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S T A T E O F R H O D E I S L A N D

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2026

A N A C T

RELATING TO TAXATION -- TAX PREPARERS ACT OF 2013

Introduced By: Representative Alex D. Marszalkowski

Date Introduced: February 11, 2026

Referred To: House Corporations

(Dept. of Revenue)

It is enacted by the General Assembly as follows:

SECTION 1. The title of Chapter 44-68 of the General Laws entitled "Tax Preparers Act of 2013" is hereby amended to read as follows:

~~CHAPTER 44-68~~

~~Tax Preparers Act of 2013~~

CHAPTER 44-68

TAX PREPARERS ACT

SECTION 2. Sections 44-68-2, 44-68-3 and 44-68-4 of the General Laws in Chapter 44-68 entitled "Tax Preparers Act of 2013" are hereby amended to read as follows:

44-68-2. Definitions.

As used in this chapter, the following words shall, unless the context clearly requires otherwise, have the following meanings:

(a) "Ghost preparer" means a tax return preparer who does not self-identify on returns they prepare or does not comply with the PTIN requirements in 26 U.S.C. § 6109 and Treasury Regulation 26 C.F.R. § 1.6109-2, and is compensated for or otherwise benefits from the preparation of returns.

~~(a)~~(b) "Tax return preparer" means an individual who prepares a substantial portion of any return for compensation. Tax return preparers include ghost preparers and individuals required to register with the Internal Revenue Service as a tax return preparer and who have a Preparer Tax Identification Number (PTIN). For the purpose of this chapter the following individuals shall not

be considered tax return preparers:

(1) Volunteer tax return preparers; or

(2) Employees of a tax return preparer and employees of a commercial tax return preparation business who provide only clerical, administration or other similar services.

~~(b)~~(c) "Preparer Tax Identification Number" or "PTIN" means the number issued by the Internal Revenue Service (IRS) to paid preparers ~~to use~~ that must be included on all the returns they prepare.

~~(c)~~(d) "Return" shall mean any tax report, return, claim for refund or attachment to any report, return and/or claim for ~~return~~ refund filed with the tax administrator pursuant to the tax laws of this state.

44-68-3. Duties and responsibilities.

(a) A tax return preparer who prepares any return that is submitted to the tax administrator must comply with all state laws and all applicable regulations promulgated by the tax administrator.

(b) A tax return preparer must sign and include his/her preparer tax identification number on all returns prepared and filed with the division of taxation.

(c) A tax return preparer shall not be a ghost preparer or engage in any activity with the intent to facilitate the use of a ghost preparer.

44-68-4. Civil penalties.

(a) Failure to be diligent in determining eligibility for or amount of earned-income credit. Upon a determination by the tax administrator that a tax return preparer prepared a return(s) and failed to comply with due diligence requirements imposed by regulations issued by the tax administrator with respect to determining eligibility for, or the amount of, the credit allowable by § 44-30-2.6(c)(2)(N), the tax return preparer shall pay a penalty of five hundred dollars ($500) for each such return and/or claim.

(b) Failure to be diligent in determining eligibility for property tax relief credit. Upon a determination by the tax administrator that a tax return preparer prepared a return(s) and failed to comply with due diligence requirements imposed by regulations issued by the tax administrator with respect to determining eligibility for, or the amount of, the property tax relief credit allowable by § 44-33-1 et seq., the tax return preparer shall pay a penalty of five hundred dollars ($500) for each such return.

(c) Tax return preparer civil penalties.

(1) Upon a determination by the tax administrator that a tax return preparer willfully prepared, assisted in preparing, or caused the preparation of a return(s) filed with the division of taxation with intent to wrongfully obtain a property tax relief credit or with the intent to evade or

reduce a tax obligation, the tax return preparer shall be liable for a penalty of one thousand dollars ($1,000), or five hundred ($500) for each return so filed during any calendar year, whichever is greater.

(2) Upon a determination by the tax administrator that a tax return preparer willfully misled or committed fraud against a taxpayer, or purposefully circumvented tax laws administered by the tax administrator, or violated any provision of § 44-68-3, the tax return preparer shall be liable for a penalty of not more than one thousand dollars ($1,000) for each return so filed during any calendar year.

(d) The tax administrator may suspend or revoke the privilege of a tax return preparer to prepare and/or file returns with the division of taxation upon a determination that the tax return preparer has failed to comply with or violated any provision of this section, any regulations issued by the tax administrator, or with any provision of any other laws relative to the preparation of tax returns. Any tax return preparer receiving a notice of intent to suspend or revoke the privilege to file tax returns with the division of taxation may request a hearing on the notice of intent to suspend or revoke; provided that said request for a hearing must be made within thirty (30) days of such notice to suspend or revoke. If, after hearing, the tax return preparer is aggrieved by a decision of the tax administrator (or his or her designated hearing officer), the tax return preparer may, within thirty (30) days after notice of the decision is sent to the tax return preparer by certified or registered mail, directed to their last known address, petition the sixth division of the district court pursuant to chapter 8 of title 8, setting forth the reasons why the decision is alleged to be erroneous and praying for relief therefrom. The tax administrator may, on a periodic basis, prepare and publish a list of tax return preparers whose privileges as a tax return preparer have been suspended or revoked.

(e) Upon a determination by the tax administrator that a tax return preparer has committed a violation of this section subsequent to a suspension or revocation of that tax return preparer's privilege to prepare and/or file returns with the division of taxation, the tax return preparer shall be liable for a penalty of not more than five thousand dollars ($5,000) if suspended, or ten thousand dollars ($10,000) if revoked, per violation.

SECTION 3. This act shall take effect upon passage.

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EXPLANATION

BY THE LEGISLATIVE COUNCIL

OF

A N A C T

RELATING TO TAXATION -- TAX PREPARERS ACT OF 2013

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This act would provide for penalties for tax preparers that purposefully mislead their clients or act as ghost preparers of tax returns and would require the tax administrator to publish a list of tax preparers who have had their privileges to prepare returns revoked or suspended.

This act would take effect upon passage.

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