



IRS e-file

**Application &
Participation**

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Applying to IRS e-file

Benefits of IRS e-file

IRS e-file builds strong client relationships and improves business. Authorized IRS e-file Providers (Providers) meet the expectations of their clients by electronically filing their clients' returns including business, individual and information returns. The IRS processes e-file returns faster and with fewer errors. This means quicker refunds and less contact with the IRS. IRS e-file provides proof of receipt within 24 hours of sending returns to the IRS. Individual and business clients can e-file balance due returns and schedule an electronic funds transfer (EFT) from their account for any date. Taxpayers can delay out of pocket expenses by paying their individual income tax with a credit card. IRS e-file provides good return on your investment by saving money on costs of printing, mailing and document storage. It also helps to keep client information more organized, centralized, and readily available when needed.

The IRS also benefits when tax return preparers participate in IRS e-file and comply with the e-file standards. The Service has greater assurance that IRS e-file providers are conscientious and honest, and can rely on their representations in processing the returns they submit. Prescribing IRS e-file provider rules is relevant to the IRS mission by assuring taxpayers that paid preparers are honest, understand and will abide by the rules.

Most Tax Return Preparers Must Use IRS e-file

Any tax return preparer who anticipates preparing and filing 11 or more Forms 1040 and/or 1041 during a calendar year generally must use IRS e-file (unless the preparer or a particular return is administratively exempt from the e-file requirement or the return is filed by a preparer with an approved Form 8944, Preparer e-file Hardship Waiver Request).

Members of firms must count returns in the aggregate. If the number of applicable income tax returns is 11 or more, then all members of the firm generally must e-file the returns they prepare and file. This is true even if a member expects to prepare and file fewer than 11 returns on an individual basis.

IRS refers to preparers who are subject to the e-file requirement as "specified tax return preparers." See IRS.gov for additional information and frequently asked questions.

**Why a New
Publication
3112?**

This edition of Publication 3112, IRS e-file Application and Participation, replaces the previous edition last revised in September 2019.

What is an Authorized IRS e-file Provider

A Provider is a business or organization authorized by the IRS to participate in IRS e-file. It may be a sole proprietorship, partnership, corporation or other entity. The firm submits an e-file application, meets the eligibility criteria and must pass a suitability check before the IRS assigns an Electronic Filing Identification Number (EFIN). Applicants accepted for participation in IRS e-file are Authorized IRS e-file Providers.

A Provider may be an Electronic Return Originator (ERO), Intermediate Service Provider, Transmitter, Software Developer, Reporting Agent, Online Provider or Affordable Care Act (ACA) Provider. These roles are not mutually exclusive. For example, a Provider that is an ERO may also be a Transmitter. Providers may also be tax return preparers, but the activities and responsibilities for IRS e-file and return preparation are distinct and different from each other.

Getting Started

Apply to participate in IRS e-file using the online IRS e-file Application at [IRS.gov](https://www.irs.gov). Applying is an easy three-step process (explained later). This applies to all applicants that want to develop software or e-file federal tax returns, certain state income tax returns, and extensions of time to file individual, business and exempt organization returns.

Filing state tax returns electronically is an additional business decision. Federal/State e-file is cooperative tax filing between the IRS and most of the states that have taxes. It allows electronic filing of both federal and state tax returns at one time. Each participating state has its own requirements, but all of the states require that the IRS accept applicants to participate in IRS e-file before they will accept the applicant to participate in their state electronic filing programs.

The IRS may conduct pilot programs looking for ways to improve and simplify IRS e-file. The IRS may conduct pilot programs within a limited geographic area or with a limited taxpayer or practitioner community. The rules for pilot programs are contained in implementing documents referred to as “Memoranda of Understanding” (MOU) or “Memoranda of Agreement” (MOA). The implementing document has the same force as [Revenue Procedure 2007-40](#).

Applicants must become familiar with the rules and requirements for participation in IRS e-file by reading the applicable IRS e-file documents. Publication 1345 Handbook for Authorized IRS e-file Providers of Individual Returns provides rules and requirements for participation in IRS e-file. Violation of a provision of Publication 1345 or this publication may subject an e-file Provider to sanctions. As noted in Publication 1345, those sanctions may include suspension, expulsion or other legal action. More details on potential sanctions are provided below. See Appendix for list of publications and other sources of information about IRS e-file. Applicants with questions, or who do not know where to begin may call IRS [e-help](#), toll-free at (866) 255-0654 for assistance.

Become an Authorized IRS e-file Provider

3 STEPS

STEP 1

Create a Secure Access Account

Before you begin an electronic IRS e-file application, you must have an IRS **Secure Access** account, which facilitates electronic interaction with the IRS. All e-Services users must register using a two-factor authentication process called **Secure Access**. To complete an IRS e-Services account and begin the IRS e-file application, go to **IRS.gov** and select Access e-file Application and then select Create Account.

- Follow step by step guidance as shown on irs.gov.
- Make sure that every Principal and Responsible Official in your firm signs up for an e-Services account.
- Return to your **e-services** account to confirm your registration within 28 days of your registration submission.

For additional information, you should review **Secure Access: How to Register for Certain Online Self-Help Tools** to learn what you will need to complete the process and how the process will work. You should also review **FAQs: e-Services and Secure Access**.

Contact **e-help** toll-free at (866) 255-0654, for assistance with your **e-services** Secure Access registration.

STEP 2

Submit Your Application to Become an Authorized IRS e-file Provider

Your firm can begin the IRS e-file application once all Principals have created their e-services accounts. The application process is necessary to protect the integrity and security of the electronic filing system. The process is comprehensive and designed to allow you to save your data during the session and to return to the application when convenient. Plan accordingly; the IRS may take up to 45 days to approve an application. The e-file application prompts for missing information to ensure that applicants submit only complete applications to the IRS.

Here are the key steps of the application process:

- Log in - Go to **e-services** page, select **E-file Provider Services**, then select Access e-file Application to log in;
- Enter identification information for your firm,
- Select your e-file Provider Options - return preparers who want to e-file for a client should select Electronic Return Originator (ERO);

- Enter the name, social security number, date of birth, e-mail address and citizenship status for each Principal and Responsible Official in your organization;
- Enter the current professional information for Principals and Responsible Officials if an attorney, certified public accountant, enrolled agent, officer of a publicly traded corporation, or a bonded bank official.
- Principal or Responsible Official who is not an attorney, certified public accountant, or enrolled agent, officer of a publicly traded corporation, or a bonded bank official, must get fingerprinted by a trained professional at your local police station or at a company that provides this service. If the trained professional does not have a fingerprint card call the IRS toll free at 866-255-0654 to request a fingerprint card. Write the tracking number provided after successful transmission of the application and mail the signed card to the IRS at Andover Campus, ATTN. EFU Acceptance, Testing Stop 983, 310 Lowell Street, Andover, MA 01810-5430.
- Each Principal and Responsible Official must answer several personal questions, and acknowledge you have read the Privacy Act and Paper Reduction Act Notice, FBI Privacy Act Statement and the Terms of Agreement (TOA) using a PIN selected when creating an **e-services** account. By doing this, each Principal and Responsible Official declares under penalty of perjury that the personal information is true.
- Submit the IRS e-file Application and retain the tracking number provided after successful submission of the application.

Contact e-help toll-free at (866) 255-0654, for assistance with the IRS e-file Application.

Become an Authorized IRS e-file Provider to enhance your business and your clients' return filing experience.

Provider Options

Applicants choose Provider Options, which include Electronic Return Originator, Intermediate Service Provider, Online Provider, Transmitter, Software Developer, Reporting Agent Affordable Care Act and Large Taxpayer. Applicants may choose more than one Provider Option, for example; ERO and Transmitter on one application, but should only choose those options they intend to use.

Brief descriptions for each Provider type are below (See **IRS e-file Participation, Provider Roles and Responsibilities** for additional information):

Electronic Return Originator (ERO) – originates the electronic submission of tax returns to the IRS.

Intermediate Service Provider – processes tax return data, typically from an ERO or an individual taxpayer, and forwards to a transmitter.

Reporting Agent – originates the electronic submission of certain returns for its clients, and/or transmits the returns to the IRS. Reporting Agents (RAs) are companies (not individuals) that perform payroll services for other businesses. RAs adhere to guidelines in **Revenue Procedure 2012-32** (formerly Revenue Procedure 2007-38), **Revenue Procedure 2007-40** (formerly Revenue Procedure 2005-60), and **Publication 1474, Technical Specifications Guide For Reporting Agent Authorization and Federal Tax Depositors** (PDF). Reporting Agents must submit Form 8655, Reporting Agent Authorization, to the IRS prior to or at the same time that they submit an IRS e-file Application.

Software Developer – writes either origination or transmission software according to the IRS e-file specifications.

Transmitter – sends the electronic return data directly to the IRS. EROs and Reporting Agents may apply to be transmitters and transmit return data themselves, or they may contract with an accepted third-party transmitters that can transmit the data for them. A Transmitter must have software and computers that allow it to interface with the IRS.

Online Provider – An Online Provider allows taxpayers to self-prepare returns by entering return data directly on commercially available software, software downloaded from an Internet site and prepared off-line, or through an online Internet site. Online Provider is a secondary role; therefore, they must also choose another Provider Option such as Software Developer, Transmitter or Intermediate Service Provider. Although an ERO may also use an Internet website to obtain information from taxpayers to originate the electronic submission of returns, the ERO is not an Online Provider.

ACA Provider – An ACA Provider is a health insurance provider reporting net premiums written (“covered entity”) that originates the electronic submission of its own information report(s) or a third party that will transmit report(s) on behalf of a covered entity.

Large Taxpayer is a business or other entity with assets of \$10 million or more, or a partnership with more than 100 partners, that originates the electronic submission of its own return(s). To submit an IRS e-file Application, Large Taxpayers should follow instructions in Part V of Publication 4163, *Modernized e-file (MeF) Information for Authorized IRS e-file Providers and Large Taxpayers (Corporations, Partnerships and Tax Exempt Organizations)*. **Note:** A Large Taxpayer is a Provider Option on the IRS e-file Application but it is not an Authorized IRS e-file Provider.

When completing the e-file application the applicant provides basic information about the business and its Principals and at least one Responsible Official. The roles of Principal and Responsible Official are not mutually exclusive; a Principal may also serve as the Responsible Official.

Principals and Responsible Officials

Principals

Generally, the Principal for a business or organization includes the following:

- **Sole Proprietorship** – The individual owner is the Principal for a sole proprietorship.
- **Partnership** – Each partner who has a 5 percent or more interest in the partnership is a Principal. At least one such individual must be on the application. If no partner has a 5 percent or more interest in the partnership, the Principal is the individual authorized to act for the partnership in legal and/or tax matters.
- **Corporation** – The President, Vice-President, Secretary, and Treasurer are each a Principal of the corporation.
- **Other** – The Principal for an entity that is not mentioned above, such as a Limited Liability Company, Association, etc., is an individual authorized to act for the entity in legal and/or tax matters. At least one such individual must be on the application.

If Principals described above are not involved in the e-file operations of the company, a large firm with multi-layered management (excluding sole proprietor) may substitute individuals designated as “Key Persons” who “substantially participate” in the firm’s electronic filing operations as Principals on the firm’s IRS e-file application. These individuals can be in addition to, or in lieu of, the Principals described above for partnerships, corporations or others and their position in the company on the e-file application must be identified as “Key Person”. A large firm (not necessarily a Large Taxpayer by IRS definition) usually has subsidiaries or multiple operating divisions/branches. “Substantially participate” means participation that is extensive and important, with control over the firm’s electronic filing operations, and not clerical or without judgment or discretion.

Note: Any Principals described above that participate in the e-file operations of the company must be on the e-file application.

Responsible Officials

A Responsible Official is an individual with authority over the Provider's IRS e-file operation at a location, is the first point of contact with the IRS, and has authority to sign revised IRS e-file applications. A Responsible Official ensures the Provider adheres to the provisions of the revenue procedure as well as all publications and notices governing IRS e-file. The Responsible Official may oversee IRS e-file operations at one or more offices, but must be able to fulfill identified responsibilities for each of the offices. If one individual cannot fulfill these responsibilities, a Provider can revise the application to add or change Responsible Officials.

Each individual who is a Principal or Responsible Official must:

- Be a United States citizen or an alien lawfully admitted for permanent residence as described in 8 U.S.C. §1101(a)(20) (1994);
- Be at least 18 years of age as of the date of application; and
- Meet applicable state and local licensing and/or bonding requirements for the preparation and collection of tax returns.

Principals and Responsible Officials must submit fingerprint cards unless the individuals meet one of the exceptions shown below. Each Principal and Responsible Official must submit two fingerprint cards.

Most local law enforcement offices and fingerprinting service companies have fingerprint cards. A trained specialist must fingerprint the individuals, sign the card and a fee may be charged. Fingerprint cards are also available by calling the IRS e-help, toll free at (866) 255-0654.

In lieu of submitting fingerprint cards, Principals and Responsible Officials may need to enter professional status information (credential number, state of jurisdiction, and date of expiration) in the e-file application as evidence that they are one of the following:

- **Attorney** – Must be in good standing of the bar of the highest court in any state, commonwealth, possession, territory or the District of Columbia at the time of the application. An attorney should not be under suspension or disbarment from practice before the IRS or from the bar of any state, commonwealth, possession, territory or the District of Columbia.
- **Certified Public Accountant** – Must have a current license to practice as a Certified Public Accountant in any state, commonwealth, possession, territory or the District of Columbia at the time of the application. A CPA should not be under suspension or disbarment from practice before the IRS or from practice by a state, commonwealth, possession, territory or the District of Columbia. Licensed Public Accountants (LPAs) must provide fingerprints.
- **Enrolled Agent (pursuant to part 10 of 31 C.F.R. Subtitle A)** – Must have a valid Enrolled Agent Number.
- **Officer of a publicly held corporation** – May be asked to provide information about the exchange where listed and the name under which the stock is traded on corporate letterhead which carries the name of the officer.
- **Banking official, bonded and fingerprinted within the last two years** – May be asked to provide a copy of the bonding certificate and proof of fingerprinting within the last two years.

STEP 3

Pass a Suitability Check

The IRS conducts a suitability check on the applicant and on all other Principals and Responsible Officials listed on the application.

Suitability checks may include the following:

- A criminal background check
- A credit history check
- A tax compliance check to ensure that all required returns are filed and paid, and to identify assessed fraud penalties
- A check for prior non-compliance with IRS e-file requirements

Other Individuals on IRS e-file Applications

Other individuals such as contacts, Principal Consents and Delegated Users may also be included on IRS e-file Applications.

Contacts

Contact persons should be available on a daily basis for the IRS to contact them for general questions during testing and the processing year. Contacts may be a Principal or Responsible Official. They may also be persons distinct from the Principals and Responsible Officials but if they are, they will not have access to private information that is only available to Principals and Responsible Officials.

A Primary Contact is required for each application. An Alternate Contact is not required, but Providers can specify one or more Alternate Contacts. It is important for a Principal or Responsible Official to change or delete Contacts when the Contacts are no longer with the firm or their position within the firm no longer warrants being a Contact.

Delegation

Firms can delegate responsibilities regarding its e-file application and access to e-Services to other individuals. These individuals should be an employee, partner or other member of the firm/organization or have a business relationship with the firm/organization. Principals and authorized Responsible Officials are responsible for the actions of all delegates on the firm's application and can delegate some or all of the following authorities:

- Add, delete or change Principal
- Add, delete or change Responsible Official
- Viewing or updating applications (includes adding, deleting and editing delegated users and contacts)
- Signing and submitting revised applications
- Accessing e-services Transcript Delivery System
- Transmitter Role and MeF System Enroller
- Viewing Software Developer information
- Accessing e-Services Reporting Agent Transcript Delivery Service (must have Reporting Agent Provider option)

It is required that a Principal or Responsible Official change or delete delegates and/or authorities on the IRS e-file Application when the authorities change or the individuals are no longer with the firm or their position within the firm no longer warrants the authorities.

Principal Consent

A Principal or Responsible Official, with authority to “Add, Delete and Change Principal”, can assign the role of Principal Consent to an individual. This role gives the designated individual the same e-file application authorities as a Principal.

Delegated Users

Delegated Users are individuals designated by the Firm to perform e-file application related duties or access e-services. A Principal, Principal Consent or Responsible Official appoints an individual as a Delegated User on the IRS e-file Application. Delegated Users are application specific as are the authorities they are granted. Large firms should limit the number of Delegated Users to 100 on a single application.

Denial to Participate in IRS e-file

If a firm, a Principal or a Responsible Official fails the **suitability check**, the IRS notifies the applicant of denial to participate in IRS e-file, the date when they may reapply and that they may reapply sooner if they resolve the suitability issues. In most circumstances, the denied applicant, Principal or Responsible Official may appeal the decision through the Administrative Review described later.

An applicant, Principal or Responsible Official denied because a federal or state court enjoined them from filing returns or a federal or state legal action prohibits it from participating in IRS efile may not appeal its denial. If the injunction or other legal action expires or is reversed, the denied applicant may reapply to participate in IRS efile.

The IRS reviews each firm or organization, Principal and Responsible Official listed on the IRS e-file Application. The IRS may deny an applicant participation in IRS efile for a variety of reasons that include but are not limited to:

1. An indictment or conviction of any criminal offense under the laws of the United States or of a state or other political subdivision, or an active IRS criminal investigation;
2. Failure to file accurate federal, state or local tax returns;
3. Failure to pay any federal, state or local tax liability;
4. Assessment of fraud penalties;
5. Suspension/disbarment from practice before the IRS or before a state or local tax agency;
6. Disreputable conduct or other facts that may adversely impact IRS e-file;
7. Misrepresentation on an IRS e-file Application, which includes using another individual’s personal information (name, SSN, etc.) without their permission (i.e. identity theft);
8. Unethical practices in return preparation;
9. Non-compliance with §6695(g) of the Internal Revenue Code;
10. Stockpiling returns prior to official acceptance to participate in IRS e-file;

11. Knowingly and directly or indirectly employing or accepting assistance from any firm, organization or individual denied participation in IRS e-file, or suspended or expelled from participating in IRS e-file. This includes any individual whose actions resulted in the denial, suspension or expulsion of a firm from IRS e-file;
12. Knowingly and directly or indirectly accepting employment as an associate, correspondent or as a sub-agent from, or sharing fees with, any firm, organization or individual denied participation in IRS e-file, or suspended or expelled from participating in IRS e-file. This includes any individual whose actions resulted in denial, suspension or expulsion of a firm from IRS e-file
13. Enjoined from filing returns by a federal or state court injunction or prohibited from filing returns by any Federal or State legal action that prohibits them from participation. A type of such legal action is a Federal Executive Order such as [Executive Order 13224](#) (September 23, 2001), which involves prohibitions directed at terrorist individuals and organizations.

Acceptance

After an applicant passes the suitability check and IRS completes processing, the IRS will notify the applicant of acceptance as an Authorized e-file Provider. Transmitters and Software Developers must complete testing before acceptance. The IRS assigns Electronic Filing Identification Numbers (EFINs) to all Providers and assigns Electronic Transmission Identification Numbers (ETINs) to Transmitters, Software Providers and Online Providers. The IRS assigns EFINs with prefix codes 10, 21, 32, 44 and 53 to Online Providers.

Providers do not have to reapply each year as long as they continue to e-file returns. However, if a Provider does not e-file returns for one year, the IRS will notify the Provider of removal from the IRS active Provider list. The IRS may reactivate a Provider if the Provider replies within sixty days and requests reactivation. Otherwise, the Provider will have to complete and submit a new application.

If the IRS suspends a Provider from participation in IRS e-file, the Provider may reapply to participate in IRS e-file after the suspension period is completed or after resolution of suitability issues. Providers expelled or revoked from participation in IRS e-file usually may not reapply.

Providers do not need to submit a new IRS e-file Application each year to participate in IRS e-file. Providers are required to have the appropriate identification numbers and should review their IRS e-file Application at IRS.gov to check their status. Providers may contact e-help, toll free at (866) 255-0654 with questions regarding their e-file application status.

Providers must update their application information within 30 days of the date of any changes to the information on their current application. Make all changes using the IRS e-file Application. See [Changes to Your IRS e-file Application](#).

EFINs, ETINs and Password

Providers must protect their EFINs, ETINs and passwords from unauthorized use. Providers must never share the numbers and passwords with others including renting, not transferring EFINs or ETINs to another entity when transferring the business by sale, gift or other disposition. If the IRS learns of a compromised EFIN or ETIN, we will change the number and notify the Provider by mail.

All Providers must include their identification numbers with the electronic return data of all returns it transmits to the IRS. If more than one Provider is involved in the origination and transmission of the return data, applicable electronic filing identification numbers (EFIN and ETIN) for each Provider must be included in the electronic return record. Online Providers must include an EFIN with a Prefix Code of 10, 21, 32, 44 or 53 with each Online Return.

Checking Other Authorized IRS e-file Providers

Providers may use only other Authorized IRS e-file Providers to perform IRS e-file activities, including but not limited to origination and transmission of electronic submission. For example, Transmitters must ensure they are transmitting only for Providers. Providers should request other Providers provide information to ascertain that they are authorized Providers with an active EFIN. Care is necessary to safeguard IRS e-file.

A Provider can print a summary of its e-file application via [e-services](#) at IRS.gov and provide it to other Providers as needed. Providers can also confirm EROs using the [Authorized IRS e-file Provider Locator](#) at IRS.gov. If an ERO cannot be found it may still be an Authorized IRS e-file Provider as EROs may elect not to be included on the [Authorized IRS e-file Provider Locator](#). The IRS can advise if the firm is an Authorized IRS e-file Provider only if it is on the [Authorized IRS e-file Provider Locator](#). If you need assistance to search the Locator, contact the IRS by calling [e-help](#) toll free at (866) 255-0654.

Using Third Parties for IRS e-file Related Activities

Providers may associate with third parties that are not authorized Providers for related activities such as advertising, collection of taxpayer data and Web services, which are not e-file activities only if the third party agrees to adhere to all applicable requirements for participation in IRS e-file. The IRS may require the Provider to discontinue their association with third parties that are not adhering to IRS e-file requirements. The IRS may also sanction a Provider that knowingly and either directly or indirectly associates with a third party that is not adhering to applicable IRS e-file requirements.

When to Submit a New Application

Applicants and Providers must either submit a new application or reapply for any of the reasons below. Principals and Responsible Officials may have to provide fingerprints or professional status information.

- They never participated in IRS e-file
- They were previously denied participation in IRS e-file
- They were previously suspended from IRS e-file
- They have not submitted any e-file returns within one year
- The structure of the business has changed, requiring use of a new or different Taxpayer Identification Number (TIN)

Adding New Business Locations

Providers may need to submit new IRS e-file Applications when expanding their e-file businesses to new business locations. EROs must submit new applications for additional fixed locations from which the origination of the electronic submission of returns will occur. A fixed location is an office owned or leased by the ERO.

For additional locations where the ERO does not originate the electronic submission of returns, the EFIN of the fixed location can be used. For example, if tax returns are prepared or collected at a location, but forwarded to another location for origination of the electronic submission, an application is not required for the location where the tax returns are prepared or collected.

If all activities occurring at a location are other than origination of electronic submission of returns, an application is not required for the location. If tax returns are prepared or collected at a location, but forwarded to another location for origination of the electronic submission, an application is not required for the location where the tax returns are prepared or collected.

Obtaining a Foreign EFIN

Providers may obtain an Electronic Filing Identification Number (EFIN) for use by a firm in “its business-related group” if the firm cannot obtain an EFIN because its Principals and/or Responsible Officials are not U. S. citizens or aliens lawfully admitted for permanent residence as described in 8 U.S.C. §1101(a)(20). The term “business-related group” applies to brother-sister firms, subsidiaries, franchises, affiliates, etc. “Business-related group” is broad to include any business relationship. The Provider may establish its own policies to determine the firms for which it will obtain an EFIN and how it monitors the use of the EFIN.

The Provider must submit an IRS e-file application for each foreign EFIN it wants to obtain. The Provider must include its address as the mailing address, but include the physical address of the firm for which it is obtaining the foreign EFIN. The IRS will issue EFINS to the Provider for each location from which the firm in its “business-related group” will originate the electronic submission of returns. The Provider is responsible for the EFINS and may delete the EFIN assigned to any firm location when it determines appropriate.

The Provider is responsible for the business-related firm’s adherence to IRS e-file rules, but is not responsible for the preparation of returns of the firm in its “business-related group.” The Provider should only obtain EFINS for other firms it knows to be trustworthy. IRS will look to the Principals and the Responsible Officials if necessary to assist the IRS in gathering information to address potential violations of IRS e-file rules by the “business-related” firm. The IRS may inactivate the EFIN for a “business-related” firm that is not adhering to IRS e-file rules without sanctioning the Provider or affecting its other EFINS.

For additional information see [Questions and Answers](#) on IRS.gov.

Acquiring an IRS e-file Business by Purchase, Transfer or Gift

Providers that acquire an existing IRS e-file business by purchase, transfer or gift must submit a new IRS e-file Application and receive new Electronic Filing Identification Numbers (EFINS). The Provider must submit an e-file application and proof of sale, transfer or gift during the period beginning forty-five days before and ending thirty days after the acquisition date.

Providers that acquire an existing IRS e-file business by purchase, transfer or gift may not use the EFIN, other identification numbers of the previous Provider. Providers may not acquire the EFIN, other identification numbers of another Provider by sale, merger, loan, gift, lease or otherwise.

When transfers occur during filing season, Providers should contact the IRS prior to the acquisition for assistance in making a smooth transition. Providers interested in acquiring firms suspended, expelled, or revoked from participation in IRS e-file or denied acceptance to participate in IRS e-file should also contact the IRS. Contact IRS [e-help](#) at (866) 255-0654 to discuss transition issues.

Changes to Your IRS e-file Application

Providers should ensure that the IRS has current information by reviewing and updating their IRS e-file Applications. Providers may review their IRS e-file Application information electronically via e-services. A Principal, Principal Consent, Responsible Official or a Delegated User authorized to revise an IRS e-file Application may submit all revisions.

Providers must submit updates within thirty days of a change of any information. It is important to provide updates such as, changes to business structure, Principals, Responsible Officials, addresses and telephone numbers and to remove individuals no longer associated with the firm, including deceased individuals. The IRS needs current information to be able to contact Providers and obtain or provide important information.

If a Principal or Responsible Official loses their professional status, the firm must update its e-file application and provide the required fingerprints of the individual.

The IRS inactivates EFINs with a Principal or Responsible Official that is deceased if the firm does not remove the individual within 30 days of the date of death. IRS also inactivates EFINs of Providers when it receives undeliverable mail or is unable to contact a Provider. The IRS rejects all returns submitted by the Provider until the appropriate updates are made and the IRS reactivates the EFIN.

NOTE: Changes submitted on an IRS e-file Application do not change the address of record for a business' tax records, just as a change to tax records does not automatically update information on a Provider's IRS e-file Application.

Notifying the IRS of Changes to IRS e-file Application

If a Provider is unable to update its IRS e-file Application electronically a Principal or Responsible Official may either use the firm's official letterhead or call e-help at 1-866-255-0654 to notify the IRS of changes to the below information:

- All addresses
- All telephone and fax numbers
- e-mail addresses
- Contact persons
- Changes to Foreign Filer information
- Add or remove Provider Options

Exceptions – Changes that require a firm to acquire a new Employer Identification Number (EIN) require a Provider to submit a new IRS e-file Application. Firms that change their form of organization, such as from a sole proprietorship to a corporation, generally require the firm to acquire a new EIN.

The letters must include sufficient information for the IRS to identify the application the Provider is revising. Be sure to include the appropriate EFIN and/or ETIN that applies, as well as a firm name, firm EIN or Social Security Number (SSN) and doing business as name. If the firm is controlled or owned by another Provider, the name, business address and EFIN and ETIN (if applicable) of the controlling Provider must be included. A Principal or the Responsible Official of the firm must sign the letter. Providers can make most of the same changes by telephone. A Principal or the Responsible Official of the firm must sign the letter or call the IRS. The caller will have to provide identifying information.

Providers that sell, transfer or otherwise discontinue an IRS e-file business must notify the IRS within 30 days. The easiest way to notify the IRS is to use the "Close Office" feature on IRS e-file Application on the IRS Web site. If notifying by letter, be sure to include enough information to identify the correct business location. Providers may not sell or transfer EFINs, other identification numbers, or passwords when selling, transferring or otherwise discontinuing an IRS e-file business.

Revision of the IRS e-file Application Required

The following situations are changes that require revision of the IRS e-file Application:

- The Provider is functioning solely as a Software Developer or Reporting Agent and intends to do business as an ERO, Intermediate Service Provider or Transmitter
- An additional Principal or Responsible Official is being added
- A Principal or Responsible Official is replaced
- A Principal or Responsible Official must be deleted

These revised applications (except when deleting a Principal or Responsible Official) must be signed electronically and submitted unless the individual being added as already passed suitability. Fingerprint cards or credentials of professional status for new Principals and Responsible Officials of the firm are required unless the individual is listed as a Principal or Responsible Official on the application of a Provider currently participating in IRS e-file.

Participating in IRS e-file

Authorized IRS e-file Providers (Providers) must adhere to applicable IRS e-file rules and requirements to continue participating in IRS e-file. The IRS e-file rules and requirements are included in [Revenue Procedure 2007-40](#), throughout this publication and in other IRS e-file publications and notices on the IRS.gov. Providers must adhere to all applicable IRS e-file rules and requirements regardless of where published.

Providers should familiarize themselves with the revenue procedure, the e-file publications and e-file information on IRS.gov to ensure compliance with requirements for participation in IRS e-file.

Some rules and requirements are specific to the e-file activity performed by the Provider. Additional rules and requirements specific to the Provider's e-file activity are included under each Provider Option. The list below, while not all-inclusive, applies to all Providers:

- Adhere to the advertising standards described in this publication
- Clearly display the Provider's "doing business as" name at all locations and websites that the Provider or a third party obtains information from taxpayers for electronic filing of returns.
- Cooperate with the IRS' efforts to monitor and investigate electronic filing for fraud and abuse
- Comply with provisions for all e-file programs, including Free File and pilot programs in which the Provider participates
- Ensure against the unauthorized use of its EFIN and/or ETIN, including not transferring its EFIN or ETIN to another entity when transferring the business by sale, gift, or other disposition
- Ensure the security of taxpayer information
- Revise the IRS e-file Application as described within this publication in a timely manner

Safeguarding IRS e-file

Safeguarding of IRS e-file from fraud and abuse is the shared responsibility of the IRS and Providers. Providers must be diligent in recognizing fraud and abuse, reporting it to the IRS, and preventing it when possible. Providers must also cooperate with the IRS' investigations by making available to the IRS upon request, information and documents related to returns with potential fraud or abuse. Additional information regarding reporting fraud and abuse in IRS e-file is available at [IRS.gov](https://www.irs.gov).

Indicators of abusive or fraudulent returns may be unsatisfactory responses to filing status questions, multiple returns with the same address, and missing or incomplete schedules for income and expense documentation. A "fraudulent return" is a return in which the individual is attempting to file using someone else's name or SSN on the return or where the taxpayer is presenting documents or information that have no basis in fact. A "potentially abusive return" is a return the taxpayer is required to file but may contain inaccurate information and may lead to an understatement of a liability or an overstatement of a credit resulting in production of a refund to which the taxpayer may not be entitled.

Safeguarding Taxpayer Information

Safeguarding taxpayer information is a top priority for the Internal Revenue Service. It is the responsibility of governments, businesses, organizations and individuals that receive, maintain, share, transmit or store taxpayers' personal information. Taxpayer information is information furnished in any form or manner by or on behalf of taxpayers for preparation or filing of their returns. Providers must safeguard taxpayer information from unauthorized disclosure, use, and destruction. In addition, they must be diligent in detecting and preventing identity-theft fraud patterns and schemes to protect taxpayers and IRS e-file from identity-theft refund fraud. Early detection of these patterns and schemes is critical to stopping them and their adverse impacts, and to protecting taxpayers and IRS e-file.

Providers must have security systems in place to prevent unauthorized access by third parties to taxpayer accounts and personal information. The Gramm-Leach-Bliley Act, codified at 15 U.S.C. §§ 6801-6827, and the implementing rules and regulations promulgated by the Federal Trade Commission include rules that are designed to ensure the security and privacy of taxpayer information and are applicable to Providers. Providers should become familiar with the Privacy and Security Rules and other important information regarding safeguarding personal information available at the [FTC website](https://www.ftc.gov).

Providers must implement security and privacy practices that are appropriate for the size, complexity, nature and scope of their business activities. The IRS [Publication 4600, Safeguarding Taxpayer Information Quick Reference Guide for Business](#), and [Publication 4557, Safeguarding Taxpayer Data A Guide for Your Business](#), contain information to help non-governmental businesses, organizations and individuals to understand and meet their responsibility to safeguard taxpayer information.

The IRS may set forth additional safeguarding requirements for Providers as it determines appropriate, which will be included in revisions of applicable e-file publications. Additional information is can be found on [IRS.gov](https://www.irs.gov).

Registration of Websites with the IRS

To safeguard taxpayer information by more quickly identifying fraud schemes including phishing, the IRS requires Providers to register with the IRS all website that collects taxpayer information, either directly or through third parties, and used by the Provider for federal returns that are filed electronically.

Providers must submit the below information to the IRS prior to the website being accessible on the Internet, and submit any changes to previously provided information to the IRS within three (3) business days.

1. An EFIN for the Provider;
2. The name of a Principal or Responsible Official shown on the e-file application for the EFIN; and
3. The Uniform Resource Locators (URLs) of all websites from which the Provider collects information from taxpayers, either directly or through third parties, for electronic filing of federal returns.

Providers must login to **e-services** and navigate to the e-file Application. Click “Add/Delete URL” and proceed as instructed. If “Add/Delete URL” is not in the e-file Application Menu, click “Firm Information” and select “Yes” in response to the website question. After saving, the “Add/Delete URL” link should be available on the “e-file Application” menu page.

Provider Roles and Responsibilities

The roles and responsibilities of Providers relate to the e-file activity the firm is conducting. The firm identifies its e-file activity by selecting the appropriate Provider Option in the IRS e-file Application. Each Provider Option is a different role and may have different responsibilities that relate specifically to the e-file activity of the firm. Some Providers may have more than one e-file business activity. For example, an ERO may also be a Transmitter. Providers must adhere to all IRS e-file rules and requirements applicable to their multiple e-file roles.

Electronic Return Originator

An Electronic Return Originator (ERO) is the Authorized IRS e-file Provider that originates the electronic submission of a return to the IRS. The ERO is usually the first point of contact for most taxpayers filing a return using IRS e-file.

The Origination of an Electronic Return

Although an ERO may also engage in return preparation, that activity is separate and different from the origination of the electronic submission of the return to the IRS. An ERO originates the electronic submission of a return after the taxpayer authorizes the filing of the return via IRS e-file. An ERO must originate the electronic submission of only returns that the ERO either prepared or collected from a taxpayer. An ERO originates the electronic submission by either of the following:

- Electronically sending the return to a Transmitter that will transmit the return to the IRS
- Directly transmitting the return to the IRS
- Providing a return to an Intermediate Service Provider for processing prior to transmission to the IRS

In originating the electronic submission of a return, the ERO has a variety of responsibilities, including, but not limited to the following:

- Timely originating the electronic submission of returns
- Submitting any required supporting paper documents to the IRS
- Providing copies to taxpayers
- Retaining records and making records available to the IRS
- Accepting returns only from taxpayers and Providers

- Having only one EFIN for the same firm for use at one location, unless the IRS issued more than one EFIN to the firm for the same location. For this purpose, the business entity is generally the entity that reports on its return the income derived from electronic filing. The IRS may issue more than one EFIN to accommodate a high volume of returns, or as it determines appropriate.

Intermediate Service Provider

An Intermediate Service Provider receives tax information from an ERO (or from a taxpayer who files electronically using a personal computer and commercial tax preparation software), processes the tax return information and either forwards the information to a Transmitter or sends the information back to the ERO (or taxpayer for online filing).

The Intermediate Service Provider has a variety of responsibilities that include, but are not limited to the following:

- Including its Electronic Filing Identification Number (EFIN) and the ERO's EFIN with all return information it forwards to a Transmitter
- Serving as a contact point between its client EROs and the IRS, if requested
- Providing the IRS with a list of each client ERO, if requested
- Adhering to all applicable rules that apply to Transmitters

Software Developer

A Software Developer develops software for the purposes of formatting electronic return information according to IRS e-file specifications and/or transmitting electronic return information directly to the IRS. IRS e-file specifications are contained in the e-file publications listed in the Appendix below.

Software Developers must pass either acceptance or assurance testing.

A Software Developer has a variety of responsibilities that include, but are not limited to the following:

- Promptly correcting any software error causing returns to reject and distributing the correction
- Ensuring its software creates accurate returns
- Adhering to specifications provided by the IRS in publications

Transmitter

A Transmitter transmits electronic tax return information directly to the IRS. A bump-up service provider that increases the transmission rate or line speed of formatted or reformatted information sent to the IRS via a public switched telephone network is also a Transmitter. The IRS accepts transmissions using a variety of telecommunication protocols.

In order to transmit electronic return data directly to the IRS, Transmitters must be equipped with both computer hardware and software that make it possible. Prior to transmitting return data to the IRS, an application requesting the "Transmitter" Provider Option must be submitted with receipt of an EFIN and ETIN. Testing that ensures the compatibility of your transmission systems with the IRS systems must be completed to enable transmission of the electronic return data to the IRS.

A Transmitter has a variety of responsibilities that include, but are not limited to the following:

- Ensuring EFINs of Providers are included as required by IRS e-file specifications in the electronic return record of returns it transmits
- Timely transmitting returns to the IRS, retrieving acknowledgment files and sending the acknowledgment file information to the ERO, Intermediate Service Provider or taxpayer (for online filing)
- Promptly correcting any transmission error that causes an electronic transmission to be rejected

Not for Profit Providers

All requirements of an Authorized IRS e-file Provider apply to Not for Profit Providers, unless otherwise noted. See Publication 1345 for additional information.

IRS Sponsored Programs

IRS sponsored programs, including Volunteer Income Tax Assistance (VITA), Tax Counseling for the Elderly (TCE) and Self-Help (Free File or Facilitated Self Assistance (FSA)) may electronically file returns. A VITA or TCE sponsor must obtain the permission of the IRS (and, in the case of a TCE sponsor, the permission of the IRS (and in the case of a TCE sponsor, the permission of the IRS office that is funding the TCE program) to participate in IRS e-file.

Employers Offering IRS e-file as an Employee Benefit

An employer may offer electronic filing as an employee benefit whether the employer chooses to transmit returns or contracts with a third party to transmit the tax returns.

Testing

The purpose of testing is to ensure, prior to live processing, that Providers transmit in the correct format and meet the IRS electronic filing specifications; that returns have few validation or math errors; and that Providers understand the mechanics of IRS e-file.

All Software Developers must complete Acceptance or Assurance Testing in accordance with the applicable publication for each type of return. Communication testing is a requirement for Reporting Agents and Transmitters planning to transmit electronic returns to the IRS. Most software packages (IRS accepted e-file software) have communications tests built in so that completing this requirement is relatively easy. Follow the directions in the software or documentation package. If you have problems, you should first contact either the vendor that sold you the software or the technical support operation for the software package.

A Provider can view its “Forms Transmission Status” on the summary page of the e-file application.. Software Developers can view the information they provided to the IRS about each of their software packages, the IRS assigned Software ID number, and the test status of a particular package.

If the software appears to be working correctly but you cannot complete the tests, you do not receive acknowledgment files, or experience other problems, contact [e-help](#) at (866) 255-0654 (toll free).

Advertising Standards

“IRS e-file” is a brand name. Firms accepted for participation in IRS e-file as EROs, Transmitters, Intermediate Service Providers, Reporting Agents and Software Developers are “Authorized IRS e-file Providers”. Acceptance to participate in IRS e-file does not imply endorsement of the software or quality of services provided by the IRS, Financial Management Service (FMS) or Treasury. All Providers must abide by the following advertising standards.

A Provider must comply with the advertising and solicitation provisions of **31 C.F.R. Part 10 (Treasury Department Circular No. 230)**. This circular prohibits the use or participation in the use of any form of public communication containing a false, fraudulent, misleading, deceptive, unduly influencing, coercive or unfair statement of claim. A Provider must adhere to all relevant Federal, state and local consumer protection laws that relate to advertising and soliciting.

The Provider must not use improper or misleading advertising in relation to IRS e-file. For example, any claim concerning a faster refund by virtue of electronic filing must be consistent with the language in official IRS publications. The Provider must clearly describe that a financial institution is advancing funds as a loan or will provide the funds for other financial products. The advertisement on a Refund Anticipation Loan (RAL) or other financial product must be easy to identify and in easily readable print. It must be clear in the advertising that the taxpayer is borrowing against the anticipated refund or obtaining funds from a financial institution and not obtaining the refund itself from the financial institution.

A Provider must not use the IRS’ name, “Internal Revenue Service,” or “IRS” within a firm’s name. However, once accepted to participate in IRS e-file, a firm may represent itself as an “Authorized IRS e-file Provider”. Advertising materials must not carry the FMS, IRS or other Treasury Seals. Advertising for a cooperative electronic filing project (public or private sector), must clearly state the names of all cooperating parties.

The IRS does not have a copyright for the IRS e-file logo. Use the logo only to indicate that a Provider offers this service to taxpayers or has performed it on behalf of a taxpayer. Providers must not use the logo to portray any other relationship between the IRS and any Provider. In using the IRS e-file logo, the Provider must use the following guidelines:

- Do not combine the logo with the IRS eagle symbol, the word “Federal” or with other words or symbols that suggest a special relationship between the
- IRS and the logo user
- Do not place text closer than ¼ inch from the logo
- Do not overprint other words or symbols on the logo
- Do not change the letter spacing or type style

In one-color products, the logo should be printed solid, preferably PMS 285 blue. In multi-color products, print the logo in solid PMS 285 blue with the lightning bolt in solid PMS 109 yellow. When using color systems other than Pantone (PMS), the colors should be as close as possible to the PMS shades.

If a Provider uses radio, television, Internet, signage or other methods of communication to advertise IRS e-file, the Provider must keep a copy and provide it to the IRS upon request, the text or, if prerecorded, the recorded advertisement. A Provider must retain copies until the end of the calendar year following the last transmission or use.

If a Provider uses direct mail, e-mail, fax communications or other distribution methods to advertise, the Provider must retain a copy, as well as a list or other description of the firms, organizations, or individuals to whom the communication was sent. The Provider must retain the records until the end of the calendar year following the date sent and provide the records to the IRS upon request.

Monitoring of IRS e-file Providers

The IRS monitors Providers for compliance with the revenue procedure and IRS e-file rules and requirements.

Suitability

All Providers, except those that function solely as Software Developers, must pass a suitability check on the firm as well as all Principals and Responsible Officials of the firm prior to acceptance to participate in IRS e-file. To safeguard IRS e-file, the IRS completes suitability checks regularly on Providers, Principals and Responsible Officials. If the results of a suitability check indicate that a firm or individual does not meet or adhere to IRS e-file requirements, the IRS may revoke or sanction the Provider from participating in IRS e-file as explained below.

IRS e-file Monitoring

The IRS monitors Providers through review of IRS records and during visits to Providers' offices and other locations where Providers perform IRS e-file activities. During monitoring visits, the IRS may investigate complaints and ensure compliance with IRS e-file rules. Monitoring may include, but is not limited to the following:

- Reviewing the quality of IRS e-file submissions for rejects and other defects
- Checking adherence to signature requirements on returns
- Scrutinizing advertising material
- Examining records
- Observing office procedures

In addition, the IRS may monitor Providers for compliance with the tax return preparer regulations, including provisions of IRC section 6695(g), which relates to the due diligence requirements for certain tax benefits. Specifically, the Earned Income Tax Credit, the American Opportunity Tax Credit, the Child Tax Credit/Additional Child Tax Credit/Credit for Other Dependents and Head of Household filing status claimed on individual returns.

Revocation

The IRS may revoke participation of a Provider, a Principal or a Responsible Official in IRS e-file if either a Federal Court order enjoins them from filing returns, or if they are prohibited by a Federal or State legal action that would prohibit participation in e-file. A type of such legal action is a Federal Executive Order, including **Executive Order 13224** (September 23, 2001), which involves prohibitions directed at terrorist individuals and organizations.

They are not entitled to an administrative review process for revocation of participation in IRS e-file if the IRS denies or revokes a firm, Principal or a Responsible Official because of a Federal Court Order enjoining filing of returns or a Federal or State legal action that prohibits participation in filing of returns. If the injunction or other legal action expires or is reversed, the revoked Provider may reapply to participate in IRS e-file after the injunction or other legal action expires or is reversed.

Sanctioning

Violations of IRS e-file requirements may result in warning or sanctioning Principals, Responsible Officials and the Provider. The IRS may sanction any Provider when the firm or any of its Principals or Responsible Officials fails to comply with any requirement or any provision of this publication, as well as other publications and notices that govern IRS e-file. The IRS may also sanction for the same reasons that it denies an application to participate in IRS e-file. See [Denial to Participate in IRS e-file](#). Before sanctioning, the IRS may issue a warning letter that describes specific corrective action the Provider must take. The IRS may also sanction without issuance of a warning letter.

Sanctioning may be a written reprimand, suspension or expulsion from participation from IRS e-file, or other sanctions, depending on the seriousness of the infraction. The IRS categorizes the seriousness of infractions as Level One, Level Two and Level Three. The firm, Principal or Responsible Official may appeal sanctions through the Administrative Review Process. Suspended Providers and individuals are usually ineligible to participate in IRS e-file for a period of either one or two years from the effective date of the sanction, but they may reapply after resolution of suitability issues. Individuals of firms expelled from participation may be eligible for reconsideration after a five-year waiting period.

In most circumstances, a sanction is effective 30 days after the date of the letter informing of the sanction or the date the reviewing offices or the Office of Appeals affirms the sanction, whichever is later. In certain circumstances, the IRS can immediately suspend or expel a Provider, Principal or Responsible Official without warning or notice. If a firm, Principal or Responsible Official is suspended or expelled from participation in IRS e-file, every related entity, including those that listed the suspended or expelled Principal or Responsible Official on its IRS e-file Application, may also be suspended or expelled.

The IRS may list in the Internal Revenue Bulletin, newsletters or other media the name and owner of any entity suspended, expelled or revoked from participation in IRS e-file and the effective date of the IRS action.

Levels of Infraction

- **Level One Infractions** – Level One Infractions are violations of IRS e-file rules and requirements that, in the opinion of the IRS, have little or no adverse impact on the quality of electronically filed returns or on IRS e-file.
- The IRS may issue a written reprimand for a Level One Infraction.
- **Level Two Infractions** – Level Two Infractions are violations of IRS e-file rules and requirements that, in the opinion of the IRS, have an adverse impact upon the quality of electronically filed returns or on IRS e-file. Level Two Infractions include continued Level One Infractions after the IRS has brought the Level One Infraction to the attention of the Authorized IRS e-file Provider (Provider).

Depending on the infractions, the IRS may either restrict participation in IRS e-file or suspend the Provider from participation in IRS e-file for a period of one year beginning with the effective date of suspension.

- **Level Three Infractions** – Level Three Infractions are violations of IRS e-file rules and requirements that, in the opinion of the IRS, have a significant adverse impact on the quality of electronically filed returns or on IRS e-file. Level Three Infractions include continued Level Two Infractions after the IRS has brought the Level Two Infraction to the attention of the Provider.

A Level Three Infraction may result in suspension from participation in IRS e-file for two years beginning with the effective date of the suspension year, or depending on the severity of the infraction, such as identity theft, fraud or criminal conduct, it may result in expulsion without the opportunity for future participation. The IRS reserves the right to suspend or expel a Provider prior to administrative review for Level Three Infractions.

Administrative Review

The firm, Principals and Responsible Officials of denied applicants and sanctioned Providers are entitled to an administrative review. The administrative review process is usually a two-step process. The firm, Principals or Responsible Officials must request an administrative review by the office that denied or sanctioned them. If the reviewing office affirms the denial of the sanction, and it is not a written reprimand, the firm, Principals or Responsible Officials may appeal the denial or sanction by submitting a written signed appeal request to the IRS Office of Appeals. Failure to request an administrative review within 30 calendar days of the date of any denial or sanction letter terminates the right to an administrative review or appeal.

Administrative Review Process for Denial of Participation in IRS e-file

A firm, Principals or Responsible Officials denied participation in IRS e-file usually have the right to an administrative review. They may mail a written response to the address shown in the denial letter, within 30 calendar days of the date of the denial letter. The applicant's response must address the IRS' reason(s) for denial, have supporting documentation and be signed. During this administrative review process, the denial of participation remains in effect. Upon receipt of a written response, the IRS reevaluates its denial of the participation in IRS e-file. The IRS may either withdraw its denial of participation in IRS e-file or will issue a second denial letter.

A firm, Principal or Responsible Official who receives a second denial letter is entitled to an appeal. They must submit the appeal in writing to the attention of the IRS Office of Appeals, by mailing the appeal to the address shown in the second denial letter within 30 calendar days of the date of the denial letter. The written appeal must contain a detailed explanation that addresses the denial, along with documentation supporting why the IRS should reverse the decision.

The Administrative Review Process for Sanctioning

Providers, Principals and Responsible Officials have the right to an administrative review if the IRS advises of either a proposed, recommended or immediate sanction. They may mail a signed, detailed written explanation with supporting documentation as to why the IRS should reverse its decision and not impose the sanction within 30 calendar days of the date of the letter to the office that issued the letter. During this administrative review process, an immediate sanction remains in effect.

Upon receipt of the written response, the IRS reevaluates and may either reverse or uphold the sanction in writing. If a Provider, Principal or Responsible Official receives a letter affirming a suspension or an expulsion, they may appeal to the Office of Appeals. The appeal must be in writing, signed and mailed to the IRS office that issued the recommended sanctioning letter within 30 calendar days of the date of the letter recommending the sanction. The written appeal must contain detailed reasons, with supporting documentation, to show why the IRS should reverse its decision and not impose the recommended suspension or expulsion.

Reconsideration after Expulsion

Individuals that can't participate in IRS e-file because their firms were expelled may be reconsidered after a five-year waiting period. This period begins five years from the date the firm was expelled or five years after the individual has completed rehabilitation (e.g. incarceration, parole, probation, restitution, etc.). There are some expulsion situations not eligible for reconsideration.

To request consideration, send a letter to: Internal Revenue Service, Electronic Products and Services Support, 310 Lowell Street, Stop 983, Andover, MA 01810. You must provide an explanation as to why you should be allowed to reapply and include a copy of your expulsion letter and any pertinent documents to support your position. In addition, you must meet all eligibility requirements at this time to participate in IRS e-file. You will be notified in writing regarding your request.

Appendix

References

- **[e-News for Tax Professionals](#)**, provides the latest national news for the tax professional community, as well as links to resources on IRS.gov and local news and events by state. For more information on the electronic subscription services, visit “Tax Professionals” at IRS.gov, click on “Subscription Services” under “Tax Professional Topics.”
- **[IRS website \(IRS.gov\)](#)**, The IRS regularly posts important information, including updates and Frequently Asked Questions (FAQs). Taxpayers can use the IRS Web site to locate the nearest Electronic Return Originators to assist them with e-filing returns.
- **[QuickAlerts](#)**, provide up to the minute e-file information. It is the IRS’ technology messaging system for Providers. Users receive messages by e-mail. The messages advise of problems that may interrupt processing or acknowledgment of electronically filed returns, publication changes for IRS e-file and other information of interest to Authorized IRS e-file Providers.
- **[Publication 1345](#)**, *Handbook for Authorized IRS e-file Providers of Individual Income Tax Returns*, contains requirements and important information for participating in IRS e-file of Individual Income Tax Returns.
- **[Publication 1436](#)**, *Test Package for Electronic Filers of Individual Income Tax Returns*, contains scenarios and instructions for preparing test material for Electronic Filing of Individual Income Tax Returns.
- **[Publication 1474](#)**, *Technical Specifications Guide For Reporting Agent Authorization For Magnetic Tape/Electronic Filers and Federal Tax Depositors*, contains technical file specifications for Reporting Agents.
- **[Publication 4163](#)**, *Modernized e-file (MeF) Information for Authorized IRS e-file Providers for Business Returns*, contains rules and other specific information for e-file of Forms 1120/1120S.
- **[Publication 4164](#)**, *Modernized e-file (MeF) Guide for Software Developers and Transmitters*, outlines the communication procedures, transmission formats, business rules and validation procedures for returns e-filed through the Modernized e-file (MeF) system.
- **[Revenue Procedure 2007- 40](#)**, *Requirements of Participants in the IRS e-file Program*, specifies the requirements for participating as Authorized IRS e-file Providers, and is the official set of rules that govern participation in IRS e-file. The IRS revises the revenue procedure as needed. The IRS may post additional e-file rules to the IRS Web site and include the rules in IRS e-file publications.
- **[Treasury Department Circular No. 230](#)**, Regulations governing practice before the Internal Revenue Service.