




## Internal Revenue Service e-Services 2004 Project Overview

May, 2004

Internet Development Services  
Electronic Tax Administration

### e-Services Background

- **IRS Restructuring and Reform Act of 1998**
- **The Goal**
  - ✓ By the year 2007, 80 percent of all tax returns should be filed electronically
- **The Reality**
  - ✓ As a group, tax practitioners produce approximately 72 percent of all computer- prepared individual tax returns, but only 46 percent of those are electronically filed
- **The Opportunity**
  - ✓ Targeting this group with incentives can produce significant gains in electronic filing




## **e-Services now available**

### **Registration**

Before using other eservices products, tax professionals must register online to create an electronic account.

The registration process is a one-time process for tax professionals to select a user name, password and personal identification number.

An onscreen acknowledgment immediately confirms the registration process. For security purposes, a confirmation code is also mailed to the tax professional to complete the registration process.




## **e-Services now available**

### **Application for Preparer Tax ID (PTIN)**

The PTIN application, lets a paid preparer apply for and receive a PTIN immediately over the Internet.

There is no longer the need to complete and mail a paper Form W-7P. It reduces processing time and input errors associated with a paper application.

Anyone paid to prepare a tax return must sign the return and provide either a PTIN or a Social Security Number.



## **e-Services now available**

### **Interactive TIN Matching**

Interactive Taxpayer Identification Number Matching, or TIN Matching, is a new, pre-filing service offered to banks or others that pay income subject to backup withholding.

Authorized payers can match up to 25 taxpayer identification number and name combinations against IRS records before submitting an information return.

Results of the match are returned within seconds. This pre-filing check prevents mismatches and possible penalties for the payer. In the past, only federal agencies could request TIN matching.



## **e-Services now available for Payers**

### **Bulk TIN Matching**

Allows payers and/or authorized agents filing any of the six information returns also served by Interactive TIN matching to match up to 100,000 TIN and name combinations with IRS records prior to submission.

## **e-Services now available**


### **e-file application online**

Registered users can update their e-file application or can apply to become authorized e-filers for any of the following IRS e-file programs:

940, 941, 990,  
1040,ETD,  
1041,  
1065,  
1120, 1120 POL

## **e-services statistics as of May 17, 2004**

|   |                  |
|---|------------------|
| <b>Number of individuals registered</b>                           | <b>23,932</b>    |
| <b>Success Rate of Completed Registrations</b>                    | <b>72.4</b>      |
| <b>Number of individuals changing address during registration</b> | <b>2,961</b>     |
| <b>Number of confirmed registrants</b>                            | <b>15,922</b>    |
| <b>Number of confirmed Payers</b>                                 | <b>1,020</b>     |
| <b>Number of Interactive Tin Match Requests</b>                   | <b>229,898</b>   |
| <b>Number of Bulk Tin Match Requests</b>                          | <b>4,849,979</b> |




## **e-Services now available for 100 e-filer club**

### **Disclosure Authorization**

Disclosure Authorization allows tax professionals to electronically submit Form 2848, Power of Attorney and Declaration of Representative, and Form 8821, Tax Information Authorization.

Eligible tax professionals may complete authorization forms, view and modify existing forms, and receive notification of accepted submissions immediately--all online.

This e-service expedites processing and issues a real-time acknowledgment of accepted submissions.



## **e-Services now available for 100 e-filer club**

### **Electronic Account Resolution**

Electronic Account Resolution allows tax professionals to expedite closure on clients' account problems by electronically sending or 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 accessing a client's account. The IRS response will be delivered to an electronic secure mailbox within 3 days.

## **e-Services coming soon for 100 e-filer club**

### **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' need for account information quickly in a secure, online session.

Tax professionals must have authorization on file with the IRS before accessing a client's account.

## **State Participation in e-services**

- States can participate as users of e-services for the following products:
  - TIN Matching (Interactive or Bulk)
  - Transcript Delivery
- States can help us market e-services to the e-file community
- A group has begun to evaluate and define e-services to serve joint IRS-state interests



## For More Information

### Contact

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Tax Professionals Page

and click on e-services