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**Oral Testimony of Robert Kerr  
Senior Director, Government Relations  
National Association of Enrolled Agents  
before the Internal Revenue Service  
Public Hearing on Proposed Regulations  
May 6, 2010**

Thank you, gentlemen, for the opportunity to testify before you today. My name is Bob Kerr and I am Senior Director of Government Relations at the National Association of Enrolled Agents (NAEA).

NAEA represents the interests of some 46,000 enrolled agents across the country. This organization strongly supports Commissioner Shulman's efforts to set standards for the return preparation industry. We believe these proposed PTIN regulations are a solid first step and have submitted written comments in that regard.

I will limit my comments today to a single item—practitioner/tax return preparer nomenclature.

**Practitioner/Tax Return Preparer Nomenclature**

To start, we believe the agency has moved in the right direction with the terminology "registered return preparer." The term is both reasonable and reasonably descriptive. We focus on nomenclature today because the public must understand which person in this new universe of tax preparers is authorized to perform what services. Enrolled agents believe this fundamental truth should drive regulatory decision making.

The Department has recognized in these regulations (and in Pub. 4832, the Return Preparer Review) that enrolled agents, along with other current Circular 230 practitioners, have an unlimited authority to prepare returns



and to represent taxpayers before the agency. This distinction will be of great importance as the agency: a) considers regulatory changes; and, b) communicates the regulatory changes to preparers and the public.

In regards to public pronouncements, I note IRS' spotty history of including enrolled agents amongst federally-authorized tax practitioners in its communications to the Hill and to the public at large and ask the agency to redouble its efforts in this area.

The agency has an opportunity to communicate to the public that **all** of the current Circular 230 practitioners have unlimited preparation and representation authority. We suggest the agency also has an obligation to communicate the differences.

These PTIN regs are the first in a series of regulatory changes. As the agency moves forward, specifically with decisions around competency exams, it has an opening to leverage a group it already licenses—enrolled agents—who have demonstrated competency in preparing the widest range of tax returns and in representation. We urge you to take advantage of this fact and to structure tests accordingly.

To close, we congratulate the agency on its efforts and urge IRS continue to make a clear distinction between the limited nature of those brought into the new registration/testing regime and the wide authority granted to current Circular 230 practitioners.

Thank you once again. This concludes my testimony.