

New 2019 California Legislation

California Assembly Bill 3143 was signed into law in September with new provisions and requirements that will extend the CTEC program until January 1, 2023.

The renamed Tax Preparation Act (California Business and Professions Code Section 22250-22259) stipulates revisions that will impact CTEC Registered Tax Preparers (CRTPs), as well as includes new responsibilities for the Council.

CRTPs Must Provide CTEC's Website to Clients

Effective January 1, 2019, CRTPs must provide the CTEC website, ctec.org, to clients in writing prior to rendering tax preparation services. This is in addition to other information that is already required - the tax preparer's name, address, phone number, plus bond company name and bond policy number.

CTEC Subject to Bagley-Keene Open Meeting Act

As of **January 1, 2019**, meetings of the CTEC Board of Directors are subject to the Bagley-Keene Open Meeting Act. This means that CTEC will now, among other requirements, be generally required to post meeting agendas at least ten days in advance of Board meetings and can only discuss or act on issues listed on the agenda.

Disciplinary Actions Against CRTPs Made Public

*Starting **July 1, 2019**, CTEC will post on its 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.

Reporting Bond Claims

Starting July 1, 2019, a CRTP is required to report all paid claims against their surety bond to CTEC. CTEC is also required to post a notice of the paid surety bond claims on ctec.org.

Public Protection Still Highest Priority

According to the California State Legislature, protecting the public shall be the highest priority for CTEC.

When protection of the public is inconsistent with other interests to be promoted, the protection of the public shall be paramount.

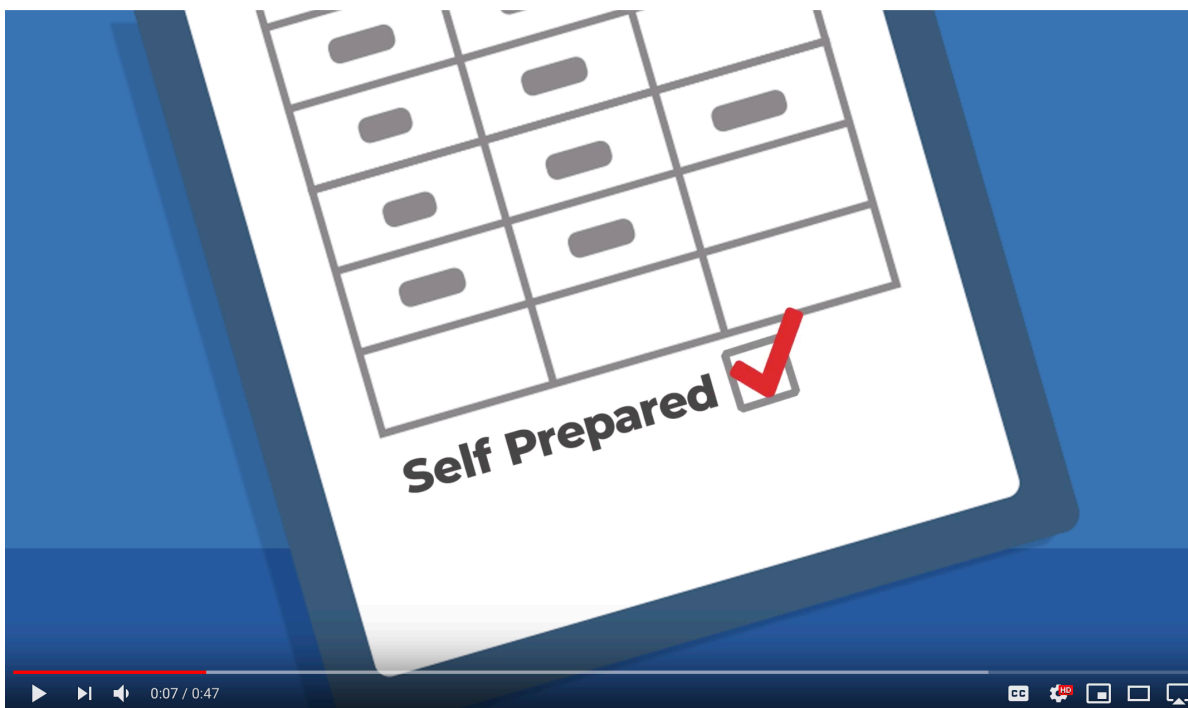
New 2020 Requirements Coming Soon

Background Checks and Fingerprint Images – 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 beginning 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 another background check and resubmit fingerprint images to CTEC.

Additional information regarding these new legislative requirements will be outlined in the August 2019 News & Views.



Public Awareness Targets "Ghost Tax Preparers"

CTEC will continue its endeavors to educate taxpayers about tax preparers who do not sign tax returns, often referred to as "ghost tax preparers." CTEC will launch a statewide media relations, Internet and social media campaign, as well as expand its outdoor advertising campaigns to new markets.

Billboards will be posted in Los Angeles, San Diego, Bakersfield and Fresno. Bus shelter signs will also be posted in Los Angeles. All outdoor advertisements in each market will be posted in English and Spanish.

The decision to focus advertisements in the listed markets is based on enforcement reports from

the California Franchise Tax Board (FTB).

In addition to the ghost tax preparer campaign, social media posts and Internet advertisements (English and Spanish) will run during the 2019 tax season educating taxpayers on how to find a California approved tax preparer.