



For Immediate Release

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## **California Law Requires New Tax Preparers Pass Background Checks**

*California Assembly Bill 3143 enters phase two, aiming to increase the protection of taxpayers against fraud*

**Sacramento, CA (June 25, 2020 )**— Starting July 1st, new applicants who would like to register as a tax preparer with the [California Tax Education Council \(CTEC\)](#) will be required to pass a criminal background check and submit fingerprint images for the [Department of Justice](#) to process before CTEC can determine eligibility to register.

“California is one of only a handful of states to tackle this kind of oversight. It’s definitely been an evolving process,” said Susie DiMaggio, chair of CTEC, a state-mandated nonprofit organization that manages the registration of 40,000 tax preparers.

The new requirement is phase two of California Assembly Bill 3143, also known as “The Tax Preparation Act,” which aims to increase the protection of taxpayers by adding new provisions and responsibilities for the council, as well as tax preparers registered with CTEC.

Passing a background check is an addition to current requirements. To obtain a CTEC registration, applicants must also pass a 60-hour qualifying tax education course, purchase a \$5,000 surety bond, plus obtain a [Preparer Tax Identification Number \(PTIN\)](#) from the [Internal Revenue Service](#). After their initial registration, [CTEC-registered tax preparers \(CRTPs\)](#) are required to complete 20 hours of continuing education each year.

The background checks will only apply to new applicants, however, current CRTPs who let their status expire and decide to re-register, would be subject to the background check.

Phase one of the bill began last year by requiring CRTPs to report claims against their bonds to CTEC. It also required CTEC to publicly list any disciplinary actions taken against a CRTP by the council, including misconduct that results in suspending or revoking a registration. All actions taken against a CRTP, including bond claims, are posted on the CTEC website.

“It’s always been about protecting taxpayers,” DiMaggio said. “This bill takes it to a new level.”

CTEC is a nonprofit organization established in 1997 by the California State Legislature to protect taxpayers. Only [attorneys](#), [certified public accountants \(CPAs\)](#) and [enrolled agents \(EAs\)](#) are exempt from CTEC registration. Visit [ctec.org](http://ctec.org) for more information.

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