New York City Department of Consumer and Worker Protection

Notice of Public Hearing and Opportunity to Comment on Proposed Rules

What are we proposing? The Department of Consumer and Worker Protection ("DCWP" or "Department") is proposing rules to implement Local Law 168 of 2025, which requires that income tax preparers provide consumers with a written statement itemizing all charges and fees for services on offer, including all charges for services that the tax preparer intends to provide to the consumer.

When and where is the hearing? DCWP will hold a public hearing on the proposed rule. The public hearing will take place at 11:00 AM on September 16, 2026. The public hearing will be accessible by phone and videoconference.

- To participate in the public hearing via phone, please dial +1 646-893-7101
  - Phone Conference ID: 233 920 059#

- To participate in the public hearing via videoconference, please follow the online link:
  - https://tinyurl.com/3t5tmwyu
  - Meeting ID: 231 760 350 126 093
  - Passcode: ue22RY3Y

How do I comment on the proposed rules? Anyone can comment on the proposed rules by:

- **Website.** You can submit comments to DCWP through the NYC rules website at http://rules.cityofnewyork.us.

- **Email.** You can email comments to Rulecomments@dcwp.nyc.gov.

- **Speaking at the hearing.** Anyone who wants to comment on the proposed rule at the public hearing must sign up to speak. You can sign up before the hearing by emailing Rulecomments@dcwp.nyc.gov. You can also sign up on the phone or videoconference before the hearing begins at 11:00 AM on September 16, 2026. You can speak for up to three minutes. Please note that the hearing is for accepting oral testimony only and is not held in a "Question and Answer" format.

Is there a deadline to submit comments? Yes. You must submit any comments to the proposed rule on or before **September 16, 2026**.

What if I need assistance to participate in the hearing? You must tell DCWP's External Affairs division if you need a reasonable accommodation of a disability at the hearing. You must tell us if you need a sign language interpreter. You may tell us by email at Rulecomments@dcwp.nyc.gov. Advance notice is requested to allow sufficient time to arrange the accommodation. Please tell us by September 9, 2026.

Can I review the comments made on the proposed rules? You can review the comments made online on the proposed rules by going to the website at http://rules.cityofnewyork.us/. A few days after the hearing, all comments received by DCWP on the proposed rule will be made available to the public online at http://www1.nyc.gov/site/dca/about/public-hearings-comments.page.

What authorizes DCWP to make this rule? Sections 1043 and 2203(f) of the New York City Charter and sections 20-702 and 20-740(c) of the New York City Administrative Code, as amended by Local Law 168 of 2025, authorize the Department of Consumer and Worker Protection to make these proposed rules. This proposed rule was included in the Department of Consumer and Worker Protection's regulatory agenda for this Fiscal Year.

Where can I find DCWP's rules? The Department's rules are in Title 6 of the Rules of the City of New York.

What laws govern the rulemaking process? DCWP must meet the requirements of section 1043 of the City Charter when creating or changing rules. This notice is made according to the requirements of section 1043 of the City Charter.

Statement of Basis and Purpose of Proposed Rule

The Department of Consumer and Worker Protection ("DCWP" or "Department") is proposing rules to implement Local Law 168 of 2025. The local law requires income tax preparers to provide consumers with a written statement itemizing all charges and fees for services on offer, as well as the total cost for all such charges and fees. If any fees or charges are estimated, the statement must include the highest total estimate for the tax preparer's services. The consumer must sign this statement before the tax preparer provides services to the consumer.. Pursuant to this law, the proposed rule sets the size, format, and other required elements of this statement.

Specifically, the proposed rule:

- outlines how the tax preparer must convey fees to a consumer to ensure a complete and clear breakdown of how much the consumer will be charged and why, and
- specifies that before a consumer signs the fee statement, as required by the law, the tax preparer must let the consumer review the statement, verbally explain the fees, answer any questions, and must then obtain the consumer's written consent to all fees and charges contained in the statement.

These steps will give consumers a meaningful opportunity to understand the fees before agreeing to them by signing the statement. These new requirements align with similar requirements in the Administrative Code and rules that require tax preparers to provide consumers with the Consumer Bill of Rights Regarding Tax Preparers prior to any discussion about their services, and direct consumers to review the document and tax preparers to answer any questions.[1]

The proposed rule also:

- explicitly prohibits filing a consumer's tax return without their consent to fees, which will further strengthen protections around hidden or misleading fees by providing an additional enforceable violation under the City's Consumer Protection Law,

- incorporates the requirements for this written statement of fees into existing tax preparer disclosures and specifies that like other disclosures, this written statement of fees must be provided to consumers in all languages that the tax preparer uses to attract customers,

- requires that tax preparers retain records of these written fee statements for three years, and that failure to retain and produce such records for a specific consumer creates a rebuttable presumption that the statement was not provided to that consumer. This provision ensures that the Department can efficiently investigate and enforce compliance with this important consumer protection, and

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[1] Admin. Code § 20-740.1(b), 6 RCNY § 5-173(b).

- updates the penalty schedule for tax preparers to incorporate these violations. The new penalties range from $350 for a first violation to $750 for a third violation.

The proposed rule also includes minor plain language edits.

Sections 1043 and 2203(f) of the New York City Charter and section 20-702 and 20-740(c) of the New York City Administrative Code, as amended by Local Law 168 of 2025, authorize the Department of Consumer and Worker Protection to make these proposed rules.

<u>New material is underlined.</u>

[Deleted material is in brackets.]

"Shall" and "must" denote mandatory requirements and may be used interchangeably in the rules of this department, unless otherwise specified or unless the context clearly indicates otherwise.

Section 1. Section 5-66 of part 5 of subchapter A of chapter 5 of Title 6 of the Rules of the City of New York is amended to read as follows:

§ 5-66 Tax Preparation.

(a) Definitions.

Certified public accountant and public accountant. "Certified Public Accountant" and "Public Accountant" mean any individual who fits within the definitions set forth in Article 149 of the Education Law.

Income tax return or tax return. "Income tax return" or "tax return" means a federal, state or city tax return of a natural person, including joint returns and all related schedules.

Tax preparer. "Tax Preparer" means any individual or business that prepares any income tax return, for a fee, to obtain or retain clients, or in connection with the sale of items or services. It does not include an individual employed to prepare tax returns by another individual or business entity if that individual makes clear that he or she is only an employee and that his or her employer will sign the taxpayer's return.

(b) Prohibited practices. Tax preparers may not:

(1) ask a taxpayer to sign a blank or incomplete tax return;

(2) misrepresent their qualifications;

(3) reveal any information appearing on a tax return or any information gathered for its preparation, including the fact of preparation and the content of solicitation lists, to any person or business other than:

(i) the taxpayer;

(ii) a person designated in writing by the taxpayer; or

(iii) anyone authorized to receive such information by court order or by law;

(4) make any deceptive statement designed to persuade taxpayers to use, or not to use, a tax preparer;

(5) induce or attempt to induce a taxpayer to violate any governmental law, rule or regulation;

(6) use the word "accountant" in any advertisement unless at least one Certified Public Accountant or Public Accountant is present at each tax preparing location during all business hours, or unless the tax preparer immediately follows the word "accountant" with a conspicuous and prominent disclaimer that the tax preparer is not licensed by the state as a Certified Public Accountant or Public Accountant. If a tax preparer uses the word "accountant" without the disclaimer, then a Certified Public Accountant or Public

Accountant employed at the tax preparing location must exercise control over all tax returns prepared at that location;

(7) use the term "expert," "master," "consultant," "specialist" or any similar terms in an advertisement unless the tax preparer's relevant education or experience is also disclosed in the advertisement. There must be a reasonable basis for any claims of expertise;

(8) alter a tax return after it has been signed by the taxpayer, without the taxpayer's written consent;

(9) charge a fee based upon the amount of tax owed or refund due.

(10) file a consumer's tax return without their written consent to all fees.

(c) Required practices.

(1) Tax preparers that advertise their tax preparation services in a manner designed to reach the general public must post; in English, prominently and conspicuously at the public entrance to the tax preparer's business premises or in the immediate area where consumers arrive and are met for business by the tax preparer:

(i) a price list sign stating exactly how their fees are computed. The price list must contain:

(a) a list of services offered by the tax preparer;

(b) the minimum fee charged for each service, including but not limited to the fee charged for each type of Federal or New York State return;

(c) factors which may cause the fee to be higher than the minimum fee and, for each factor listed, the additional fee and/or the range of possible additional fees charged when the factor applies.

(ii) a disclosure sign or signs stating that:

(a) the taxpayer is entitled to receive a written estimate of all fees before receiving services for which the tax preparer is charging a fee. Such written estimate must include the total price for all services and the tax preparer must obtain consumers' written consent to such fees before providing services;

(b) the taxpayer is entitled to receive a copy of every tax return prepared, at the time the original is given to the taxpayer for filing;

(c) that both the tax preparer and the taxpayer must sign every tax return;

(d) that the tax preparer is not licensed by the State Board for Public Accounting, or is not a member of the Bar of the State of New York, or both, if such is true;

(e) that the tax preparer or an agent will not represent the taxpayer at any audit, if such is true. ("Represent" means to appear before any government tax administering authority as attorney, Certified Public Accountant or enrolled agent. Failure to make this disclosure [shall] means that the tax preparer, if lawfully authorized, agrees to represent the taxpayer or to provide representation.)

(2) The price list sign required by subparagraph (i) of paragraph (1) of this subdivision [shall] must also be posted prominently and conspicuously at each point at which orders are placed and/or payment is made, including at each counter or desk, except where a tax preparer is doing business at a consumer's home or business, in which case the tax preparer must give each consumer a hard copy of the price list prior to any discussion with the consumer. Compliance by a tax preparer with this requirement shall be deemed to satisfy the requirements of [§] section 20-750(a) of the Administrative Code and [6 RCNY § 5-70(a)] section 5-70(a) of this subchapter.

(3) Tax preparers must:

(i) sign every tax return prepared;

(ii) give a copy of every tax return prepared to the taxpayer, at the time the original tax return is given to the taxpayer for filing;

(iii) provide the taxpayer with a statement of the charges for each tax return or schedule prepared;

(iv) return any of the taxpayer's personal papers upon request, when the original tax return is given to the taxpayer for filing, unless specifically permitted to retain such papers under State law.

(d) Refunds. Tax preparers may not:

(1) guarantee a tax refund, or guarantee that the taxpayer will not be audited by any government tax agency;

(2) request a taxpayer to assign to the preparer any portion of the refund due;

(3) use their addresses on a tax return as the place to which a refund should be mailed, unless the taxpayer has signed a power of attorney containing such authorization. A fiduciary with authority to handle a taxpayer's financial matters is not required to obtain this power of attorney;

(4) claim to give taxpayers an "instant tax refund" that is actually an interest-bearing loan unless that fact is disclosed to the taxpayer in accordance with Federal and State law.

(e) Records.

(1) Each tax preparer [shall] must retain a copy of every tax return prepared for a period of at least three years from the preparation date or the due date of the return, whichever is later.

(2) Each tax preparer must retain a signed copy of every written fee statement required to be provided to consumers by section 20-740(c) of the Administrative Code and section 5-174 of subchapter H of this chapter for at least three years from the date services were provided to each consumer. Failure to maintain, retain or produce copies of such written fee statement for a consumer that was charged for tax preparation services by the tax preparer shall create a rebuttable presumption that such fee statement was not provided to the consumer.

(f) Disclosure in foreign languages.

(1) In addition to English, all disclosures required by this section must be made in any other language which the tax preparer uses to attract customers.

(2) For purposes of this section, failure to post each separately [enumerated] listed notice requirement constitutes a separate violation for which a penalty will be assessed.

(g) Exemption. Any individual or business which prepares income tax returns as an adjunct service to year-round fiduciary activities provided in the regular course of business for its customers is exempt from this section. If the business also offers individual tax return preparation services which are not related to such fiduciary activities, this section applies to those services.

Example: A bank trust department offers its services for a fee as trustee on personal trust accounts. The bank advertises that preparation of the beneficiaries' personal income tax returns is available to the beneficiaries of any trust for which it is trustee. This section does not apply to this tax preparation service. If, however, the bank has an agreement with a tax preparation service, under which the service would supply tax preparation services to the public at various branches of the bank, the bank is subject to this section. If the bank provides the service by its own employees, it is subject to this section.

§ 2. Subchapter H of chapter 5 of Title 6 of the Rules of the City of New York is amended to read as follows:

Subchapter H: Income Tax Preparers

§ 5-171 Location of Identification and Qualification Sign.
Each tax preparer [shall] must prominently and conspicuously post the statement required by [§] section 20-740(a) of the Administrative Code at the public entrance to the tax preparer's business premises or in the immediate area where consumers arrive and are met for business purposes by the tax preparer.

§ 5-172 Form and Content of Identification and Qualification Sign.
(a) Except as provided in subdivision (b) of this section, the sign [shall] must be composed of proportionately spaced, upper-case black characters, "sans-serif," at least one-half inch (1/2") high on a white background. The lines on the sign [shall] must be spaced at least one-half inch (1/2") apart.

(b) The heading "IDENTIFICATION AND QUALIFICATIONS OF TAX PREPARER" [shall] must appear at the top and center of the sign. Subsequent lines [shall] must begin at the left-hand margin of the sign. The first line beneath the heading [shall] must state the full name of the tax preparer. The second and third lines [shall] must state the address at which the tax preparer may be contacted throughout the year. The fourth line [shall] must state the telephone number at which the tax preparer may generally be contacted throughout the year during business hours. The fifth line [shall] must begin with the caption "QUALIFICATIONS:" and be followed by a statement of the tax preparer's relevant training and/or experience. Such statement [may] must consist of characters one-quarter inch (1/4") high. (See Specimens No. I and II appearing below for sample signs.)

(c) A partnership, corporation or other business entity operating as a tax preparer may satisfy the disclosure requirements of [§] section 20-740(a) of the Administrative Code by posting one sign, containing its name, address and phone number as set forth above, and a statement of the minimum qualifications possessed by all individuals who prepare or assist in the preparation of tax returns as an agent or employee of the partnership, corporation or other business entity. (See Specimen No. II.)

(d) The sign shall not contain language which falsely indicates that a tax preparer is licensed or in any manner approved or authorized to do business by the City of New York

Specimen No. I

IDENTIFICATION AND QUALIFICATIONS OF TAX PREPARER
JANE DOE
1 MAIN ST.
BRONX, NY 11111
212-555-5555
QUALIFICATIONS: DEGREE IN TAX PREPARATION FROM ABC COLLEGE AND FOUR YEARS EXPERIENCE IN PREPARING TAX RETURNS AT DEF TAX SERVICES.

Specimen No. II

IDENTIFICATION AND QUALIFICATIONS OF TAX PREPARER
XYZ TAX PREPARERS, INC.
1 MAIN ST.
NEW YORK, NY 10000
212-555-0000

QUALIFICATIONS: EACH INDIVIDUAL WHO PREPARES TAX RETURNS FOR XYZ TAX PREPARERS, INC. HAS AT LEAST SIXTY HOURS OF CLASSROOM TRAINING CONDUCTED BY XYZ TAX PREPARERS, INC.

§ 5-173 Consumer Bill of Rights Regarding Tax Preparers.

(a) Each tax preparer must post a sign provided by the Department stating: "By law, tax preparers must give you a free, current, and legible copy of the Consumer Bill of Rights Regarding Tax Preparers before beginning any discussions about tax preparation services. The tax preparer must let you review that document and answer any questions you have. To file a complaint about this business, contact 311 or visit [DCA's] <u>DCWP's</u> website."

(1) The sign must measure at least 17 inches wide by 11 inches tall.

(2) The sign must be:

(i) posted prominently and conspicuously at the public entrance to the tax preparer's business premises or in the immediate area where consumers arrive and are met for business by the tax preparer; and

(ii) in English and in any other language which the tax preparer uses to attract customers, provided that the Department has made available a translation of such sign into that language.

(b) Prior to any discussion with the consumer, each tax preparer must give to each consumer a free, current, and legible copy of the consumer bill of rights regarding tax preparers in English and in the primary language spoken by the consumer, if the Department has made available a translation of such consumer bill of rights in such language.

<u>§ 5-174 Written Estimate of Fees.</u>

<u>(a) Prior to providing services to a consumer, the tax preparer must provide the consumer with a written statement itemizing all charges for services, pursuant to section 20-740(c) of the Administrative Code. Such statement must be entitled "ESTIMATE OF ALL FEES" and must:</u>

(1) <u>List all charges and fees for services that will be provided to the consumer;</u>

(2) <u>For each charge or fee listed, the statement must clearly and conspicuously:</u>

a. <u>Describe the service or product the charge or fee is for;</u>

b. <u>Indicate the amount of the charge or fee. Where the charge or fee is estimated, the statement must indicate as such, and must include the highest possible total estimate for such charge or fee;</u>

c. <u>Indicate whether the charge or fee is for an optional product or service, such as a refund transfer or other deferred payment product, and indicate how the consumer can avoid such charge or fee;</u>

d. <u>Indicate factors that will increase the cost of such charge or fee, including the maximum amount by which such factors could increase the cost.</u>

(3) <u>Clearly and conspicuously state at the bottom of the page, more prominently than the itemized charges and fees, the total amount that the consumer will be charged for services that will be provided to the customer, including any charges for optional services that the consumer has affirmatively selected. If this total amount is an estimate, the statement must list the highest possible total estimate for such services;</u>

(4) Include a line for the consumer's signature below the total amount of charges.

(b) The tax preparer must give the Estimate of All Fees statement to all consumers in physical, printed form, which must be on a sheet of paper 8.5 inches wide and 11 inches long, and electronic form. The tax preparer must let consumers review all fees and charges in the statement, must verbally explain such fees and charges and must answer any questions about such fees and charges. The tax preparer must obtain a consumer's written consent to all charges and services included in the Estimate of All Fees with a signature on the physical, printed copy of statement.

(c) The tax preparer must provide the Estimate of All Fees to the consumer in English and any other language which the tax preparer uses to attract customers and is using to communicate with such consumer.

(d) If, during the course of tax preparation, a consumer requests an additional service or a tax preparer determines an additional service is required that was not included in the Estimate of All Fees, the tax preparer must provide the consumer a revised and updated Estimate of All Fees that reflects all charges and fees, including any charges and fees for the additional service, prior to providing such additional service to the consumer and must obtain the consumer's written consent to such additional charges or fee with a signature on the physical, printed copy of this updated statement.

§ 3. The Income Tax Preparers Penalty Schedule table in section 6-53 of subchapter B of chapter 6 of Title 6 of the Rules of the City of New York is amended by amending the row relating to the violation described as Improper consumer bill of rights and by adding the following rows in the appropriate numerical order to read as follows:

Citation	**Violation Description**	**First Violation**	**First Default**	**Second Violation**	**Second Default**	**Third and Subsequent Violation**	**Third and Subsequent Default**
Admin. Code § 20-740.1(a)	Improper consumer bill of rights	$375	$500	$675	$750	$750	$750
Admin. Code § 20-740.1(b)	Failure to properly provide the consumer bill of rights	$375	$500	$675	$750	$750	$750
Admin. Code § 20-740(c)	Improper or missing written fee statement	$375	$500	$675	$750	$750	$750
6 RCNY § 5-174(a)-(d)	Improper content or distribution of written fee statement	$375	$500	$675	$750	$750	$750

NEW YORK CITY LAW DEPARTMENT
DIVISION OF LEGAL COUNSEL
100 CHURCH STREET
NEW YORK, NY 10007
212-356-4028

CERTIFICATION PURSUANT TO

CHARTER §1043(d)

RULE TITLE: Rules Relating to Tax Preparation Fee Disclosures

REFERENCE NUMBER: 2026 RG 055

RULEMAKING AGENCY: Department of Consumer and Worker Protection

I certify that this office has reviewed the above-referenced proposed rule as required by section 1043(d) of the New York City Charter, and that the above-referenced proposed rule:

(i) is drafted so as to accomplish the purpose of the authorizing provisions of law;

(ii) is not in conflict with other applicable rules;

(iii) to the extent practicable and appropriate, is narrowly drawn to achieve its stated purpose; and

(iv) to the extent practicable and appropriate, contains a statement of basis and purpose that provides a clear explanation of the rule and the requirements imposed by the rule.

/s/ STEVEN GOULDEN
Senior Counsel

Date: August 4, 2026

NEW YORK CITY MAYOR'S OFFICE OF OPERATIONS
253 BROADWAY, 10th FLOOR
NEW YORK, NY 10007
212-788-1400

CERTIFICATION / ANALYSIS
PURSUANT TO CHARTER SECTION 1043(d)

RULE TITLE: Rules Relating to Tax Preparation Fee Disclosures

REFERENCE NUMBER: DCWP-81

RULEMAKING AGENCY: Department of Consumer and Worker Protection

I certify that this office has analyzed the proposed rule referenced above as required by Section 1043(d) of the New York City Charter, and that the proposed rule referenced above:

(i) Is understandable and written in plain language for the discrete regulated community or communities;

(ii) Minimizes compliance costs for the discrete regulated community or communities consistent with achieving the stated purpose of the rule; and

(iii) Does not provide a cure period because a cure period is not practicable under the circumstances.

/s/ Francisco X. Navarro — *August 4, 2026*

Mayor's Office of Operations — Date