

TITLE 26 - INTERNAL REVENUE CODE**Subtitle F - Procedure and Administration****CHAPTER 76 - JUDICIAL PROCEEDINGS****Subchapter A - Civil Actions by the United States****§ 7407. Action to enjoin income tax return preparers****(a) Authority to seek injunction**

A civil action in the name of the United States to enjoin any person who is an income tax return preparer from further engaging in any conduct described in subsection (b) or from further action as an income tax return preparer may be commenced at the request of the Secretary. Any action under this section shall be brought in the District Court of the United States for the district in which the income tax preparer resides or has his principal place of business or in which the taxpayer with respect to whose income tax return the action is brought resides. The court may exercise its jurisdiction over such action (as provided in section 7402 (a)) separate and apart from any other action brought by the United States against such income tax preparer or any taxpayer.

(b) Adjudication and decrees

In any action under subsection (a), if the court finds—

(1) that an income tax return preparer has—

- (A)** engaged in any conduct subject to penalty under section 6694 or 6695, or subject to any criminal penalty provided by this title,
- (B)** misrepresented his eligibility to practice before the Internal Revenue Service, or otherwise misrepresented his experience or education as an income tax return preparer,
- (C)** guaranteed the payment of any tax refund or the allowance of any tax credit, or
- (D)** engaged in any other fraudulent or deceptive conduct which substantially interferes with the proper administration of the Internal Revenue laws, and

(2) that injunctive relief is appropriate to prevent the recurrence of such conduct,

the court may enjoin such person from further engaging in such conduct. If the court finds that an income tax return preparer has continually or repeatedly engaged in any conduct described in subparagraphs (A) through (D) of this subsection and that an injunction prohibiting such conduct would not be sufficient to prevent such person's interference with the proper administration of this title, the court may enjoin such person from acting as an income tax return preparer.

(Added Pub. L. 94-455, title XII, § 1203(g), Oct. 4, 1976, 90 Stat. 1693; amended Pub. L. 101-239, title VII, § 7738(a), (b), Dec. 19, 1989, 103 Stat. 2404.)

Prior Provisions

A prior section 7407 was renumbered section 7410 of this title.

Amendments

1989—Subsec. (a). Pub. L. 101-239, § 7738(b), substituted “A civil” for “Except as provided in subsection (c), a civil”.

Subsec. (c). Pub. L. 101-239, § 7738(a), struck out subsec. (c) relating to bonds to stay injunctions.

Effective Date of 1989 Amendment

Section 7738(c) of Pub. L. 101-239 provided that: “The amendments made by this section [amending this section] shall apply to actions commenced after December 31, 1989.”

Effective Date

Section applicable to documents prepared after Dec. 31, 1976, see section 1203(j) of Pub. L. 94-455, set out as an Effective Date of 1976 Amendment note under section 7701 of this title.