

CERTIFIED FINANCIAL PLANNER  
BOARD OF STANDARDS, INC.

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August 23, 2010

CC:PA:LPD:PR (REG-139343-08)  
Room 5205  
Internal Revenue Service  
P.O. Box 7604  
Ben Franklin Station  
Washington, DC 20044

**RE: User Fees Relating to Enrollment and Preparer Tax Identification Numbers (REG-139343-08)**

Ladies and Gentlemen:

Certified Financial Planner Board of Standards, Inc. (CFP Board) appreciates the opportunity to comment on the Internal Revenue Service (IRS) proposed regulations regarding the imposition of user fees for individuals who apply for or renew a preparer tax identification number (PTIN).

**Background on CFP Board**

CFP Board is a non-profit organization that acts in the public interest by fostering professional standards in personal financial planning through setting and enforcing education, examination, experience, and ethics standards for financial planner professionals who hold the CFP® certification. Our mission is to benefit the public by granting the CFP® certification and upholding it as the recognized standard of excellence for personal financial planning. We currently regulate 62,000 CFP® professionals who agree on a voluntary basis to comply with our competency and ethical standards and subject themselves to the disciplinary oversight of CFP Board.

Financial planning professionals provide services that integrate knowledge and practices across the financial services industry. Financial planners work with their clients to determine whether and how they can meet their life goals through the proper management of their financial resources. Financial planning typically covers investment, income tax, education, insurance, retirement, and estate planning.

**The Proposed User Fee is Reasonable to Achieve the IRS's Stated Goals**

Section 6109 of the Internal Revenue Code authorizes the Secretary of the Treasury to prescribe regulations that assign an identifying number to individuals who prepare a tax return or a claim of refund. Proposed regulations under section 6109 (REG-134235-08) describe the process and timetable for PTIN registration and also state that the IRS will provide guidance on PTIN renewal and the payment of a user fee.



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Section 300.9 of the proposed regulations sets forth a \$50 user fee payable by an individual who wishes to apply for or renew a PTIN. The \$50 fee is an annual fee, to be paid by an individual at the time of an initial PTIN application and by a registered tax return preparer annually thereafter upon renewal of the preparer's PTIN. As we understand the proposal, the user fee will cover the costs incurred in administering the PTIN application process, and there will be additional user fees related to the examination and continuing education requirements. Additionally, the proposed regulations indicate that a third-party vendor will administer the PTIN application process and will charge a reasonable fee that is independent of the user fee established by these regulations.

CFP Board supports the requirement that all tax return preparers obtain a PTIN and believes that the \$50 annual user fee recommended in the proposed regulations is fair based on the cost to the IRS, the value derived by tax return preparers from preparing tax returns, and the public policy benefits that will accrue from enhanced oversight of tax return preparers.

### **The Frequency of Examinations Should Be Carefully Considered**

While CFP Board supports the concept of PTINs for tax return preparers and the proposed user fee arrangement, we remain concerned that the competency examination requirement may prove unduly burdensome for highly qualified tax return preparers. There is a wide range of expertise and education present in the tax return preparer community. Many tax return preparers are seasonal employees who are active in the industry for only a few months a year. Conversely, many professionals have spent their entire careers concentrating on tax law and tax return preparation. Attorneys, certified public accountants, enrolled agents, and CERTIFIED FINANCIAL PLANNER™ professionals are just a few examples of the types of individuals who are involved in tax law and tax issues on a daily basis. These professionals are required to update continuously their knowledge in subject areas within their realm of technical expertise. This continuing education is necessary, but also time-consuming. While CFP Board strongly concurs with the Treasury and IRS that both testing and continuing education are important parts of a program to ensure the competency of tax return preparers, we are concerned that requiring some professionals to submit to annual competency testing in order to renew their PTIN may be viewed as onerous and excessive.

We believe this concern is one the Treasury must consider carefully. The goal of the proposed tax return preparer registration and qualification system is to ensure that taxpayers are afforded access to competent and widely available tax return preparation services. Regulations that are viewed as too onerous could convince even a fraction of the most highly qualified return preparers to cease preparing returns. CFP Board believes the Treasury must build options into the regulations that serve to bring new individuals with demonstrated knowledge and competency in tax law into the profession and also ensure the regulations do not serve as a disincentive to retaining the most qualified tax return preparers.

### **Conclusion**

CFP Board appreciates the opportunity to comment on the proposed regulation regarding the proposed user fee for PTIN registration. If you should have any questions regarding this comment letter, CFP

Board, the financial planners it certifies, or the CFP<sup>®</sup> marks, please contact Marilyn Mohrman-Gillis, Managing Director of Public Policy and Communications, at (202) 379-2235, or visit CFP Board's Web site at [www.CFP.net](http://www.CFP.net).

Sincerely,

A handwritten signature in black ink that reads "Kevin R. Keller". The signature is written in a cursive style with a large, stylized initial "K".

Kevin R. Keller, CAE  
Chief Executive Officer