

Hawaii Society of Enrolled Agents Meeting Survey Results (Part I)

The [Hawaii Society of Enrolled Agents](#) (HSEA) invited me to give a short presentation on November 16, 2012, about [Circular 230](#) and its interaction with selected audit and collection issues. Consistent with my general experience, the EAs present were already current and familiar with ethical provisions affecting tax practice.

[An Enrolled Agent is a person who has earned the privilege of representing taxpayers before the Internal Revenue Service by either passing a three-part comprehensive IRS test covering individual and business tax returns, or through experience as a former IRS employee.]

I passed out a short questionnaire during the presentation and wanted to share some results:

1. The Treasury Department has created a federally- licensed occupation or profession, based upon eligibility requirements and/or qualifications, subject to certain standards of care and practice, and regulated by a special office within the Internal Revenue Service.

(a) Agree – 88% (b) Disagree – 12%
2. [Circular 230](#) establishes certain standards for federal tax practitioners including business practices such as advertising and fee arrangements and even prohibits tax practitioners from using “abusive language” with IRS personnel.

(a) Agree – 94% (b) Disagree – 6%
3. [Circular 230](#) is likely to be used by lawyers and our civil court system as a standard of care for tax practitioners. (In other words, civil courts may be using the standards of care in [Circular 230](#) to evaluate whether a tax practitioner has committed malpractice.)

(a) Agree – 75% (b) Disagree – 25%

Prior to the meeting, I thought that most tax practitioners would not have been aware of the comprehensive scope of [Circular 230](#) and that advertising, fee arrangements, and even personal department were covered. At least HSEA Members seem well aware of the impact of [Circular 230](#) upon the business of federal tax practitioners.

I thank the HSEAs for their opinions on recent developments. I tend to agree with the 75% of HSEAs that agreed that [Circular 230](#) could be a reference for malpractice cases. I have reviewed decisions where courts have struggled with the standard of care for return preparers. More recent versions of [Circular 230](#), and [proposed amendments](#), in my opinion will be supplying a reference for the standard of care.