

IRS News Release

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IRS Releases Specifications for Registered Tax Return Preparer Test

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WASHINGTON — The Internal Revenue Service today released the [specifications for the competency test](#) individuals must pass to become a Registered Tax Return Preparer.

The test is part of an ongoing effort by the IRS to enhance oversight of the tax preparation industry. Preparers who pass this test, a background check and tax compliance check as well as complete 15 hours of continuing education annually will have a new designation: Registered Tax Return Preparer.

The specifications identify the major topics that will be covered by the test, which will be available starting this fall. Although individuals who already have a provisional preparer tax identification number (PTIN) from the IRS do not have to pass the exam until Dec. 31, 2013, they may take the exam at any time once it is available.

The test will have approximately 120 questions in a combination of multiple choice and true or false format. Questions will be weighted and individuals will receive a pass or fail score, with diagnostic feedback provided to those who fail.

Test vendor Prometric Inc. worked with the IRS and the tax preparer community to develop the test. The time limit for the test is expected to be between two and three hours. The test must be taken at one of the roughly 260 Prometric facilities nationwide.

To assist in test preparation, the following is a list of recommended study materials. This list is not all-encompassing, but a highlight of what the test candidates will need to know.

[Publication 17](#), Your Federal Income Tax

[Form 1040](#), U.S. Individual Income Tax Return

[Form 1040 Instructions](#)

[Circular 230](#), Regulations Governing Practice before the Internal Revenue Service (rev. 8/2/11)

[Publication 334](#), Tax Guide for Small Business

[Publication 970](#), Tax Benefits for Education

[Publication 1345](#), Handbook for Authorized IRS e-file Providers

[Form 6251](#), Alternative Minimum Tax – Individuals

[Form 6251 Instructions](#)

[Form 8879](#), IRS e-File Signature Authorization

Some reference materials will be available to individuals when they are taking the test. Prometric will provide individuals with Publication 17, Form 1040 and Form 1040 instructions as reference materials.

The fee for the test has not been finalized but is expected to be between \$100 and \$125, which is separate from the PTIN user fee. Currently there is no limit on the number of times preparers can take the test, but they must pay the fee each time. Individuals must pass the test only once.

Only certain individuals who prepare the Form 1040 series are required to take the test. Attorneys, Certified Public Accounts and Enrolled Agents (EAs) are exempt from testing and continuing education because of their more stringent professional testing and education requirements. Also exempt are supervised employees of attorneys, CPAs, attorneys or EAs who prepare but do not sign and are not required to sign the Form 1040 series returns they prepare and individuals who prepare federal returns other than the Form 1040 series.

Approximately 730,000 return preparers have registered and received PTINs in 2011. Approximately 62 percent do not have professional credentials. The IRS does not yet know how many preparers will fall into other exempt categories, but those individuals will be required to identify themselves when they renew an existing PTIN or obtain a new PTIN beginning in October 2011.

The IRS will notify those preparers who have a testing requirement and provide more details. Once the test is available, preparers who have on-line accounts at www.irs.gov/ptin can use their accounts to schedule a test time and select a Prometric site.

At the time the current version of Publication 17 went to press, there were certain tax benefits that had not been finalized and several tax benefits were subsequently extended. See [Legislative Changes Affecting the 2010 Publication 17](#) on IRS.gov for the details needed for study purposes.