

# standingupfortaxpayers

## why minimum standards for paid preparers matter

In March 2018, the Center for Economic Progress (CEP) released its report entitled *Standing Up for Taxpayers: Why Minimum Standards for Paid Preparers Matter*. In advance of the release, we sent our Executive Summary to the eight gubernatorial candidates and the ten candidates for attorney general who are competing in the 2018 Illinois state primaries. They include:

### GUBERNATORIAL

Bruce Rauner  
Jeanne Ives  
**Daniel Biss**  
**Bob Daiber**  
**Chris Kennedy**  
Tio Hardman  
**Robert Marshall**  
**J.B. Pritzker**

### ATTORNEY GENERAL

Scott Drury  
**Sharon Fairley**  
**Aaron Goldstein**  
Gary Grasso  
Erika Harold  
**Renato Mariotti**  
Kwame Raoul  
**Nancy Rotering**  
**Jesse Ruiz**  
**Pat Quinn**

The candidates with bolded names responded to our solicitation for comment. We prompted them as follows, with an invitation to add additional comments:

- Do you support increased oversight of paid tax preparers?
- Do you believe Illinois needs to establish minimum standards for paid tax preparers?
- Would you support legislative efforts in the General Assembly that seek to establish these standards?

We received responses from eleven of the eighteen candidates. Below are their responses in full. The report and related materials are available at <http://www.economicprogress.org/content/standing-taxpayers>

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**About the Center for Economic Progress.** CEP is a nonpartisan 501(c)(3) nonprofit organization, and does not support or oppose any candidates for public office. CEP helps low income, working families as a trusted provider of tax and financial services. Everything we do, from direct service to informing public policy, improves the financial stability of those we serve. Everything we do is made possible and made better by our volunteers.

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[economicprogress.org](http://economicprogress.org)



## Gubernatorial Candidate

# DANIEL BISS

Do you support increased oversight of paid tax preparers?

**Yes**

Do you believe Illinois needs to establish minimum standards for paid tax preparers?

**Yes**

Would you support legislative efforts in the General Assembly that seek to establish these standards?

**Yes**

## Gubernatorial Candidate

# BOB DAIBER

Do you support increased oversight of paid tax preparers?

**Yes**

Do you believe Illinois needs to establish minimum standards for paid tax preparers?

**Yes**

Would you support legislative efforts in the General Assembly that seek to establish these standards?

**Yes**

## Gubernatorial Candidate

# CHRIS KENNEDY

Do you support increased oversight of paid tax preparers?

**YES**

Do you believe Illinois needs to establish minimum standards for paid tax preparers?

**YES**

Would you support legislative efforts in the General Assembly that seek to establish these standards?

**YES**

**Problems with tax preparation costs consumers and the government money every year. Currently, there exists very little recourse for substandard tax preparers. Mistakes and oversights on their part cost money as taxpayers have to spend additional money to fix problems with their returns. Government agencies also must expend resources to collect the accurate amount of taxes owed. More than 80% of consumers favor licensing requirements and mandatory competency tests for paid preparers. We need legislation that advocates for increased oversight to protect taxpayers. Moreover, regulation for that additional oversight is a cost-neutral since registration fees for tax preparers would cover regulation costs.**

Gubernatorial Candidate

# ROBERT MARSHALL

Do you support increased oversight of paid tax preparers?

Do you believe Illinois needs to establish minimum standards for paid tax preparers?

Would you support legislative efforts in the General Assembly that seek to establish these standards?

**Absolutely YES ON ALL 3**

## Gubernatorial Candidate

# J.B. PRITZKER

Do you support increased oversight of paid tax preparers?

**Yes.**

Do you believe Illinois needs to establish minimum standards for paid tax preparers?

**Yes.**

Would you support legislative efforts in the General Assembly that seek to establish these standards?

**Yes.**

**When I'm governor, I will work with communities and stakeholders to ensure that low and middle income working families have access to the financial tools and opportunities they need to build better lives, including creating minimum standards for paid tax preparers.**

## Attorney General Candidate

# SHARON FAIRLEY

Do you support increased oversight of paid tax preparers?

**Although certain kinds of professionals who do taxes for clients are regulated, such as CPA's, lawyers and tax specialists called "enrolled agents," there are many independent tax preparers that remain unregulated at the state or federal level. In Illinois, we have seen abusive and exploitative tactics used in this industry. For example, Attorney General Lisa Madigan today recently filed a lawsuit to shut down a Chicago tax preparer for defrauding consumers out of thousands of dollars in illegal fees.**

Do you believe Illinois needs to establish minimum standards for paid tax preparers?

**Tax return preparers perform a vital service for taxpayers and play a key role in our system of tax administration. A fair and efficient regulatory framework could help to elevate the professionalism of the tax return preparation industry and protect Illinois taxpayers. Preparers ought to meet minimum qualifications to help ensure they have the knowledge and skills to provide quality services. Preparers should also be required to follow a code of conduct designed to ensure integrity and competence in the work that they do.**

Would you support legislative efforts in the General Assembly that seek to establish these standards?

**Yes. Some states do regulate the tax industry. For example, in Oregon and California, all compensated tax preparers must register with the state and fulfill continuing education requirements every year. A public poll released in 2017 revealed that 88 percent of respondents believe paid preparers should be subject to licensing requirements by a state agency, and 86 percent believe that paid preparers should pass a competency test showing they have the knowledge and training to complete tax returns. I agree and would support a legislative proposal based on reasonable, fair and efficient standards.**

## Attorney General Candidate

# AARON GOLDSTEIN

Do you support increased oversight of paid tax preparers?

**Yes. The issues you bring up here, disproportionately affect the poor and those on fixed incomes. In fighting for economic justice we must ensure that protections are in place that guard against predatory practices like high fees, high interest tax refund loans, and outright fraud. The AG's office must be an advocate for the people, for those who, on their own, would have little or no recourse against unscrupulous tax preparers. The AG must be a proactive fighter for justice, and this means crafting meaningful and effective legislation, vigorous enforcement of said legislation, and most of all to go in to court to stop such practices. That is what I will do as Attorney General.**

Do you believe Illinois needs to establish minimum standards for paid tax preparers?

**Yes (see above).**

Would you support legislative efforts in the General Assembly that seek to establish these standards?

**Yes (see above).**

## Attorney General Candidate

# RENATO MARIOTTI

Do you support increased oversight of paid tax preparers?

**Yes. Working people in Illinois routinely rely on professional tax preparers to ensure that they accurately report their income and calculate their tax liability. While the wealthy are able to rely on the advice of licensed CPAs and attorneys, working people far too often use the services of unregulated tax preparers like check cashers, payday lenders, pawnbrokers and retailers offering seasonal services. Unfortunately, too many of these service providers misreport income and deductions, commit refund fraud or identity theft, or charge exorbitant fees. That is not acceptable. All tax preparers should have to pass a competency exam and pass a background check. All residents of Illinois should know they are seeking and receiving assistance from qualified, trustworthy, and licensed individuals.**

Do you believe Illinois needs to establish minimum standards for paid tax preparers?

**Yes. The Trump Administration and Congress have consistently failed to implement reasonable and thoughtful regulation protecting consumers and working class Americans. It is important for Illinois to take reasonable and proactive steps to protect the interests of the residents of Illinois. It is time to implement minimum standards and qualifications to be a paid tax preparer in Illinois.**

Would you support legislative efforts in the General Assembly that seek to establish these standards?

**Yes. I would advocate that our representatives in Springfield pass minimum standards and qualifications for Illinois tax preparers. Governor Rauner has engaged in a campaign to undermine the interests of the working people of Illinois. Ensuring that tax preparers are qualified and licensed is one step our legislature should take to push back and protect working people.**

## Attorney General Candidate

# NANCY ROTERING

Do you support increased oversight of paid tax preparers?

**The current work of the Attorney General’s Consumer Protection Division protects Illinois consumers and businesses victimized by fraud, deception, and unfair business practices. While it is critical to continue the good work of this division, as I have done as a Mayor, we should develop a strategic plan and work with partners to identify the most pressing consumer protection needs of our poorest families, our veterans, seniors, immigrants, and other vulnerable populations.**

**I support increased oversight of paid tax preparers. There are almost no regulations in the tax preparation industry and a tax code that is extremely complex. Money that flows into low-income households during tax season, primarily in the form of the earned-income tax credit, presents a perfect target for unscrupulous tax preparers. In addition, low-income taxpayers who seek paid tax preparation assistance are often provided inferior service, inaccurate returns, and price gouging. Sadly, many taxpayers are our most vulnerable who are intimidated by the complexities of the process.**

Do you believe Illinois needs to establish minimum standards for paid tax preparers?

**Yes. In the absence of national standards there should be standards and regulations for paid tax preparers mandated by the state.**

Would you support legislative efforts in the General Assembly that seek to establish these standards?

**Yes.**

## Attorney General Candidate

# JESSE RUIZ

Do you support increased oversight of paid tax preparers?

Do you believe Illinois needs to establish minimum standards for paid tax preparers?

Would you support legislative efforts in the General Assembly that seek to establish these standards?

**Yes, Yes, and Yes.**

## Attorney General Candidate

# PAT QUINN

Do you support increased oversight of paid tax preparers?

Do you believe Illinois needs to establish minimum standards for paid tax preparers?

Would you support legislative efforts in the General Assembly that seek to establish these standards?

**I have been happy to support for many years the excellent work of the Center for Economic Progress and its many volunteers and your efforts each year to provide free tax preparation assistance and financial education to thousands of low and moderate-income people.**

**The Executive Summary provides a persuasive argument for requiring paid tax preparers to receive training and to meet minimum standards. I support increased oversight of paid tax preparers and legislation to establish such standards.**