

RULES OF PROFESSIONAL CONDUCT FOR
MEMBERS IN TAX PRACTICE

RULE NO. 1

An unenrolled member must seek to fully protect the taxpayer's interests, and in appropriate cases refer the tax client to persons admitted to practice before the Internal Revenue Service before the U. S. Tax Court.

RULE NO. 2

A member is not considered to be expressing an opinion on the representation in any financial statement required as part of a tax return prepared and signed by himself, or a member or employee of his firm.

RULE NO. 3

The responsibility of a member to review advice previously given, the tax returns previously prepared and filed, depends upon the nature of the contract between him and his client.

RULE NO. 4

A member shall have an understanding with his client, as to whether his responsibility ends with the preparation of a tax return, or other service based upon current law, or whether he is expected to inform the client of subsequent developments of the law which may materially affect the tax return as prepared, or the advice given.

RULE NO. 5

In situations where the applicable law is unsettled, or where the application of the law to the facts at hand is uncertain, the member has a duty to explain the probable effects of the various alternatives to the taxpayer who must make the final decision as to the position to be taken.

RULE NO. 6

A member must not permit his client to report incorrectly any item having a bearing on the client's tax liability on the return or other tax related document. Should a client of a member insist on treating incorrectly an item affecting his tax liability when there is no reasonable basis in law or in fact for such treatment of the item, the member should withdraw from the engagement and refuse to prepare the return or other document associated with the proposed impropriety.

RULE NO. 7

A member is under a duty to resolve all doubts in favor of his client when there is a reasonable basis in law and fact for the position taken, and the client is advised of the alternatives and the probable effects thereof.

RULE NO. 8

If the client will not provide sufficient information to properly calculate the tax due, then the member should withdraw from the assignment.

RULE NO. 9

A member is under a duty to comply with all rules and regulations of the Treasury Department governing practice before the Internal Revenue Service.

RULE NO. 10

A member should be considerate and respectful in dealing with representatives of the Internal Revenue Service.

RULE NO. 11

A member should avoid the appearance of an unduly close relationship with representatives of the Internal Revenue Service.

RULE NO. 12

A member should not aid or abet by any means unauthorized practice by others.

RULE NO. 13

A member has no obligation to communicate with the Internal Revenue Service with respect to a person whom he suspects has been grossly negligent or who may have committed fraud against the government.