

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

Adam Steele, Brittany Montrois, and)
Joseph Henchman, on behalf of)
themselves and all others similarly)
situated,)
Plaintiffs,)
)
v.)
)
United States of America,)
Defendant.)
_____)

Civil Action No.: 1:14-cv-01523-RCL

JOINT STATUS REPORT

On January 24, 2023, this Court remanded this matter to the IRS to determine an appropriate refund for the class. (ECF 222 (“Order”)). The Order also required the parties to file a joint status report every 30 days informing the Court of the “IRS’s work on remand until such time as that work is complete.” *Id.* The parties submit this joint status report as required by the Order.

United States: The United States reports as follows: During the past 30 days, the appropriate IRS officials have approved the refund amount for the vendor portion of the PTIN user fee. In prior status reports, the IRS reported that it had approved the IRS portion of the PTIN user fee. A package containing the IRS-calculated refund for both the IRS portion and the vendor portion of the user fee has been submitted to the appropriate DOJ officials for review.

On or before January 22, 2024, the United States anticipates filing a notice containing the appropriate refund amounts. At that time, the United States plans to file

a motion to use canceled funds to pay certain refund amounts. Nothing reported in this Status Report shall be deemed an admission of any kind or waiver of any appeal right. In addition, once the Court issues an order determining the amount owed, the United States plans to move under Federal Rule of Civil Procedure 54(b) for final judgment as to the Second Claim in Plaintiffs' Second Amended Class Action Complaint ("Excessive PTIN Fees for the Period 2010–2017") and the United States' claim for offset.

Position of Class Counsel: Plaintiffs request that when the United States files the notice containing the calculated-refund amounts, the parties be directed to meet and confer to establish a briefing schedule by which the plaintiffs can challenge, if appropriate, the IRS' work on remand. Plaintiffs further request that the United States be directed to file the administrative record relating to the IRS' work on remand at the same time as it files the notice. Plaintiffs believe that any motion by the United States under Rule 54(b) would be premature until such time as the Court has had an opportunity to consider and address any post-remand challenges raised by the plaintiffs.

Position of Plaintiffs' Co-Counsel Allen Buckley: The Department of Justice "anticipates" supplying the cost analysis ordered by the court just shy of ONE YEAR after the Court so ordered. As previously reported, working on the matter part-time, I put together an estimate in a couple of months – finishing it roughly six months ago. There is no problem with this delay if the plaintiffs – the vast majority of whom are U.S. citizens and taxpayers – are paid interest for the delay. I'm as concerned as anyone about the national debt, but justice must remain pure and whatever happens in this case

won't make a dent in the problem, as the total debt now exceeds \$34,200,000,000,000. To keep perspective, this matter relates to an unlawful licensing scheme (*Loving v. IRS*, 742 F.3d 1013, 1015 (D.C. Cir. 2014) – “We agree with the District Court that the IRS’s statutory authority under section 330 cannot be stretched so broadly as to encompass authority to regulate tax-return preparers.”).

December 22, 2023

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that on December 22, 2023, I electronically filed the Joint Status Report in the CM/ECF system. I understand that notice of this filing will be sent to all parties by operation of the Court's electronic filing system.

/s/ Stephanie A. Sasarak
STEPHANIE A. SASARAK
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