



Frequently Asked Questions: Do I Need a PTIN?

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a. General Guidance

1. Who needs a Preparer Tax Identification Number (PTIN)? (revised 1/3/11)

A PTIN must be obtained by all tax return preparers who are compensated for preparing, or assisting in the preparation of, all or substantially all of any U.S. federal tax return, claim for refund, or other tax form submitted to the IRS except the following:

Form SS-4, Application for Employer Identification Number;
 Form SS-8, Determination of Worker Status for Purposes of Federal Employment Taxes and Income Tax Withholding;
 Form SS-16, Certificate of Election of Coverage under FICA;
 Form W-2 series of returns;
 Form W-7, Application for IRS Individual Taxpayer Identification Number;
 Form W-8BEN, Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding;
 Form 870, Waiver of Restrictions on Assessment and Collection of Deficiency in Tax and Acceptance of Overassessment;
 Form 872, Consent to Extend the Time to Assess Tax;
 Form 906, Closing Agreement On Final Determination Covering Specific Matters;
 Form 1098 series;
 Form 1099 series;
 Form 2848, Power of Attorney and Declaration of Representative;
 Form 3115, Application for Change in Accounting Method;
 Form 4029, Application for Exemption From Social Security and Medicare Taxes and Waiver of Benefits;
 Form 4361, Application for Exemption From Self-Employment Tax for Use by Ministers, Members of Religious Orders and Christian Science Practitioners;
 Form 4419, Application for Filing Information Returns Electronically;
 Form 5300, Application for Determination for Employee Benefit Plan;
 Form 5307, Application for Determination for Adopters of Master or Prototype or Volume Submitter Plans;
 Form 5310, Application for Determination for Terminating Plan;
 Form 5500 series;
 Form 8027, Employer's Annual Information Return of Tip Income and Allocated Tips;
 Form 8288-A, Statement of Withholding on Dispositions by Foreign Persons of U.S. Real Property Interests;
 Form 8288-B, Application for Withholding Certificate for Dispositions by Foreign Persons of U.S. Real Property Interests;
 Form 8508, Request for Waiver From Filing Information Returns Electronically;
 Form 8717, User Fee for Employee Plan Determination, Opinion, and Advisory Letter Request;
 Form 8809, Application for Extension of Time to File Information Return;
 Form 8821, Tax Information Authorization;
 Form 8942, Application for Certification of Qualified Investments Eligible for Credits and Grants Under the Qualifying Therapeutic Discovery Project Program

Refer to the Scenarios section for additional guidance.

2. I already have a PTIN. What actions must I take to retain my PTIN? (revised 6/9/11)

If you registered your existing PTIN or obtained a new PTIN after September 28, 2010, you will need to renew your PTIN when the renewal period opens in October 2011.

If you obtained your PTIN before September 28, 2010 and you did not renew it after that date, you must register using the new online system or Form W-12. You may not be issued the same PTIN when you register.

3. Can multiple individuals or one office share one PTIN? (revised 6/9/11)

No, every individual who, for compensation, prepares or assists in the preparation of a tax return or claim for refund must have his or her own PTIN and each tax return preparer may only obtain one PTIN.

4. If I don't have a PTIN, can I still prepare tax returns for compensation? (revised 6/9/11)

No. You must have a PTIN to prepare tax returns for compensation. To obtain your PTIN, submit an application online or using a paper Form W-12 and pay the required fee. If you submit your application online, your PTIN generally will be provided to you immediately after you complete the application process and pay the required fee. If you submit your application using a Form W-12, it may take 4 to 6 weeks for the IRS to process your application and for you to receive your PTIN.

5. Is there an age requirement for obtaining a PTIN? (posted 9/30/10)

Yes, applicants must be at least 18 years of age.

6. What penalties can be imposed against tax return preparers who have not obtained a PTIN? (posted 3/18/11)

Any individual who, for compensation, prepares, or assists in the preparation of, all or substantially all of a tax return or claim for refund after December 31, 2010 must have a PTIN. Failure to do so could result in the imposition of [Internal Revenue Code section 6695 penalties](#), injunction, and/or disciplinary action by the IRS Office of Professional Responsibility.

7. What is the difference between a PTIN and an EFIN? Does a preparer need both? (posted 3/18/11)

A Preparer Tax Identification Number (PTIN) is a number issued by the IRS to paid tax return preparers. It is used as the tax return preparer's identification number and, when applicable, must be placed in the Paid Preparer section of a tax return that the tax return preparer prepared for compensation.

Any individual who, for compensation, prepares all or substantially all of a tax return or claim for refund needs a PTIN. There is an annual fee of \$64.25 for a PTIN and applicants must meet various suitability requirements.

An Electronic Filing Identification Number (EFIN) is a number issued by the IRS to individuals or firms that have been approved as authorized IRS e-file providers. It is included with all electronic return data transmitted to the IRS.

Paid preparers who reasonably expect to file 100 or more Forms 1040, 1040A, 1040EZ, or 1041 during 2011 are required to electronically file their clients' returns. They (or their firm) need an EFIN, as do preparers who are not required to e-file but voluntarily desire to participate. (See [New e-file Rules for 2011](#) for additional guidance.) There is no fee for an EFIN, but applicants must meet various suitability requirements.

Preparer Tax Identification Numbers are issued to individuals. Electronic Filing Identification Numbers are issued to individuals or firms. Most preparers need both.

8. If an employee of a business prepares the business' tax returns as part of their job responsibilities, do the regulations affect them? (revised 9/28/10)

No. An employee who prepares his employer's federal tax returns is not required to sign as a paid preparer. Accordingly, unless the employee prepares other federal tax returns for compensation, he or she is not required to register and obtain a PTIN.

9. Are e-file transmitters or intermediate service providers that do not prepare returns subject to the PTIN requirements? (revised 9/28/10)

No. E-file providers that assist in the formatting and transmission of tax returns electronically, but do not prepare all or substantially all of a federal tax return or claim for refund for compensation, are not required to obtain a PTIN.

10. Our company prepares Forms 2290 for our clients. It is the only federal tax form we prepare. Are our employees subject to any of the new regulations? (posted 7/13/2011)

Yes, any individual who receives compensation for preparing Forms 2290 is required to register with the IRS and obtain a PTIN. The individual also will be subject to a suitability check, including a tax compliance check and certain individuals will be required to be fingerprinted. However, if the individual does not prepare any Form 1040 series returns for compensation, the individual will not be subject to the competency testing and continuing education requirements scheduled to start in the future.

b. PTIN Scenarios

1. I am a tax return preparer, and I have a PTIN. My firm employs a bookkeeper. She gathers client receipts and invoices, and organizes and records all information for me. Although I use the information that our bookkeeper has compiled, I prepare my clients' tax returns and make all substantive determinations that go into computing the tax liability. Does my bookkeeper need to have a PTIN? (posted 9/28/10)

No, she is not a tax return preparer, and is not required to have a PTIN.

2. I am a tax return preparer, and I have a PTIN. Every tax filing season I hire two paid interns from the accounting program at a local college to help me during the busy season. The interns perform data entry from the tax organizer that my clients fill out, and assemble the documentation that the clients have submitted. Where clients have submitted incomplete information, or more information is needed, the interns may call clients to gather information missing from the tax organizer, but they are not allowed to provide advice or answer tax law questions. I prepare and sign all my clients' returns. Do my interns need to have a PTIN? (posted 9/28/10)

No, the interns are not tax return preparers, and are not required to have a PTIN.

3. Same facts as above, but in order to help my interns get exposure to the tax system, I allow them to work with clients who have very simple tax situations, and prepare the Form 1040-EZ. I review the forms carefully, and sign them. Are my interns required to have PTINs? (posted 9/28/10)

Yes, the interns are tax return preparers and are required to have a PTIN, whether or not they sign the returns.

4. I am a tax return preparer, and I have a PTIN. I have an administrative assistant in the office who also performs data entry during tax filing season. At times, clients call and provide him with information, which he records in the system. Using the data he has entered, I meet with my clients and provide advice as needed. I then prepare and sign their returns. Is my administrative assistant required to have a PTIN? (posted 9/28/10)

No, the administrative assistant is not a tax return preparer, and is not required to have a PTIN.

5. I am a retired tax professional, and I volunteer during the tax filing season. I volunteer at a VITA site, where I prepare individual tax returns for lower-income individuals for no compensation. Do I need to have a PTIN? (posted 9/28/10)

No, you are not a tax return preparer and you are not required to have a PTIN.

6. I run a small tax return preparation business that is heavily software-based. I employ four associates who sit with taxpayers and walk through a step-by-step software program that uses an "interview" process that results in a draft tax return. I check and sign the returns, and I have a PTIN. Do my four associates need to have a PTIN? (posted 9/28/10)

You will need to perform additional analysis to determine whether your four associates must have a PTIN. The answer depends on the specific circumstances of your firm. In general, if individuals prepare all or substantially all of a tax return, including making determinations that affect tax liability, they must have a PTIN.

7. I am a reporting agent who prepares Forms 94X series returns for my clients for compensation. I do not exercise any discretion or independent judgment on my client's underlying tax positions and I do not render tax advice to any of my clients. Do I need a PTIN? (revised 1/3/11)

No. The PTIN regulations incorporate the carve-out from the definition of tax return preparer in Treasury Regulation section 301.7701-15(f) for individuals who provide only typing, reproduction, or other mechanical assistance in the preparation of a return or claim for refund. Example one under Treasury Regulation section 301.7701-15(f)(6) provides that reporting agents who do not exercise any discretion or independent judgment on the client's underlying tax positions and who do not render tax advice to any clients are carved-out under this exception and, therefore, are not tax return preparers.

8. I am a reporting agent who prepares Forms 94X series returns for my clients for compensation. On occasion, my clients ask me for assistance with issues such as determining whether their workers are employees or independent contractors for federal tax purposes. Do I need a PTIN? (revised 1/3/11)

Yes. The PTIN regulations require all tax return preparers who are compensated for preparing, or assisting in the preparation of, all or substantially all of a tax return or claim for refund of tax to register and obtain a PTIN. The carve-out from the definition of tax return preparer for individuals who provide only typing, reproduction, or other mechanical assistance in the preparation of a return or claim for refund does not apply to reporting agents who render tax advice to any client (example two under Treasury Regulation section 301.7701-15(f)(6)).

9. I am a retirement plan administrator who prepares Forms 5500 and the accompanying schedules for my clients. I also prepare Forms 8955-SSA and Form 5558 for my clients. While the Form 5500 series returns are included in the list of forms exempted from the PTIN requirements in Notice 2011-6, the Forms 8955-SSA and Forms 5558 are not included in that list. Am I required to obtain a PTIN? (posted 3/4/11)

No. The Form 8955-SSA, Annual Registration Statement Identifying Separated Participants With Deferred Vested Participants, and Form 5558, Application for Extension of Time to File Certain Employee Plan Returns, are, for purposes of Notice 2011-6, part of the "Form 5500 series" of tax returns inasmuch as these forms are prepared either in conjunction with the filing of a retirement plan's Form 5500 filing or to request an extension of time to file a Form 5500 series tax return.

10. Is an attorney or a certified public accountant required to obtain a PTIN if the attorney or certified public accountant only advises a client regarding an issue that is reflected on a claim for refund? (posted 3/4/11)

An attorney or certified public accountant is required to obtain a PTIN if the attorney or certified public accountant prepares, or assists in preparing, all or substantially all of a return or claim for refund. Under the authority of section 1.6109-2(h), however, an attorney or certified public accountant will not be required to obtain a PTIN if the attorney or certified public accountant only advises a client regarding an issue that is reflected on a claim for refund and neither the attorney or certified public accountant nor any person in the firm of the attorney or certified public accountant signs or is required to sign the claim for refund under Treasury Regulation sections 301.7701-15(b)(1) and 1.6695-1(b). The attorney or certified public accountant in question is still a nonsigning tax return preparer subject to penalty under section 6694 if the attorney or certified public accountant has prepared all or a substantial portion of the claim for refund within the meaning of Treasury Regulation section 301.7701-15(b)(3).

c. Supervised and Non-Signing Preparers

1. I work for a CPA firm, but I am not a CPA. I assist with returns but a CPA signs them. Do I need a PTIN? Do I need pass a competency test? (revised 7/18/11)

Yes, you need a PTIN. However, you do not need to pass a competency test if you are employed by a law firm, CPA firm or other recognized firm (a firm that is at least 80 percent owned by attorneys, CPAs, or enrolled agents) provided the returns you prepare are signed by an attorney, CPA or an enrolled agent who is employed by the same firm and has a valid PTIN.

Additional guidance on supervised preparers is available in [Notice 2011-6](#).

2. I own my own tax return preparation business and have a PTIN. My firm only prepares Form 1040 series returns. I intend to pass the competency test when it is available and become a registered tax return preparer. If I hire someone to prepare returns for compensation under my supervision, will they need a PTIN and will they need to pass a competency test and become a registered tax return preparer too? (revised 7/18/11)

Yes, anyone you hire who is preparing tax returns will need a PTIN. They will also need to pass a competency test and become a registered tax return preparer unless they are a CPA, attorney or an enrolled agent. The exception for supervised preparers only applies if the individual is supervised by an attorney, CPA or an enrolled agent and the supervised preparer is employed by a law firm, CPA firm or other recognized firm (a firm that is at least 80 percent owned by attorneys, CPAs, or enrolled agents).

Additional guidance on supervised preparers is available in [Notice 2011-6](#).

3. When multiple paid preparers are involved in preparation and/or review of a return, who is required to sign the return? (posted 8/11/10)

Existing Treasury regulations under sections 1.6695-1(b) and 301.7701-15(b)(1) provide that a signing tax return preparer is the individual tax return preparer who has the primary responsibility for the overall accuracy of the preparation of a return. The PTIN requirements, which require all preparers to register and obtain a PTIN, do not change the existing rules regarding who is the signing tax return preparer.

4. Are non-signing preparers disclosed on each return prepared even if another preparer reviews and signs it? (posted 8/11/10)

No, the names of non-signing preparers are not disclosed on the return. Although there is no plan to expand the paid preparer section of the return to include non-signing preparers, they still are required to have a PTIN and meet competency testing and continuing education requirements as applicable.

d. SSN Requirements for Obtaining a PTIN**1. Is a social security number required to obtain a PTIN? (revised 4/13/11)**

Individuals generally are required to provide their social security numbers when they obtain a PTIN. However, U.S. citizens who have a conscientious objection to obtaining a social security number for religious reasons and foreign persons who are not eligible to obtain a social security number and have a permanent non-U.S. address may obtain a PTIN without a social security number. These individuals are required to provide supplemental documentation to verify their identity and substantiate their eligibility for a PTIN under these specific exceptions. See questions 2 and 3 below or [Revenue Procedure 2010-41](#) for additional guidance.

Individuals who have an Individual Taxpayer Identification Number (ITIN) are not eligible for a PTIN unless they are foreign persons with a permanent non-U.S. address, and can provide documentation to support that status.

2. How do U.S. citizens without a social security number due to a conscientious objection for religious reasons obtain a PTIN? (revised 4/13/11)

U.S. citizens who have a conscientious objection to obtaining a social security number for religious reasons must complete [Form W-12](#), IRS Paid Preparer Tax Identification Number (PTIN) Application, either online or on paper, and a paper [Form 8945](#), PTIN Supplemental Application For U.S. Citizens Without a Social Security Number Due To Conscientious Religious Objection.

Documentation to substantiate identity, U.S. citizenship, and status as a member of a recognized religious group must accompany the Form 8945. Documentation requirements and mailing information are included in the Form 8945 instructions. An online Form W-12 combined with a paper Form 8945 will take 2-4 weeks to process versus an all paper application which will take 4-6 weeks.

3. How do foreign preparers without a social security number obtain a PTIN? (updated 12/10/10)

A foreign preparer who does not have and is not eligible to obtain a social security number and is neither a citizen of the U.S. nor a resident alien of the U.S. as defined in section 7701(b)(1)(A) will need to complete the [Form W-12](#), IRS Paid Preparer Tax Identification Number (PTIN) Application, either online or on paper, and a paper [Form 8946](#), PTIN Supplemental Application For Foreign Persons Without a Social Security Number. Only preparers that have a foreign (non-U.S.) address may file this form.

Individuals who have an Individual Taxpayer Identification Number (ITIN) are not eligible for a PTIN unless they are foreign persons with a permanent non-U.S. address.

Documentation to substantiate identity and eligibility must accompany the Form 8946. Documentation requirements and mailing information are included in the Form 8946 instructions.

An online Form W-12 combined with a paper Form 8946 will take 2-4 weeks to process versus an all paper application which will take 4-6 weeks.

4. I have a social security number, but have not filed an income tax return with the IRS. My federal income tax returns were filed with the Departamento de Hacienda (Puerto Rico). How do I obtain a PTIN? (posted 3/29/2011)

A Puerto Rican resident who has never filed a U.S. individual income tax return, must submit a paper Form W-12 PTIN application. Include the following:

- I Check or money order for \$64.25 (make check out to IRS Tax Professional PTIN Processing Center)
- I Hacienda tax information on Line 5 of the Form W-12

In order to ensure efficient processing, please note:

- I Information on lines 1, 3, and 5 of Form W-12 must exactly match SSA, IRS and/or Hacienda information. If it doesn't match, the application will be rejected and notarized supporting documentation will be required as outlined in the Form 8946 instructions.

[Return to Return Preparer Program FAQs](#)

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