

# *P-TIN Required*

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**New regulations now required (beginning January 1, 2011) all paid tax return preparers (TRPs) including attorneys, CPAs and enrolled agents) to apply for a Preparer Tax Identification Number (PTIN).**

According to the IRS "December 2009 Return Preparer Review" <http://www.irs.gov/pub/irs-pdf/p4832>, the mandatory registration of all TRPs will enable the IRS:

1. To collect more accurate data on return preparers;
2. Provide better service to the TRP community and taxpayers in general, for example:
  - (a) by tracking the number of persons who prepare returns, and the qualifications of those who are preparing returns and the number of returns each person prepares; and
  - (b) by enabling the IRS to send targeted updates to those tax return preparers who have clients that are most likely to be impacted by significant or late changes in the tax laws or IRS procedures; and
3. To more easily locate and review the returns prepared by a TRP when instances of misconduct are detected.

## **Under the new IRS requirements:**

1. All TRPs are now required to provide their PTIN on any tax return that they prepare and sign for compensation.
2. A TRP must sign the return and furnish a PTIN if the tax preparer has primary responsibility for the overall substantive accuracy of the preparation of the tax return or claim for refund.
3. If a TRP has an employment arrangement or association with another person, then the other person's employer identification number (EIN) must also be included on the tax return or claim for refund.
4. TRPs who fail to include a PTIN or fail to include an EIN, if required, are subject to a penalty under IRS Sec. 6659(c), unless failure is due to reasonable cause and not willful neglect.
5. TRPs are required to renew their registration every three years and pay a user fee to register. The current fee is \$64.25 and the PTIN may be obtained online at [www.irs.gov](http://www.irs.gov) or by filing IRS Form W-12.

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