



DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
WASHINGTON, D. C. 20224

OFFICE OF THE CHIEF COUNSEL

September 23, 2021

CC:PA:02  
GENIN-125879-20

Number: **2021-0029**  
Release Date: 12/30/2021

UIL: 7701.18-00

Dear \_\_\_\_\_ :

This letter responds to your request for information. As we understand the facts provided, you prepare a number of income tax returns for your employer, an S-Corporation, for whom you have been employed for over seven years. The entities you prepare returns for include partnerships and individuals. You state that these partnerships are Limited Liability Companies related to your employer, and that these individuals are employed by the taxpayer. You ask whether you are required to sign these returns as a tax preparer.

The definition of "tax return preparer" found in section 7701(a)(36)(A) of the Internal Revenue Code (Code) includes any person who prepares a return for compensation. Section 7701(a)(36)(B) of the Code states that a person is not a preparer merely because they prepare returns for an employer for whom they are continuously employed. This exception includes persons who prepare returns for officers and other employees of the employer.

Treasury Regulation § 301.7701-15(f)(1)(ix) states that individuals preparing returns for an employer, including returns prepared for an officer, general partner, member, shareholder, or employee, are not considered tax return preparers. Treasury Regulation § 301.7701-15(f)(4) further states that the employee of a corporation owning more than 50 percent of the voting power of another corporation, or the employee of a corporation more than 50 percent of the voting power of which is owned by another corporation, is considered the employee of the other corporation as well. Treasury Regulation § 301.7701-15(f)(1)(ix) therefore applies to an employee preparing a return for an entity described in Treasury Regulation § 301.7701-15(f)(4) as well.

This letter has called your attention to certain general principles of the law. It is intended for informational purposes only and does not constitute a ruling. See Rev. Proc. 2021-1, §2.04, 2021-1 I.R.B. 1 (Jan. 4, 2021). If you have any additional questions, please contact our office at .

Sincerely,

/s/ Pamela W. Fuller

Pamela W. Fuller  
Senior Technician Reviewer  
(Procedure & Administration)