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IRS Return Preparer Office: What You Should Know About What We Do



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Are You The Next Target?

- Identity Theft
- Stolen Refund Fraud
- System Intrusions





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Safeguarding Taxpayer Data

- Your responsibilities as a tax return preparer:
 - Restrict access and disclosure to authorized staff
 - Maintain a list of all locations where you handle client data, such as office buildings, filing cabinets, storage facilities, residence, computers, zip drives, USB removable media, temporary return prep sites, etc.





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Safeguarding Taxpayer Data (cont'd)

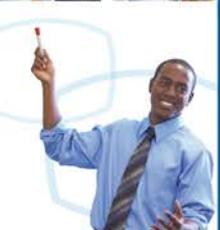
- Plan appropriate safeguards/security controls
- Designate safeguard responsibilities
- Monitor, evaluate, adjust security plan periodically
- Review IRS Publication 4557, Safeguarding Taxpayer Data





Returns Per PTIN

- Enrolled agents, attorneys, CPAs, and Annual Filing Season Program participants
 - View the number of returns filed under your PTIN for the current year
 - Minimum of 50 returns filed
 - Shows only Form 1040 series





Form 14157, Complaint: Tax Return Preparer

- Form 14157 is used to report alleged violations by paid preparers or tax preparation businesses
- Complaints are received from taxpayers, return preparers, and IRS employees
- Complaints are inventoried, researched, and evaluated

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Form 14157 – RPO Actions

- Forward for association with ongoing investigation
- Refer to appropriate office for potential investigation (i.e. SB/SE, OPR, CI, TIGTA)
- Issue a warning/education letter
- Determine no action necessary
- Close as unprocessable

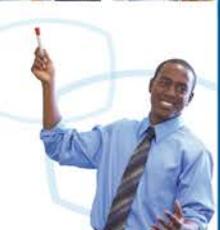
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Educational Letters

- RPO conducts letter campaigns aimed at improving the accuracy of tax returns by paid preparers and increasing awareness of preparer responsibilities:
 - Recommendations to take continuing education on specific topics (Schedule C, Form 1099-K, Additional Child Tax Credit, ITINs)
 - PTIN reminders

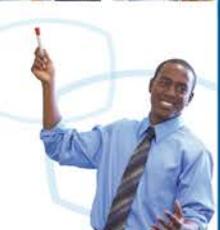




Importance of Education and Ethics (in avoiding)

- Personal tax assessment for unreported income (ghost preparers)
- Civil penalty (IRC 6694 and/or 6695)
- Disciplinary action (censure, suspension, disbarment)
- Civil Injunction
- Criminal prosecution (conviction, penalty, confinement/prison)

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PTIN Requirements

- Anyone who is compensated for preparing all or substantially all of a tax return or claim for refund
- \$50 fee to obtain or renew
- Renew annually by December 31
 - Online (preferred) or
 - Form W-12
- Enrolled Agents must have a PTIN
- Those with legacy PTINs must still register/renew
- We monitor for deceased return preparers





Enrolled Agent Credential

- An elite credential with a recognized reputation for proficiency in tax planning, individual and business tax return preparation, and representation
- Unlimited practice rights
- Listed in IRS online preparer directory

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Enrolled Agent Requirements

- Pass a three-part Special Enrollment Exam (or have certain IRS experience)
- Apply for enrollment
- Pass a suitability and tax compliance check
- Take 72 hours of continuing education every three years
- Renew enrollment every three years





Annual Filing Season Program

- An annual voluntary program for non-credentialed return preparers which:
 - Encourages filing season readiness, continuing education and professional standards
 - Enables taxpayers to distinguish non-credentialed return preparers who have completed some basic continuing education and ethics training
- Limited practice rights
- Listed in IRS online preparer directory

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Annual Filing Season Program Requirements

- Take 18 (or 15) hours of specific types of continuing education from IRS-approved providers before beginning of year
 - By Dec. 31, 2016 for 2017 participation
- Consent to Circular 230 subpart B and section 10.51
- Pass a suitability and tax compliance check
- Must obtain a Record of Completion for participation to be official

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Helpful Links

- [IRS.gov/taxpros](https://www.irs.gov/taxpros)
- [IRS.gov/ptin](https://www.irs.gov/ptin)

Join the Conversation

- [Facebook.com/IRStaxpros](https://www.facebook.com/IRStaxpros)
- [Twitter.com/IRStaxpros](https://twitter.com/IRStaxpros)