

IRS e-file for Business Fact Sheets



consider it done

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Employment Tax e-file System

What:

The Employment Tax e-file System offers an improved way to file 940 and 941 returns and accepts most forms and schedules. For the first time, Electronic Return Originators (EROs) have the ability to offer employment tax filing to their clients. The Employment Tax e-file System offers several new features and greater flexibility for filing employment tax returns.

Why:

Features of the System

More Filing Options - The Employment Tax e-file System accepts the following forms and schedules:

Form 941, *Employer's Quarterly Federal Tax Return*

Form 941PR, *Planilla Para La Declaracion Trimestral Del Patrono*

Form 941SS, *Employer's Quarterly Federal Tax Return (American Samoa, Guam, The Commonwealth of the Northern Mariana Islands, and the U.S. Virgin Islands)*

Form 941C, *Supporting Statement to Correct Information*

Schedule B, *Employer's Record of Federal Tax Liability*

Anexo B, *Registro Suplementario De La Obligacion Contributiva Federal Del Patrono*

Form 940, *Employer's Annual Federal Unemployment (FUTA) Tax Return*

Form 940PR, *Planilla Para La Declaracion Anual Del Patrono La Contribucion Federal Para El Desempleo (FUTA)*

More Flexible Filing - Forms 940 and 941 can now be filed in a single transmission file.

More Explicit Error Conditions - New error conditions pinpoint the location of the error in the transmission, and provide complete information for each error identified.

Faster Acknowledgements - Transmissions are processed upon receipt and acknowledgements are returned in near real-time. No more waiting for once or twice daily system processing cycles.

Integrated Payment Option - Eligible filers may submit a required payment along with their return, subject to limitations imposed by the Federal Tax Deposit rules.

Completely Electronic Signature Process - Taxpayers and Reporting Agents can continue to sign their returns with their own IRS issued Personal Identification Number (PIN).

Who Can Participate:

The program is available to Reporting Agents that file and sign Forms 940/941 on behalf of their clients or businesses filing for themselves. Participation is also open to software developers and transmitters.

To apply on-line go to the tax professionals page at www.irs.gov/e-file, click on e-Services and register to gain access to complete the electronic application to participate in the IRS e-file Program.

How to Participate:

Special Notes for Participants -

- If you have been issued a valid Electronic Transmitter Identification Number (ETIN) for the purpose of filing your business tax returns, and do not already have an ETIN for the 1040 e-file program, you must complete an electronic application, and we will issue you a new ETIN.
- If you have been issued a valid ETIN for the purpose of filing your business tax returns, and you have a valid ETIN for the 1040 e-file program, you must complete a revised electronic application, indicating the business returns that you will file, and we will issue you a new ETIN. Your old business filing ETIN will no longer be valid for filing.

- If you are a Reporting Agent who has been issued a Personal Identification Number (PIN) for the purpose of signing your returns, you will be issued a new PIN when your new application is processed. Your old PIN will no longer be valid.

Transmitters, Reporting Agents, and Software

Developers - Complete an electronic application to participate in the IRS e-file program. Go to the tax professional's page at www.irs.gov/efile, click on e-Services and register to complete your application.

Electronic Return Originators (ERO's) - Complete an electronic application to participate in the IRS e-file program. To apply on-line go to the tax professionals page at www.irs.gov/efile, click on e-Services and register to become an ERO.

Business Taxpayers - If you are currently using software to prepare your 940/941, ask your software provider about the employment tax e-file program or visit www.irs.gov/e-file for a list of Software Providers for the Employment Tax e-file program. Also see "How Returns Are Signed" below.

How Returns Are Signed

Electronic Return Originators (ERO's) - A Personal Identification Number (PIN) is used as the business filer's signature. You or your client will register through an approved software provider for a PIN. The IRS will then send the business client the PIN. When the business client receives the PIN, you are ready to file Form 940 or Form 941. The PIN must be received before the client's return can be e-filed. Please note that the PIN registration process takes approximately 10 days.

Payroll Preparation Service - Reporting agents sign all of the electronic returns they file with a single PIN signature.

Business Filers - A PIN is used as your signature. When you register for a PIN through an IRS approved software provider, the software will request information pertaining to your business. Once this information is submitted, the IRS will send you a PIN and you will be ready to file your Form 940 and 941 electronically. Please note that the PIN registration process takes approximately 10 days.

Contact Information

Questions should be directed to the Help Desk at 1-866-255-0654.

Not only can you file Employment Tax Returns electronically, you may also e-file Forms 990/990EZ, 1041, 1065, 1120/1120S, Information Returns, and 1040 Individual Returns.

1065 e-file for Partnerships

What:

The 1065 e-file program allows the electronic filing of Form 1065, *U.S. Return of Partnership Income*, including most associated forms and schedules. This is accomplished using a personal computer (PC), and Form 1065 preparation software. The return can be submitted by the partnership, or through an approved third-party software developer, preparer, or transmitter. Section 1224 of the Taxpayer Relief Act of 1997 requires partnerships with more than 100 partners to file their returns electronically for taxable years ending on or after December 31, 2000. However, partnerships with 100 or less partners can voluntarily file Form 1065 electronically.

New for Tax Year 2004

- Form T, *Forest Activities*
- Form 970, *Application to Use LIFO Inventory Method*
- Form 8886, *Reportable Transaction Disclosure Statement*

Why:

- Less paper handling
- Reduced costs
- Improved accuracy and product quality (less errors = less correspondence from the IRS)
- Electronic acknowledgement of return receipt

Who Can Participate:

- Partnerships that engage in a trade or business or have gross income from sources within the United States.
- Transmitters who receive Form 1065 information from clients and transmit the data to the IRS electronically. A partnership is considered a transmitter if the partnership transmits its own return.
- Software Developers who design or produce software used to prepare returns, or who format the Form 1065 return, Schedules K-1, and related forms and schedules according to IRS specifications, or who transmit the Form 1065 tax return data directly to the IRS.
- Paid Preparer - A firm, organization, or individual who deals directly with the partnership from which the return is due.

How to Participate:

To apply on-line go to the tax professionals page at www.irs.gov/e-file, click on e-Services and register to gain access to complete the electronic application to participate in the IRS *e-file* program.

Product Information:

- Publication 4283, *e-filing your Form 1065*
- Publication 4300, *Something New for 1065 Partnerships*
- Publication 4301, *Electronic Filing Option for Tax Professionals*
- Visit www.irs.gov/efile

Vendor Information:

The listing of Approved IRS *e-file* Providers which includes direct links to their individual web sites is located at www.irs.gov/efile. This list is updated frequently as new providers and features are added.

Application Process:

After the electronic application has been processed and the applicant has passed the suitability screening, the IRS will assign an Electronic Filing Identification Number (EFIN). Direct transmitters will also be assigned an Electronic Transmitter Identification Number (ETIN) and a temporary password. Direct transmitters will use their test password to log on and transmit test data. Testing is mandatory and required each year for all participants who will develop software and transmit returns. Electronic Forms 1065 are filed at the Ogden Submission Processing Center (OSPC):

IRS-OSPC
Mail Stop 6052
Ogden, UT 84201

Questions should be directed to the OSPC at 1-866-255-0654.

Not only can you file Form 1065 electronically, you may also e-file Forms 940/941, 990/990EZ, 1041, 1120/1120S, Information Returns, and 1040 Individual Returns.

Filing Information Returns Electronically (FIRE)

What:

An Information Return is the tax document used to report certain types of payments made by financial institutions and others who make payments as a part of their trade or business as required by Internal Revenue Code regulations. Information Returns are filed electronically via the FIRE (Filing Information Returns Electronically) system at <http://fire.irs.gov>. FIRE is dedicated exclusively to the filing of Forms 1042-S, 1098, 1099, 5498, 8027, W-2G and QWF (Questionable Forms W-4).

Note: Forms W-2 are filed with the Social Security Administration. For more information go to www.socialsecurity.gov/employer.

Why:

Features & Benefits:

It's Fast

- Filing status is available within 2-business days (Forms 1042-S, 8027 & QWF are available within 30 days)
- High speed Internet connection

It's Accurate

- 99% accuracy rate
- Less risk of transcription errors

It's Safe

- Tax Information is secure with 128-bit encryption
- Only authorized users have access to the system

It's Flexible

- Later due dates for electronically filed forms
- Extended file-testing time
- No long distance telephone charges for Internet filing

Who Can Participate:

Any filer of Information Returns may file their return electronically. However, any person, including corporations, partnerships, employers, estates and trusts, who files 250 or more Information Returns of any Forms 1042-S, 1098, 1099, 5498, or W-2G for any calendar year must file their Information Returns electronically or by magnetic media. The IRS encourages you to file electronically or magnetically even if you are filing fewer than 250 returns.

Note: As of calendar year 2004 for tax year 2003, IRS/MCC no longer accepts 8mm, 4mm, and Quarter Inch Cartridges (QIC) for filing Information Returns.

How to Participate:

New users are required to submit Form 4419, *Application for Filing Information Returns Electronically/Magnetically*, to request authorization to file Information Returns with IRS/Martinsburg Computing Center. Upon approval, a five-character alpha/numeric Transmitter Control Code (TCC) will be assigned. Form 4419 should be submitted to IRS/MCC at least 30 days before the due date of the returns for current year processing. Send your completed Form 4419 to:

Internal Revenue Service
Martinsburg Computing Center
Information Reporting Program
230 Murall Drive
Kearneysville, WV 25430

Vendor Information:

Detailed information on all e-file products as well as a listing of Approved IRS *e-file* for Business Providers which includes direct links to their individual websites is located on the IRS website on www.irs.gov/efile. This listing is updated frequently as new providers and features are added. If you are unable to prepare the files yourself and want to purchase software, or locate someone to file on your behalf, refer to Publication 1582, *Information Returns Vendor List*.

Information:

For more information you may contact the Martinsburg Computing Center's Customer Service Section, toll-free at 866-455-7438. IRS personnel are available Monday through Friday, 8:30 A.M. to 4:30 P.M. EST. Telecommunications Device for the Deaf (TDD) can be reached at 304-267-3367. Instructions for Filing Information Returns Electronically can be found in Publication 1220 Part B and/or Publication 3609, and are available on the Internet at www.irs.gov. Not only can you file Information Returns electronically, you may also e-file Forms 940/941, 990/990EZ, 1041, 1065, 1120/1120S, and 1040 Individual Returns.



Electronic Federal Tax Payment System



What:

The Electronic Federal Tax Payment System (EFTPS) allows individual and business taxpayers to initiate all Federal tax payments electronically, including income, estimated and excise taxes. The system is sponsored by the U.S. Department of Treasury and requires no special equipment. Electronic payments can be made using the Internet or the phone. You input your tax payment and send it.

Why:

Features & Benefits:

- Easy to Use
- Fast and Economical
- Accurate
- Flexible

EFTPS offers the convenience of making Federal tax payments directly to the IRS (EFTPS-Direct), or you can choose to go through a financial institution. EFTPS-Direct allows online and phone payments to be made interchangeably. EFTPS-Through a Financial Institution allows same-day payments to be made through your financial institution. Both methods allow tax payments to be initiated 24 hours a day, seven days a week.

As an added convenience, EFTPS offers payment scheduling. You may schedule your payment instructions for up to 120 days in advance of the tax due date for businesses or 365 days in advance of the tax due date for individuals. EFTPS will automatically make your payments for you on the due date you indicate. Tax practitioners, accountants and payroll companies have discovered the added benefits of using EFTPS.

EFTPS offers four easy ways to make payments for clients:

EFTPS-OnLine. Use the Internet to make payments for businesses and clients.

EFTPS-Phone. For taxpayers and providers who wish to make debit payments using the telephone.

EFTPS-Batch Provider. Designed for payroll processors and others who wish to enroll their client and submit batches using Windows-based software.

EFTPS-Bulk Provider. Designed for payroll processors who initiate frequent payments and desire automated enrollment through an Electronic Data Interchange (EDI) compatible system.

Who Can Participate:

All individual and business taxpayers may participate in EFTPS, but you must first enroll. However, if your business made depository taxes of more than \$200,000 in 2002, you must begin using EFTPS for making all your Federal business tax payments electronically beginning January 1, 2004. This applies to any tax deposit obligations incurred on or after January 1, 2004.

How to Participate:

To participate in EFTPS you must first enroll. To receive an enrollment form, call EFTPS Customer Service at 1-800-555-4477. To enroll in EFTPS-OnLine, visit our Web site at www.eftps.gov. Remember, if you use EFTPS-OnLine you will also need a Password. You will receive instructions on how to obtain your Internet Password in your Confirmation/Update Package.

Information:

Businesses can make all their federal tax payments electronically using EFTPS by phone or the Internet. Visit www.eftps.gov to enroll. For more information or to obtain an enrollment form, call EFTPS Customer Service at 1-800-555-4477.

Publication 966, *Electronic Choices for Paying All Your Federal Taxes*

Publication 3425, *4 Easy Ways to Use EFTPS for Tax Practitioners, Accountants and Payroll Companies*

Publication 3806, *The Easiest Way to Pay Your Federal Taxes – for Individuals*

Publication 4169, *E-Primer, A Guide to Paying Federal Taxes Electronically for Tax Professionals*

Form 9779, *EFTPS Business Enrollment Form*

Form 9783, *EFTPS Individual Enrollment Form*

Not only can you pay your taxes electronically, you may also electronically file Forms 940/941, 990/990EZ, 1041, 1065, 1120/1120S, Information Returns, and 1040 Individual Returns.

e-Services

What:

e-Services are a suite of web-based products that allow tax professionals and second line professionals and payers to do business with the IRS electronically. Participants must first register to use e-Services, and may then qualify for the incentive programs.

The IRS is offering Disclosure Authorization, Electronic Account Resolution and Transcript Delivery System to tax professionals as an incentive for filing their clients returns electronically. e-filed returns are processed faster with less errors, and can mean quicker refunds. e-Services will give tax professionals easier access to the IRS and the ability to receive information electronically, cutting down the response time to serve clients better. All e-Services products will be quick, convenient, and easy-to-use. Electronic Return Originators (ERO's) who *e-file* 5 individual or business tax returns will have access to additional incentive products.

Suite of e-Services Products

What's Available

Registration

All tax professionals who wish to use e-Services products must register on-line to create an electronic account. The registration process is a one-time automated process where the user selects a username, password and PIN. An on-screen acknowledgement confirms that you've successfully completed the initial registration process and you will receive your confirmation code through U.S. Mail. To complete your registration and begin using e-Services, you must login to the e-Services web site inserting the confirmation code within 28 days of receipt.

Preparer Tax Identification Number (PTIN) Application

A paid tax professional may choose to use a PTIN, instead of his or her SSN, on returns that are prepared for clients. The PTIN application enables a preparer to apply on-line for a PTIN, or request a new or replacement PTIN card, or look up a forgotten PTIN. The PTIN will be provided during the on-line session, and a physical PTIN card can be sent to you if requested.

Taxpayer Identification Number (TIN) Matching

TIN Matching is a pre-filing service offered to payers and/or authorized agents who submit any of six information returns subject to backup withholding (Forms 1099-B, INT, DIV, OID, PATR, and MISC). Interactive TIN Matching- authorized payers can match up to 25 payee TIN and name combinations against IRS records prior to submitting an information return. Bulk TIN Matching- allows authorized payers to match up to 100,000 TIN and name combinations.

Electronic e-file Application

Complete the integrated electronic application for participation in both individual and business e-file programs. The electronic e-file application allows the application to be saved in progress, acknowledgement sent via email, and your electronic signature captured through the use of a PIN. The most impressive enhancement is the delegation of authority feature which allows principals and/or responsible officials of the firm/organization to delegate e-Services to their employees.

Tax professionals who are active participants in the IRS *e-file* program and e-file 5 or more accepted, individual or business income tax returns in a season are eligible to use the following premium e-Services:

Disclosure Authorization

Eligible tax professionals may complete authorization forms, view existing forms, and receive acknowledgement of accepted submissions immediately—all on-line. Disclosure Authorization allows tax professionals to electronically submit Form 2848, *Power of Attorney and Declaration of Representative* and Form 8821, *Tax Information Authorizations*. This e-Service expedites processing and issues a real-time acknowledgement of accepted submissions.

Electronic Account Resolution

Electronic Account Resolution allows tax professionals to expedite closure on client's account problems by electronically sending/receiving account related inquiries. Tax professionals may inquire about individual or business account problems, refunds, installment agreements, missing payments or notices. Tax professionals must have a power of attorney on file before submitting an inquiry. The IRS response will be delivered to a secure mailbox within 72 hours.



Transcript Delivery System

Use Transcript Delivery System to request tax return transcripts, account transcripts and a record of account for your individual and business taxpayers. Resolve your clients' account issues or problems quickly in a secure, on-line session. Tax professionals must have authorization on file with the IRS before accessing a client's account.

Why:

Features and Benefits:

Fast:

- Information is quickly available to IRS Customer Service Sites
- Quick processing time
- System is available 24 hours a day, 7 days a week

Accurate:

- Less risk of errors
- On-screen acknowledgement confirms that IRS has received submission

Safe:

- Tax information is secure
- Only authorized users have access to the system

Easy:

- Online help function
- Online step-by-step tutorials to train users
- Frequently Asked Questions (FAQ's) area to answer most common questions

Who Can Participate:

To apply on-line go to the tax professionals page at www.irs.gov/e-file, click on e-Services and register to gain access to complete the electronic application to participate in the IRS *e-file* program.

Information:

To find out more about IRS *e-file* products as well as get a

listing of IRS Approved *e-file* Providers with direct links to their individual websites, visit www.irs.gov/efile.

The IRS *e-file* program includes Forms 940/941, 990/990EZ, 1041, 1065, 1120/1120S, Information Returns, and 1040 Individual Returns.

Electronic Payment Options

What:

Electronic payment options are convenient, safe and secure methods for paying individual and business taxes.

Taxpayers can enroll in the U.S. Treasury's Electronic Federal Tax Payment System (EFTPS), authorize an electronic funds withdrawal while e-filing, or use a credit card (individuals only). Electronic payment options give taxpayers an alternative to paying taxes by check or money order. Payments can be made 24 hours a day, 7 days a week. An electronic confirmation number is provided once the payment transaction is completed. Making an electronic payment eliminates the need to send in the associated paper payment voucher. The electronic funds withdrawal and EFTPS options are free!

Why:

Features & Benefits:

Electronic Federal Tax Payment System

- Pay all business and individual taxes year-round using EFTPS. More than 4 million taxpayers currently use this system.
- It's free, easy to use and convenient.
- Pay on-line, by phone or through a payroll processor or other service provider.
- Once enrolled, taxpayers can pay on-line or by phone and even schedule one-time or recurring payments.

Electronic Funds Withdrawal (EFW)

- It's free. It's convenient - business and individual taxpayers can e-file and pay the balance due in a single step.
- Individual taxpayers including Schedule C filers can e-file and, at the same time, schedule an electronic payment for withdrawal from a bank account on a future date up to the return due date.
- The words "United States Treasury Tax Payment" are included on the bank statement as proof of payment.

Credit Card (individuals only)

- It's convenient - individual taxpayers can pay early and yet delay out-of-pocket expenses. Some may even earn reward program perks from their card issuers.
- Standard, commercial credit card networks are used. The IRS does not receive or store credit card numbers.
- Credit card service providers charge a fee for the service. Fees are based on the amount of the payment.
- The words "United States Treasury Tax Payment" are included on the credit card statement as proof of payment.

Who Can Participate:

- EFTPS is available to taxpayers who e-file or paper file their business and individual returns.
- EFW is available to taxpayers who e-file their business and individual returns.
- Credit card options are available to individual taxpayers who e-file or paper file their returns.

Self-employed, small and large business taxpayers can pay electronically as follows:

- Pay all taxes (including deposits, estimated and balance due taxes) year-round using EFTPS. This option is recommended for making deposits and other recurring monthly or quarterly payments. Visit www.eftps.gov for additional information. (See Publication 3909E for more EFTPS facts.)
- e-file and pay in a single step by EFW.
 - Form 941, *Employer's Quarterly Federal Tax Return* (including Form 941PR, SS and C) - includes TeleFile
 - Form 940, *Employer's Annual Federal Unemployment Tax (FUTA) Return* (includes Form 940PR)
 - Form 1120/1120S, *U.S. Corporation Income Tax Return*
 - Form 1041, *U.S. Income Tax Return for Estates & Trusts*
 - Form 1040, *U.S. Individual Income Tax Return* (includes Schedule C filers)
 - Form 1040-ES, *Estimated Taxes for Individuals*
- e-file and pay in a single step by credit card
 - Form 1040 series, *U.S. Individual Income Tax Return* (including Schedule C filers)



Individual taxpayers can pay electronically as follows:

- Pay all taxes (including estimated and balance due taxes) year-round using EFTPS. This option is recommended for making recurring monthly or quarterly payments. Visit www.eftps.gov for additional information or see EFTPS Fact Sheet, Publication 3909E.
- e-file and pay in a single step by EFW
 - Form 1040 series, *U. S. Individual Income Tax Return* - includes Forms 1040, 1040A, 1040EZ, and TeleFile users
 - Form 4868, *Application for Automatic Extension of Time to File U.S. Individual Income Tax Return* includes TeleFile users
 - Form 2350, *Application for Extension of Time to File U.S. Individual Income Tax Return*
 - Form 1040-ES, *Estimated Tax for Individuals*
- e-file and pay in a single step by credit card
 - Form 1040 series, *U.S. Individual Income Tax Return* (including Schedule C filers) - excludes TeleFile
- File using any method and pay by credit card on-line or by phone
 - Form 1040 series, *U. S. Individual Income Tax Return* (including Schedule C filers and balance due notice payments for current and prior tax year)
 - Form 1040-ES, *Estimated Taxes for Individuals*
 - Form 4868, *Application for Automatic Extension of Time to File U.S. Individual Income Tax Return*
 - Installment Agreements (available to taxpayers with active installment agreements for three previous tax years)

How to Participate:

- **EFTPS** - Once the taxpayer is enrolled, payments can be made on-line or by phone. For enrollment information, visit www.eftps.gov or call 1-800-555-4477. The taxpayer can also refer to their payroll processor for assistance.
- **Electronic Funds Withdrawal (EFW)** - It's available through most tax preparation software, tax professionals and TeleFile. The taxpayer may refer to their tax professional or tax software package for more information.

- **Credit Card** - It's available through service providers. Taxpayers may refer to their tax professional, tax software package or contact the pay by phone or internet service providers (1-800-2PAY-TAX/www.officialpayments.com or 1-888-PAY-1040/www.pay1040.com) for more information including convenience fees.

Information:

Visit www.irs.gov/efile and choose Electronic Payment Options. Also, visit www.EFTPS.gov.

Product Information:

Detailed information on all IRS *e-file* products and services is available by visiting the IRS Web site at

<http://www.irs.gov/efile>.

Publication 3611 - *Electronic Payments Brochure*

Publication 3909E, *EFTPS Fact Sheet*

Not only can you pay your taxes electronically, you may also e-file Forms 940/941, 990/990EZ, 1041,1065, 1120/1120S, Information Returns, and 1040 Individual Returns.

1041 e-file for Estates and Trusts

What:

The 1041 e-file program allows the electronic filing of Form 1041, *U.S. Income Tax Return for Estates and Trusts* including 40 forms and schedules. Form 1041 is used to report yearly income for estates and trusts. The return can be submitted by an approved third-party software developer, preparer, or transmitter. Fiduciaries may also electronically file a Form 1041 directly to the IRS, but must pass testing the same as a transmitter.

Why:

Features & Benefits

- Saves time
- Reduces filing errors
- Reduces storage space and costs
- Electronic acknowledgement of return receipt
- Has a multi-signature option (one signature for up to 5,000 returns) as well as an Electronic Funds Withdrawal (EFW) payment option

Who Can Participate:

Fiduciary: A trustee of a trust; or an executor, administrator, personal representative, or a person in possession of property of a decedent's estate

Paid Preparer:

- Deals directly with the estate or trust from which the return is due; or
- Prepares a return or collects return data for purposes of having electronic records of Form 1041; or
- Collects a prepared return for purposes of having electronic records of Form 1041

Electronic Return Originator(ERO): Originates the electronic submission of tax returns to the IRS.

Transmitter: Receives Form 1041 data from clients and transmits the data to the IRS electronically.

Software Developer: Develops software for use in preparing 1041 returns, Schedules K-1 and related forms and schedules according to IRS specifications.

How to Participate:

To apply on-line go to the tax professionals page at www.irs.gov/e-file, click on e-Services and register to gain access to complete the electronic application to participate in the IRS *e-file* program.

After the electronic application has been processed and the applicant has passed the suitability screening process, the IRS will assign an Electronic Filing Identification Number (EFIN). Direct transmitters will also be assigned an Electronic Transmitter Identification Number (ETIN) and a temporary password. Direct transmitters will use their test password to log on and transmit test data. Testing is mandatory and required each year for all participants who will develop software and transmit returns.

Contact the Ogden Submission Processing Center Electronic Filing Section at (866) 255-0654 when you are ready to test.

Vendor Information

For a listing of Approved IRS *e-file* Providers that can file your Form 1041 electronically, and give you the direct links to their individual web sites, visit www.irs.gov/efile. This listing is updated frequently as new providers are added.

Product Information

Detailed information on all e-file business products is available by visiting the IRS web site at <http://www.irs.gov/efile>.

Not only can you file Form 1041 electronically, you may also e-file Forms 940/941, 990/990EZ, 1065, 1120/1120S, Information Returns, and 1040 Individual Returns.



Form 1120 (U.S. Corporation Income Tax Return)

Form 1120S (U.S. Income Tax Return for an S Corporation)

What:

The IRS *e-file* program now includes Forms 1120 and 1120S. The 1120 program has file and pay capability and returns are processed on a transaction basis rather than in batch mode. There are 100 forms and schedules available. (See Appendix A)

Form 1120 is used to report the income, gains, losses, deductions and credits, and income tax liability of a corporation. (Note- Bankruptcy returns cannot be e-filed, a paper return must be filed.) Form 1120S, *U.S. Income Tax Return for an S Corporation*, is used to report income, deductions, gains, losses, etc., of a domestic corporation that has elected to be an S Corporation by filing Form 2553, *Election by a Small Business Corporation*, and whose election is in effect for the tax year and until terminated.

New for 2005

- Schedule M-3, *Net Income (Loss) Reconciliation for Corporations with Total Assets of \$10 Million or More*
- Form 8858, *Information Return of U.S. Persons With Respect To Foreign Disregarded Entities*
- Schedule M, *Transactions Between Foreign Disregarded Entity of a Foreign Tax Owner and the Filer or Other Related Entities*
- Form 7004, *Application for Automatic Extension of Time to File for Corporate Returns*

Why:

Features and Benefits:

It's Convenient:

- Fast - electronic acknowledgment
- Easy to understand - error messages in plain language
- Tax preparation work is automated with return preparation software that performs calculations and highlights needed forms and schedules
- Completely paperless - corporations will have the option to use the Practitioner PIN method or the Form 8453-C or S can be scanned and included as a PDF attachment
- Eliminates the duplicate filing requirements of international Forms 5471, 5472, 5713, and 8832 to Philadelphia Submission Processing Center.

Fast:

- Information is quickly available to IRS Customer Service Sites
- Quick processing time

Accurate:

- Fewer risks of transcription errors
- Low error rates

Safe:

- Tax information is secure - only authorized users have access to the system

Who Can Participate:

Business taxpayers who file Form 1120/1120S may e-file their return through an Approved IRS *e-file* Provider. A list of Approved IRS Providers is available on www.irs.gov/efile.

How to Participate:

To apply on-line go to the tax professionals page at www.irs.gov/e-file, click on e-Services and register to gain access to complete the electronic application to participate in the IRS *e-file* program.

Information:

To find out more about IRS *e-file* products as well as obtain a listing of Approved IRS *e-file* Providers with direct links to their individual websites, visit www.irs.gov/efile.

Not only can you file Form 1120/1120S electronically, you may also e-file Forms 940/941, 990/990EZ, 1041, 1065, Information Returns, and 1040 Individual Returns.



Forms and Schedules for 1120/1120S e-file

1	1120	<i>US Corporation Income Tax Return</i>
2	Schedule D (Form 1120)	<i>Capital Gains and Losses</i>
3	Schedule H (Form 1120)	<i>Section 280H Limitations for a Personal Service Corporation (PSC)</i>
4	Schedule N (Form 1120)	<i>Foreign Operations of U. S. Corporations</i>
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32	Schedule J (Form 5471)	<i>Accumulated Earning and Profits (E&P) of Controlled Foreign Corporation</i>
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34	Schedule O (Form 5471),	<i>Organization or Reorganization of Foreign Corporation and Acquisitions and Dispositions of its Stock</i>

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37	5713	<i>International Boycott Report</i>
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63	8810	<i>Corporate Passive Activity Loss and Credit Limitations</i>
64	8816	<i>Special Loss Discount Account and Special Estimated Tax Payments for Insurance Companies</i>
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67	8825	<i>Rental Real Estate Income and Expenses of a Partnership or an S Corporation</i>
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69	8827	<i>Credit for Prior Year Minimum Tax - Corporations</i>
70	8830	<i>Enhanced Oil Recovery Credit</i>
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72	8833	<i>Treaty-Based Return Position Disclosure Under Sec 6114 or 7701(b)</i>
73	8834	<i>Qualified Electric Vehicle Credit</i>
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75	8838	<i>Consent To Extend the Time To Assess Tax Under Sec 367 – Gain Recognition Agreement</i>
76	8844	<i>Empowerment Zone Employment Credit</i>
77	8845	<i>Indian Employment Credit</i>
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90	8874	<i>New Markets Tax Credit</i>
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92	8882	<i>Credit for Employer-Provided Child Care Facilities and Services</i>
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95	8886	<i>Reportable Transaction Disclosure Statement</i>
96	Form T	<i>Timber & Forest Activities Schedules</i>
97	1120S	<i>US S Corporation Income Tax Return</i>
98	1120S Sch D	<i>S Corporation Capital Gains and losses</i>
99	1120S Sch K-1	<i>S Corporation Section 280H Limitations for a Personal Service Corporation (PSC)</i>
100	7004	<i>Application for Automatic Extension of Time to file Corporation Income Tax Return</i>

Charities and Non-Profit Organizations

What:

The IRS *e-file* system provides the capability for exempt organizations to file their annual information and tax returns electronically using the Internet. The program includes Forms 990, *Return of Organization Exempt from Income Tax*, 990EZ, *Short Form Return of Organization Exempt from Income Tax*, Form 8868, *Application for Extension of Time to File an Exempt Organization Return* and Form 1120POL, *U.S. Income Tax Return for Certain Political Organizations*. New for 2005 will be Form 990PF, *Return of Private Foundation or Section 4947(a)(1) Trust Treated as a Private Foundation*.

Exempt organization returns are unique for three key reasons. First, tax-exempt organizations, by definition, do not generally pay income taxes. The primary purpose of their filing requirements is not to report taxes but to provide information on their programs and activities. This information verifies that organizations are operating in accordance with their stated tax-exempt purpose and are not violating the rules and regulations governing their tax exempt status.

Secondly, the returns are unique because tax-exempt organizations are required, by Internal Revenue Code section 6104, to make their information returns widely available for public inspection. This means that organizations must allow members of the public to inspect Forms 990/990EZ, and 990PF filed with the IRS. Exempt organizations are also required to provide copies of the returns when requested, or make them available on the Internet. Thirdly, exempt organization returns are unique because they are multi-jurisdictional forms, with nearly 40 states using Form 990/990EZ to satisfy their filing requirements.

Why:

Features and Benefits

Fast

- Fast electronic acknowledgement
- Quicker processing time

Accurate

- More accurate and rapid release of information permitted to be disclosed
- Immediate electronic notification of filing errors

Safe

- Tax information is secure
- Only authorized users have access to the system.

Convenient

- Time and cost savings due to reduced preparation time and reduced postage and storage needs
- Easy to understand error messages in plain English
- Single-point filing with state agencies (future enhancement)

How to Participate:

To apply on-line go to the tax professionals page at www.irs.gov/e-file, click on e-Services and register to gain access to complete Form 8633, *Application to Participate in the IRS e-file Program*.

Who Can Participate

Exempt Organizations: Any exempt organization may participate in this program by filing their returns through an Authorized IRS *e-file* provider. Start talking with your practitioner or your software provider now to see if they plan to offer e-file for exempt organizations. A list of approved providers is available on www.irs.gov/efile.

Information:

Not only can you file Form 990/990EZ electronically, you may also e-file Forms 940/941, 1041, 1065, 1120/1120S, Information Returns, and 1040 Individual Returns.





consider it done



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Internal Revenue Service

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