



Questions and Answers, PTIN - 11/23/2010

Tips for Using the Online PTIN System

Remember your user ID and password - write it down somewhere - you cannot get back into your account without your user name and password.

Each individual must create their own account that includes a unique email address, user ID and password. This includes spouses and employees of the same organization.

When entering information from your last year's return, be careful to enter it exactly as shown on the return except for punctuation. Punctuation should be omitted. Spouses on jointly filed returns should be particularly careful to use their own information exactly as it appears on the previous year's tax return.

You will NOT need to enter your old PTIN into the online application. You may or may not get the same PTIN at the end of the sign-up process.

New PTIN Requirements

1. Who needs a Preparer Tax Identification Number (PTIN)? (posted 9/28/10)

All tax return preparers who are compensated for preparing, or assisting in the preparation of, all or substantially all of a U.S. federal tax return or claim for refund must obtain a PTIN. Refer to the Scenarios section for additional guidance.

2. I already have a PTIN. Do I need to take any action this year? (revised 9/28/2010)

Yes. All federal tax return preparers, even those who already have a PTIN, will need to register in the new system now available. All preparers will need to be registered on the new system and have a PTIN prior to filing any return after Dec. 31, 2010. As long as the IRS can validate the ownership of the existing PTIN, the same number will be reassigned once the appropriate information is provided and the user fee is paid.

3. Can multiple individuals or one office share one PTIN? (posted 8/11/10)

No, a PTIN is an individual preparer's number. Each preparer must obtain his or her own PTIN.

4. Can one individual obtain multiple PTINS? (posted 10/1/10)

No, an individual may only obtain one PTIN.

5. If I don't obtain (or renew) a PTIN by January 1, 2011, can I still prepare returns? (posted 8/18/10)

Yes, but only after you sign up through the new online registration system, pay the fee, and obtain (or renew) a PTIN.

6. Is there an age requirement for obtaining a PTIN? (posted 9/30/10)

Yes, applicants must be 18 years of age.

Scenarios

1. I am a tax return preparer, and I have a PTIN. My firm employs a bookkeeper. She gathers client receipts and invoices, and organizes and records all information for me. Although I use the information that our bookkeeper has compiled, I prepare my clients' tax returns and make all substantive determinations that go into computing the tax liability. Does my bookkeeper need to have a PTIN? (posted 9/28/10)

No, she is not a tax return preparer, and is not required to have a PTIN.

2. I am a tax return preparer, and I have a PTIN. Every tax filing season I hire two paid interns from the accounting program at a local college to help me during the busy season. The interns perform data entry from the tax organizer that my clients fill out, and assemble the documentation that the clients have submitted. Where clients have submitted incomplete information, or more information is needed, the interns may call clients to gather information missing from the tax organizer, but they are not allowed to provide advice or answer tax law questions. I prepare and sign all my clients' returns. Do my interns need to have a PTIN? (posted 9/28/10)

No, the interns are not tax return preparers, and are not required to have a PTIN.

3. Same facts as above, but in order to help my interns get exposure to the tax system, I allow them to work with clients who have very simple tax situations, and prepare the Form 1040-EZ. I review the forms carefully, and sign them. Are my interns required to have PTINs? (posted 9/28/10)

Yes, the interns are tax return preparers and are required to have a PTIN, whether or not they sign the returns.

4. I am a tax return preparer, and I have a PTIN. I have an administrative assistant in the office who also performs data entry during tax filing season. At times, clients call and provide him with information, which he records in the system. Using the data he has entered, I meet with my clients and provide advice as needed. I then prepare and sign their returns. Is my administrative assistant required to have a PTIN? (posted 9/28/10)

No, the administrative assistant is not a tax return preparer, and is not required to have a PTIN.

5. I am a retired tax professional, and I volunteer during the tax filing season. I volunteer at a VITA site, where I prepare individual tax returns for lower-income individuals for no compensation. Do I need to have a PTIN? (posted 9/28/10)

No, you are not a tax return preparer and you are not required to have a PTIN.

6. I run a small tax return preparation business that is heavily software-based. I employ four associates who sit with taxpayers and walk through a step-by-step software program that uses an “interview” process that results in a draft tax return. I check and sign the returns, and I have a PTIN. Do my four associates need to have a PTIN? (posted 9/28/10)

You will need to perform additional analysis to determine whether your four associates must have a PTIN. The answer depends on the specific circumstances of your firm. In general, if individuals prepare all or substantially all of a tax return, including making determinations that affect tax liability, they must have a PTIN.

Online PTIN System

1. What format should I use when entering the address from my most recent Form 1040 return? (revised 11/1/2010)

Enter your address exactly as it appears on your most recent tax return except for punctuation. Punctuation should be omitted.

2. Why couldn't you authenticate my identity? (revised 11/10/2010)

For security purposes, the IRS verifies that information on your PTIN application matches information about you on other IRS systems. If any of the information is missing or does not match (including first and last name, social security number, date of birth, and the address and filing status from your most recent Form 1040 income tax return), a PTIN cannot be issued.

Only 3 attempts are allowed within a 24-hour period, so follow these guidelines:

Your name, social security number, filing status, and address from your last filed tax return and your date of birth must match exactly.

If you filed your most recent tax return within the last six weeks you must use the prior year's return information for authentication.

If you filed an amended return last year, be sure to use the information from your original return.

When entering your address remove all punctuation. For example, if you have a PO BOX do not include the periods between the “P” and the “O”.

Domestic addresses only require two address lines. Do not enter any information in the "address line 3" field unless you live outside of the United States.

If you get an error message stating your information could not be verified, check the information that IRS has on record by calling the Practitioner Priority Service at 1-866-860-4259. Ask for your information exactly as it appears in the IRS system, including punctuation and abbreviations.

3. Why don't I have to enter my current PTIN? (posted 9/28/2010)

After you enter information to authenticate your identity, the system will search for an existing PTIN assigned to a matching name, social security, and date of birth. If matching information is located, you will be assigned the same PTIN. If it does not match, you will get a new PTIN.

4. What name should I use on the PTIN application? (posted 9/28/2010)

The name you should use when applying for a PTIN is the name you used on your most recent Form 1040 income tax return.

5. I filed a married filing jointly return, but my last name is different than the primary taxpayer on the return and I keep getting an error message about authentication. What should I do? (posted 11/23/10)

This is a known issue with the PTIN system that will be resolved by December 6, 2010. After December 6, please log-in and complete your application with your information as it appears on your previous year's income tax return.

6. The name I used on my previous year's income tax return and/or my PTIN application is no longer my name. What should I do? (posted 10/15/2010)

To help authenticate your identity, the name you should use when applying for a PTIN needs to be the name you used on your most recent Form 1040 income tax return. After you obtain a PTIN, you may call the IRS Tax Professional PTIN Line in order to change the name associated with your PTIN. You will be asked to verify certain information from your PTIN application in order to change your name.

7. Can my organization use one email address to create accounts for all of its employees? (posted 10/6/2010)

No. Every PTIN holder must have their own email address and account. Do not use a temporary email account. Not only will you receive your temporary password using the email account, you will periodically receive email correspondence from the system with general preparer-related information, updates and program requirements. This information may be specific to the PTIN holder.

8. What do I do if I forget my password? (posted 10/6/2010)

Go to www.irs.gov/taxpros to access the PTIN system. On the PTIN system, click on “Forgot your password?” under “Existing Users.” You will receive a new temporary password via email. Then, return to the PTIN system and use your user ID and temporary password to log in. You will be prompted to create a new permanent password.

9. What if I can't find my temporary password in my email box? (revised 10/1/2010)

Check your junk or spam folder. If the email is not received in your regular or junk folder, you should update your security filter to allow emails from TaxPro_PTIN@irs.gov. Then to generate a new temporary email password, go back into the system and click on “Forgot your password? Click here.”

10. What do I do if I forget my user ID? (updated 10/15/2010)

Your user ID is generally your email address, unless you opted to specify a different user ID. When creating your account, be sure to keep your user ID and password in a safe place. If you are unable to recover your user ID, please contact the IRS Tax Professional PTIN Information Line.

11. I have a social security number, but have never filed a federal tax return. Am I able to obtain a PTIN? (revised 11/22/2010)

If you are requesting a PTIN and have never filed a federal income tax return (including individuals from Puerto Rico who have no U.S. income tax filing requirement), then you must complete and submit a paper W-12 PTIN application along with a copy of your Social Security Card. Additionally, you are required to submit one other document that contains a photo ID. The list of acceptable supporting documents is noted below. All documents must be current and must verify your name. If you submit copies of documents that display information on both sides, copies of both the front and back must be attached to the Form W-12. Send the completed W-12 application, copy of your SS Card and the other supporting documentation to the address on the Form W-12. If a photo ID is not included with your application, your application will be rejected.

Social Security Card (required)

Passport/Passport Card

U.S. Driver's License

U.S. State ID Card

U.S. Military ID Card

Foreign Military ID Card

*Note: The IRS will accept original documents or certified/notarized copies of documents. Original documents will be returned to the preparer at the mailing

address shown on the Form W-12. Although the IRS will accept original documents, it is recommended that preparers submit copies of original documents in accordance with the requirements outlined below:

The copies are certified by the issuing agency or official custodian of the original record. All certifications must stay attached to the copies of the documents when they are sent to the IRS.

The copies are notarized by a U.S. notary public legally authorized within his or her local jurisdiction to certify that each document is a true copy of the original. To do this, the notary must see the valid, unaltered, original documents and verify that the copies conform to the original. Preparers must send the copy that bears the mark (stamp, signature, etc.) of the notary. Photocopies or faxes of notarized documents are not acceptable.

12. Why wasn't I re-issued the same PTIN I already have? (revised 11/17/2010)

Before assigning a new PTIN, the system checks whether a previous PTIN was in active status for the same social security number. If so, the same number is reassigned.

There are numerous reasons a preparer's previous PTIN might not have been in active status. The most common was that the preparer did not reply to a request for additional information about their PTIN application. In previous years, PTINs were auto-generated to preparers who applied using e-Services. However, if information did not match IRS records or was missing from the application, a follow-up request was sent. If the preparer did not reply, the PTIN was never placed in active status.

Once a new PTIN is assigned, it is not possible to have a prior PTIN re-issued. Be sure to use the newly assigned PTIN on all returns and not the previous PTIN.

13. Do I have to apply for a PTIN online? (posted 9/28/2010)

No, you may submit a paper Form W-12, IRS Paid Preparer Tax Identification Number (PTIN) Application. The paper application will take 4-6 weeks to process.

14. Do I have to pay the application fee online? (posted 9/28/2010)

Yes, you must pay the fee online if you use the online system. If you prefer to send a check or money order, you will need to apply using a paper Form W-12, IRS Paid Preparer Tax Identification Number (PTIN) Application. The paper application will take 4-6 weeks to process.

15. Can one payment be sent with multiple paper Forms W-12 submitted together? (posted 9/30/10)

No, processing requirements make it necessary for separate payments to accompany each application.

16. Who can I contact for help in filling out the application? (posted 9/28/2010)

The IRS Tax Professional PTIN Information Line is available to provide assistance during regular business hours on Monday through Friday, 8:00 a.m. to 5:00 p.m. Central:

Toll-free: 877-613-PTIN (7846)

TTY: 877-613-3686

International: +1 319-464-3272

Social Security Number Requirement

1. Is a social security number required to obtain a PTIN? (revised 9/28/10)

Individuals generally are required to provide their social security numbers when they obtain a PTIN. However, U.S. residents who have a conscientious objection to obtaining a social security number for religious reasons and foreign persons who are not eligible to obtain a social security number and have a non-U.S. address may obtain a PTIN without a social security number. These individuals will be required to provide supplemental documentation to verify their identity and substantiate their eligibility for a PTIN under these specific exceptions. More guidance will be available before the PTIN requirement begins.

2. How do U.S. residents without a social security number due to a conscientious objection for religious reasons obtain a PTIN? (posted 9/28/10)

U.S. residents who have a conscientious objection to obtaining a social security number for religious reasons must complete Form W-12, IRS Paid Preparer Tax Identification Number (PTIN) Application, either online or on paper, and a paper Form 8945, PTIN Supplemental Application For U.S. Citizens Without a Social Security Number Due To Conscientious Religious Objection.

Documentation to substantiate identity, U.S. citizenship, and status as a member of a recognized religious group must accompany the Form 8945. Documentation requirements and mailing information are included in the Form 8945 instructions. An online Form W-12 combined with a paper Form 8945 will take 2-4 weeks to process versus an all paper application which will take 4-6 weeks.

3. How do foreign preparers without a social security number obtain a PTIN? (posted 9/28/10)

A foreign preparer who does not have and is not eligible to obtain a social security number and is neither a citizen of the U.S. nor a resident alien of the U.S. as defined in section 7701(b)(1)(A) will need to complete the Form W-12, IRS Paid Preparer Tax Identification Number (PTIN) Application, either online or on paper, and a paper Form 8946, PTIN Supplemental Application For Foreign Persons Without a Social Security Number. Only preparers that have a foreign (non-U.S.) address may file this form.

Documentation to substantiate identity and eligibility must accompany the Form 8946. Documentation requirements and mailing information are included in the Form 8946 instructions. An online Form W-12 combined with a paper Form 8946 will take 2-4 weeks to process versus an all paper application which will take 4-6 weeks.

4. If a foreign preparer or U.S. citizen without a social security number due to a conscientious religious objection experiences a delay in obtaining a PTIN due to the additional documentation that must be obtained and provided, can the person still prepare returns after Jan. 1, 2011? (posted 10/26/10)

While these tax return preparers are expected to initiate action to timely obtain a PTIN, the IRS recognizes that these individuals must complete multiple steps under the new procedures to obtain a PTIN, and that, in some cases, circumstances beyond their control may delay the process.

For purposes of the 2011 filing season, those preparers who complete the on-line application or submit a completed paper Form W-12 by the later of (1) January 31, 2011, or (2) 10 days after the first day on which they prepare all or substantially all of a U.S. tax return for compensation and they submit a completed PTIN supplemental application, Form 8945 or Form 8946, including any required additional documentation within 60 days after completion of the online application or submission of the paper Form W-12 will be considered to have complied with the requirement to obtain a PTIN. The applicable PTIN user fee must be submitted with the online application or paper Form W-12.

These individuals may prepare and sign U.S. tax returns as a paid preparer without furnishing a PTIN or other identifying number until Oct. 31, 2011. See Rev. Proc. 2010-41 for more information.