

## IRS POSTCARDS OPEN DOORS TO PAPERLESS TAX FILING

WASHINGTON -- The Internal Revenue Service is sending about 11 million postcards to taxpayers this month, inviting them to join the world of paperless tax return filing. The postcards contain e-file customer numbers (ECNs) that the recipients can use as "signatures" on returns they file electronically, eliminating the need to mail paper signature documents.

"We're sending the postcards to individuals who used a computer to prepare their own returns last year, even if they filed a paper form," said Robert E. Barr, IRS Assistant Commissioner for Electronic Tax Administration. "We hope they'll save their postcards and use their ECNs to file electronically this year."

In 1999, when this pilot began, the IRS received 660,000 returns using ECNs -- more than one-fourth of the almost 2.5 million returns e-filed by taxpayers from their home computers. The IRS expects such taxpayers to e-file 4 million returns in 2000.

The ECN is one of two pilots the IRS is conducting to counter a potential barrier to e-filing: the need to mail a paper form after transmitting the electronic data. A similar pilot allows taxpayers who e-file through participating tax preparers to create their own personal identification numbers (PINs) as electronic signatures.

The IRS expects to select more than 18,000 preparers for the coming year's pilot, more than double the 8,100 it chose last year. Ten private sector organizations are partnering with the IRS to submit nominees for the pilot. The IRS selects preparers based on the credentials they have established as electronic return originators.

Participating preparers will offer their e-filing clients the option of creating a five-digit PIN for the electronic return instead of signing a Form 8453. In 1999, the IRS received nearly half a million such returns with electronic signatures.

Taxpayers who use either electronic signature pilot do not need to mail signature documents (Forms 8453 or 8453-OL) to the IRS. The "Electronic Services" section of the IRS Web site -- [www.irs.gov](http://www.irs.gov) -- has more information on the signature pilots, including tax preparation software developers whose products will support the ECN option for those filing from home.

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