IRS Launches First of Online Business Tools

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WASHINGTON — The Internal Revenue Service has launched the first of a suite of Internet-based business tools that give tax professionals and financial institutions easier access to client information.

Known collectively as e-services, the suite of products provides tax professionals with new choices for working electronically with the IRS. The first three products provide a foundation for future services that will significantly enhance how the IRS does business with tax professionals and those who file selected information returns, such as banks and other financial institutions.

"These new e-services begin a series of steps that will improve how tax professionals interact with the IRS," said IRS Commissioner Mark W. Everson. "Through the use of technology, we are working to simplify and reduce burden on thousands of tax professionals and more than 4 million firms that send us special information returns."

Three e-services applications are being introduced today:

Registration — Before using other e-services products, tax professionals must register online to create an electronic account. The registration process is a one-time process for tax professionals to select a user name, password and personal identification number. An on-screen acknowledgment immediately confirms the registration process. For security purposes, a confirmation code is also mailed to the tax professional to complete the registration process.

Preparer Tax Identification Number Application — The Preparer Tax Identification Number, or PTIN application, lets a paid preparer apply for and receive a PTIN immediately over the Internet. There is no longer the need to complete and mail a paper Form W-7P. It reduces processing time and input errors associated with a paper application. Anyone paid to prepare a tax return must sign the return and provide either a PTIN or a Social Security Number. The ability to substitute a PTIN for a Social Security Number began in 1999 to address concerns that clients and others outside the IRS could use a preparer's Social Security Number inappropriately.

Interactive Taxpayer Identification Number Matching — Interactive Taxpayer Identification Number Matching, or TIN Matching, is a new, pre-filing service offered to

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banks or others that pay income subject to backup withholding. Authorized payers can match up to 25 taxpayer identification number and name combinations against IRS records before submitting an information return. Results of the match are returned within seconds. This pre-filing check prevents mismatches and possible penalties for the payer. In the past, only federal agencies could request TIN matching.

Future e-services include an online application for those who want to become authorized e-filers, an expansion of TIN Matching that allows bulk matching of thousands of Taxpayer Identification Numbers within 24 hours, and special incentive products for e-filers who file more than 100 electronic returns.

Tax professionals can register for e-services immediately through the Tax Professional's page on IRS.gov.

E-services joins several IRS Business Systems Modernization products already working to reduce taxpayer burden and improve IRS employee's service to taxpayers. These new products and services include:

- **Customer Communications** — Modernized call systems cut by half taxpayers' call-waiting time and the number of abandoned calls. It also introduced bilingual voice recognition capabilities, which helped double the number of Spanish calls.

- **Where's My Refund?** — Provides taxpayers with their refund status over the Internet. Taxpayers used the service more than 17.6 million times in 2003.

- **Where's My Advance Child Tax Credit?** — Gives taxpayers the status of their Advance Child Tax Credit checks over the Internet. So far, taxpayers have used the service nearly 15 million times.

- **Customer Relationship Management** — Provided nearly 4,000 revenue agents with direct laptop access to tax computation software.

- **Internet EIN** — Allows small businesses and others to apply for and receive an Employer Identification Number online. The IRS has issued more than 380,000 EINs through this online application process.

- **HR Connect** — Allows 73,000 IRS users to perform many personnel actions online.

Links on IRS.gov:

- E-services Registration — https://la.www4.irs.gov/e-services/Registration/index.htm
- What are the e-services products? — http://www.irs.gov/taxpros/article/0,,id=107478,00.html

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