



TaxNewsFlash

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Proposed regulations: Updated rules contained in Circular 230 for tax professionals who can practice before IRS

The U.S. Treasury Department and IRS today released [proposed regulations](#) (REG-116610-20) to update the rules for certain tax professionals who can practice before the IRS—these rules are contained in Treasury Department Circular 230 and authorized under 31 U.S.C. 330.

The IRS Office of Professional Responsibility (OPR) generally has responsibility for matters related to practitioner conduct, and exclusive responsibility for discipline, including disciplinary proceedings and sanctions. The proposed regulations, if finalized, would amend Circular 230 in various ways to account for changes in the law and the evolving nature of tax practice.

Among other changes, the proposed regulations would remove or update the parts of Circular 230 related to registered tax return preparers and tax return preparation, that have been rendered obsolete by recent court cases, as well as contingent fees to reflect changes in the law since the prior amendments to Circular 230 in 2011 and 2014. The proposed regulations also add new provisions related to standards for, and disqualification of, appraisers who present evidence or testimony to the IRS. The proposed regulations would also revise or eliminate other provisions that are out of date.

Additionally, the proposed regulations would incorporate new provisions that better align Circular 230 with the current practice environment, such as requiring that practitioners maintain technological competency as part of their practice before the IRS. The proposed regulations would also clarify some provisions, such as confirming that OPR retains jurisdiction over practitioners who have been suspended or disbarred from practice.

Finally, the proposed regulations would provide rules related to appraisers, including the standards for disqualification.

Read a related IRS [release—IR-2024-315](#) (December 20, 2024)

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