

State of California

Franchise Tax Board-Legislative Services Bureau
PO Box 1468
Sacramento, CA 95812-1468

Telephone: (916)845-4326
ATSS: 468-4326
FAX: (916)845-5472

Legislative Change No.**02-39**Bill Number: SB 1955Author: FigueroaChapter Number: 02-1150Laws Affecting Franchise Tax Board: Business and Professions Code Section 22253.2Date Filed with the Secretary of the State: September 30, 2002**SUBJECT:** FTB Notify CTEC Of Unregistered Tax Preparers**Senate Bill 1955 (Figueroa), as enacted on September 30, 2002, made the following changes to California law:**Section 22253.2 of the Business and Professions Code is added.

This act:

- Allows the Franchise Tax Board (FTB) to notify the California Tax Education Council (CTEC) when it encounters Tax Preparers that are not properly registered.
- Requires CTEC to notify the Attorney General, a district attorney, or a city attorney of the Tax Preparers that are not properly registered. These entities may:
 - cite individuals preparing tax returns in violation of the rules governing Tax Preparers,
 - levy a fine on these individuals not to exceed \$1,000, and
 - issue a cease and desist order, effective until the Tax Preparer is in compliance.
- Allows CTEC and FTB to enter into an agreement outlining the reimbursement policy for expenses incurred by FTB.

This act is effective and operative January 1, 2003.

This act will not require any reports by the department to the Legislature.

Bureau Director

Roger Lackey

Date

October 8, 2002