

STEPS TO CTEC REGISTRATION



INITIAL REGISTRATION

1. Take a 60-hour course of qualifying education (QE) from a CTEC approved provider.
2. Purchase a \$5,000 tax preparer bond.
3. Submit your application, along with the \$25 registration fee, to CTEC.
4. A CTEC Certificate of Completion will be mailed to you.

RENEWAL REGISTRATION

1. Take a 20-hour course of continuing education (CE) from a CTEC approved provider.
2. Maintain your \$5,000 tax preparer bond.
3. Submit your application, along with the \$25 renewal fee (\$38 if submitted after 10/31), to CTEC.
4. A CTEC Certificate of Compliance will be mailed to you.

TAX PREPARER REQUIREMENTS

- Before providing any tax preparation services, a tax preparer must provide the client, in writing, the tax preparer's name, address, telephone number and evidence of compliance with the bonding requirement, including the bond number.
- In order to obtain a bond, the tax preparer must supply the surety company with proof that they are at least 18 years of age.

MOST COMMON TAX PREPARER COMPLIANCE QUESTIONS AND ANSWERS

WHO IS REQUIRED TO COMPLY WITH THE CALIFORNIA TAX PREPARERS ACT?

According to California Business & Professions Code Section 22250-22259, any person, excluding attorneys, CPAs and enrolled agents, who for a fee assists with or prepares tax returns for another person.

HOW CAN I LEGALLY BEGIN TO PREPARE TAX RETURNS FOR A FEE?

You can begin preparing tax returns for a fee as soon as you can be identified as a registered preparer on the CTEC website.

HOW DO I BECOME REGISTERED WITH CTEC?

In order to register with CTEC, you must:
(1) complete a 60-hour qualifying education (QE) course from a CTEC approved provider;
(2) purchase a \$5,000 tax preparer bond from a surety bond company; and, (3) complete and submit a CTEC New Preparer Application. You can either register online, www.ctec.org, or mail your application to CTEC, P. O. Box 2890, Sacramento, CA 95812-2890. If all paperwork is in order, a Certificate of Completion and CTEC-ID Card will be mailed to you in 4-6 weeks.

HOW DO I FIND A CTEC APPROVED PROVIDER?

Visit the CTEC website, www.ctec.org, and click on "Approved Education Providers," or write or call CTEC and request a list be mailed or faxed to you.

HOW DO I OBTAIN A TAX PREPARER BOND?

A tax preparer bond is offered by several surety bond and insurance companies in California. Your insurance agent or advisor can recommend a specific carrier, or check in the phone book. CTEC does not provide any listing of bond companies.

ONCE I'VE COMPLETED THE 60-HOUR QE COURSE, HOW LONG CAN I WAIT TO REGISTER WITH CTEC?

You must register with CTEC within 18 months of completing a QE course. If you wait longer than 18 months, you will have to retake the 60-hour QE course.

WHAT IS THE COST TO REGISTER WITH CTEC?

As a new preparer, the registration fee is \$25. If you register online, you may use either a VISA or Mastercard. If you register by mail, a check or money order, payable to CTEC, is required.

AFTER I REGISTER WITH CTEC AND BECOME A CTEC REGISTERED TAX PREPARER (CRTP), WHAT REQUIREMENTS MUST I FULFILL TO MAINTAIN MY REGISTRATION?

After you become a CRTP, you must complete, annually, 20-hours (12 federal, 4 state and 4 of either federal or state) of continuing education (CE) from a CTEC approved provider, and you must renew your registration with CTEC. A renewal application is mailed in August to CRTPs. The completion of your education and the renewal of your registration must be completed by October 31st each year. Lastly, your tax preparer bond must remain in full force through the duration of your registration as a CRTP.

WHAT HAPPENS IF I DO NOT COMPLETE THE CONTINUING EDUCATION (CE) REQUIREMENT BY OCTOBER 31ST?

If you do not complete the annual CE requirement by October 31st, you are not able to renew your CTEC registration. As of November 1st, your registration will be considered delinquent and, by law, you are not permitted to prepare taxes for a fee until you complete the 20-hours of CE and renew with CTEC. If after one year from the October 31st deadline, you still have not renewed, your CTEC registration will expire and you will be required to retake the 60-hour QE course and reapply as a new preparer.

WHAT IS THE COST TO RENEW MY CTEC REGISTRATION?

The cost to renew your CTEC registration is \$25. If you renew after October 31st, there is a \$13 late fee, which means the total cost to renew is \$38. You can renew online at www.ctec.org, or by mail.

DOES THE TAX PREPARERS ACT ALLOW CTEC TO APPROVE WORK EXPERIENCE IN LIEU OF EDUCATION TO BECOME A CRTP?

CTEC is authorized to consider certain work experience in lieu of education. Those individuals interested in pursuing this exemption should contact CTEC for further information.

WHAT ARE THE PENALTIES FOR VIOLATING THE TAX PREPARERS ACT?

Violators of the act are guilty of a misdemeanor, which offense is punishable by up to a \$5,000 fine per violation, or by imprisonment in a county jail for not more than one year, or by both. When a person prepares a tax return for a fee without the appropriate lawful credential, he or she could be cited and fined up to \$5,000 for each illegally prepared tax return.



CALIFORNIA TAX EDUCATION COUNCIL