



California Tax Education Council

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CTEC Launches Podcast Campaign

Getting taxpayers engaged through testimonies and storytelling will be the focus of the CTEC 2021 public awareness campaign. The new strategy will include creating a podcast called, "Taxpayer Beware," to educate taxpayers about how to choose a tax preparer, avoiding fraud, as well as true stories about "ghost" tax preparers. The advertising campaign will focus on social media, Google Ads, mobile ads, email marketing and multiple audio platforms.

The podcast campaign will launch in early February. CRTPs are encouraged to listen and share CTEC podcasts. Links to the podcasts will be provided on CTEC.org.

In addition to podcasts and internet outreach, CTEC will submit press releases to California news outlets and promote multiple videos on social media and other platforms. The ads and videos will be in English and Spanish.

Background Check Reminder

As of July 1, 2020, NEW applicants who would like to register as a tax preparer with CTEC must pass a background check and submit fingerprint images to CTEC to determine an individual's eligibility to register.

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 reregister 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.***

This means new registrants, including

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Late Renewals Due January 15th

CTEC Registered Tax Preparers (CRTPs) who failed to meet the October 31, 2020 renewal deadline have until January 15, 2021 to pay the \$55 late fee and renew late.

deadline to renew late will be required to start over and retake the 60-hour qualifying education (QE) course, pass a background check and register as a new tax preparer.

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

CRTPs who miss the January 15th

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

IRS Warns to Beware of COVID Tax Scams

The IRS warns there are thousands of variations of COVID-related scams, including many related to the economic stimulus payment by the IRS.

Below are IRS tips on how to avoid fraud.

Use multi-factor authentication

Remember to use multi-factor authentication options being offered by tax software providers:

- All tax software providers are offering multi-factor authentication options on products for both taxpayers and tax professionals.
- Multi-factor authentication protects online accounts by requiring a

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CRTPs who let their registration expire, must complete the following before their application will be considered:

- Complete 60 hours (45 hours federal, 15 hours state) of qualifying education (QE) with 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 process for approval or denial may take weeks.

second verification code in addition to your credentials (username and password.) This second feature may be a code sent to your mobile phone, for example.

- Multi-factor authentication provides a critical layer of protection for your online accounts.

Get an Identity Protection PIN

Starting in January, taxpayers who can verify their identities may now opt into the IRS IP PIN program. Here's what you need to know:

- The Identity Protection PIN or IP PIN is a six-digit code known only to you and the IRS. It provides another layer of protection for taxpayers' Social Security numbers on tax returns.
- Use the Get An Identity Protection PIN (IP PIN) tool at [IRS.gov/IPPIN](https://www.irs.gov/ippin) to see if the IP PIN is right for you and to immediately get an IP PIN.
- Never share your IP PIN with anyone but your trusted tax provider.

Businesses at risk for identity theft

Most cyberattacks are aimed at small businesses with fewer than 100 employees. Here's some details:

- Learn about best security practices for small businesses.
- IRS protective masking of sensitive information on business transcripts started December 13, 2020.
- A Business Identity Theft Affidavit – Form 14039-B – is now available for all

businesses to report theft to the IRS.

- Beware of various scams, especially the W-2 scam that attempts to steal employee income information.
- Check out the "Business" section on IRS' Identity Theft Central at [IRS.gov/identify theft](https://www.irs.gov/identity-theft).

Tax professionals should review their safeguards

The IRS and the Summit partners urge tax pros to review the "Taxes-Security-Together" Checklist, including:

- Deploy basic security measures.
- Use multi-factor authentication to protect tax software accounts.
- Create a Virtual Private Network if working remotely.
- Create a written data security plan as required by law.
- Know about phishing and phone scams, especially related to fake clients, COVID-19 and the Economic Impact Payments.
- Create data security and data theft recovery plans.

The IRS recommends tax professionals share Publication 4524, Security Awareness for Taxpayers, with their clients for more tips. CTEC will also launch a podcast with the IRS regarding COVID tax scams in February. The podcast is available to download. Links will be provided on [CTEC.org](https://www.ctec.org).

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Welcome Our New Board Members



Ann Springborn was appointed by the National Association of Tax Professionals (NATP). She has been with NATP for more than seven years, holding various positions. In her current role as Education Manager, her focus is on continuing education standards and requirements imposed by various credentialing organizations, as well as educating the tax preparing community about the importance of continuing education.

Ann has a bachelor's degree in accounting.



Lee T. Reams was appointed by the National Association of Enrolled Agents.

Lee develops continuing education courses and is an author of a tax education book. He also writes web content, tax blogs, social media posts and newsletters for his business.

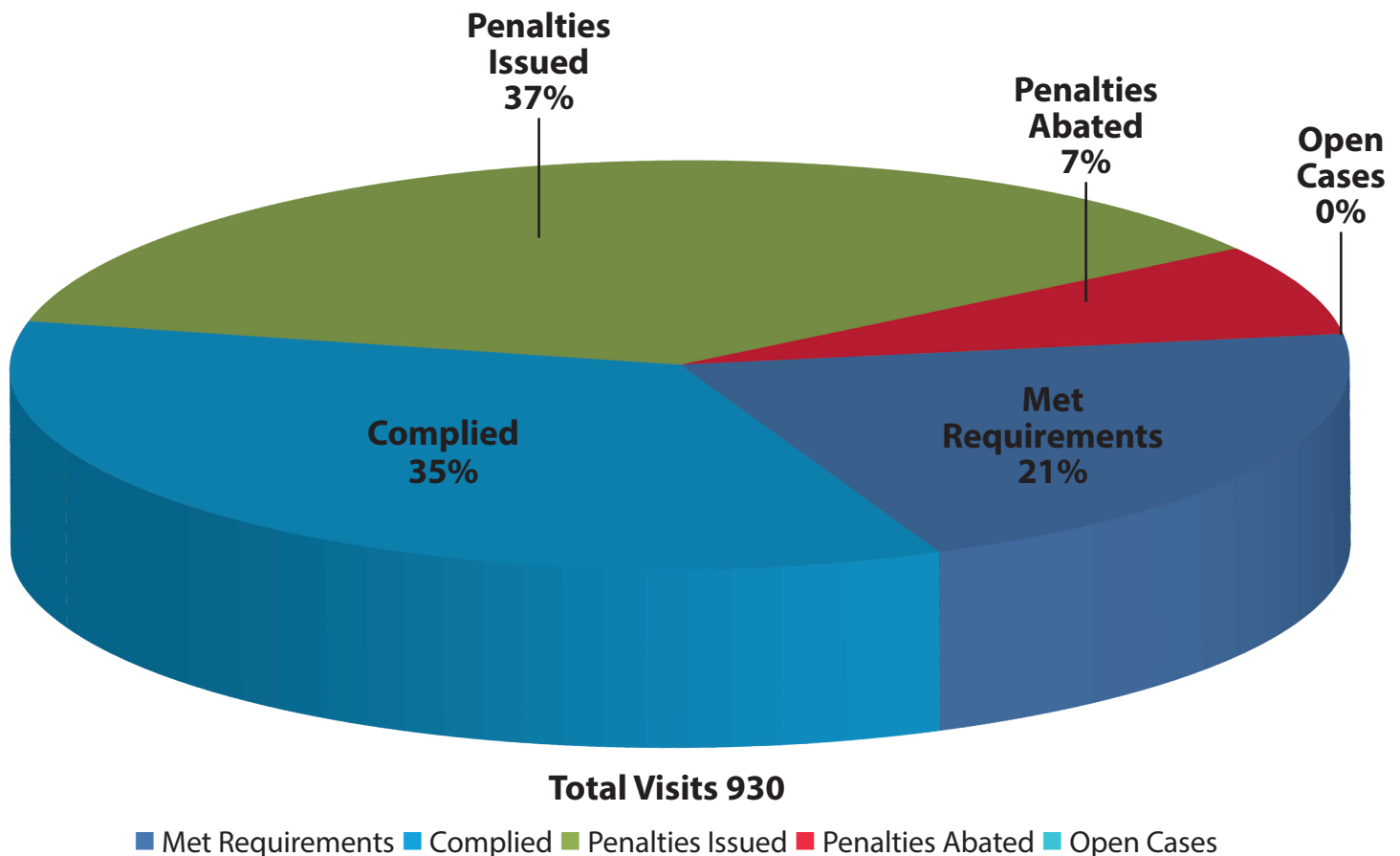
Lee is an Enrolled Agent and has a bachelor's degree in mechanical engineering.

2019/2020 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.



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