

New Requirements for Tax Return Preparers: Frequently Asked Questions

Tips for Using the Online PTIN System

1. Remember your user ID and password - write it down somewhere - you cannot get back into your account without your user name and password.
2. If the name of the first spouse contains a suffix (Jr, Sr, etc.), the IRS system likely identifies it as part of both spouse's last name. If authentication fails, try entering the last name with the suffix, i.e. Jane Doe Jr The IRS intends to correct this issue in the future.
3. 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.
4. 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)? (revised 1/3/11)

A PTIN must be obtained by all tax return preparers who are compensated for preparing, or assisting in the preparation of, all or substantially all of any U.S. federal tax return, claim for refund, or other tax form submitted to the IRS except the following:

Form SS-4, Application for Employer Identification Number;
Form SS-8, Determination of Worker Status for Purposes of Federal Employment Taxes and Income Tax Withholding;
Form SS-16, Certificate of Election of Coverage under FICA;
Form W-2 series of returns;
Form W-7, Application for IRS Individual Taxpayer Identification Number;
Form W-8BEN, Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding;
Form 870, Waiver of Restrictions on Assessment and Collection of Deficiency in Tax and Acceptance of Overassessment;
Form 872, Consent to Extend the Time to Assess Tax;
Form 906, Closing Agreement On Final Determination Covering Specific Matters;
Form 1098 series;
Form 1099 series;
Form 2848, Power of Attorney and Declaration of Representative;
Form 3115, Application for Change in Accounting Method;
Form 4029, Application for Exemption From Social Security and Medicare Taxes and Waiver of Benefits;
Form 4361, Application for Exemption From Self-Employment Tax for Use by Ministers, Members of Religious Orders and Christian Science Practitioners;
Form 4419, Application for Filing Information Returns Electronically;
Form 5300, Application for Determination for Employee Benefit Plan;
Form 5307, Application for Determination for Adopters of Master or Prototype or Volume Submitter Plans;
Form 5310, Application for Determination for Terminating Plan;
Form 5500 series;
Form 8027, Employer's Annual Information Return of Tip Income and Allocated Tips;
Form 8288-A, Statement of Withholding on Dispositions by Foreign Persons of U.S. Real Property Interests;
Form 8288-B, Application for Withholding Certificate for Dispositions by Foreign Persons of U.S. Real Property Interests;
Form 8508, Request for Waiver From Filing Information Returns Electronically;
Form 8717, User Fee for Employee Plan Determination, Opinion, and Advisory Letter Request;
Form 8809, Application for Extension of Time to File Information Return;
Form 8821, Tax Information Authorization;
Form 8942, Application for Certification of Qualified Investments Eligible for Credits and Grants Under the Qualifying Therapeutic Discovery Project Program

Refer to the Scenarios section for additional guidance.

2. I already have a PTIN. Do I need to take any action? (revised 3/15/11)

Yes. All federal tax return preparers, including those who obtained a PTIN prior to Sept. 28, 2010, need to register in the new system. All preparers need to be registered in 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 have a PTIN (new or renewed), can I still prepare returns? (revised 1/25/11)

No. You must wait until you submit an online or paper application, pay the fee, and obtain (or renew) a PTIN. **Exception:** Certain individuals who have made a good faith effort to timely obtain a PTIN but experienced processing issues are being advised they may prepare returns during the interim period while their applications are pending. These notifications are being issued on the online system to people who make four unsuccessful attempts to register and in writing (email or letter) to individuals who have timely submitted paper applications and payments. Refer to [Notice 2011-11](#) for additional information.

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

Yes, applicants must be 18 years of age.

7. What penalties can be imposed against tax return preparers who have not obtained a PTIN? (posted 3/18/11)

Any individual who, for compensation, prepares, or assists in the preparation of, all or substantially all of a tax return or claim for refund after December 31, 2010 must have a PTIN. Failure to do so could result in the imposition of [Internal Revenue Code section 6695 penalties](#), injunction, referral for criminal investigation, or disciplinary action by the IRS Office of Professional Responsibility.

Exception: Certain individuals who have made a good faith effort to timely obtain a PTIN but experienced processing issues are being notified that they may prepare returns during the interim period while their applications are pending. These notifications are being issued on the online system to people who make four unsuccessful attempts to register and in writing (email or letter) to individuals who have timely submitted paper applications and payments. Refer to [Notice 2011-11](#) for additional information.

8. What is the difference between a PTIN and an EFIN? Does a preparer need both? (posted 3/18/11)

A Preparer Tax Identification Number (PTIN) is a number issued by the IRS to paid tax return preparers. It is used as the tax return preparer's identification number and, when applicable, must be placed in the Paid Preparer section of a tax return the tax return preparer prepared for compensation.

Any individual who, for compensation, prepares all or substantially all of a tax return or claim for refund needs a PTIN. (See [PTIN Requirements](#) and [Scenarios](#) for additional guidance.) There is an annual fee of \$64.25 for a PTIN and applicants must meet various suitability requirements.

An **Electronic Filing Identification Number (EFIN)** is a number issued by the IRS to individuals or firms that have been approved as authorized IRS e-file providers. It is included with all electronic return data transmitted to the IRS.

Paid preparers who reasonably expect to file 100 or more Forms 1040, 1040A, 1040EZ, or 1041 during 2011 are required to electronically file their clients' returns. They (or their firm) need an EFIN, as do preparers who are not required to e-file but voluntarily desire to participate. (See [New e-file Rules for 2011](#) for additional guidance.) There is no fee for an EFIN, but applicants must meet various suitability requirements.

Preparer Tax Identification Numbers are issued to individuals. Electronic Filing Identification Numbers are issued to individuals or firms. Most preparers need both.

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.

7. I am a reporting agent who prepares Forms 94X series returns for my clients for compensation. I do not exercise any discretion or independent judgment on my client's underlying tax positions and I do not render tax advice to any of my clients. Do I need a PTIN? (revised 1/3/11)

No. The PTIN regulations incorporate the carve-out from the definition of tax return preparer in Treasury Regulation section 301.7701-15(f) for individuals who provide only typing, reproduction, or other mechanical assistance in the preparation of a return or claim for refund. Example one under Treasury Regulation section 301.7701-15(f)(6) provides that reporting agents who do not exercise any discretion or independent judgment on the client's underlying tax positions and who do not render tax advice to any clients are carved-out under this exception and, therefore, are not tax return preparers.

8. I am a reporting agent who prepares Forms 94X series returns for my clients for compensation. On occasion, my clients ask me for assistance with issues such as determining whether their workers are employees or independent contractors for federal tax purposes. Do I need a PTIN? (revised 1/3/11)

Yes. The PTIN regulations require all tax return preparers who are compensated for preparing, or assisting in the preparation of, all or substantially all of a tax return or claim for refund of tax to register and obtain a PTIN. The carve-out from the definition of tax return preparer for individuals who provide only typing, reproduction, or other mechanical assistance in the preparation of a return or claim for refund does not apply to reporting agents who render tax advice to any client (example two under Treasury Regulation section 301.7701-15(f)(6)).

9. I am a retirement plan administrator who prepares Forms 5500 and the accompanying schedules for my clients. I also prepare Forms 8955-SSA and Form 5558 for my clients. While the Form 5500 series returns are included in the list of forms exempted from the PTIN requirements in Notice 2011-6, the Forms 8955-SSA and Forms 5558 are not included in that list. Am I required to obtain a PTIN? (posted 3/4/11)

No. The Form 8955-SSA, Annual Registration Statement Identifying Separated Participants With Deferred Vested Participants, and Form 5558, Application for Extension of Time to File Certain Employee Plan Returns, are, for purposes of Notice 2011-6, part of the "Form 5500 series" of tax returns inasmuch as these forms are prepared either in conjunction with the filing of a retirement plan's Form 5500 filing or to request an extension of time to file a Form 5500 series tax return.

10. Is an attorney or a certified public accountant required to obtain a PTIN if the attorney or certified public accountant only advises a client regarding an issue that is reflected on a claim for refund? (posted 3/4/11)

An attorney or certified public accountant is required to obtain a PTIN if the attorney or certified public accountant prepares, or assists in preparing, all or substantially all of a return or claim for refund. Under the authority of section 1.6109-2(h), however, an attorney or certified public accountant will not be required to obtain a PTIN if the attorney or certified public accountant only advises a client regarding an issue that is reflected on a claim for refund and neither the attorney or certified public accountant nor any person in the firm of the attorney or certified public accountant signs or is required to sign the claim for refund under Treasury Regulation sections 301.7701-15(b)(1) and 1.6695-1(b). The attorney or certified public accountant in question is still a nonsigning tax return preparer subject to penalty under section 6694 if the attorney or certified public accountant has prepared all or a substantial portion of the claim for refund within the meaning of Treasury Regulation section 301.7701-15(b)(3).

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 4 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. What should I do? (revised 12/6/10)

Please log-in and complete your application with your information exactly 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 12/13/2010)

If you are requesting a PTIN and have:

- Never filed a U.S. income tax return,
- Not filed a U.S. income tax return in the past four years, or
- No U.S. income tax filing requirement (such as individuals from Puerto Rico)

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 either of 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 or foreign notary 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. I sent in a paper W-12 and my check has not been cashed. What should I do? (revised 3/10/11)

Unlike tax returns, we generally will not process your payment until a PTIN has been issued. You will receive a letter in the mail when your application is processed. If you included an email address on your W-12, you will be notified via email when your application is processed.

If you have a paper Form W-12 pending, you may still opt to go ahead and register online at any time. Your paper form and payment will be returned to you.

Exception: Checks with Forms 8945 and 8946 are cashed upon receipt.

15. 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.

16. 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.

17. I need to update my PTIN account information (either I moved, obtained a new tax professional credential, changed my place of business, have to update my email address, etc.), how do I do this? (posted 12/6/10)

At this time, you must call the [IRS Tax Professional PTIN Information Line](#) in order to make any updates to your account. A customer account representative will update your information over the phone.

18. 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 12/1/10)

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 permanent non-U.S. address may obtain a PTIN without a social security number. These individuals are required to provide supplemental documentation to verify their identity and substantiate their eligibility for a PTIN under these specific exceptions. See questions 2 and 3 below for additional guidance.

Individuals who have an Individual Taxpayer Identification Number (ITIN) are not eligible for a PTIN unless they are foreign persons with a permanent non-U.S. address, and can provide documentation to support that status.

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? (updated 12/10/10)

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.

Individuals who have an Individual Taxpayer Identification Number (ITIN) are not eligible for a PTIN unless they are foreign persons with a permanent non-U.S. address.

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.