

For Immediate Release

Contacts:
Jay Hyde
202.434.9266
jhyde@aicpa.org

Shirley Twillman
202.434.9220
stwillman@aicpa.org

**AICPA Files Federal Lawsuit Against Internal Revenue Service
Challenging Purportedly “Voluntary” Program for Tax Return Preparers**

Washington, D.C. (July 15, 2014) – The [American Institute of CPAs](#) (AICPA) today issued the statement below by AICPA President and CEO [Barry C. Melancon](#), CPA, CGMA, regarding the filing of a [federal lawsuit](#) in the U.S. District Court for the District of Columbia. The lawsuit challenges the Internal Revenue Service’s (IRS’s) new rule regulating tax return preparers.

“The AICPA has been a steadfast supporter of the IRS’s overall goals of enhancing compliance by tax return preparers and elevating ethical conduct. However, the IRS’s new rule regulating tax return preparers is an unlawful exercise of government power.

By implementing a purportedly “voluntary” program that is mandatory in effect, the rule is an end-run around *Loving v. IRS*, a federal court ruling which struck down the IRS’s earlier attempt to regulate tax return preparers. The IRS simply does not have the authority to proceed with the new rule. By doubling the number of categories of tax return preparers to eight, the rule will also confuse consumers. Worse yet, the new rule will do nothing to address the problem of unethical or fraudulent tax return preparers – which should be a top priority.

As a result, the AICPA has filed suit in federal court to prevent the IRS from moving ahead with this unjustified and unlawful program.

The IRS should withdraw the new rule, consult with stakeholders, and use the tools and data already at its disposal to monitor unethical tax return preparers. At a minimum, the IRS must conduct a legitimate notice-and-comment rulemaking before proceeding.”

About the AICPA

The American Institute of CPAs (AICPA) is the world’s largest member association representing the accounting profession, with over 394,000 members in 128 countries and a 125-year heritage of serving the public interest. AICPA members represent many areas of practice, including business and industry, public practice, government, education and consulting.

The AICPA sets ethical standards for the profession and U.S. auditing standards for audits of private companies, nonprofit organizations, federal, state and local governments. It develops and grades the Uniform CPA Examination and offers specialty credentials for CPAs who concentrate on personal financial planning; fraud and forensics; business valuation; and information technology. Through a joint venture with the Chartered Institute of Management Accountants (CIMA), it has established the Chartered Global Management Accountant (CGMA) designation to elevate management accounting globally.

The AICPA maintains offices in New York, Washington, DC, Durham, NC, and Ewing, NJ.

Media representatives are invited to visit the AICPA Press Center at aicpa.org/press.

###