

November 27, 2023

The Honorable Daniel Werfel
Commissioner
Internal Revenue Service
1111 Constitution Ave NW
Washington, DC 20224

Dear Commissioner Werfel,

On behalf of the National Association of Enrolled Agents (NAEA) and the more than 65,000 enrolled agents (EAs) it represents, I am writing to you today to express concern regarding several challenges related to the Special Enrollment Exams (SEE) administered nationally and internationally to those seeking to become an EA. A lack of testing spots, a shortage of qualified proctors, and the absence of remote testing has made the process of becoming an EA increasingly difficult for many individuals and must be addressed.

As federally authorized tax practitioners who have technical expertise in the field of taxation, EAs play a crucial role in our tax system. As you are well aware, EAs are empowered by the U.S. Department of the Treasury to represent taxpayers before all administrative levels of the IRS for audits, collections, and appeals.

To become an EA, one must pass the SEE. The exam contains three comprehensive parts of testing: individuals; businesses; and representation, practices, and procedures. Prospective EAs must pass all three parts of the exam within a two-year period to apply to become an EA. The two-year period was temporarily extended to three years in 2020 because of the pandemic. The extension was a welcomed policy change; however, the lack of testing access is the real problem.

In recent years, accessing the SEE has become more challenging due to the lack of testing appointments at the physical testing centers at home and abroad. In particular, NAEA has been told that there are gaps in staffing due to the lack of qualified proctors in training centers abroad. For example, in India, testing centers have received over 2,000 applications for the SEE program but the ratio of approved students to applications is extremely low at 1:4 due to the lack of available slots for testing. As a result, the only option for many applicants is to travel thousands of miles to the closest testing center.

NAEA and the EA community have made a concerted effort to work with the Return Preparer Office (RPO) at the IRS as well as with the testing vendor Prometric to find a solution to this issue. We have advocated for an online testing option for those individuals who do not have access to a testing center and have offered to identify retired EAs who can serve as proctors at the testing centers.

It is in the interest of taxpayers and our tax administration system to have qualified tax professionals internationally to help Americans living abroad and provide services for them where they may reside. It is imperative that the Treasury and the IRS do a better job in ensuring that testing centers are fully operational and available when it comes to distributing and conducting the SEE. Specifically, NAEA would ask that the following steps be taken:

- 1) Immediately offer a remote testing option for the SEE exam. This technology has been developed because remote testing for other exams is being offered by the current testing vendor. IRS needs to either adjust its contractor requirements or identify another vendor that will be able to meet the current requirements.
- 2) Fully maintain and staff testing centers to provide ample capacity to meet current demand. Again, it is our understanding that IRS policies are the biggest obstacle here. The additional requirements that onsite SEE proctors must meet have created a lack of testing options. Most testing centers are fully staffed and able to administer other exams.
- 3) In addition to the lack of testing access, another concern is the cost of taking the exam. At \$206 per section, the exam itself costs \$618. When the EA enrollment fee of \$140 is added to that, the entry fee to the profession is nearly \$800. This is a significant investment for a new tax professional. This barrier to entry is especially concerning at a time when the tax administration community is in dire need of trained professionals. At a recent meeting with a large employer of tax professionals, it was shared that cost was the biggest obstacle for their prospective EA candidates. NAEA provides scholarships and many employers do assist with funding or provide incentives for taking the exam, but the need for EAs far outweighs the reach of those efforts.

NAEA appreciates all the recent improvements the IRS has made to modernize the agency and provide more robust digital tools to tax professionals. In that spirit, we hope that the IRS will address the long-term issues that have severely limited access to the SEE. NAEA is happy to further collaborate with the agency and our partners on this issue to help provide the best experience for those aspiring to become EAs.

Sincerely,



Megan Killian, CAE
Executive Vice President
National Association of Enrolled Agents