



November 9, 2010

IRS Regulations for Tax Preparers

The IRS has sent out about 1 million reminders to tax return preparers about renewing their Preparer Tax Personal Identification Numbers (PTIN) before January 1, 2011 under the new regulations. All tax preparers who are paid for their services of preparing tax returns or assisting in the preparations of all or substantially all of a tax return must register or renew their existing PTINs before filing any return after December 31, 2010.

Tax preparers who already have an existing PTIN must still register under the new online system to validate the ownership of their numbers. These tax preparers will generally be assigned back their present numbers. Preparers must create their accounts, complete the PTIN application form, and pay \$64.25 fee in order to get their PTINs.

If you are a foreigner or US citizens without Social Security numbers due to conscientious religious objection, you may apply for a Paid Preparer Tax Identification Number through a two-step process. Under recently-released IRS procedures, you must first complete either the online PTIN application or the paper Form W-12, IRS PTIN Application.

Secondly, a paper form must be completed. If you are a foreigner, you must fill up Form 8946, PTIN Supplemental Application for Foreign Persons without a Social Security Number. And if you are a US citizen, you should submit a completed Form 8945, Supplemental Application for US Citizens without a Social Security Number Due To Conscientious Religious

Objection. These forms contain details of additional documents to be submitted in along with both.

The IRS has given tax preparers without Social Security numbers an additional time to complete the two-step process. As such, the tax preparers would be considered to have complied with the requirement to obtain PTINs if they have completed their online application or submitted a completed Form W-12 by January 31, 2011 or 10 days after the first day they prepare all or substantially all of a tax return, whichever is later. And they must have filled up Form 8946 or 8945 including all additional required documents within 60 days after the online application or submission of paper form W-12. In addition, the fee of \$64.25 must be paid with the online application or submission of W-12.

If you are a tax preparer who is a foreigner or US citizen without Social Security number due to conscientious religious objection who has been considered compliant as described above, you may submit tax returns as a paid tax preparer without furnishing a PTIN for returns prepared on or before October 31, 2011.