

## **NEWS RELEASE**

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### **U.S. House of Representatives Approves Two Provisions Important to CPAs**

#### **Bill Would Equalize Tax Preparer and Taxpayer Tax Return Reporting Standards and Remove Onerous Cell Phone Business Recordkeeping Requirements**

**Washington, DC (April 17, 2008)** – The American Institute of Certified Public Accountants is pleased the U.S. House of Representatives passed two provisions the accounting profession has strongly urged Congress to adopt. One provision would restore the proper relationship between tax preparers and taxpayers by equalizing IRS disclosure standards. The other provision would free businesses from onerous recordkeeping requirements for cell phones.

The provisions are included in H.R. 5719, the “Taxpayer Assistance and Simplification Act of 2008,” passed by the House on April 15. “We are delighted that House members voted in favor of these two provisions that are so important to the CPA profession and business community,” Barry C. Melancon, president and chief executive officer of the AICPA, said. “We urge Congressional leaders to seek a solution to the unrelated, controversial provisions in the bill so that the legislation can move forward in the Senate.”

The bill faces a veto threat from the White House because of provisions the Bush administration says would impose new administrative burdens on trustees of Health Savings Accounts and would repeal IRS’s authority to use private debt collectors. The AICPA urges House and Senate leaders to find ways around these obstacles so that legislation equalizing the reporting standards between tax preparers and taxpayers – a top priority for the AICPA – can be passed by Congress and signed by the president.

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Tom Ochenschlager, AICPA vice president for taxation, said, “We believe legislation is the only way to correct the flawed law passed by Congress in May of 2007 that raised the tax return reporting standards for tax return preparers to a level higher than that required of taxpayers.” Ochenschlager explained that these unequal thresholds create the potential for conflicts of interest between preparers and their clients, and consequently could affect the nature of taxpayers’ representation.

The cell phone provision of H.R. 5719 would remove cell phones and similar telecommunications equipment from the definition of “listed property” in the Internal Revenue Code. “Technology and business practices have changed significantly since cell phones were first introduced and required to be treated as “listed property,” Ochenschlager said. “It’s time to lift these burdensome rules off taxpayers.”

“The CPA profession appreciates House Ways and Means Committee Chairman Charles Rangel’s leadership and support for including these two provisions in H.R. 5719,” Ochenschlager said. “In addition, we want to thank Representative Joseph Crowley, a New York Democrat, and Representative Jim Ramstad, a Minnesota Republican, for introducing H.R. 4318 to equalize the tax return reporting standards, and Representative Sam Johnson, a Texas Republican, for introducing H.R. 5450 to remove cell phones from listed property.”

The American Institute of Certified Public Accountants ([www.aicpa.org](http://www.aicpa.org)) is the national, professional association of CPAs, with more than 350,000 members, including CPAs in business and industry, public practice, government, and education; student affiliates, and international associates.

It sets ethical standards for the profession and U.S. auditing standards for audits of private companies; federal, state and local governments; and non-profit organizations. It develops and grades the Uniform CPA Examination nationwide.

The AICPA is the sponsor of a national public-education effort called 360 Degrees of Financial Literacy ([www.360financialliteracy.org](http://www.360financialliteracy.org)), designed to improve the financial understanding of Americans at all age levels. A related campaign, Feed the Pig ([www.feedthepig.org](http://www.feedthepig.org)), co-sponsored with the Ad Council, is designed to help Americans ages 25 to 34 years old save for long-term financial security.

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