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**Before the United States Senate
Committee on Finance**

Thank you, Mr. Chairman and members of this Committee.

Congress should not give the IRS additional power over tax preparers by forcing them to get an IRS license before they can assist taxpayers with their tax returns.

Tax preparers are already regulated by numerous federal statutory requirements imposing both civil and criminal penalties for everything from failing to keep a list of the returns they've prepared for the past three years to actual tax fraud.¹ Tax preparers are also required to register with the IRS to obtain an individualized number known as a PTIN that they must include on every return they prepare so that the IRS can track and analyze their returns.² These tools already provide the IRS with what it needs to identify, track, and penalize the few bad apples without unnecessarily burdening the vast majority of law-abiding preparers.³

I have three main critiques of preparer licensing as bad public policy, followed by a few recommended solutions that are superior to licensing.

First, preparer licensing is protectionist and anti-competitive.

In the 1950s, only one in 20 U.S. workers needed the government's permission to pursue their chosen occupation; today that figure stands at almost one in three.⁴ But rather than protecting consumers, licensing regulations can protect large incumbents and industry insiders from competition by erecting costly barriers to entry.⁵ Indeed, several financial analysts have concluded that the largest firms, such as H&R Block, stand to benefit the most from licensing tax-return preparers.⁶

Unsurprisingly, the now-invalidated IRS licensing regulations were a product of lobbying by powerful special interests.⁷ As *The Wall Street Journal* noted: "Cheering the new regulations are big tax preparers like H&R Block, who are only too happy to see the feds swoop in to put their mom-and-pop seasonal competitors out of business."⁸ H&R Block, Jackson-Hewitt, Intuit (the makers of TurboTax), and the National Association of Enrolled Agents all actively supported licensing,⁹ while other industry insiders, such as the American Institute of CPAs, obtained special exemptions for their members.¹⁰ Former H&R Block CEO Mark Ernst even oversaw the drafting of the regulations while he was deputy commissioner at the IRS.¹¹ Of course, mom-and-pop preparers generally don't have the resources to send lobbyists to Washington, DC to represent their interests.

At the same time, licensing burdens usually fall hardest on the little guys, who don't have the same financial resources and can't benefit from economies of scale. *The Economist* explained that the IRS licensing regulations "threaten to crush . . . small, local" tax preparers and are "likely to push mom and pop into another line of work."¹² Indeed, the IRS's own estimates indicate that compliance with their licensing regulations would have cost about 6-7 million man hours annually, plus hundreds of millions of dollars in out-of-pocket expenses.¹³ That was expected to push out tens of thousands of independent preparers, possibly 10-20% of all preparers.¹⁴ Most of those who would have been put out of business were seasonal mom-and-pop preparers like my client, 81-year-old Elmer Kilian, of Eagle, Wisconsin, who hangs a shingle outside his house every tax season and has been preparing tax returns for his neighbors for over thirty years on his dining room table.¹⁵

In fact, IRS data released last summer shows a dramatic drop in the number of tax preparers in recent years—a sudden loss of more than 200,000 preparers from 2010 to 2012—following the recent imposition of a series of burdensome IRS regulations on preparers (the e-file mandate and the Return Preparer Initiative, which included both the PTIN registration requirement and RTRP licensing).¹⁶

These recent IRS figures indicate that small preparers are being driven out of the market at a much higher rate than other preparers:

- Preparers who prepared between one and twenty returns decreased from 66% of all preparers in 2004, to 58% of all preparers in 2010, to just 46% of all preparers in 2012.¹⁷
- Meanwhile, preparers who prepared over 100 returns increased from 17% of all preparers in 2004, to 22% of all preparers in 2010, to 30% of all preparers in 2012.¹⁸
- There has been a sharp uptick in the average number of returns prepared per preparer, even though the total number of returns prepared has remained relatively constant.¹⁹

This data indicates substantial industry consolidation as small preparers are squeezed out of the market by the cost of compliance with burdensome regulations. Licensing will only further exacerbate this problem.

Second, consumers would be harmed by preparer licensing, which raises prices and reduces choices.

Licensing reduces competition in the tax preparation market, which is bad for consumers. Between reduced competition and increased regulatory compliance costs, licensing is expected to artificially drive up the prices consumers pay for tax preparation.²⁰

Licensing also reduces consumer choices and interferes with consumer autonomy over personal finances. Many taxpayers will not only be left with fewer options, but will be deprived of their first preference and forced to pick a new preparer if licensing forces their current preparer out of business. Instead, taxpayers—not the IRS—should be the ones who get to decide who prepares their taxes.

Licensing may also result in other unintended consequences that harm consumers. Higher prices and fewer choices may push unqualified taxpayers to prepare their own returns, potentially *increasing* error rates.²¹ It will also likely boost the number of unregistered, black-market “ghost” preparers who do not sign the returns they prepare and are thus very difficult for the IRS to monitor, much less regulate.²²

Third, preparer licensing offers a false promise and fails to deliver.

As an initial matter, licensing regulations cannot do much about fraud prevention that isn’t already achieved by the PTIN registration combined with existing criminal penalties. Dishonest preparers can take exams and sit through continuing education courses just as well as honest preparers.

Moreover, licensing and IRS-mandated training are largely ineffective. For example, IRS trained-and-certified preparers in the VITA volunteer program were found by the Treasury Inspector General for Tax Administration (TIGTA) to have a 61% error rate in 2011.²³ Similarly high error rates have been found over the years in TIGTA studies of IRS employees answering just a single tax question.²⁴ Likewise, in California, one of just four states that licenses tax preparers, an IRS study found that California preparers had the third highest error rates in the country for two years in a row despite the state’s longstanding licensing program.²⁵

That's because the real problem is not competency, but tax code complexity.²⁶ The sheer complexity of the federal tax code makes it notoriously difficult to prepare tax returns without any errors. As of 2013, the size of the federal tax code has grown to nearly 74,000 printed pages.²⁷ There are a large number of variables that must be considered in preparing even a "simple" 1040EZ tax return.²⁸ Even highly competent individuals make errors in interpreting the tax code, or hire a preparer to avoid making the mistakes themselves. Secretary of Treasury Tim Geithner famously made numerous errors in preparing his own tax returns.²⁹ Former IRS Commissioner Douglas Shulman admitted that he does not prepare his own taxes, stating: "I find the tax code complex so I use a preparer."³⁰ Federal courts also rule with some frequency that the IRS itself has incorrectly interpreted tax law.³¹

In other words, as the National Taxpayer Advocate conceded in an article last May, the complexity of our current tax system "almost guarantee[s] that every return has an error in it—some inadvertent, some intentional."³² Thus, licensing will not prevent tax preparers from making errors; it will simply limit who is licensed to make those errors.

It is therefore inappropriate to justify the licensing of paid preparers by simply citing error rates on tax returns prepared by paid preparers without any frame of reference. The IRS has previously relied on two "shopping visit" studies done by the Government Accountability Office (GAO) and TIGTA which purport to show a high error rate on returns by paid tax preparers.³³ But both studies contain disclaimers that the small and non-representative sample of preparers studied—just 19 and 28 preparers, respectively—prevents drawing any generalized conclusions.³⁴ These limited studies also failed to include a control sample of tax returns prepared by attorneys, CPAs, or enrolled agents (who were exempted from the IRS licensing regulations).³⁵ In addition, the GAO study only visited the offices of major tax preparation chains, not independent preparers.³⁶

The "handful of mystery shopper tests" cited by the National Consumer Law Center (NCLC) suffer from many of the same flaws – they are all very small (involving fewer than 20 preparers, and sometimes 10 or fewer), non-representative, and non-randomized.³⁷ They were also conducted by acknowledged "advocacy groups," not neutral parties or social scientists, and the NCLC seems to have particular antipathy for what they call "fringe preparers," which they describe as including "businesses that are historically associated with the exploitation of consumers" and "business[es] that specialize[] in goods and services other than tax preparation."³⁸ This appears to be in some tension with the (very limited) findings of the GAO study about error rates at chain preparers.³⁹ Moreover, given the seasonal nature of tax preparation, it is understandable why someone who operates a tax preparation business might want to diversify their business; no sinister motives are necessary. Also, as with the GAO and TIGTA studies, there is no control group studied to provide context for the results.

Finally, licensing should be rejected because better solutions for these problems already exist:

1. Voluntary certification is far superior to mandatory licensing. It allows both consumers and preparers to decide if they value certification and permits them to opt in or opt out.
2. The best way to reduce errors is to reduce complexity – simplify the tax code to reduce error rates.
3. The IRS already has the legal and technical tools it needs to identify, track, and penalize the few bad apples. Enforcement of these existing laws is far preferable because, unlike licensing, it does not impose substantial costs on the vast majority of law-abiding tax preparers.

Thank you.

Dan Alban is a public interest attorney at the [Institute for Justice](#), where he focuses on litigating cutting-edge constitutional cases that defend economic liberty, free speech, and private property rights. He is the lead attorney in *Loving v. IRS*, a successful federal challenge to the IRS's attempt to unilaterally impose a sweeping new licensing scheme on tax-return preparers without Congressional authorization.

¹ See, e.g., 26 U.S.C. §§ 6694, 6695, 6700, 6701, 6702, 6707A, 6713, 7201, 7206, 7207, 7213, 7216, 7407.

² See, e.g., Internal Revenue Service, *PTIN Requirements for Tax Return Preparers*, last updated March 10, 2014, at <http://www.irs.gov/Tax-Professionals/PTIN-Requirements-for-Tax-Return-Preparers>.

³ IRS enforcement statistics indicate that this is indeed a problem of just a few bad apples. Out of about 700,000 tax return preparers, the IRS initiated criminal investigations against just 309 preparers in Fiscal Year 2013, securing 207 convictions. See Internal Revenue Service, *Statistical Data - Abusive Return Preparers*, last updated Oct. 23, 2013, at <http://www.irs.gov/uac/Statistical-Data-Abusive-Return-Preparers>.

⁴ Morris M. Kleiner & Alan B. Krueger, *The Prevalence and Effects of Occupational Licensing*, *British Journal of Industrial Relations*, 48(4), 676–687 (2010), available at http://www.hhh.umn.edu/people/mkleiner/pdf/Prevalence_of_Occupational_licsc.pdf (documenting dramatic growth of occupational licensing over the past 50 years and finding that, in 2010, “about 29 per cent of the [American] workforce is required to obtain a licence from either the federal, state or local government to work for pay.”)

⁵ See Dick M. Carpenter II et al., Institute for Justice, *License to Work* at 6 & notes 2-5, May 2012, available at <http://www.ij.org/licensetowork> (summarizing extensive social science research, which “provides little evidence that government licenses protect public health and safety or improve the quality of products or services” but instead “indicates that occupational licenses increase consumer costs and reduce opportunities for workers, particularly minorities, those with less education and older workers who may want to switch careers.”) (endnotes omitted).

⁶ See, e.g., Ryan J. Donmoyer, *H&R Block, Jackson Hewitt Must Register With U.S. IRS*, *Bloomberg*, Jan. 4, 2010, available at <http://www.bloomberg.com/apps/news?pid=newsarchive&sid=amNva7FXtukM> (“UBS AG analysts Andrew Fones and Margaret O’Connor issued a report that said the IRS initiative will help H&R Block by preventing small preparers from entering the market and driving others out of it.”); Patrick Temple-West & Kim Dixon, *IRS Rescinds Rules, Puts Tax Preparers in Disarray*, *Reuters*, Jan. 22, 2013, available at <http://www.reuters.com/article/2013/01/22/us-usa-tax-preparer-idUSBRE90L15W20130122> (quoting an investment analyst as stating that the district court ruling in *Loving v. IRS*, which enjoined enforcement of the IRS licensing regulations, could “hurt institutional tax-preparation providers such as H&R Block and Jackson-Hewitt by reopening the market to small competitors that the IRS program had been expected to squeeze out.”)

⁷ See, e.g., Timothy P. Carney, *Little Guys Fight H&R Block’s Regulatory Robbery*, *Washington Examiner*, March 13, 2012, available at <http://washingtonexaminer.com/little-guys-fight-hr-blocks-regulatory-robbery/article/1175506> (“H&R Block isn’t just a passive beneficiary of this regulation—it was an active supporter. In July, once the IRS announced it was considering these rules, H&R Block hired the Podesta Group to lobby on the matter.”).

⁸ *H&R Blockheads: The IRS Wants to Save You From Your Rogue Tax Accountant*, *Wall St. J.*, Jan. 7, 2010, available at <http://online.wsj.com/news/articles/SB10001424052748703436504574640572196836150> (Also noting that, “Kathryn Fulton, senior vice president for government relations, told the Washington Post the company was glad to support rules that meant H&R Block ‘won’t be competing against people who aren’t regulated and don’t have the same standards as we do.’”).

⁹ See *id.*; Timothy P. Carney, *H&R Block, TurboTax, and Obama’s IRS Lose in Effort to Regulate Small Tax Preparers Out of Business*, *Washington Examiner*, Feb. 11, 2013, available at <http://washingtonexaminer.com/tim-carney-hr-block-turbotax-and-obamas-irs-lose-in-effort-to-regulate-small-tax-preparers-out-of-business/article/2521169>; Timothy P. Carney, *Big Tax-Prep Companies Welcome IRS Regulation*, *Washington Examiner*, Jan. 8, 2010, available at <http://washingtonexaminer.com/timothy-p.-carney-big-tax-prep-companies-welcome-irs-regulation/article/33049>; Ryan J. Donmoyer, *H&R Block, Jackson Hewitt Must Register With U.S. IRS*,

Bloomberg, Jan. 4, 2010, available at <http://www.bloomberg.com/apps/news?pid=newsarchive&sid=amNva7FXtukM>.

¹⁰ *CPA-Supervised Nonsigning Preparers Exempted From Exam, Continuing Education*, Journal of Accountancy, March 2011, available at <http://www.journalofaccountancy.com/Issues/2011/Mar/NonsigningPreparers.htm> (“In Notice 2011-6, the IRS carved out an AICPA-advocated exception from the competency examination and continuing education requirements” for unlicensed preparers who are supervised by attorneys, CPAs, or enrolled agents at a “law firm, CPA firm, or other recognized firm.”); see also Internal Revenue Service, Notice 2011-6, available at <http://www.irs.gov/pub/irs-drop/n-11-06.pdf>.

¹¹ See Timothy P. Carney, *H&R Block, TurboTax, and Obama's IRS Lose in Effort to Regulate Small Tax Preparers Out of Business*, Washington Examiner, Feb. 11, 2013, available at <http://washingtonexaminer.com/tim-carney-hr-block-turbotax-and-obamas-irs-lose-in-effort-to-regulate-small-tax-preparers-out-of-business/article/2521169>; Timothy P. Carney, *Revolving Door Spins at Obama's IRS*, Washington Examiner, Jan. 15, 2010, available at <http://washingtonexaminer.com/timothy-p.-carney-revolving-door-spins-at-obamas-irs/article/33018>.

¹² *Guides Through the Swamp: A Big Shake-up for America's Tax-preparation Industry*, The Economist, May 24, 2012, available at <http://www.economist.com/node/21551052>.

¹³ See 76 Fed. Reg. 32,295-97 (stating partial IRS estimates for compliance costs). Total compliance costs can be calculated using the total number of tax preparers subject to the IRS licensing regulations – estimated by the IRS to be between 300,000 and 350,000 – and basic arithmetic. See, e.g., Appellees' Response Brief to Government's Motion for Stay Pending Appeal at 19-20, *Loving v. IRS*, No. 13-5061, (D.C. Cir. March 8, 2013), available at http://ij.org/images/pdf_folder/economic_liberty/irs_tax_preparers/response_to_govt_mfs_3-8-13.pdf, and the accompanying declaration (on file with the author, but available by request) providing the details of the calculations.

¹⁴ Roger Russell, *Tax Preparer Shortage on the Way*, Accounting Today, September 7, 2012, available at <http://www.accountingtoday.com/news/tax-preparer-shortage-63903-1.html> (quoting industry expert Chuck McCabe of the Income Tax School: “The new requirements will cause an exodus of tax preparers, who will stop practicing rather than take the test and complete annual education . . . A high percentage of the industry's most experienced tax preparers, are elderly and rather than take the exam, many will retire.”); *Guides Through the Swamp: A Big Shake-up for America's Tax-preparation Industry*, The Economist, May 24, 2012, available at <http://www.economist.com/node/21551052> (“Scott Schneeberger, an analyst at Oppenheimer, a research and investment firm, guesses that as many as a fifth of the 100,000 independent preparers may quit the industry between 2011 and 2012.”); Eric Kroh, *Shortage of Tax Return Preparers Feared in Face of New Requirements*, Tax Analysts, Dec. 2012 (citing prediction that 10-20% of tax preparers will leave the tax preparation business because of the new regulations); Joe Kristan, *Tax Roundup, 12/24/2012: The Coming Preparer Crash*, Tax Update Blog, Dec. 24, 2012, <http://rothcpa.com/2012/12/tax-roundup-12242012-the-coming-preparer-crash-also-a-modest-fiscal-cliff-proposal/> (“It's likely the population of authorized return preparers will crash. That will increase demand for the big national tax preparation franchises. . .”).

¹⁵ Institute for Justice, *Loving v. IRS* Litigation Background, last updated March 2012, available at <http://www.ij.org/irs-tax-preparers-background>. For more information about Mr. Kilian or the two other courageous independent preparers who challenged the IRS licensing regulations, see www.ij.org/IRS.

¹⁶ Patrick Langetieg et al., Internal Revenue Service, *Return Preparer Industry Analysis: Presentation to the IRS-TPC Research Conference* at 4, June 20, 2013, available at <http://www.taxpolicycenter.org/events/upload/1-2-Vigil.pdf> (showing steepening decline in number of preparers from over one million preparers in 2010 to less than 800,000 preparers in 2012).

¹⁷ *Id.* at 6.

¹⁸ *Id.*

¹⁹ *Id.* at 5 (showing sharp uptick in average number of returns per preparer from less than 80 in 2010 to well over 100 in 2012, while the number of prepared returns remains relatively constant).

²⁰ See *H&R Blockheads: The IRS Wants to Save You From Your Rogue Tax Accountant*, Wall St. J., Jan. 7, 2010, available at <http://online.wsj.com/news/articles/SB10001424052748703436504574640572196836150> (“With fewer tax preparers in the market, H&R Block will find it easier to raise prices.”); Roger Russell, *Tax Preparer Shortage on the Way*, Accounting Today, September 7, 2012, available at <http://www.accountingtoday.com/news/tax-preparer-shortage-63903-1.html> (noting that industry expert Chuck McCabe of the Income Tax School “expects that the shortage of preparers may also drive up compensation for preparers, resulting in higher prices for tax preparation services” and describing the IRS licensing regulations as creating a “bidding war” for tax preparation services due to “a shortage of qualified preparers”); Joe Kristan, *Tax Roundup, 12/24/2012: The Coming Preparer Crash*, Tax Update Blog, Dec. 24, 2012, <http://rothcpa.com/2012/12/tax-roundup-12242012-the-coming-preparer-crash-also-a-modest-fiscal-cliff-proposal/> (“A reduction in preparer supply will increase prices.”); see also Jonnelle Marte, *Tax Prep Gets Pricier*, Wall St. J. MarketWatch, Jan. 25, 2013, available at http://articles.marketwatch.com/2013-01-25/finance/36538398_1_tax-preparer-melissa-labant-tax-return (noting 6% increase in prices from previous year, stating that “experts expect those costs to keep rising this tax season” and observing that “[t]ax preparers may also charge more for their services if they face higher costs”).

²¹ See, e.g., Joe Kristan, *Tax Roundup, 12/24/2012: The Coming Preparer Crash*, Tax Update Blog, Dec. 24, 2012, <http://rothcpa.com/2012/12/tax-roundup-12242012-the-coming-preparer-crash-also-a-modest-fiscal-cliff-proposal/> (noting that increased tax preparation prices due to IRS licensing regulations “will cause some taxpayers on the margin to prepare their own returns, and some to stop filing altogether.”).

²² See, e.g., Kelly Phillips Erb, *Black Market Tax Preparers Continue to Defy IRS*, Forbes, Nov. 18, 2013, available at <http://www.forbes.com/sites/kellyphillips/2013/11/18/black-market-tax-preparers-continue-to-defy-irs/>.

²³ Treasury Inspector General for Tax Administration, *Accuracy of Tax Returns, the Quality Assurance Processes, and Security of Taxpayer Information Remain Problems for the Volunteer Program* at 6, Reference No. 2011-40-094, Aug. 26, 2011, available at <http://www.treasury.gov/tigta/auditreports/2011reports/201140094fr.pdf>.

²⁴ *Guides Through the Swamp: A Big Shake-up for America's Tax-preparation Industry*, The Economist, May 24, 2012, available at <http://www.economist.com/node/21551052> (“The big-brand preparers make lots of mistakes, too, according to the Government Accountability Office, an official watchdog. So do IRS staff: a 2003 study found they flubbed most of the questions of investigators posing as taxpayers.”); Kevin Cork, *Audit Finds Poor Service at the IRS*, NBC News, April 13, 2005, available at http://www.msnbc.msn.com/id/7492730/ns/nightly_news/t/audit-finds-poor-service-irs/ (finding variance in error rates among answers provided by IRS employees depending on how they were contacted by taxpayers, including a 36% error rate in questions answered by email and a 33% error rate in questions asked in person at an IRS help center); Mary Dalrymple, *IRS Can't Do the Math*, Associated Press, Sept. 3, 2003, available at <http://www.cbsnews.com/news/irs-cant-do-the-math/> (finding that “[l]ess than half, or 45 percent, of the questions were answered correctly and completely” in survey of answers provided to tax questions by IRS employees). This is a longstanding problem. See, e.g., Gary Klott, *Taxpayers Often Getting Bad Advice from I.R.S.*, N.Y. Times, April 9, 1987, available at <http://www.nytimes.com/1987/04/09/business/taxpayers-often-getting-bad-advice-from-irs.html> (1987 article noting 37% error rate in answers provided by IRS employees on the agency's toll-free telephone line in response to “basic” questions).

²⁵ See Kim M. Bloomquist et al., Internal Revenue Service, *Evaluating Preparation Accuracy of Tax Practitioners: A Bootstrap Approach* at 81-82 & Table 4, The IRS Research Bulletin, 2007, available at <http://www.irs.gov/pub/irs-soi/07resconfbloom.pdf> (measuring “potential AUR discrepancy” as a proxy for likely error rates).

²⁶ *Guides Through the Swamp: A Big Shake-up for America's Tax-preparation Industry*, The Economist, May 24, 2012, available at <http://www.economist.com/node/21551052> (“... America's tax code seems designed to make it hurt as much as possible. It contains 3.8m words, and was changed 579 times in 2010 alone. . . . The obvious solution would be to simplify the tax code. The IRS's National Taxpayer Advocate begs Congress every year to do exactly this.”).

²⁷ See CCH, *Federal Tax Law Keeps Piling Up: As illustrated by pages in the CCH Standard Federal Tax Reporter*, Release (22), 2013, at <http://www.cch.com/taxlawpileup.pdf>.

²⁸ Even reducing the relatively basic Form 1040EZ to a set of executable, rules-based decisions for use in a software program is quite complex. See, e.g., *Preparing a Tax Return Using Executable Decisions (Decision1040EZ): Tutorial*, Open Rules, Inc., Dec. 2011, available at <http://openrules.com/pdf/Tutorial.Decision1040EZ.pdf>.

²⁹ Kathy Kristof, *Was Timothy Geithner Mistaken or Misleading?*, L.A. Times, Jan. 15, 2009, available at <http://articles.latimes.com/2009/jan/15/nation/na-taxes15>.

³⁰ Bob Cusack, *IRS Commissioner Doesn't File His Own Taxes*, The Hill's Blog Briefing Room, Jan. 10, 2010, at <http://thehill.com/blogs/blog-briefing-room/news/75119-irs-commissioner-doesnt-file-his-own-taxes>.

³¹ See, e.g., Laura Sanders, *IRS Loses a Gift-Tax Battle*, Wall St. J., Sept. 16, 2011, available at <http://online.wsj.com/article/SB10001424053111904491704576570980775431732.html>; *I.R.S. Loses Tax Case Against Lay of Enron*, N.Y. Times, Aug. 29, 2011, available at <http://www.nytimes.com/2011/08/30/business/irs-loses-tax-case-against-lay-of-enron.html>; Doug Batey, *The IRS Again Loses in Attempt to Limit the Deductibility of LLC Losses*, LLC Law Monitor, March 8, 2010, at <http://www.llclawmonitor.com/tags/newell-v-commissioner/>.

³² Nina E. Olson, *More Than a 'Mere' Preparer: Loving and Return Preparation*, Tax Notes, May 13, 2013, at 771, available at http://www.taxpayeradvocate.irs.gov/userfiles/file/nta_taxnotes_lovingcase.pdf.

³³ Internal Revenue Service, *Return Preparer Review* at 13-17, Publication 4832 (Rev. 12-2009), Dec. 2009, available at <http://www.irs.gov/pub/irs-pdf/p4832.pdf>.

³⁴ Government Accountability Office, *Paid Tax Return Preparers: In a Limited Study, Chain Preparers Made Serious Errors* ("GAO Paid Preparer Limited Study") at 3, 29, GAO-06-563T, April 4, 2006, available at www.gao.gov/new.items/d06563t.pdf ("Our 19 site visits cannot be used to generalize our findings to the retail tax preparation community . . . Our limited review and the problems we found do not permit observations about the quality of the work of paid tax preparers in general."); Treasury Inspector General for Tax Administration, *Most Tax Returns Prepared by a Limited Sample of Unenrolled Preparers Contained Significant Errors* ("TIGTA Paid Preparer Limited Sample") at 4, Reference No. 2008-40-171, Sept. 3, 2008, available at www.ustreas.gov/tigta/auditreports/2008reports/200840171fr.pdf ("Because we selected a non-representative sample of preparers from one large metropolitan city for this review, it is not possible to generalize the results of our work and draw conclusions about all preparers.").

³⁵ GAO Paid Preparer Limited Study at 3 ("We did not visit any law firms [or] CPA firms."); TIGTA Paid Preparer Limited Sample at 2 ("The preparers [studied] were unlicensed and unenrolled. That is, they were not practitioners (attorneys, certified public accountants, enrolled agents, or enrolled actuaries).").

³⁶ GAO Paid Preparer Limited Study at 3 ("We had tax returns prepared for us at 19 outlets of several commercial chain preparers . . . We did not visit any . . . single-office tax return preparation businesses.").

³⁷ Chi Chi Wu, National Consumer Law Center, *Riddled Returns: How Errors and Fraud by Paid Tax Preparers Put Consumers at Risk and What States Can Do* at 4, updated March 12, 2014, available at <http://www.nclc.org/images/pdf/pr-reports/report-riddled-returns.pdf>.

³⁸ *Id.* at 4-6.

³⁹ GAO Paid Preparer Limited Study at 14 ("All 19 of our visits to tax return preparers affiliated with chains showed problems.").