

**Department of Legislative Services**  
Maryland General Assembly  
2019 Session

**FISCAL AND POLICY NOTE**  
**First Reader**

Senate Bill 601 (Senator Nathan-Pulliam)  
Education, Health, and Environmental Affairs

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**State Board of Individual Tax Preparers - Reciprocity Standards**

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This bill authorizes the State Board of Individual Tax Preparers to adopt regulations establishing reciprocity standards for individuals registered as tax preparers in other states.

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**Fiscal Summary**

**State Effect:** The bill does not materially affect State finances or operations, as discussed below.

**Local Effect:** None.

**Small Business Effect:** Minimal. The bill is anticipated to apply in a limited number of circumstances.

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**Analysis**

**Current Law/Background:** Unless otherwise exempt, an individual must register with the State Board of Individual Tax Preparers before providing, attempting to provide, or offering to provide individual tax preparation services in the State. Exempt individuals include licensed accountants, lawyers, and certain individuals serving as employees or assistants to registered individual tax preparers or other exempt individuals. There are no reciprocity standards. About 3,500 individuals are registered with the board.

The Department of Labor, Licensing, and Regulation (DLLR) advises that only three other states require a credential for tax preparers: California, New York, and Oregon.

**State Fiscal Effect:** DLLR can adopt regulations establishing reciprocity standards with existing resources. Assuming such regulations are adopted, the number of individuals registered via reciprocity is expected to be minimal, given that the three other states that register tax preparers are not geographically close to Maryland. Therefore, the bill does not materially affect State finances or operations.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Department of Labor, Licensing, and Regulation; Department of Legislative Services

**Fiscal Note History:** First Reader - February 13, 2019  
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