


**BANK SECRECY  
ACT  
TITLE 31**

*Presented by: Terri Malone  
Bank Secrecy Act Specialist*



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**TITLE 31 OVERVIEW**

- Bank Secrecy Act
- Affected industries
- Outreach efforts



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**Small Business Self – Employed  
Stakeholder Liaison Headquarters**

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## Upcoming Changes for Federal Tax Return Preparers

Marc Zine  
Stakeholder Liaison Specialist, Sacramento



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### Tax Return Preparer

For purposes of obtaining a preparer tax identification number (PTIN) only, a tax return preparer is any individual who is compensated for preparing, or assisting in the preparation of, all or substantially all of a federal tax return or claim for refund



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### Summary of Significant Changes

1. Registration, user fee, and Preparer Tax Identification Number (PTIN) usage requirements for **all** paid tax return preparers
2. Tax compliance verification of **all** paid tax return preparers
3. Competency testing for paid tax return preparers who are **not** attorneys, certified public accountants, or enrolled agents



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## Summary of Significant Changes (cont'd)

4. Continuing education requirements of 15 hours per year for paid tax return preparers who are *not* attorneys, certified public accountants, enrolled agents, enrolled actuaries, or enrolled retirement plan agents
5. Mandate that *all* tax return preparers who file more than ten income or trust returns must e-file
6. Please attend CSEA's seminar tomorrow night from 5:30 pm to 6:20 pm for more details



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## www.irs.gov

The screenshot shows the IRS website's navigation menu with 'Tax Professionals' selected. Below the menu, the 'Tax Information for Tax Professionals' section is visible, featuring a list of topics. The first item, 'Proposed New Requirements for Tax Return Preparers', is highlighted with a red box. Other items include 'The Return Preparer Review Final Report is now available', 'The American Recovery and Reinvestment Act of 2009, Professional Center Update on the new economic stimulus legislation', 'Disaster Relief Resource Center for Tax Professionals', and 'Redesignated Taxpayer Notices and Letters'.

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## Hiring Incentives to Restore Employment, or H.I.R.E.

*Katie Williams  
Stakeholder Liaison Specialist, San Diego*



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## Two New Benefits

Employers who hire certain previously unemployed workers are eligible for:

- Payroll tax exemption
- New hire retention credit



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## Payroll Tax Exemption

- Exemption from the employer's 6.2% share of social security tax
- Effective for wages paid from March 19, 2010, through December 31, 2010
- Employee social security and Medicare tax still apply to all wages
- Election out



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## New Hire Retention Credit

- General business credit
- Up to \$1000 per retained qualified employee



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## Qualified Employee

- Begins employment after 02/03/10 and before 01/01/11
- Certifies that they were employed for less than 40 hours in prior 60-day period
- Is not replacing existing employee unless the employee separated voluntarily or was terminated for cause
- Is not related to employer



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## Affidavit

- Form W-11 or substitute
- Signed under penalties of perjury
- May be signed electronically
- Retained by employer, not filed with IRS



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## Qualified Employer

- Taxable businesses
- Tax-exempt organizations
- Taxable businesses and tax-exempt organizations in 5 U.S. Territories
- Public colleges and universities
- Indian tribal governments



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## Non-Qualified Employers

- Federal, state & local governments, other than public colleges and universities
- Household employers



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## Claiming the Exemption

- Form 941 and annual Employment Tax Returns
- Beginning second quarter of 2010
- Credit for wages paid between March 19 and March 31, claimed on second quarter return



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## Retention Credit

- Claimed on employer's income tax return
- Lesser of \$1,000 or 6.2 percent of wages paid to qualified employee
- Must retain qualified employee for 52 consecutive weeks
- Wages cannot significantly decrease in the last 26 weeks of employment
- Credit may be carried forward



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## More Information

- HIRE Act: Questions and Answers for Employers
- <http://www.irs.gov/businesses/small/article/0,,id=220745,00.html>



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## Small Business Health Care Tax Credit



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## Eligibility Rules

- Providing health care coverage
- Firm size
- Average annual wage
- Both taxable (for profit) and tax-exempt firms qualify



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## Amount of Credit

- Maximum Amount
- Phase-out



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## Thank You

## Any Questions?



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