

1 SJR80
2 116725-2
3 By Senators Ross, Barron, Beason, Bedford, Benefield, Bishop,
4 Brooks, Butler, Coleman, Denton, Dixon, Dunn, Erwin, Figures,
5 French, Glover, Holley, Keahey, Little (T), Little (Z), Marsh,
6 Means, Mitchell, Mitchem, Orr, Penn, Pittman, Poole, Preuitt,
7 Sanders, Sanford, Singleton, Smith, Smitherman, and Waggoner
8 RFD:
9 First Read: 25-FEB-10

1 SJR80

2

3

4 ENROLLED, SJR80,

5 SUPPORTING FEDERAL RULES TO REGULATE TAX PREPARERS.

6

7 WHEREAS, in 2009 the Alabama State Senate passed a
8 law to regulate tax preparers in Alabama; and

9 WHEREAS, the Alabama Taxpayer Protection and
10 Assistance Act, if it had been enacted, would have required
11 tax preparers to be certified and licensed in this state; and

12 WHEREAS, there are currently no educational
13 qualifications, no training standards, and no licensing
14 requirements that must be met to become a paid tax preparer in
15 Alabama; and

16 WHEREAS, the Federal Earned Income Tax Credit (EITC)
17 was established by Congress in 1975 for low-wage, working
18 individuals and families as a refundable tax credit designed
19 to encourage people to get and keep their jobs; and

20 WHEREAS, it is estimated that in 2008, \$133 million
21 in earned income tax credit dollars went undistributed to
22 Alabama families because these families sought help from tax
23 preparers who were not qualified to advise them on this
24 important tax credit; and

1 WHEREAS, studies in Alabama indicate that unlicensed
2 tax preparers prey on low-wage workers by charging high prices
3 to prepare the returns and based on anticipated refunds, offer
4 them loans with oppressive rates of interest as much as 800
5 percent; and

6 WHEREAS, too often returns are filed with mistakes
7 that cause hard working individuals to go through an audit,
8 leaving those who can least afford it to clean up the mess of
9 the unregulated tax preparers; and

10 WHEREAS, the reforms passed by the Alabama State
11 Senate would have helped ensure that taxpayers receive
12 competent, accountable, and ethical services from qualified
13 trained professionals; and

14 WHEREAS, following the lead of states like Alabama
15 on this initiative, the federal government has announced that
16 for the first time, tax preparers will be required to register
17 with the federal government; and

18 WHEREAS, the federal government will now require a
19 large percentage of tax preparers to pass competency tests and
20 take annual continuing education courses; and

21 WHEREAS, the changes will be implemented for the
22 2011 tax season, ensuring that as taxpayers turn to tax
23 preparers for help, the citizens of this state and this
24 country will be represented by competent advocates; now
25 therefore,

1 BE IT RESOLVED BY THE LEGISLATURE OF ALABAMA, BOTH
2 HOUSES THEREOF CONCURRING, That we express our support for the
3 new rules set forth by the federal guidelines related to the
4 registration, testing, and education of tax preparers. The
5 guidelines represent a monumental shift in the regulation of
6 tax return preparers, which will ensure that the hard working
7 people of this great state and country are protected when they
8 file their annual returns.

9 BE IT FURTHER RESOLVED, That a copy of this
10 resolution, on behalf of the State of Alabama and its
11 citizens, be forwarded to the Alabama Congressional Delegation
12 and President Barack Obama commending their work on this
13 important initiative.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21

President and Presiding Officer of the Senate

Speaker of the House of Representatives

SJR80

Senate 25-FEB-10

I hereby certify that the within Senate Joint Resolution
originated in and was adopted by the Senate.

McDowell Lee
Secretary

House of Representatives
Adopted: 02-MAR-10

By: Senator Ross