

House \_\_\_\_\_ Amendment NO. \_\_\_\_\_

Offered By \_\_\_\_\_

1 AMEND House Committee Substitute for Senate Bill No. 87, Page 1, Section A, Line 2, by  
2 inserting after all of said line the following:

3  
4 "143.980. 1. This section shall be known as the "Taxpayer Protection Act".

5 2. For purposes of this section, the following terms shall mean:

6 (1) "Department", the Missouri department of revenue;

7 (2) "Paid tax return preparer", a person who prepares for compensation, or who employs one  
8 or more person to prepare for compensation, any income tax return or claim for refund required to  
9 be filed under this chapter. The preparation of a substantial portion of a return or claim for refund  
10 shall be treated as the preparation of such return or claim for refund. A paid tax return preparer  
11 shall not include any certified public accountant who holds an active license issued by any state and  
12 the employees of such certified public accountant or certified public accounting firm or an enrolled  
13 agent entitled to practice before the federal Internal Revenue Service under 31 C.F.R. Section 10.4;

14 (3) "Willful or reckless conduct", the same meaning as provided under 26 U.S.C. Section  
15 6694(b)(2).

16 3. For all tax years beginning on or after January 1, 2020, any income return or claim for  
17 refund prepared by a paid tax return preparer shall be signed by the paid tax return preparer and  
18 shall bear the paid tax return preparer's Internal Revenue Service preparer tax identification number.  
19 Any person who is the paid tax return preparer with respect to any tax return or claim for refund and  
20 who fails to sign the return or claim for refund, or who fails to provide his or her preparer tax  
21 identification number, shall pay a penalty of fifty dollars for each such failure, unless it can be  
22 shown that the failure was due to reasonable cause and not willful or reckless conduct. The  
23 aggregate penalty that may be imposed by the department on any paid tax return preparer with  
24 respect to returns or claims for refund filed during any calendar year shall not exceed twenty-five  
25 thousand dollars per paid tax return preparer.

26 4. (1) In a court of competent jurisdiction, the director of the department may commence  
27 suit to enjoin any paid tax return preparer from further engaging in any conduct described under  
28 subdivision 2 of this subsection or from further action as a paid tax return preparer.

29 (2) In any action under subdivision 1 of this subsection, if the court finds that injunctive  
30 relief is appropriate to prevent the recurrence of this conduct, the court may enjoin the paid tax  
31 return preparer from further engaging in any conduct specified in this subdivision. The court may  
32 enjoin conduct when a paid tax return preparer has done any of the following:

33 (a) Prepared any income tax return or claim for refund that includes an understatement of a  
34 taxpayer's liability due to an unreasonable position. For purposes of this subdivision, the term  
35 "unreasonable position" shall have the same meaning as provided under 26 U.S.C. Section  
36 6694(a)(2);

Action Taken \_\_\_\_\_ Date \_\_\_\_\_

- 1       **(b) Prepared any income tax return or claim for refund that includes an understatement of a**  
2 **taxpayer's liability due to the paid tax return preparer's willful or reckless conduct;**  
3       **(c) Where required, failed to sign an income tax return or claim for refund;**  
4       **(d) Where required, failed to furnish his or her preparer tax identification number;**  
5       **(e) Where required, failed to retain a copy of the income tax return;**  
6       **(f) Where required by due diligence requirements imposed under department rules and**  
7 **regulations, failed to be diligent in determining eligibility for tax benefits;**  
8       **(g) Negotiated a check issued to a taxpayer by the department without the permission of the**  
9 **taxpayer;**  
10       **(h) Engaged in any conduct subject to any criminal penalty provided under chapters 135 to**  
11 **155;**  
12       **(i) Misrepresented the paid tax return preparer's eligibility to practice to the department or**  
13 **otherwise misrepresented the paid tax return preparer's experience or education;**  
14       **(j) Guaranteed the payment of any income tax refund or the allowance of any income tax**  
15 **credit; or**  
16       **(k) Engaged in any other fraudulent or deceptive conduct that substantially interferes with**  
17 **the proper administration of the tax laws of this state.**  
18       **(3) (a) If the court finds that a paid tax return preparer has continually or repeatedly**  
19 **engaged in any conduct described under subdivision 2 of this subsection and that an injunction**  
20 **prohibiting the conduct would not be sufficient to prevent the person's interference with the proper**  
21 **administration of the tax laws of this state, the court may enjoin the person from acting as a paid tax**  
22 **return preparer in this state.**  
23       **(b) The fact that the person has been enjoined from preparing tax returns or claims for**  
24 **refund for the United States or any other state in the five years preceding the petition for an**  
25 **injunction shall establish a prima facie case for an injunction to be issued under this section. For**  
26 **purposes of this paragraph, the term "state" shall mean a state of the United States, the District of**  
27 **Columbia, Puerto Rico, United States Virgin Islands, or any territory or insular possession subject to**  
28 **the jurisdiction of the United States."**; and  
29

30 Further amend said bill by amending the title, enacting clause, and intersectional references  
31 accordingly.