



# The Huntsville Times

## Reform is never easy

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State tax preparers rally to oppose much-needed regulation

Historically, Alabama is a state where reform doesn't come easily or quickly - and in the case of the most needed reforms, it usually doesn't come at all. Even so, there's still hope this session of the Alabama Legislature can pass some much-needed oversight of the tax-preparation industry.

We use the phrase "there's still hope" because it has now dawned on the businesses involved in tax preparation that the reform measure's 25-0 passage in the Senate may portend passage in the House and the signature of the governor.

So the tax preparers have hired lobbyists and have asked for a public hearing in the House, which is scheduled for Thursday. Of course, there's nothing wrong with holding a hearing. And there's nothing wrong with hearing the views of those affected by the proposed law.

But dialogue and discourse must not derail this sorely needed regulation. The University of Alabama Center for Ethics and Social Responsibility has found that Alabama has virtually no laws or regulations requiring that people who work at tax-preparation storefronts have adequate training.

Further, when tax preparers are also in the loan business - in this case, the so-called "refund anticipation loans" - the interest rates can amount to the equivalent of 800 percent annually.

One business organizing the opposition is "Mo' Money Taxes." But Stephen Foster Black, director of the Center for Ethics and Social Responsibility, said that when test tax returns were prepared by some 13 firms across the state, 11 of them had serious errors. "Mo' Money," he said, accounted for a disproportionate number of the most serious errors.

It's a shame that Alabama won't do more to regulate the pay-day loan industry of which this is a spin-off. Its interest rates often hurt the very people who need cash in the first place. Still, regulating tax preparers should have an appeal to people in that business. It would establish credibility for them by applying some reasonable standards. (Under the proposal, lawyers, IRS employees and those licensed by the Alabama Board of Accountancy or a board of accountancy in another state would be exempt from the law.)

Genuine need

Once the House holds its hearing - and, if necessary, addresses any legitimate concerns voiced by the industry - the reform package should be passed into law. Those affected will have ample time to adjust. After all, these businesses are often out of business when it's not tax-preparation season.

There's a difference between meeting a genuine need and preying on society's most vulnerable citizens. The reform package would allow the former to continue while curbing the latter. Who could be against that?

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