



California Tax Education Council

# Newsletter News & Views

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## California Tax Education Council

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## Registration Renewals Due

The CTEC 2018/2019 renewal registration cycle starts August 1, 2018. If you already completed the continuing education requirements (15 hours federal and five hours state), now is the time to renew.

To renew your register online, visit [ctec.org](http://ctec.org).

To renew, you must have:

- Basic personal information.
- Current bond information.
- A renewed IRS Preparer Tax Identification Number (PTIN).
- 20 hours of continuing education (10 hours of federal tax law, three hours of federal tax law updates, 2 hours of ethics and 5 hours of state) already uploaded into the CTEC database.
- A Visa or MasterCard to pay the \$33 registration fee.

To renew online, all your education must have been electronically reported to CTEC by your education provider. If your education is not showing up, call your education provider(s) to upload the hours into the system. CTEC policy allows education providers 10 days from the date the course was completed to report hours earned so please plan ahead.

**Important Update:** CRTPs who do not update their bond information will automatically have their registration put ON HOLD. CRTPs showing expired or invalid bond information will receive an email from CTEC with a 30 days notice to update the bond. If no action is taken, the registration will no longer be valid.

According to California law, CRTPs cannot prepare tax returns for a fee without a current CTEC registration.

CRTPs who also plan to represent clients during IRS examinations are required to participate in the IRS Annual Filing Season Program (AFSP) to receive limited representation rights. To qualify, CTEC renewal registrations must be completed no later than December 31, 2018. Read more about the program on page 2. →

## Top Five Renewal Facts

1. You must have a social security number to register with CTEC.
2. You must have a valid PTIN from the IRS to register with CTEC.
3. Education providers are responsible for reporting all hours earned at least 10 days from the date the course was completed. If your education is not showing online, call your education provider.
4. Unless specified, education providers do not register students with CTEC.
5. Personal information changes must be submitted in writing to CTEC or edited by you through your online account.

## Why CRTPs Should Participate in the IRS Annual Filing Season Program (AFSP)

Did you know CRTPs are exempt from most of the IRS voluntary Annual Filing Season Program (AFSP) requirements?

To participate, CRTPs are only required to have their CTEC renewal registration completed no later than December 31, 2018 (the IRS deadline for AFSP) and sign the Circular 230 form.

Below is a summary of benefits for participating in the program.

### Limited Representation Rights

CRTPs who plan to represent clients during IRS examinations must participate in the program to receive limited representation rights. Limited representation rights allow tax preparers to represent clients whose tax returns they prepared and signed, but only before revenue agents, customer service representatives and

similar IRS employees, including the Taxpayer Advocate Service.

To have limited practice rights, CRTPs must be an AFSP participant in both the year the tax return was prepared and the year of representation.

Additionally, unless you are an AFSP participant, you cannot use IRS Form 2848 (Power of Attorney and Declaration of Representative) for clients.

### Listed on IRS Website

AFSP participants will be included on the IRS public directory of tax preparers to help taxpayers search for tax preparers with credentials and qualifications.

To learn more [irs.gov/tax-professionals/annual-filing-season-program](https://irs.gov/tax-professionals/annual-filing-season-program).

## Now Accepting Applications for a CRTP Director

CTEC is now accepting applications from CTEC Registered Tax Preparers (CRTPs) for an open position to serve as a director on the CTEC board. The voluntary position takes effect January 1, 2019.

Interested applicants must be registered with CTEC for a minimum of two years and cannot have another tax preparer designation (i.e. attorney, CPA or enrolled agent).

All CTEC directors are required to serve at least 130 volunteer hours each year, plus attend two board meetings each year.

For more information about the

## Government Partners

*CTEC partners with government organizations to help reach taxpayers and tax preparers regarding California requirements for professional tax preparation.*

### Internal Revenue Service

[irs.gov](https://irs.gov)

Tax Professional Information  
[irs.gov/taxprofessionals](https://irs.gov/taxprofessionals)

AFSP Information  
[irs.gov/tax-professionals/annual-filing-season-program](https://irs.gov/tax-professionals/annual-filing-season-program)

### Franchise Tax Board

[ftb.ca.gov](https://ftb.ca.gov)

Tax Professional Information  
[ftb.ca.gov/professionals](https://ftb.ca.gov/professionals)

Tax News Subscriptions  
[ftb.ca.gov/professionals/taxnews](https://ftb.ca.gov/professionals/taxnews)

### Covered California

[coveredca.com](https://coveredca.com)

1095 Information  
[coveredca.com/members/form-1095-a](https://coveredca.com/members/form-1095-a)

Find Local Help  
[coveredca.com/get-help/local](https://coveredca.com/get-help/local)

Special Enrollment Period Information  
[coveredca.com/individuals-and-families/getting-covered/special-enrollment](https://coveredca.com/individuals-and-families/getting-covered/special-enrollment)

position and its requirements, visit [ctec.org](https://ctec.org). CRTPs can fax the application to (877) 851-2832 or email it to [info@ctec.org](mailto:info@ctec.org).

## Mark Your Calendar! You are Invited!

**CTEC meetings are open  
to the public**

November 15-16, 2018  
San Diego

May 16-17, 2019  
Sacramento

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

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## Public Awareness Targets “Ghost Tax Preparers”

For a second year, CTEC implemented a public awareness campaign to warn taxpayers about tax preparers who do not sign tax returns, also known as “ghost tax preparers.”

During the 2018 tax season, CTEC launched a paid advertising and media relations campaign. Social media videos and posts were also used to spread the word.

CTEC secured 30 media reports from state and national news outlets warning taxpayers about ghost tax preparers. More than 253,000 taxpayers visited the microsite during tax season, an increase

from 160,000 visitors in 2017. Since the campaign was first launched in 2017, a total of 143,000 taxpayers have viewed CTEC videos on social media.

CTEC conducted a survey to measure how respondents recalled receiving information about the campaign.

- 33% social media / 9% YouTube
- 28% bus advertisement
- 14% tax preparer
- 8% family/friend
- 13% Google
- 7% ctec.org

The survey focused on 1,000 taxpayers



in the Los Angeles market. Questions were conducted in English, Spanish and Mandarin.

## 2017/2018 Enforcement Results

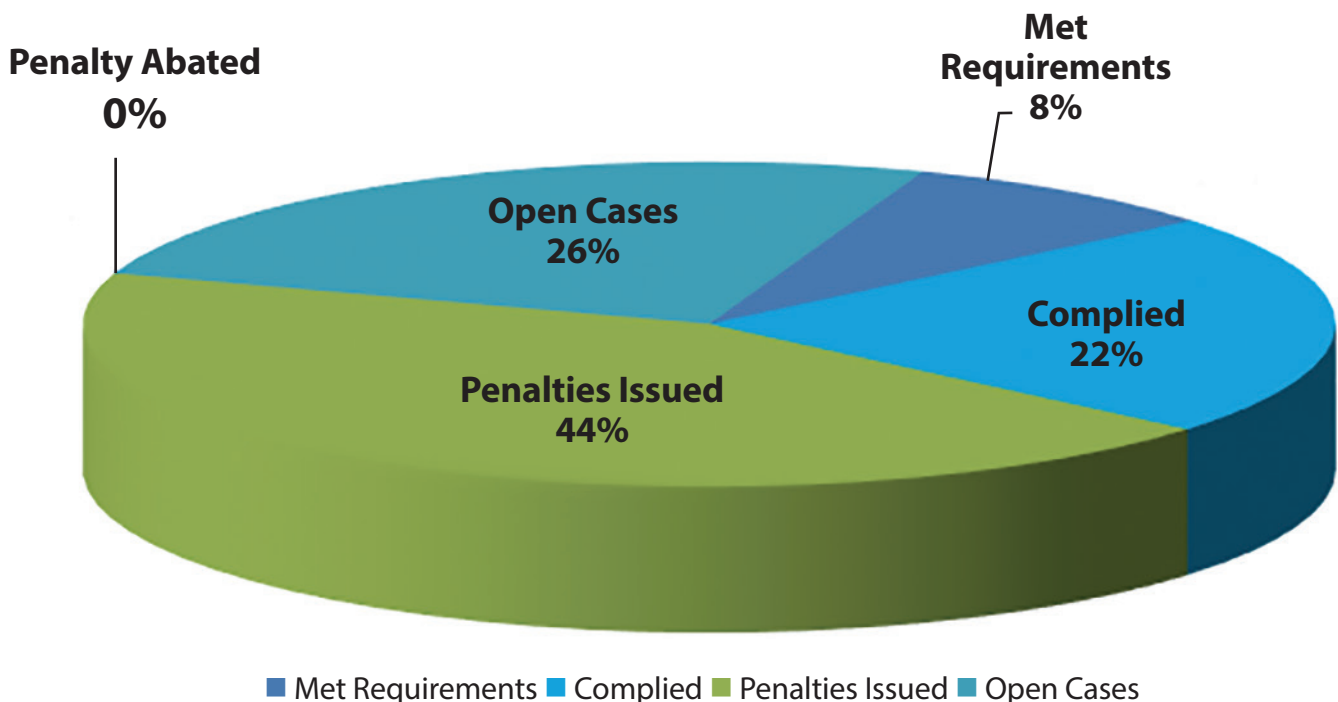
Unregistered tax preparers who are caught preparing, or assisting with preparing, tax returns for a fee will be issued a \$2,500 penalty letter from the Franchise Tax Board (FTB). They have 90 days to register with CTEC before the penalty is enforced.

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).



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