Anneken, Huey & Moser PLLC
Certified Public Accountants
Engaged. Responsive. Future-focused.

Here's the Tax Beat broadcast for October 28

Subject Line: A Little Off the Top

In Ohio, if you want to cut hair for a living, the state wants 1,800 hours of training first. That's forty-five full-time weeks of fades, straight razors, and sanitation protocols before anyone trusts you with a pair of clippers. Most states land somewhere between 1,000 and 1,500 hours. In North Carolina, barbers need 1,528 hours. Police officers there need 620. (Those clippers must be really dangerous. Or maybe the state just figures a bad cop gets reviewed by a judge, while a bad haircut gets reviewed by your mother-in-law.)

Now, suppose you'd rather prepare tax returns for a living. You'll need a Preparer Tax Identification Number, or "PTIN," from the IRS. That takes $18.75, an ID.me login, and about fifteen minutes on the IRS website. No test. No training. No hours. It's cheaper than a haircut, and you don't have to tip. The IRS tried to require all that back in 2010, and a federal appeals court tossed the whole program in 2014 in a case called Loving v. IRS. (The plaintiff was a Chicago preparer named Sabina Loving, which is still a great name for someone suing the IRS.) Since then, anyone with a pulse and a debit card can hang a shingle. And if last week's report from the Treasury Inspector General for Tax Administration is any guide, the pulse is optional.

TIGTA found that more than 38,000 preparers used noncompliant PTINs, meaning they were expired, revoked, or never valid. Those 38,000 preparers filed 2.2 million returns in 2025. That's roughly one in forty returns filed by a paid preparer. Nearly 12,000 of those preparers filed 95,000 returns claiming almost $600 million in refunds, with not a single one showing a balance due. (Vegas would love to know their secrets.) Six of them prepared 371 returns while incarcerated, liberating $2.1 million in refunds from their cells. (Well, they had the time.) And 691 current IRS employees held active PTINs, with more than 90 apparently moonlighting for pay. (Filing returns by night; auditing them by day. It's the circle of life.)

Then there are the "ghost preparers," who prepare returns but never sign them, so the return looks self-prepared. TIGTA tied those to $179 million in potentially fraudulent refunds over two years, mostly from a scheme that invents withholding that never happened.

The IRS could have assessed $92 million in penalties against the noncompliant PTIN crowd. It assessed almost none. Congress is now weighing a bill to let the IRS regulate preparers again, which means Washington gets to argue about licensing haircuts, er, tax returns, for another decade.

Now here's the thing. You're not using the guy at the folding table under the "Big Refund$" banner. You've got a real professional. Licensed, credentialed, PTIN renewed every December like clockwork. We file your return on time, every number in the right box, and most of you have never once gotten a nasty letter. That's

worth something. But it's also where most preparers stop. Their job is to record history, taking the year you already lived and reporting it accurately. Nobody's hiding your refund in a jail cell.

Planning, on the other hand, looks forward at what *could* happen – if you pick the right entity, pay your family the right way, time your income and deductions, or structure a purchase so the Code treats it the way you'd like. The preparer with 1,800 hours of training and the preparer with fifteen minutes of training will both arrive at the same number on Line 24 if nobody's done their planning ahead of time.

So keep your barber. But when you want a little off the top of your tax bill, our chair is open, and we promise nobody here is working from a cell.

Kevin

