

New Electronic Signature Requirement Q&A for Volunteers

1. Is a PIN signature required for all electronically filed returns prepared by volunteers (or a tax practitioner)?

Yes, starting with the 2008 filing season, a PIN signature (using the Self-Select or Practitioner PIN methods) is required for all e-file returns submitted by tax practitioners. About 90% of tax practitioners already use electronic signatures.

2. Do both taxpayers filing a joint return need a PIN?

Yes, each taxpayer must sign using a PIN. The taxpayers will choose any five digits, except all zeros, as the electronic signatures.

3. Can the taxpayer use the same PIN next year?

Yes, or they may choose any 5 digits except all zeros.

4. What happens if two taxpayers select and use the same PIN?

It is acceptable for two taxpayers to choose the same five-digit PIN. The taxpayer's personal information (SSN, DOB, and AGI from prior year return) is used to verify the taxpayer's identity.

5. What PIN does the taxpayer use when the prior year return was originally rejected and the corrected return was retransmitted with a different PIN?

The PIN that was entered on the e-file accepted tax return is the PIN the taxpayer must use to authenticate themselves.

6. How can the taxpayer get their original AGI or prior year PIN if they did not bring in last year's tax return or they are a new client?

The taxpayer may call the IRS toll free number at 1-800-829-1040. If they can provide certain information to the Customer Service Representative (such as their name, SSN and current address), they may receive the original AGI amount or prior year PIN over the phone or they may request a free transcript. Allow 7 to 10 days to receive the transcript. (Taxpayer should be sure to ask for the original AGI.)

7. How is the return signed if my client does not want to enter a PIN?

All e-file individual returns submitted to IRS by tax practitioners must be electronically signed using a PIN. The Practitioner PIN method requires the taxpayer's signature on Form 8879; this authorizes the Electronic Return Originator to generate or enter the electronic PIN on the e-filed return.

8. What signature method is available if I prefer not to retain Form 8879?

A paperless return can be filed if the taxpayer selects and enters his/her own PIN on the electronically filed return. The taxpayer must input shared secrets (prior year PIN or adjusted gross income) to use this Self-Select PIN method.

9. When will the software developers get the information needed to update e-file programs for this change?

The initial information has already been provided to software developers and programmers for the 2008 processing year. The newly designed Form 8453 will be available along with all the other forms that have changes for 2007

10. If all practitioner-prepared, e-filed returns are signed with a PIN signature, when is Form 8453 required?

The newly designed Form 8453 Transmittal will only be used to send supporting documents that are required to be submitted to the IRS.

11. Can I use the new Form 8453 Transmittal to submit statements and attachments other than those specified?

No, only the specified forms or supporting documents listed on Form 8453 Transmittal can be submitted using the new form.

12. Can a Power of Attorney form be submitted with the new 8453 Transmittal?

Yes, a Specific Use Power of Attorney form can be attached to the new Form 8453 Transmittal. The Specific Use is defined on Form 8453 as: "only for an electronic return signed by an agent."

13. Is Form 2848, (Power of Attorney and Declaration of Representative), the required POA form to be submitted with the new Form 8453 Transmittal, or can an alternative power of attorney form be used?

An electronic signature document (Form 8879, Form 8878, etc...) signed by an agent requires the submission of a power of attorney form that specifically authorizes the agent to sign the return. To do this, the agent can use Form 2848, (Power of Attorney and Declaration of Representative) or an alternate power of attorney that meets the previously stated requirements.

14. If I submit a Form 2848 with the Form 8453 Transmittal, will it be forwarded to the Centralized Authorization File (CAF) for processing?

No, the agent must follow the specific rules contained in the Form 2848 instructions to submit a Form 2848 for CAF processing.

15. If a married couple files a joint return, should Form 2848 be signed and dated by the husband and wife if the same individual will represent both of them?

Yes, both husband and wife must sign and date the Form 2848. If one spouse does not wish to be represented, only the spouse who wishes to be represented should sign and date the Form 2848. If the husband and wife file a joint return, but wish to be represented by different individuals, each spouse must complete his or her own Form 2848.

16. When should the ERO mail Form 8453 to the IRS?

The ERO must mail Form 8453 to the IRS within 3 business days after receiving acknowledgement that the IRS has accepted the e-filed tax return.

17. Should the volunteer ERO send a copy of the Forms 8453 Transmittal to the Territory office?

Yes, volunteer tax preparers should send a copy of the new Form 8453 Transmittal to their local SPEC Territory Office along with any additional required supporting documents. Volunteer EROs should coordinate with their SPEC Territory Manager to determine the process for delivering/shipping the completed forms to their local SPEC office for retention and storage.

18. What signature method will tax software default to?

For the volunteer return program, the Practitioner PIN method will be the default method for the TaxWise software.

19. If a taxpayer uses a PIN and owes taxes, can they pay the balance due electronically?

Yes, taxpayers who use a PIN may pay their balance due by electronic funds withdrawal or credit card.

20. Where can I obtain a copy of Form 8879?

TaxWise software includes Form 8879, (IRS e-file Signature Authorization.) A copy can also be obtained from the IRS website, www.irs.gov. A Spanish version, Form 8879-SP, is also available on the Web site.

21. If I use a Self-Select PIN, is Form 8879 required for every e-file return?

No, Form 8879 is only required when one or both taxpayers are not available to personally enter their PIN, or if the PIN was generated or assigned by the ERO.

22. Does the ERO have to mail 8879 to the IRS?

No, the completed Form(s) 8879 are required to be retained for three years from the return due date or the IRS received date, whichever is later. Volunteer EROs should coordinate with their SPEC Territory Manager to determine the process for delivering/shipping the completed Forms 8879 to their local SPEC office for retention and storage.

23. Are volunteers required to complete Part III of Form 8879?

Yes, volunteers are required to complete Part III of Form 8879.

24. Can the volunteer ERO signature portion on Part III of the Form 8879 be signed electronically?

Yes, the IRS will allow EROs to sign Part III of the Form 8879 utilizing computer software. TaxWise has been updated to print the site name and SIDN as the ERO signature in Part III of Form 8879. This will be set as a default in TaxWise (desktop) and TaxWise Online