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## IRS Continues Efforts to Ensure Accurate Return Preparation; Reminds Tax Preparers to Sign Up for PTINs

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WASHINGTON — The Internal Revenue Service has started sending out more than 10,000 letters to tax return preparers nationwide to remind them of their obligation to prepare accurate tax returns on behalf of their clients.

Also, during the 2011 filing season, IRS representatives will visit approximately 2,500 tax return preparers who received these letters to further discuss their responsibilities as a return preparer and to verify their compliance with existing requirements.

The tax agency is sending the letters to paid preparers who completed tax returns in which the IRS has identified common errors. The letter includes an enclosure that reminds tax return preparers of their responsibilities and consequences of filing incorrect returns.

While most return preparers are professionals who provide honest and excellent service to their clients, some make basic errors or engage in fraud and other illegal activities. The IRS will continue to work closely with the Department of Justice to pursue civil or criminal action as appropriate.

The IRS urges taxpayers to be careful when choosing a preparer. Reputable return preparers will ask to see receipts and will ask multiple questions to determine whether expenses may be claimed as deductions or otherwise qualify for favorable tax treatment. By doing so, they are trying to help their clients avoid penalties, interest or additional taxes that could result from an IRS examination.

These letters and planned visits are another step in increased IRS efforts to heighten awareness of preparer responsibilities and to ensure paid tax return preparers are assisting taxpayers appropriately. The IRS is continuing its efforts to implement the recommendations IRS Commissioner Doug Shulman announced in January following a comprehensive sixmonth study of the tax return preparer industry.

## Reminder of New Registration Requirement for All Return Preparers

The IRS recently launched a new <u>online application system</u> to obtain a Preparer Tax Identification Number (PTIN). All paid tax return preparers who prepare all or substantially all of a tax return are required to use the new registration system to obtain a PTIN. Individuals who obtained a PTIN prior to Sept. 28, 2010, need to reapply under the new system but generally will be reassigned the same number.

Applicants must pay \$64.25 to obtain or renew a PTIN. Access to the online system is available through the <u>Tax Professionals</u> page of IRS.gov. Receipt of a PTIN will be immediate after successful online registration. Alternatively, a paper application may be submitted on <u>Form W-12</u>, IRS Paid Preparer Tax Identification Number Application. Preparers choosing this alternative can expect a response time of four to six weeks.

For more, see the Tax Professionals page on IRS.gov, which features step-by-step instructions and multiple <u>FAQs</u> on the new registration system.