

IRS TO ISSUE ALTERNATIVE IDENTIFICATION NUMBERS FOR TAX PREPARERS

WASHINGTON – A new Internal Revenue Service form will allow paid tax preparers to request an alternative identification number for use on the returns and refund claims they prepare after 1999.

The IRS Restructuring and Reform Act of 1998 authorized the use of alternatives to Social Security Numbers (SSNs) to identify tax return preparers. The change responds to concerns that a preparer's SSN could be used inappropriately by clientele and others having access to a prepared return.

Preparers may download Form W-7P, "Application for Preparer Tax Identification Number," from the "Tax Professional's Corner" on the IRS web site at www.irs.ustreas.gov or call the IRS's toll-free tax forms line — 1-800-829-3676. To ensure that the person assigned to and identified by a specific Preparer Tax Identification Number (PTIN) is the person applying for it, the application form asks for the preparer's name, home address, date of birth and SSN.

The PTIN is solely the identifying number of the individual requesting it and has no relation to firms employing tax return preparers.

The IRS expects to begin issuing the PTINs by mail beginning in early October. Applications received by November 1999 should receive PTINs by the start of the 2000 filing season. Return preparers may continue to use their PTINs year after year without re-applying. Preparers must use either their Social Security number or a PTIN. They cannot write "PTIN applied for" in the Paid Preparer's Use Only section of the return.

Preparers are advised to consult with their respective states regarding the use of a PTIN on state tax returns.

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