

February 20, 2009

## Tax preparers push against bipartisan bill By Markeshia Ricks

*By Markeshia Ricks*

Tax preparers are organizing to put pressure on state legislators over a bill that would impose more regulations on their industry.

But advocates for the bill, which unanimously passed the Senate last week and is now in the hands of the House, are denouncing the preparers for what they call a "shady backroom effort to defeat the Alabama Taxpayer Protection and Assistance Act," according to a news release.

The bill was introduced for the first time this year by a bipartisan coalition of legislators. The legislators got behind the bill after Impact Alabama, a non-profit group that trains college students to prepare tax returns for low-income families, uncovered fraud and negligence in the tax preparation industry in the state.

Stephen Black, founder and president of Impact Alabama, said it seems some independent tax preparers in Alabama were caught off guard by the bill, though it was well publicized. The bill managed to get through the Senate during the second week of the legislative session without any controversy.

Black said he believes there is strong support on both sides of the aisle in the House too, despite the efforts of the newly formed National Independent Tax Preparers Association.

"They're starting to pass out misinformation about this bill, but as long as we keep communicating exactly what this bill does and does not do I feel confident that it won't be stopped in back room negotiations," he said. "The legislators know the facts of this bill and they also know that the people of this state are watching."

Advocates are condemning the intentions of the association because of an e-mail sent by its board chairman, Rodney Brown, to the Santa Barbara Bank & Trust, which is one of the banks that handles refund anticipation loans.

In the e-mail, which was provided to news outlets by Impact Alabama, Brown wrote that the association was "not opposed to standardized testing and training," but the bill "adds too much control and oversight at the state level in regards to Federal Tax Returns."

He went on to write that the association had managed to slow the bill down in the House by asking for a public hearing, but "it needs to be addressed behind doors with its legislative sponsors."

"We have made a sizable commitment to a group of experienced lobbyist(s), and need SBBT's input," Brown wrote. Brown, who said the information came from a private e-mail, deferred a request for a comment to the association's president, J.C. Snowden II.

Snowden said in a statement that the only meeting that preparers were aware of was one a paid lobbyist representing Impact Alabama called and where no legislators were present. He said if the association had an interest in defeating the bill, its lobbyist would not have attended that meeting.

"The meeting was to discuss differences in the language of the bill that would be an additional step to provide the very best protection for the taxpayers of Alabama, and the thousands of independent business people who provide this service, of which there are over 4,227 registered with the IRS in Alabama," Snowden wrote. "A 30-page bill that affects over four million people in this state could have potentially passed into law in 16 days with very little consideration regarding its content (whether) or not it was good or bad."

"We feel as both tax preparers and taxpayers we have a right to be represented just as any other citizen," Snowden wrote.

Rep. Tammy Irons, D-Florence, is the sponsor of the legislation in the House and Republican Rep. Cam Ward of Alabaster is working with her to get the bill passed in that body.

Ward said he was disappointed that anyone thinks that they have to get legislators behind close doors to get things done in the state Legislature.

"Impact Alabama has taken the time to reach out for bipartisan support to address this situation, and they've made sure they've done it in a fair and equitable manner," he said. "They've also done it very publicly in the light of day.

"This bill passed unanimously out of the Alabama Senate without any behind the scenes trickery, and if somebody feels they have to defeat this bill, how much popular support do they really have?"

Senators Quinton Ross, D-Montgomery, and Jabo Wagoner, R-Birmingham, worked together to get the legislation through the Senate.

"We represent the people of Alabama, not out-of-state folks trying to make a quick dime off hard working Alabamians," Ross said in the release. "The people of Alabama deserve to know that they will be receiving a basic level of competence and honesty from their tax preparers and that is why we will not be deterred by these tactics and will pass this legislation for the people of Alabama."

If the bill becomes law it would require individual tax preparers to obtain a license that they would have to renew each year, and to take and pass an exam to demonstrate that they are proficient in tax knowledge.

The bill also subjects tax preparers to a state oversight board, expands outreach efforts to educate people about the federal earned income tax credit (EITC), and allows a portion of the licensing fee collected to be used to provide free income tax assistance through nonprofit sites.

---