

**421.63 Authority to enjoin certain tax return preparers.**

1. For purposes of [this section](#), unless the context otherwise requires:

a. “*Department*” means the Iowa department of revenue.

b. “*State*” means any state of the United States, the District of Columbia, Puerto Rico, the United States Virgin Islands, or any territory or insular possession subject to the jurisdiction of the United States.

c. “*Tax return preparer*” means the same as defined in [section 421.62](#).

d. “*Unreasonable position*” means the same as defined in section 6694(a)(2) of the Internal Revenue Code.

e. “*Willful or reckless*” means the same as “*willful or reckless conduct*” defined in section 6694(b)(2) of the Internal Revenue Code.

2. The director of the department may seek a temporary or permanent injunction from any court of competent jurisdiction to prevent a tax return preparer from engaging in further conduct described in [subsection 3](#).

3. A tax return preparer may be temporarily or permanently enjoined from engaging in activity described in [section 421.62, subsection 1](#), paragraph “d”, if the court finds that a tax return preparer has continually engaged in the following conduct and that injunctive relief is necessary to prevent the recurrence of such conduct:

a. Preparation of any income tax return or claim for refund that includes an unreasonable position that understates the taxpayer’s liability.

b. Preparation of any income tax return or claim for refund that includes a willful or reckless understatement of the taxpayer’s liability.

c. Failure to do any of the following:

(1) Furnish a copy of an income tax return or claim for refund, when required.

(2) Sign the income tax return or claim for refund, when required.

(3) Furnish an identifying number, when required.

(4) Retain a copy of the income tax return, when required.

(5) Complete continuing education requirements as required pursuant to [section 421.64](#).

(6) Use diligence in determining eligibility for tax benefits, when subject to due diligence requirements imposed by department rules.

d. Negotiating on behalf of a taxpayer the issuance of a check by the department, without the permission of the taxpayer.

e. Engaging in conduct subject to a criminal penalty under [this chapter](#).

f. Misrepresenting the eligibility of the preparer to practice before the department or otherwise misrepresenting the experience or education of the preparer.

g. Guaranteeing the payment of any income tax refund or the allowance of any income tax credit.

h. Engaging in any other fraudulent or deceptive conduct that substantially interferes with the proper administration of the tax laws of this state.

4. The fact that the person has been enjoined from preparing tax returns or claims for refund for the United States or any other state, in the five years preceding the petition for an injunction, shall establish a prima facie case for an injunction to be issued pursuant to [this section](#).

[2019 Acts, ch 147, §2](#)

Section not amended; internal reference change applied