

IRS Can Charge Fees for PTINs

The latest in this saga is the decision by the Court of Appeals for DC Circuit which states, in part, IRS can charge a fee for its granting of PTINs.

As you have all heard, a few tax return preparers took IRS to court claiming it did not have the right to charge a fee for issuing PTINs. On June 1, 2017, the tax preparers won in the District of Columbia district court. On July 10, 2017, the District Court ordered IRS to permanently enjoin from charging PTIN fees and was to provide every class member a full refund of all PTIN fees paid from September 1, 2010, to the present. The case went to appeals.

Several arguments were submitted to the Court of Appeals. The Court ruled against the tax return preparers denying the arguments presented and vacated the District Court decision. The case was remanded back to District Court for further proceedings, including an assessment of whether the amount of the PTIN fee unreasonable exceeded the costs to IRS to issue and maintain PTINs.

Just in case you forgot, anyone who has obtained and paid a user fee for a PTIN is affected by this case as one large class.

Montrols, et al. v U.S., Court of Appeals for the District of Columbia.

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