

Paid Tax Return Preparers: Opportunities Remain to Improve IRS Oversight

GAO-26-108723 [Accessible Version]

Q&A Report to Congressional Requesters

February 24, 2026

Why This Matters

During fiscal year 2024, more than half of all individual taxpayers relied on paid tax return preparers to assist them in meeting their federal tax filing obligations, according to Internal Revenue Service (IRS) data. Paid preparers play a critical role in our tax system helping taxpayers file accurate, complete, and fully compliant tax returns and IRS collect the revenue that funds the federal government.

Paid preparer errors contribute to billions of dollars in improper claims of refundable tax credits and can have negative consequences for taxpayers. However, many paid preparers do not have professional credentials and are generally not subject to IRS regulation, including competency testing, suitability checks, or educational requirements.

Our prior work indicates that in some circumstances these unregulated preparers can make errors at a higher rate than taxpayers who prepare their own returns. The absence of IRS oversight can put taxpayers at risk of receiving insufficient or incompetent tax preparation services that may expose them to potentially burdensome enforcement actions.

We were asked to examine IRS's ability to oversee preparers. This report describes what we and other oversight bodies have previously found on IRS's oversight of paid preparers and recommendations to improve its efforts.

Key Takeaways

- The majority of paid preparers are not subject to IRS regulation, such as testing and educational requirements.
- Unqualified paid preparers make serious errors on returns that can harm taxpayers and subject them to tax adjustments and penalties.
- IRS uses various tools to oversee paid preparers and bring them into compliance, including education and outreach, civil and criminal investigations, and penalties, but IRS's authority to oversee paid tax preparers is limited.
- We previously recommended that Congress provide IRS the authority to establish professional standards for all paid preparers and identified opportunities for IRS to improve its oversight efforts of paid tax preparers.

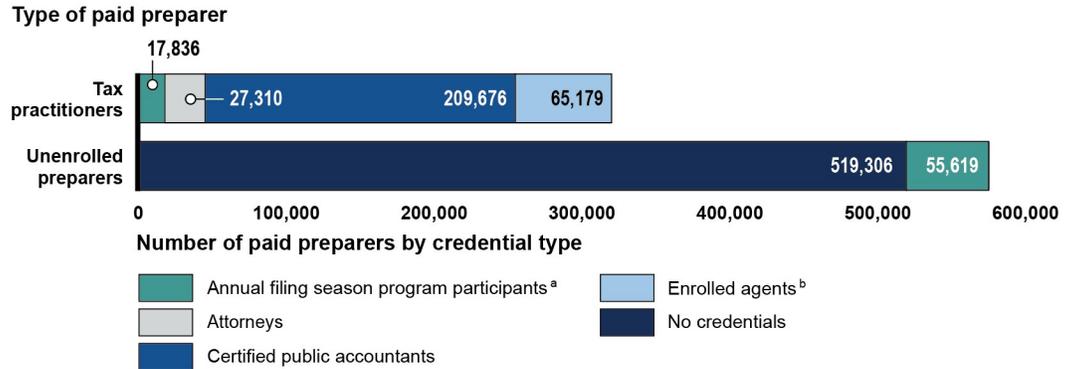
Who are paid tax return preparers?

A paid preparer is anyone who is paid to prepare, assist in preparing, or review a taxpayer's tax return. Taxpayers rely on paid preparers to provide them with

accurate, complete, and fully compliant tax returns. According to IRS data, over 85 million (57 percent) individual taxpayers used a paid preparer to help prepare a return in fiscal year 2024.¹

Paid preparers have differing levels of skills, education, and expertise and generally can be categorized as tax practitioners and unenrolled preparers. See figure 1.

Figure 1: Number and Type of Credentials Held by Paid Preparers for 2025



Source: Internal Revenue Service, Return Preparer Office. Data as of December 2025. | GAO-26-108723

Accessible Data for Figure 1: Number and Type of Credentials Held by Paid Preparers for 2025

Category	No credentials	Annual filing season program participants	Attorneys	Certified public accountants	Enrolled agents
Tax practitioners	0	17,836	27,310	209,676	65,179
Unenrolled preparers	519,306	55,619	0	0	0

Source: Internal Revenue Service, Return Preparer Office. Data as of December 2025. | GAO-26-108723

Notes: Tax practitioners, a subset of paid preparers, may have more than one credential. As of December 2025, there were 295,751 individual tax practitioners with Preparer Tax Identification Numbers (PTIN) issued by Internal Revenue Service (IRS). A paid preparer must include their PTIN in the Paid Preparer section of a tax return they prepared.

^aIRS's voluntary Annual Filing Season Program is designed to encourage unenrolled preparers to participate in continuing education courses. However, both tax practitioners and unenrolled preparers may choose to complete the program's training requirements.

^bEnrolled Agent category includes enrolled agents, enrolled retirement plan agents, and enrolled actuaries.

Tax practitioners include enrolled agents, certified public accountants, attorneys, enrolled actuaries, and enrolled retirement plan agents. These individuals possess some level of qualification or credentials issued by either IRS or states. Tax practitioners are permitted to represent taxpayers before IRS, prepare and file documents for taxpayers, and correspond and communicate with IRS.²

All other paid preparers without professional credentials are referred to as unenrolled preparers. In most states, anyone can be an unenrolled preparer regardless of education, experience, or other standards. Unenrolled preparers generally cannot represent taxpayers in any matters before IRS, unless they voluntarily participate in IRS's Annual Filing Season Program.³

All preparers may participate in IRS's voluntary Annual Filing Season Program. The program requires participants to obtain a certain number of continuing education hours and consent to standards of competency, diligence, and other ethical behavior.⁴ IRS issues program participants a record of completion to differentiate themselves from other unenrolled preparers and includes participants in a public database of return preparers on IRS's website. Annual Filing Season Program participants without other credentials have limited representation rights, meaning they can only represent taxpayers in the context

of an examination of a return they have prepared and signed and not on any other matters such as payment and collection issues or appeals.

Some preparers participate in IRS's Volunteer Income Tax Assistance and Tax Counseling for the Elderly programs. These programs offer free tax help to people who meet certain criteria. To volunteer, preparers must complete training and adhere to ethical standards of conduct.

All paid preparers are required to have and use a Preparer Tax Identification Number (PTIN) indicating that the return was prepared by someone other than the taxpayer.⁵ However, some individuals do not comply with this requirement and complete tax returns on behalf of clients without providing a valid PTIN. IRS refers to these individuals as ghost preparers. According to IRS, ghost preparers may encourage taxpayers to take advantage of tax credits and benefits for which they do not qualify and may even try to steal the taxpayer's refund. According to IRS officials, ghost preparer returns are not included among the 85 million returns identified as being completed by paid preparers for taxpayers in fiscal year 2024.

What authority does IRS have to regulate paid preparers?

IRS only has authority to regulate the practice of paid preparers who are tax practitioners under 31 U.S.C. § 330. Tax practitioners are subject to standards of practice under the Department of the Treasury Circular No. 230.⁶ Enrolled agents are generally required to pass a three-part examination and complete annual continuing education. Attorneys and certified public accountants are licensed by states but are still subject to Circular No. 230 standards of practice if they represent taxpayers before IRS. Generally, unenrolled preparers are not subject to IRS regulation, including competency testing and education requirements.

In 2011, IRS issued final regulations that required registration, competency testing, and continuing education for all paid preparers and subjected new registrants to standards of conduct.⁷ However, in 2014, the Court of Appeals for the D.C. Circuit ruled that IRS lacked the statutory authority under 31 U.S.C. § 330 to regulate these preparers.⁸ Since the court's ruling, Congress has not provided IRS with the authority to regulate all paid preparers.

IRS has the statutory authority to require that paid preparers obtain a PTIN.⁹ Paid preparers must renew their PTINs annually. According to IRS data, as of December 2025 approximately 870,000 individuals have registered or renewed their PTINs for 2025.

What have we reported on the quality of tax preparation by paid preparers?

Paid preparers can make serious errors on the tax returns they prepare, as we found in our prior work examining the quality of a sample of returns completed by paid preparers and in our analyses of IRS's National Research Program (NRP) data.¹⁰

Undercover visits found common errors. During undercover visits to commercial preparers in 2006 and 2014, we found selected paid preparers often prepared returns that were incorrect, with tax consequences that were sometimes substantial ([GAO-06-563T](#), [GAO-14-467T](#)).¹¹ Common errors included: not reporting non-Form W-2 income (e.g., cash tips), not reporting business income, claiming an ineligible child for the Earned Income Tax Credit, and not including identifying information, such as a signature and a PTIN.¹²

We found that as a result of these and other errors, some calculated refunds were either substantially higher or lower than they should have been. In fact, most of the preparers we visited failed to calculate the correct refund amounts ([GAO-06-563T](#), [GAO-14-467T](#)). While some errors had fairly small tax consequences, others had very large consequences. In 2014, we found, for our 19 nongeneralizable visits, paid preparer errors resulted in refund amounts that varied from giving the taxpayer \$52 less to \$3,718 more than the correct refund amount ([GAO-14-467T](#)).

IRS data show similar error rates over time. In addition, our prior analyses of IRS's NRP data suggest that tax returns prepared by paid preparers contained a substantial number of errors.¹³ For example, in our analysis of IRS's NRP data of returns from tax years 2006 through 2009, tax returns prepared by preparers had a higher estimated rate of errors (60 percent) than self-prepared returns (50 percent) ([GAO-14-467T](#)).

We have also previously found that unenrolled preparers make errors at relatively high rates compared to other types of preparers on returns claiming refundable tax credits. In our 2016 analysis of NRP audit data for tax years 2009 to 2011, we reported that unenrolled paid preparers had higher error rates for the refundable tax credits than other types of preparers, including volunteers in IRS's sponsored Volunteer Income Tax Assistance and Tax Counseling for the Elderly programs, and taxpayers who prepared their own returns ([GAO-16-475](#)).¹⁴

Preparer errors can lead to consequences. When preparers make errors, taxpayers may face consequences, and the government may collect less revenue. For example, when paid preparers overstate a taxpayer's liabilities, taxpayers may lose out on tax benefits to which they are entitled. Alternatively, when preparers understate a taxpayer's tax liability, the taxpayer may be subject to IRS tax adjustments and penalties. Additionally, preparer errors on returns that claim refundable tax credits, such as the Earned Income Tax Credit, can contribute to billions of dollars in improper payments ([GAO-23-105217](#)).

What tools does IRS use to oversee paid preparers?

IRS uses various outreach and education efforts, civil and criminal investigations, and penalties to oversee all paid preparers and attempt to bring them into compliance, as we previously reported.

Outreach and education efforts. IRS developed the Refundable Credits Return Preparer Strategy program to identify preparers who were potentially noncompliant with due diligence requirements and encourage them to comply with the requirements ([GAO-23-105217](#)). All paid preparers must follow due diligence requirements when helping clients file tax returns claiming certain tax credits and other tax benefits, such as the Earned Income Tax Credit.¹⁵ During and after each tax filing year, IRS uses automated filters and algorithms to identify preparer-submitted returns with a high probability of errors. IRS assigns different education and compliance actions to the preparers of these returns. These actions escalate from warning letters and phone calls to preparers to more serious actions such as audits of preparer's clients and IRS staff visits to preparers.

IRS uses a variety of outreach tools to communicate with paid preparers about information security risks and to encourage paid preparers to protect taxpayer information ([GAO-19-340](#)). Paid preparers use taxpayers' personal and financial information to prepare returns, and they may retain that information after returns are filed. IRS conducted outreach campaigns, led seminars, and hosted

webinars, among other efforts, to inform paid preparers about information security and practices to help protect taxpayers.

IRS also makes an effort to educate taxpayers on abusive tax schemes—arrangements that reduce tax liabilities that are not supported by law or that manipulate the law in a way that is not consistent with its intent (GAO-23-105843). Specifically, IRS publishes its Dirty Dozen list annually to help alert taxpayers about schemes and scams they might encounter, including paid preparers and promoters who arrange and market these schemes.¹⁶

Civil and criminal investigations. IRS conducts civil and criminal investigations of abusive tax schemes involving promoters and preparers (GAO-23-105843). IRS relies on external referrals from taxpayers and paid preparers to identify preparers who promote these abusive tax schemes. Additionally, IRS’s Office of Promoter Investigations coordinates oversight of promoters. This office centralizes receipt and development of abusive tax preparer and promoter leads, conducts research, and authorizes the initiation of abusive tax preparer investigations.

Penalties. Paid preparers are subject to certain requirements in the Internal Revenue Code (IRC) and may be subject to penalties for noncompliance. Penalties may include fines, imprisonment, or enjoining preparers from preparing income tax returns. Figure 2 illustrates select civil and criminal penalties and other authorities that apply to paid preparers.

Figure 2: Select Internal Revenue Code Paid Preparer Penalties and Other Authorities for Returns Filed in Calendar Year 2026

Civil penalties		Criminal penalties	Other authorities
<p>Understatement of taxpayers’ liabilities on returns</p> <p>Section (Sec.) 6694(a): Due to unreasonable positions</p> <p>Penalty: \$1,000 per return or 50 percent of the tax preparer’s income to prepare the return (whichever is greater)</p> 	<p>Failure to follow other rules and regulations when preparing a return</p> <p>Sec. 6695(a): Failure to provide copy of return to taxpayer</p> <p>Sec. 6695(b): Failure to sign return</p> <p>Sec. 6695(c): Failure to furnish identifying number</p> <p>Penalty: \$65 per failure up to a maximum of \$32,500^a</p>	<p>Fraud or false statements on returns</p> <p>Sec. 7206: Willful preparation of a false or fraudulent return </p> <p>Penalty: Up to \$100,000,^b 3 years imprisonment, or both</p> <p>Sec. 7207: Knowingly providing fraudulent returns to the Internal Revenue Service</p> <p>Penalty: Up to \$10,000,^c 1 year imprisonment, or both</p>	<p>Actions to stop a tax preparer’s unlawful conduct</p> <p>Sec. 7407: Authority to enjoin income tax preparers</p> <p>Sec. 7408: Authority to enjoin specified conduct related to tax shelters and reportable transactions</p> 

Source: GAO analysis of the Internal Revenue Code. | GAO-26-108723

Accessible Data for Figure 2: Select Internal Revenue Code Paid Preparer Penalties and Other Authorities for Returns Filed in Calendar Year 2026

Civil penalties	Civil penalties	Criminal penalties	Other authorities
<p>Understatement of taxpayers’ liabilities on returns</p> <p>Section (Sec.) 6694(a): Due to unreasonable positions</p> <p>Penalty: \$1,000 per return or 50 percent of the tax preparer’s income to prepare the return (whichever is greater)</p>	<p>Failure to follow other rules and regulations when preparing a return</p> <p>Sec. 6695(a): Failure to provide copy of return to taxpayer</p> <p>Sec. 6695(b): Failure to sign return</p> <p>Sec. 6695(c): Failure to furnish identifying number</p> <p>Penalty: \$65 per failure up to a maximum of \$32,500^a</p>	<p>Fraud or false statements on returns</p> <p>Sec. 7206: Willful preparation of a false or fraudulent return</p> <p>Penalty: Up to \$100,000, 3 years imprisonment, or both</p> <p>Sec. 7207: Knowingly providing fraudulent returns to the Internal Revenue Service</p> <p>Penalty: Up to \$10,000, 1 year imprisonment, or both</p>	<p>Actions to stop a tax preparer’s unlawful conduct</p> <p>Sec. 7407: Authority to enjoin income tax preparers</p> <p>Sec. 7408: Authority to enjoin specified conduct related to tax shelters and reportable transactions</p>

^a26 U.S.C. § 6695 penalty amounts listed are subject to an annual inflation index. The penalty rates are based on the year in which the return was filed. This figure presents penalty amounts that apply to tax year 2025 returns, which are generally filed in calendar year 2026, as described in Revenue Procedures 2024-40. 2024-45 I.R.B. 1108 (Nov. 4, 2024).

^bThe penalty under 26 U.S.C. § 7206 is \$500,000 in the case of a corporation.

^cThe penalty under 26 U.S.C. § 7207 is \$50,000 in the case of a corporation.

How could IRS improve oversight of paid preparers?

IRS could improve oversight of paid preparers by finalizing plans for an IRS-wide preparer strategy and centralizing leadership for protecting taxpayer data at third-party providers, as we recommended.¹⁷

Finalize the service-wide tax return preparer strategy. In 2022, we reported that IRS identified a need for a service-wide tax return preparer strategy that would ensure consistent treatment of all preparers across different compliance programs (GAO-23-105217). However, progress on the IRS-wide strategy stalled. A more coordinated approach could help taxpayers and their representatives prepare more accurate returns and avoid costly compliance efforts. A service-wide strategy could also help IRS determine the resources needed in relation to other programs that focus on paid preparer compliance. We recommended IRS finalize the service-wide return preparer strategy and identify the resources needed to implement it.¹⁸ IRS agreed with this recommendation. However, in June 2025, IRS officials told us it could not implement this recommendation at this time because it was undergoing a reduction in force and reorganization. As of December 2025, IRS has not implemented its service-wide strategy.

Other IRS oversight groups, including the Electronic Tax Administration Advisory Committee (ETAAC), the Taxpayer Advocate Service (TAS), and the Treasury Inspector General for Tax Administration (TIGTA), have also recommended IRS implement a service-wide strategy related to paid preparers.¹⁹ For example, in 2018, TIGTA recommended that IRS develop a preparer misconduct strategy that encourages programs with the authority to address preparer misconduct to coordinate with one another to establish program goals and track progress toward those goals.

Centralize leadership for protecting taxpayer data at third-party providers. In 2019, we reported that IRS lacked centralized leadership to protect taxpayer information collected by third-party providers, such as paid preparers (GAO-19-340). Such leadership could help ensure greater collaboration across IRS offices and help third-party providers mitigate evolving security threats. We recommended IRS develop a governance structure or other form of centralized leadership to coordinate all aspects of its efforts to protect taxpayer information while at third-party providers, including paid preparers.²⁰ IRS agreed with the intent of this recommendation but did not agree to implement it. IRS stated that a centralized leadership would not be effective without the explicit authority for IRS to establish security requirements for the IT systems of paid preparers. As of December 2025, IRS had not developed centralized leadership for protecting taxpayer data at third-party providers.

In 2018, ETAAC also recommended IRS identify and empower one organization inside the agency with overall responsibility for setting security requirements for tax professionals and coordinating the implementation of such requirements across IRS stakeholders.²¹

Consider recommendations by other oversight groups. The IRS Advisory Council (IRSAC), ETAAC, TAS, and TIGTA have all recommended IRS improve

taxpayer and paid preparer education or communication efforts.²² Specifically, IRSAC and TAS recommended that IRS should promote the voluntary oversight programs such as the Enrolled Agent and Voluntary Income Tax Assistance programs. Recent recommendations also include improving paid preparer penalty enforcement. For example, TAS and TIGTA recommended that IRS should prioritize the assessment and collection of paid preparer penalties.

How could Congress improve federal oversight of paid preparers?

Congress could improve federal oversight of paid preparers by granting IRS authority to establish professional standards for paid preparers and security requirements for IT systems of paid preparers, as we previously recommended.

Grant IRS authority to establish professional standards for paid preparers.

Most significantly, and as discussed in this report, paid preparers are not held to uniform standards because IRS lacks the statutory authority to regulate all types of paid preparers. In 2014 and again in 2022, we recommended Congress grant IRS the authority to establish professional requirements for paid tax preparers to reduce the risk of taxpayers receiving insufficient or incompetent tax preparation services and potentially burdensome enforcement actions ([GAO-14-467T](#) and [GAO-23-105217](#)). In 2025, we reported that action to address this matter could produce \$100 million or more in financial savings ([GAO-25-108167](#)).

Other IRS oversight groups have also recommended that Congress grant IRS the authority to establish professional requirements for paid preparers. For example, beginning in 2002 and most recently in 2024, TAS has recommended that Congress authorize IRS to establish minimum competency standards for paid preparers.²³ Further, TAS has recommended that Congress authorize IRS to revoke the PTINs of preparers for violations of established minimum standards for paid preparers.²⁴ IRSAC and ETAAC also recommended Congress grant IRS the authority to regulate paid preparers, most recently in 2018 and 2025, respectively.²⁵

As of February 2026, legislation has been introduced in the 119th Congress that, if enacted, would authorize Treasury to regulate paid preparers.²⁶ These bills have been introduced but not enacted. Additionally, we identified legislation introduced but not enacted in prior Congresses which would have addressed this matter.

Grant IRS authority to establish security requirements for IT systems of paid preparers.

In 2019, we found that IRS was unable to ensure the adequate protection of taxpayers' sensitive personal information when it was held by paid preparers or tax preparation software providers ([GAO-19-340](#)). We recommended that Congress should consider providing IRS with explicit authority to establish security requirements for the information systems of paid preparers and authorized e-file providers.

In 2018 and 2019, ETAAC supported granting IRS authority to establish and enforce security standards.²⁷

At least one bill was introduced in a prior Congress that, if enacted, would have addressed this matter.²⁸ However, as of February 2026, no legislation has been introduced in the 119th Congress that, if enacted, would provide IRS with explicit authority to establish security requirements for the information systems of paid preparers and authorized e-file providers.

Consider recommendations by other oversight groups.

Finally, TAS has recommended several changes to increase oversight of paid preparers. For example, in every year since 2017, TAS has recommended Congress amend

IRC sections 6694 and 6695 to increase the dollar amount of the penalties and broaden their scope.²⁹ In addition, in 2023 and 2024, TAS recommended Congress grant Treasury the authority to revoke PTINs for violations of established minimum standards.³⁰

Agency Comments

We provided a draft of this report to the Acting Commissioner of Internal Revenue for review and comment. IRS provided technical comments, which we incorporated as appropriate.

How GAO Did This Study

We reviewed the IRC, relevant regulations and case law, information on IRS.gov regarding paid preparer credentials and qualifications, our previous issued work on paid preparer topics, and reports on paid preparers by the following IRS oversight groups: ETAAC, IRSAC, TAS, and TIGTA. Additionally, we analyzed IRS Return Preparer Office return preparer statistics on numbers of paid preparers with current preparer tax identification numbers for 2025, the latest data available. To assess the reliability of paid preparer data, we discussed the accuracy and completeness of the data with IRS officials. We found these data to be sufficiently reliable for our reporting purposes. We interviewed IRS officials to discuss IRS's actions to address our recommendations. Finally, we searched for bills introduced in the 118th and 119th Congresses that, if enacted, would partially or fully address each of our open matters as of January 2026.

We conducted this performance audit from September 2025 to February 2026 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

List of Addressees

The Honorable Ron Wyden
Ranking Member
Committee on Finance
United States Senate

The Honorable Catherine Cortez Masto
United States Senate

We are sending copies of this report to the appropriate congressional committees, the Acting Commissioner of Internal Revenue, and other interested parties. In addition, the report will be available at no charge on the GAO website at <https://www.gao.gov>.

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Endnotes

¹According to IRS, this includes cases in which a taxpayer transmitted the return via an authorized e-file provider, who was, in most cases, also the paid preparer. Authorized IRS e-file providers are businesses or organizations authorized by IRS to participate in IRS e-file to electronically file clients' returns.

²Practice before IRS encompasses all matters connected with a presentation to IRS or any of its officers or employees relating to a taxpayer's rights, privileges, or liabilities under laws or regulations administered by IRS. Such presentations include, but are not limited to, preparing documents; filing documents; corresponding and communicating with IRS; rendering written advice with respect to any entity, transaction, plan or arrangement, or other plan or arrangement having a potential for tax avoidance or evasion; and representing a client at conferences, hearings, and meetings. 31 C.F.R. § 10.2(a)(4). For simplicity we refer to these tax practitioners as "representing taxpayers before IRS" in this report.

³Rev. Proc. 2014-42, sec. 6., 2014-29 I.R.B. 192 (July 14, 2014).

⁴Found in subpart B and section 10.51 of Department of the Treasury, Regulations Governing Practice before the Internal Revenue Service, 31 C.F.R. §§ 10.1–10.93 (Circular No. 230).

⁵26 U.S.C. § 6109(a)(4).

⁶Department of the Treasury, Regulations Governing Practice before the Internal Revenue Service, 31 C.F.R. §§ 10.1–10.93 (Circular No. 230).

⁷76 Fed. Reg. 32,286 (June 3, 2011).

⁸Loving v. IRS, 742 F.3d 1013 (D.C. Cir. 2014).

⁹26 U.S.C. § 6109; 26 C.F.R. § 1.6109-2.

¹⁰Throughout this report, we refer to our prior work related to paid preparers, specifically: GAO, *Recommendations for Congress: Action Can Produce Tens of Billions of Dollars in Future Financial and Other Benefits*, [GAO-25-108167](#) (Washington, D.C.: May 22, 2025); *Abusive Tax Schemes: Additional Steps Could Further IRS Efforts to Detect and Deter Promoters*, [GAO-23-105843](#) (Washington, D.C.: Dec. 15, 2022); *Paid Tax Return Preparers: IRS Efforts to Oversee Refundable Credits Help Protect Taxpayers but Additional Actions and Authority Are Needed*, [GAO-23-105217](#) (Washington, D.C.: Nov. 30, 2022); *Taxpayer Information: IRS Needs to Improve Oversight of Third-Party Cybersecurity Practices*, [GAO-19-340](#) (Washington, D.C.: May 9, 2019); *Refundable Tax Credits: Comprehensive Compliance Strategy and Expanded Use of Data Could Strengthen IRS's Efforts to Address Noncompliance*, [GAO-16-475](#) (Washington, D.C.: May 27, 2016); *Paid Tax Return Preparers: In a Limited Study, Preparers Made Significant Errors*, [GAO-14-467T](#) (Washington, D.C.: Apr. 8, 2014); and *Paid Tax Return Preparers: In a Limited Study, Chain Preparers Made Serious Errors*, [GAO-06-563T](#) (Washington, D.C.: Apr. 4, 2006).

¹¹Each site visit study involved investigators visiting 19 randomly selected locations of several commercial chain preparers throughout a major metropolitan area. Investigators played out one of two taxpayer scenarios that involved multiple forms of income, varying levels of deductions, and varying eligibility for refundable tax credits.

¹²To arrive at correct returns for the two scenarios, our staff and staff from the Senate Committee on Finance and the Joint Committee on Taxation completed the tax returns and agreed on the correct refund amount for each scenario as well as what should and should not be reported on the returns.

¹³NRP audits are like, but more extensive than, other IRS audits, so that results can be used to generate broad estimates of taxpayer compliance. NRP's goal is to provide data to measure payment, filing, and reporting compliance of taxpayers, which are used to inform estimates of the tax gap and provide information to support development of IRS audit plans and improvements in workload identification. The NRP employs a stratified, random sample of individual taxpayers. All percentage estimates from the NRP files have margins of error of plus or minus 5 percentage points or less.

¹⁴To describe the taxpayer population claiming refundable credits, we used micro-level data from IRS's Statistics of Income (SOI) Individual Study for tax years 1999 to 2013.

¹⁵26 U.S.C. § 6695(g); 26 C.F.R. § 1.6695-2.

¹⁶Internal Revenue Service, "Dirty Dozen," accessed January 22, 2026, <https://www.irs.gov/newsroom/dirty-dozen>.

¹⁷As of December 2025, IRS has not taken action on these recommendations ([GAO-23-105217](#) and [GAO-23-105843](#)).

¹⁸[GAO-23-105217](#), recommendation 6.

¹⁹National Taxpayer Advocate, *Annual Report to Congress, 2023*, Publication 2104 (Washington, D.C.: Dec., 2023), accessed January 22, 2026, <https://www.taxpayeradvocate.irs.gov/reports/2023-annual-report-to-congress/full-report/>; Electronic Tax Administration Advisory Committee, *Annual Report to Congress, Publication 3415* (Washington, D.C.: June 2023), accessed January 22, 2026, <https://www.irs.gov/pub/irs-prior/p3415-2023.pdf>; and Treasury Inspector General for Tax Administration, *The Internal Revenue Service Lacks a Coordinated Strategy to Address Unregulated Return Preparer Misconduct*, 2018-30-042 (Washington, D.C.: July, 2018), accessed January 22, 2026, <https://www.oversight.gov/sites/default/files/documents/reports/2018-07/201830042fr.pdf>.

²⁰[GAO-19-340](#), recommendation 1.

²¹Electronic Tax Administration Advisory Committee, *Annual Report to Congress, Publication 3415* (Washington, D.C.: June 2018), accessed January 22, 2026, <https://www.irs.gov/pub/irs-prior/p3415-2018.pdf>.

²²Internal Revenue Service Advisory Council, *Public Report, Publication 5316* (Washington, D.C.: November 2024), accessed January 22, 2026, <https://www.irs.gov/pub/irs-prior/p5316-112024.pdf>; National Taxpayer Advocate, *Annual Report to Congress, 2023*, Publication 2104 (Washington, D.C.: Dec., 2023), accessed January 22, 2026, <https://www.taxpayeradvocate.irs.gov/reports/2023-annual-report-to-congress/full-report/>; Treasury Inspector General for Tax Administration, *The Internal Revenue Service Lacks a Coordinated Strategy to Address Unregulated Return Preparer Misconduct*, 2018-30-042 (Washington, D.C.: July, 2018), accessed January 22, 2026, <https://www.oversight.gov/sites/default/files/documents/reports/2018-07/201830042fr.pdf>; and Electronic Tax Administration Advisory Committee, *Annual Report to Congress, Publication 3415* (Washington, D.C.: June 2018), accessed January 22, 2026, <https://www.irs.gov/pub/irs-prior/p3415-2018.pdf>.

²³National Taxpayer Advocate, *Annual Report to Congress, 2024*, Publication 2104 (Washington, D.C.: Dec., 2024), accessed January 22, 2026 <https://www.taxpayeradvocate.irs.gov/reports/2024-annual-report-to-congress/>; and *FY 2002 Annual Report to Congress*, Publication 2104 (Washington, D.C.: Dec., 2002), accessed January 22, 2026, <https://www.taxpayeradvocate.irs.gov/reports/2002-annual-report-to-congress/>.

²⁴National Taxpayer Advocate, *Annual Report to Congress, 2024*, Publication 2104 (Washington, D.C.: Dec., 2024), accessed January 22, 2026, <https://www.taxpayeradvocate.irs.gov/reports/2024-annual-report-to-congress/>.

²⁵Electronic Tax Administration Advisory Committee, *Annual Report to Congress, Publication 3415* (Washington, D.C.: June 2025), accessed January 22, 2026, <https://www.irs.gov/pub/irs-pdf/p3415.pdf>; and Internal Revenue Service Advisory Council, *Public Report, Publication 5316* (Washington, D.C.: November 2018), accessed January 22, 2026, <https://www.irs.gov/pub/irs-prior/p5316-2018.pdf>.

²⁶See H.R. 1983, 119th Cong. (2025); H.R. 6323, 119th Cong. (2025).

²⁷Electronic Tax Administration Advisory Committee, *Annual Report to Congress, Publication 3415* (Washington, D.C.: June 2019), accessed January 22, 2026, <https://www.irs.gov/pub/irs-prior/p3415-2019.pdf>; and *Annual Report to Congress, Publication 3415* (Washington, D.C.: June 2018), accessed January 22, 2026, <https://www.irs.gov/pub/irs-prior/p3415-2018.pdf>.

²⁸S. 2782, 117th Cong. (2021).

²⁹National Taxpayer Advocate, *Purple Book, 2017*, Publication 5286 (Washington, D.C.: Dec., 2017), accessed January 22, 2026, https://www.taxpayeradvocate.irs.gov/wp-content/uploads/2020/08/ARC17_PurpleBook.pdf.

³⁰National Taxpayer Advocate, *Annual Report to Congress, 2024*, Publication 2104 (Washington, D.C.: Dec., 2024), accessed January 22, 2026, <https://www.taxpayeradvocate.irs.gov/reports/2024-annual-report-to-congress/>; and *Annual Report to Congress, 2023*, Publication 2104 (Washington, D.C.: Dec., 2023), accessed January 22, 2026, <https://www.taxpayeradvocate.irs.gov/reports/2023-annual-report-to-congress/>.