

CALIFORNIA TAX EDUCATION COUNCIL

THE PROVIDER NEWSLETTER

JULY 2019

Curriculum Provider Standards Committee

Margaret “Margy” Dunn, Chair
National Association of Enrolled Agents

Cindy Hockenberry, Vice Chair
Nat'l Assn. of Tax Professionals

Marie Archibeque
CRTP - Modesto, CA

Esperanza Escobedo
CRTP - Soledad, CA

Ruth Godfrey
National Society of Accountants

Katie Zollo
CRTP - Ukiah, CA

Additional CTEC Directors

Brandon Chanley
Jackson Hewitt Tax Services

C. Lester Crawford
CRTP - Los Angeles, CA

Ray Davis
H&R Block

Karen DeVaney
CA Society of Tax Consultants, Inc.

Susie DiMaggio, CTEC Chair
California Society of Enrolled Agents

Richard Ernst
Liberty Tax Service

Aaron Gray
CRTP - Long Beach, CA

Stephen McMillen
CRTP - Palm Desert, CA

Government Representatives

Susan Gaston
Internal Revenue Service

Rebecca Landeros
California Franchise Tax Board

Administrative Staff

Tabitha Bolkish
Advocation Strategies, Inc.

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Advocation Strategies, Inc.

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RECAP—MAY 2019 PROVIDER TASK FORCE MEETING

On May 21, 2019, forty-three education providers attended this year's Provider Task Force meeting in Sacramento, CA.

The Curriculum Provider Standards Committee is responsible for several of CTEC's statutory duties, including: setting standards and procedures for curriculum providers and reviewing courses to ensure that their content reflects those standards; denying providers who are not in compliance with the standards and approving providers whose courses are in compliance; and, providing CTEC Registered Tax Preparers (CRTPs) and the public with a list of approved curriculum providers.

All providers are required to familiarize themselves with CTEC's current policies and abide by them, and, to follow CTEC's education standards by providing quality education.

All CTEC policies can be found on the CTEC website at <https://www.ctec.org/education-providers/provider-policies>.

These policies are evaluated on a regular basis with the goal of improving the quality of education.

Margaret “Margy” Dunn, Committee Chair, gave a brief history of California's Tax Preparer Program including the passage of the Tax Preparer Act in 1996, the establishment of the CTEC board in 1997, and the various issues and challenges the program faced over the last 20+ years.

Margy presented a PowerPoint presentation to providers, which can be downloaded by clicking on this link [CTEC Provider Task Force meeting presentation](#).

Margy reminded providers that CTEC's education cycle year is November 1 through October 31 of the following year. Update courses offered after October 31 must contain update material related to the subsequent tax year. A handout of the [Tax Cut & Jobs Act - Topics to be included in QE and CE courses](#) was distributed to all providers.

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Important information to share with your students **New Legislative Changes to CTEC Requirements**

Legislative changes enacted in 2018 to the Tax Preparer Act, now known as the Tax Preparation Act, places additional requirements on CTEC Registered Tax Preparers and CTEC.

New 2019 Requirements - Effective January 1, 2019

CRTPs, prior to rendering any tax preparation services, shall provide their customer, in writing, with the following:

- (a) The tax preparer's name, address, and telephone number;
- (b) Evidence of compliance with the bonding requirement, including the name of your bond company and the bond policy number; and,
- (c) The address of the CTEC website, www.ctec.org (New Requirement)

Effective July 1, 2019

Disciplinary Actions Against CRTPs will be posted on the CTEC website:

- All disciplinary actions taken against registrants by the Council, including, but not limited to, misconduct that results in a suspension or revocation of a CRTP registration.
- A list of registrants on probation, including the misconduct that resulted in the probation and any terms of probation.

CRTPs are now required to report all paid claims against their surety bond to CTEC.

CTEC is required to post a notice of the paid surety bond claims on www.ctec.org.

Background Checks and Fingerprint Images

New 2020 Requirements - Begins July 1, 2020

California Business & Professions Code Section 22251.3 was amended to require **new applicants** interested in becoming CRTPs to pass a criminal background check and submit fingerprint images to CTEC to determine an individual's eligibility to register as a CRTP.

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

Also beginning July 1, 2020, if a CRTP allows their CTEC registration to expire and they would like to reregister with CTEC, they not only will be required to retake the 60-hour qualifying education (QE) course, but they will also be required to go through a background check and submit fingerprint images to CTEC" just like all new applicants as of July 1, 2020 .

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Important information to share with your students (Continued)

For years there has been a misconception regarding tax preparers who are licensed, certified and registered. Simply put, CRTPs are **registered**. CRTPs are **not** licensed, certified, enrolled or considered public accountants. Having a CTEC registration basically means the tax preparer has met the state's minimum requirements to prepare tax returns for a fee. **CTEC is not a membership organization; therefore, CRTPs are not members.**

CRTPs are required to renew/register online at www.ctec.org.

To register with CTEC - An individual must have:

- ⇒ Valid Social Security Number
- ⇒ Email address
- ⇒ Valid PTIN (Preparer Tax Identification Number)
- ⇒ Education must be electronically reported to CTEC by a CTEC Approved Provider
- ⇒ Current Bond Information
 - ⇒ CTEC registration now requires an individual to upload a copy of a valid bond when registering or renewing. The bond policy must include the following: tax preparer's name, the name of the surety bond company, bond policy number, bond effective date and bond expiration date. Please make sure to scan your bond certificate before you start the registration/renewal process. If your bond is current and you uploaded it previously, you are not required to upload it again.
- ⇒ Visa or MasterCard to pay the \$33 registration fee

Renewal registration - 20-hours of continuing education is required (10-hours of federal tax law, 3-hours of federal tax law updates, 2-hours of ethics and 5-hours of state). Renewal registration opens August 1st and ends October 31st.

CRTPs who fail to renew by the October 31st deadline will be required to pay a \$55 late fee plus the \$33 registration fee. The late fee period is from November 1st through January 15th of the following year.

If a CRTP does not renew his/her registration by January 15th, he/she will have to retake the 60-hour qualifying education course and register as a new CRTP. Tax preparers cannot prepare tax returns for a fee until their registration is current with CTEC.

AVOID THIS MISTAKE! Last year many CRTPs logged into their account, however, instead of following the renewal steps, they "reprinted" their CTEC certificate for \$10 and thought they registered. Renewals can only be completed by following the registration steps and paying the \$33 registration fee! No exceptions.

New preparers - 60-hours of qualifying education - New preparer registration takes place throughout the year. The 60-hour qualifying education course is valid for 18 months from the completion date listed on the course completion certificate. Individuals who register as new preparers are issued a CTEC Certificate of Completion valid from the day they register through October 31st.

CTEC's year runs from November 1st through October 31st of the following year.

All current CTEC certificates must be made visible to clients at the preparer's primary place of business.

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Attention Providers

Make it clear to your students that you do not Register them with CTEC. You, as a Provider, are submitting the education to CTEC, but your student/client has to take the final step to complete and pay for the CTEC registration.

CTEC NEW PREPARER REGISTRATION NOTICE - Important information to remind your students - Just because you successfully completed the 60-hour qualifying education course does not permit you to prepare tax returns in the state of California. You must also complete the registration process with the California Tax Education Council (CTEC). Carefully read the instructions below to complete that process.

Now that you have successfully completed the 60-hour qualification education course, you have 18 months from the completion date on the completion certificate provided by the education provider to register with CTEC. If you do not register with CTEC within the allowed 18 months, you will be required to complete another 60-hour qualifying education course before being able to register.

Providers, please verify the correct last name and last six digits of your student's social security number before uploading the 60-hour qualifying education course to CTEC. The name must match exactly on the Certificate of Completion you provide to your student.

Curriculum providers are never permitted to provide students with answers to exam questions. To students who successfully pass the examination, providers may provide answers to specific missed exam questions; however, a complete answer key, containing all of the exam questions, must never be provided to a student.

Curriculum Provider Responsibility: CTEC's mandate is to ensure that all non-exempt tax preparers in California satisfy certain education requirements. Determining credit hours for self-study courses is subjective and difficult and provides opportunities for abuse. Curriculum providers must be diligent to ensure that they are awarding the proper credit for their courses. CTEC requires approved providers to exercise due diligence and ethical behavior in determining self-study credits.

Method and deadline for reporting: All CTEC approved providers are required to submit student completion education hours **electronically to CTEC within 30 business days between January 16 and June 30, and within 10 business days of completion** for any other period within the registration/renewal cycle year in which the student completes the course.

Timely Reporting: Failure to report in a timely fashion subjects the provider to delinquency fines according to the following schedule: 1st offense \$100; 2nd offense \$200; 3rd offense \$300; 4th offense \$400; and, 5th offense \$500. Each fine will be doubled every 10 days until provider is in compliance, not to exceed \$500. CTEC staff will determine reasonable cause for delayed reporting and waiving of penalties.

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Updates from the IRS Return Preparer Office, Continuing Education

Sue Gaston, Director of Continuing Education/IRS, attended the meeting and gave a PowerPoint presentation. Click on this link [Return Preparer Office, Continuing Education Presentation](#) to download the presentation.



STATE OF CALIFORNIA
Franchise Tax Board

Updates from FTB regarding CTEC Enforcement

Rebecca Landeros, FTB, attended the meeting and gave a PowerPoint presentation. Click on this link [Franchise Tax Board CTEC Enforcement Presentation](#) to download the presentation.

Welcome our new CTEC Directors

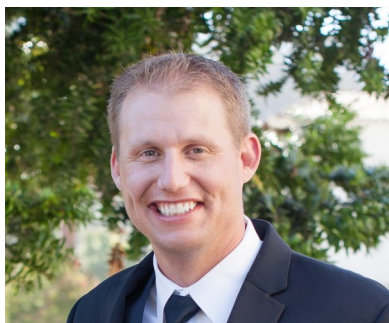


Richard Ernst, Compliance Counsel, Liberty Tax Service

Richard was appointed by Liberty Tax Service to the CTEC Board. Prior to joining Liberty Tax Service as Compliance Counsel in October 2016, Richard was a prosecutor in New York State for 28 years. He specialized in financial crime prosecutions with the NYS Attorney General's Office, where he held various management positions including Deputy Section Chief for Financial Crimes and Deputy Bureau Chief for the Criminal Prosecutions Bureau.

In 2011, he was appointed the NYS Tax Department's Deputy Commissioner for Criminal Enforcement; and in 2013, he was appointed the NYS Tax Department's Deputy Commissioner for Professional Responsibility, where he helped to create the registration, training and discipline programs for the 40,000 registered NYS tax preparers.

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.



Ray Davis, Regional Director, California, H& R Block

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

Over the last 6 years Ray has led regions in both Northern and Southern California. In addition, he has been involved with helping H&R Block stay current with all CTEC regulations.

Ray has a Bachelors Degree from the University of California, Davis.

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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.

CTEC PRODUCTS

- Logo Slicks
- CRTP email and mailing list
- 20" x 26" color CTEC poster
- CTEC Brochures—Know Your Tax Preparer (English & Spanish)
- CTEC 2017-2018 Annual Reports
(available now either online or by mail)

Call CTEC toll free 1-877-850-CTEC (2832)
to request a free copy of the Annual Report.

CONTACT INFORMATION

CALIFORNIA TAX EDUCATION COUNCIL (CTEC)

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Phone: (916) 492-0457

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Toll Free Phone: 877-850-CTEC (2832)

Toll Free Fax: 877-851-CTEC (2832)

E-mail: info@ctec.org

Website: www.ctec.org

CTEC Board and Committee meetings are open to the public

2019

November 13 - 15, 2019 - Annual Board and Committee meetings - San Francisco, CA

2020

May 19 – 21, 2020 - Board and Committee meetings - Sacramento, CA

November 18 - 20, 2020 - Annual Board and Committee meetings - Dana Point, CA

All interested parties are invited to attend the meetings. Time will be allocated for members of the public to make comments on each agenda item (up to 5 minutes). The public may attend all meetings of CTEC except during closed sessions. To make a request for more information or to submit comments to the Board, please contact Tabitha Bolkish at (877) 850-2832 or via email at tbolkish@ctec.org.

CTEC Board minutes are available online by going to www.ctec.org - select Tax Professionals
- CTEC Board Meetings