

PTIN Fees are Legal

The Supreme Court has declined to listen to the PTIN case, therefore the Court of Appeals decision stands. Here is a brief summary of the case.

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 provide every class member a full refund of all PTIN fees paid from September 1, 2010, to the present. The case went to the Court of Appeals.

The Court of Appeals 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 was unreasonable and exceeded the costs to IRS to issue and maintain PTINs.

We have not heard if the District Court made a determination of the reasonableness of the fee amount.

Side note – The renewal period for PTINs for the upcoming tax season will open October 16. This year IRS is not charging a fee for the PTIN renewal.

Montrois, et al. v U.S.

This text has been shared courtesy of: David & Mary Mellem, EAs & Ashwaubenon Tax Professionals, 920-496-1065 (920-496-9111).

©2019 Ashwaubenon Tax Professionals. No reproduction of this article is permitted without the express written consent of Ashwaubenon Tax Professionals, 2140 Holmgren Way, Suite 1040, Green Bay, WI 54304.

We do not sell, give, or in any way share email addresses with anyone. If you would like to be removed from our email list, send us an email to that effect or use the word UNSUBSCRIBE in the subject line. If someone else would like to be added to our list, have them send us an email to that effect or use the word SUBSCRIBE in the subject line.