

FTA Electronic Filing Symposium

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Discussion Topics

- Filing Season Successes
- 2006 Changes
- Fed/State
- Free File
- *e-file* Initiatives

Filing Season Successes

- 1040 *e-file* up 10.7% from 59.9 M in 2004 to 66.3 M in 2005. Projection for 2005 – 68.1 M.
- 1040 *e-file* for SB/SE taxpayer returns have grown 17.8% from 13.3 M to 15.6 M
- 1040 Fed/State *e-file* up 23.2%
- Balance Due returns up 4.6 M to 6.7 M

Filing Season Successes

- Over 160,000 different preparers (EFINs) have had returns accepted electronically
- 18 days with more than 1 Million returns filed
- Increase in State Only filing is 31.1%

Filing Season Successes

- PIN Usage up 21.6% from 41.3 M to 50.2 M
- IRS.gov Page Views over 1.0 B up 84.2% from 2004; Visits over 137.3 M up 63.3% from 2004
- e-Payments (EFTPS): Volume over 47.9 M up 7.3% from 2004; Dollars over 1 Trillion up over 10% from 2004

2006 Changes

- Additional IMF drain added to processing schedule
- IMF Telefile eliminated as e-file option
- *e-file* will accept certain imperfect returns on second or subsequent filing where Childs SSN & Name Control on EIC Sch. doesn't match Master File or when Dependents SSN & Name Control doesn't match
- State Retrieval System has been realigned
- New Forms

Fed/State

- Electronic Federal Tax Payment System (EFTPS) – Pilot with SC & IL scheduled 2006. Enables taxpayers to pay their federal & state taxes at one website. Also, federal & state tax withholdings made through a payment portal via 1 transaction & 1 PIN.
- Marketing Activities: Marketing messages are included for joint Fed/State 1120 *efile* mandate in IRS marketing & communication materials. The IRS is also sharing marketing information through the TAG about plans to discontinue Telefile.

Free File

- Over 5 M returns received; more than 46% increase from 2004
- Free File returns 7.6% of total *e-file* receipts
- Total Free File customer service comments/complaints number 2,726 down 18% from 2004
- Eleven Free File companies offered free federal filing to 100% of taxpayers

E-Services

- Registration: 50,000 registered users in 2005, 110% increase from same time last year
- PTINs: 145,000 issued by IRS since Aug 2003, 36% of all requests are received online in 2005
- TIN Matching: Interactive - 1.03 M matches in 2005; Bulk - 28.0 M matches in 2005; 4,500 users representing 3,000 payer firms
- *e-file* Applications: 30% of applications submitted online in 2005

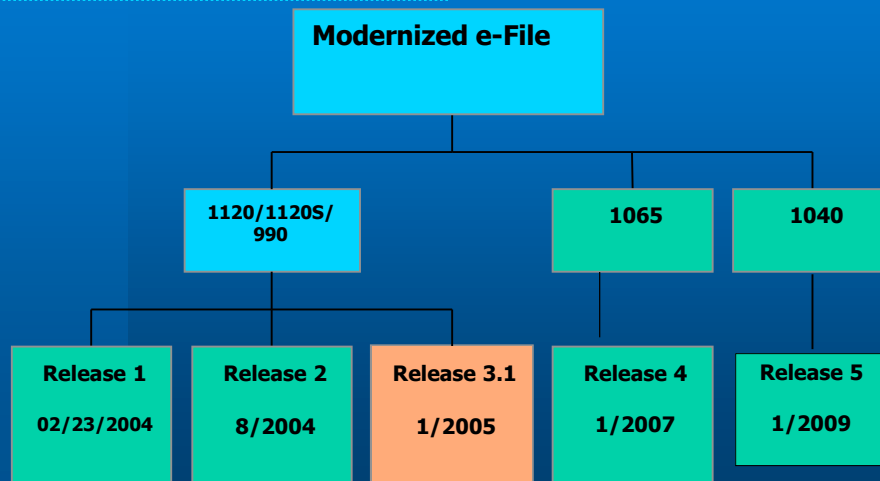
E-Services

- 18,000 Disclosure Authorizations (DA) submissions
- 5,000 Electronic Account Resolutions (EAR) cases
- 106,000 Transcript Delivery System (TDS) requests
- **Incentives: March 2005, threshold lowered so firms e-filing 5 or more tax returns are eligible**

MeF

- MeF 1120 volume over 26 T & MeF 1120S volume over 108 T, both more than 100% of the total volume projected for 2005
- Eventually will be platform for all form types
- Standardization when new forms are added
- Web Services & Fed/State for 01/2006 – partnering with states to develop Corp & Tax Exempt state filing & have begun initial work on state partnership returns

MeF Schedule



Corporate Requirement to *e-file*

- Corporations with assets of \$50 Million or more that file at least 250 returns must electronically file their Form 1120 or 1120S tax returns in 2006.
 - Assets of \$10 Million or more in 2007

Securing & Protecting Taxpayer Electronic Data

- Tax & Security Industry Representatives along with Government experts have met to identify areas of concerns and risks to Electronic filing. Three sub-groups have been developed:
 - Security Standards
 - Stakeholder Map
 - Desk Top/Mock Exercise

Portal Business Strategy

- The IRS Portal Business Strategy articulates the vision for the delivery of information to & interaction with various IRS portal user communities.
- The implementation of an IRS enterprise portal will provide a single point of access to information, services & applications for all internal & external IRS user communities.