) to pass a criminal background check and submit fingerprint images to CTEC to determine an individual's eligibility to register.

This means new registrants must complete the following before their application will be considered:

- Complete 60 hours (45 hours federal, 15 hours state) of qualifying education (QE) by an approved CTEC education provider
- Obtain a \$5,000 tax preparer surety bond
- Register for an IRS Preparer Tax Identification Number (PTIN)
- Complete a criminal background check and submit fingerprint images to CTEC

***The new requirements are NOT applicable to current CRTPs, only new applicants who register on or after July 1, 2020.***

*However, CRTPs who allow their CTEC*

*registration to expire and would like to re-register with CTEC on or after July 1, 2020, will not only be required to retake the 60 hour QE course, **they will also be required to go through a background check and submit fingerprint images to CTEC.***

## Late Renewals Due January 15th

CTEC Registered Tax Preparers (CRTPs) who failed to meet the October 31, 2019 renewal deadline have until January 15, 2020 to pay the \$55 late fee and renew late.

### Missed the Late Renewal Deadline? What to Know...

CTEC Registered Tax Preparers (CRTPs) who missed the January 15th deadline to renew late must start over, retake the 60-hour qualifying education (QE) course and register as a new tax preparer.

It also means those tax preparers cannot prepare any tax returns for a fee until their registration is current with CTEC.

## Public Awareness Increases Awareness Against Ghost Tax Preparers

CTEC will continue its campaign to warn taxpayers about tax preparers who do not sign tax returns, also known as "ghost tax preparers." CTEC will launch a statewide media relations, Internet and social media campaign, as well as expand its advertising campaign to new markets through outdoor

and radio advertisements.

Billboards and bus shelter signs will be posted in Los Angeles, San Bernardino, Riverside and Orange Counties. Billboards will also be posted in Sacramento, San Diego, Santa Clarita, Alameda and Contra

***Continued on page 2***

# Welcome Our New Board Members

**Ray Davis** was appointed by H & R Block. He is currently the Regional Director of Sales and Service covering Southern California and Hawaii.



Ray Davis

Over the last six years Ray has led regions in Northern and Southern California territories. In addition, he has been involved with helping H&R Block stay current with all CTEC regulations for registered tax preparers.

Ray has a Bachelor's Degree from the University of California, Davis.

**Richard Ernst** was appointed by Liberty Tax Service. He has worked as the company's Compliance Counsel since

2016.

Before joining Liberty Tax Service, he worked as a prosecutor and held various management positions, including the New York State Tax Department's Deputy Commissioner for Professional Responsibility. During that time, Richard helped create the registration, training and discipline programs for the 40,000 registered tax preparers in NYS.



Richard Ernst

Additionally, he worked with the department's Audit and IT Divisions to analyze the 10 million income tax returns filed each year, monitored financial products offered by tax preparers, as well as worked with the IRS and state tax regulators on joint projects.

Richard has a BS Degree in Psychology from the City University of New York - Brooklyn College, and a JD from Union University - Albany Law School.

**Fernando Angell** is a CTEC Registered Tax Preparer (CRTP) and has been preparing tax returns for more than 15 years. He works for a small family

business that provides bookkeeping and tax services.

Fernando has a Bachelor's degree in Business Administration from the University of Redlands. He is a proud veteran having served in the United States Marine Corp. He is also an active member in his community and volunteers for various nonprofit organizations.



Fernando Angell

**Jett Asinas Mercado** is a CTEC Registered Tax Preparer (CRTP). He started his own tax firm in 2008 after being a Chief Executive Officer for a health provider. In addition to preparing tax returns, he is a business consultant and licensed real estate agent. In his spare time, Jett serves as a board member for a nonprofit organization to mentor teenagers as a life coach.



Jett Asinas Mercado

Jett has a Master's Degree in Public and Business Administration.

## Mark Your Calendar! You are Invited!

CTEC meetings are open to  
the public

May 19 - 21, 2020  
Sacramento, CA

November 18-20, 2020  
Dana Point, CA

Please call **877-850-2832** if  
you would like to attend.

©CATaxEdCouncil



### Continued from page 1

Costa Counties. BART signs will run in the San Francisco market.

A radio campaign will run in Los Angeles, Sacramento, San Diego, Fresno, Bakersfield and Salinas markets.

In addition to the ghost tax preparer

campaign, social media posts and Internet advertisements (English and Spanish) will run during the 2020 tax season educating taxpayers on how to find a California approved tax preparer.

# Ghost Tax Preparer Enforcement Pilot Program In Effect

The Franchise Tax Board (FTB) Filing Compliance Bureau (FCB) is conducting a pilot program focused on ghost tax preparers.

Ghost preparers are tax preparers who failed to provide their PTIN (Preparer Tax Identification Number), or otherwise failed to identify themselves on tax returns they prepared.

The pilot program includes two new letters, FTB 906A – Tax Preparer

Verification, and FTB 906B - Request for Tax Preparer Information. Both letters were created to help identify ghost preparers by requesting the tax preparer's identifying information.

FTB 906A letters were mailed to tax preparers during the week of November 18, 2019. The response or lack of response received from the tax preparer after 30 days will allow staff to determine who will receive the FTB 906B letter. FTB 906B letters were mailed to the taxpayer starting in

December 2019 and into January 2020.

Reports of unregistered tax preparers and ghost preparers can also be made through CTEC.org. All complaints go directly to FTB. It's important that FTB receives as much information about the unregistered tax preparer and ghost preparer to review and understand the complaint. FTB will not share your identity and also cannot provide updates of the case due to Privacy and Disclosure laws.

## 2018/2019 Enforcement Results

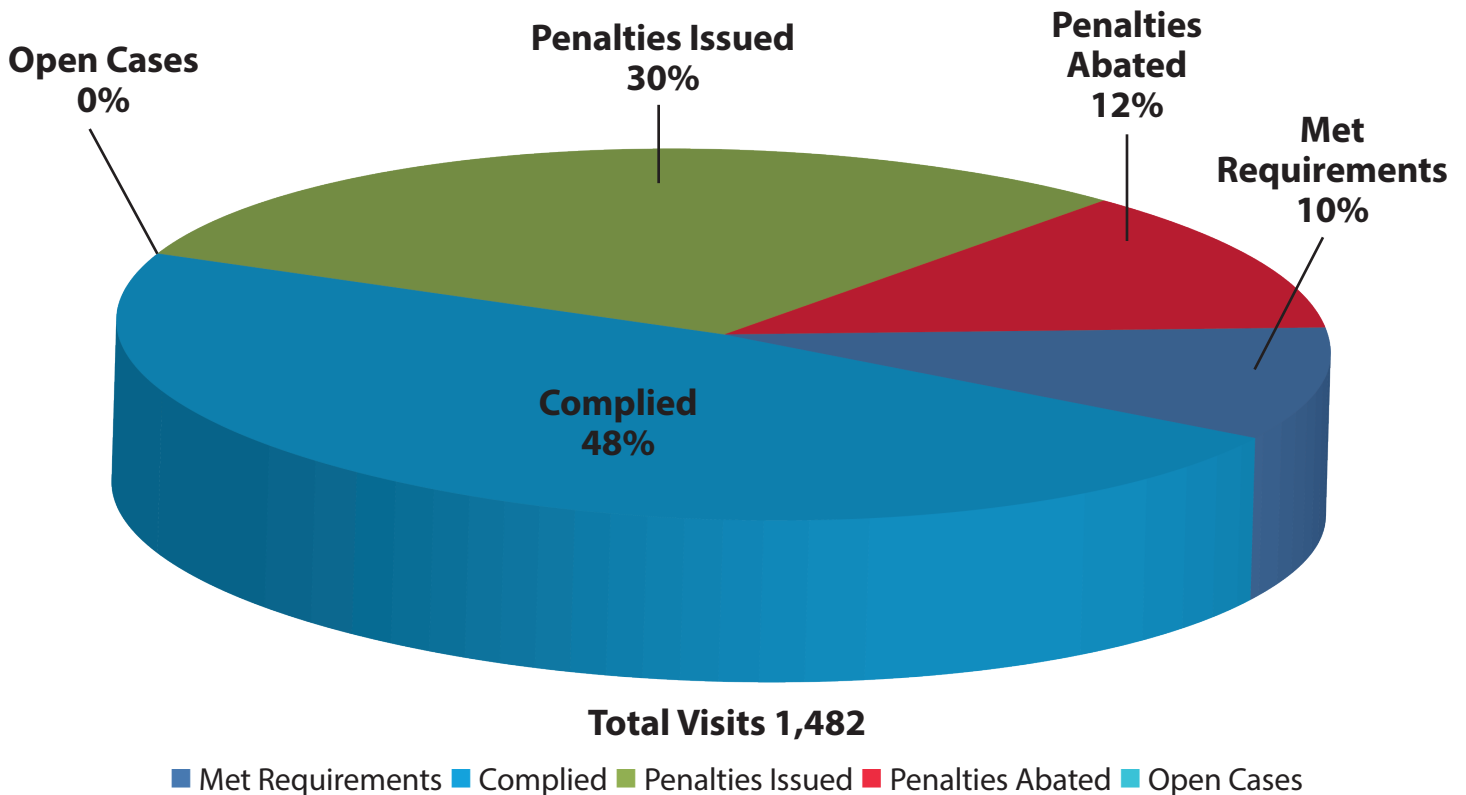
Unregistered tax preparers who are caught preparing, or assisting with preparing, tax returns for a fee will be issued a \$2,500 penalty letter from the Franchise Tax Board (FTB). They have 90 days to register with CTEC before the penalty is enforced.

If a tax preparer does not comply, the \$2,500 penalty is assessed. If a tax preparer still fails to comply the next year,

a \$5,000 penalty will be issued each year until they either register with CTEC or agree to stop preparing tax returns for a fee.

CTEC pays for the entire enforcement program. All penalties collected by FTB are deposited into the state's general fund.

To report an unregistered tax preparer, visit [ctec.org](http://ctec.org).



# California Consumer Privacy Act Takes Effect

Effective January 1, 2020, the California Consumer Privacy Act, or CCPA, will go into effect. The new law, which the California Attorney General will begin to enforce on July 1, 2020, requires any business that collects or stores the personal information of California residents, regardless of where the business is located, must comply with the CCPA. This bill gives a consumer the right to control what a business does with the personal information that has been collected about the consumer.

Under the CCPA, a consumer must file a verifiable request to obtain information

from a business or request that a business handle the consumer's personal information in a certain way. The request must be verifiable; the business must be able to verify the requestor's identity.

Under the CCPA, among other items, a consumer may request:

- To know the categories of a consumer's personal information that the business collects
- To know the specific items of a consumer's personal information that the business has collected

- To know the business purpose for the collection of the consumer's personal information
- That their personal information not be sold
- That their personal information be deleted

Under the CCPA, a business has 45 days to respond to a request with the opportunity to get additional time.

For more information, visit the California Attorney General's website at [oag.ca.gov/privacy/ccpa](https://oag.ca.gov/privacy/ccpa).

