



May 22, 2009

Mr. Edward S. Karl, Director
AICPA Tax Division
File: SSTS Comments
1455 Pennsylvania Avenue NW
Washington, D.C. 20004-1081

Re: Proposed Statements on Standards for Tax Services Exposure Draft (November 2008)

Dear Mr. Karl:

One of the expressed goals of the Texas Society of Certified Public Accountants (TSCPA) is to speak on behalf of its members when such action is in the best interest of its members and serves the cause of Certified Public Accountants in Texas, as well as the public interest. The TSCPA has established a Federal Tax Policy Committee (FTP) to represent those interests on related tax matters. The FTP has been authorized by the TSCPA Board of Directors to submit comments on matters of interest to committee membership. The views expressed in this letter have not been approved by the TSCPA Board of Directors or Executive Board and, therefore, should not be construed as representing the views or policy of the TSCPA.

We appreciate the opportunity to provide the input of the FTP into your deliberation regarding the proposed Statement on Standards for Tax Services. Our letter represents a compilation of suggestions we have for the Tax Executive Committee (TEC) regarding the issues presented in this exposure draft (ED) that we felt were in need of the TEC's further consideration. We hope the TEC will consider our comments and act on those that are considered worthy of implementation.

Conflict of Interest

Conflicts of interest issues applicable to CPAs in their capacity as practitioners in practice before the IRS differ significantly from the rules generally applicable to CPAs. We submit that a statement of standard addressing this issue is urgently needed.

In addition, we have the following comments:

Proposed Statement on Standards for Tax Services (SSTS) No. 1, Tax Return Positions

Paragraph 11 on page 10 states: "a member has a duty to the tax system." Our committee believes that this statement is misleading and can cause a member to downplay their role as an advocate for the taxpayer. We believe that a more accurate statement is that "a member has a duty to comply with existing tax laws." Therefore, we propose that this phrase be restated as follows: "a member has a duty to comply with existing tax laws." As restated, the phrase is less apt to be misinterpreted by the member or taxpayers.

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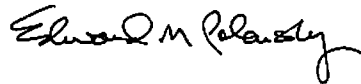
Proposed SSTS No. 6, Knowledge of Error: Return Preparation and Administrative Proceedings

SSTS No. 6 discusses a member's duty to inform a taxpayer about errors and the failure to file a required return. Paragraph 1 of page 18, second to last sentence (line 8), states: "an error does not include an item that has an insignificant effect on the taxpayer's tax liability." We believe that this sentence should be restated to include the failure to file as well. Therefore, we propose that this sentence be revised as follows: "an error or failure to file a required return does not include an item that has an insignificant effect on the taxpayer's tax liability."

Paragraph 4 of page 18 provides that members should inform the taxpayer promptly upon becoming aware of an error in a "previously filed return." We believe that "previously filed tax return" should be defined as "tax returns for which the applicable statute of limitations is still open." Otherwise a member might misunderstand that he or she has a duty to advise about years that are otherwise barred by the statute of limitations.

We appreciate the opportunity to provide input into the standard-setting process. If you would like to discuss it further, please contact me at 210.572.3710 or TSCPA staff liaison Patty Wyatt at 817.656.5100.

Sincerely,



Edward M. Polansky, CPA, Chair
Federal Tax Policy Committee
Texas Society of Certified Public Accountants