



www.irs.gov/efile

IRS *e-file*
Application
and **Participation**



consider it done



What's Inside?

What's New?	1
Why IRS <i>e-file</i> ?	2
What is an Authorized IRS <i>e-file</i> Provider?	2
IRS Supports Authorized IRS <i>e-file</i> Providers	3

IRS *e-file* Application

Getting Started	4
When to Submit an Application	4
Become Familiar with Rules and Requirements	5
IRS <i>e-file</i> Publications	6
Become an Authorized IRS <i>e-file</i> Provider in 3 Steps.	8
Important Roles.	12
Acceptance.	13
Credentials.	14
Denial to Participate in IRS <i>e-file</i>	15
Administrative Review Process for Denial	15
Reporting Changes to Your IRS <i>e-file</i> Application	16

Participation in IRS *e-file*

Provider Roles and Responsibilities	18
Testing.	22
Advertising Standards	23
Monitoring of Authorized IRS <i>e-file</i> Providers	24
Sanctioning	25



What's New?

It is now easier to apply to participate in IRS *e-file* ! A NEW electronic IRS *e-file* Application is available through Internet-based business tools called “e-services.” Authorized IRS *e-file* Providers can also use the electronic IRS *e-file* Application to update their existing application when necessary.

The NEW e-services are a suite of web-based products that allow tax professionals and payers to do business with the IRS electronically. These services are available 24 hours a day, 7 days a week from just about any computer with an Internet connection.

Incentive e-services products are now available for Electronic Return Originators that e-filed 100 or more accepted individual income tax returns in either the current or prior year:

Disclosure Authorization

Electronically submit Form 2848, *Power of Attorney and Declaration of Representative*, and Form 8821, *Tax Information Authorization*, to expedite processing and receive an immediate acknowledgment that the IRS received the authorization.

Electronic Account Resolution

Electronically send account related inquiries about individual or business account problems, refunds, installment agreements, missing payments or notices, and receive responses within 72 hours.

Transcript Delivery System

Electronically request and receive account transcripts, wage and income documents, tax return transcripts, and verification of non-filing letters.

Apply today to become an Authorized IRS *e-file* Provider so you can become eligible for the NEW e-services incentive products in the future!



Why IRS *e-file*?

Each year, more and more tax professionals choose IRS *e-file* because it builds strong client relationships and improves their business. Authorized IRS *e-file* Providers can meet the expectations of their clients and remain competitive by using IRS *e-file*. IRS *e-file* allows Authorized IRS *e-file* Providers to file their clients' returns electronically, including business, individual and information returns. Returns are processed faster with fewer errors. This means quicker refunds and less contact with the IRS. IRS *e-file* provides proof of receipt within 48 hours of sending returns to the IRS. Individual and business clients can *e-file* balance due returns and, at the same time, schedule a payment for a future withdrawal by initiating an electronic funds withdrawal. Taxpayers can also delay out of pocket expenses by paying their individual income tax with a credit card. IRS *e-file* provides good return on your investment by saving money on costs of printing, mailing, and document storage. It also helps to keep client information more organized and centralized.

Become an Authorized IRS *e-file* Provider and enhance your business and your clients' tax filing experience.

What is an Authorized IRS *e-file* Provider?

An Authorized IRS *e-file* Provider (Provider) is a business authorized by the IRS to participate in IRS *e-file*. The business may be a sole proprietorship, partnership, corporation, or other entity. The business submits an application, is accepted to participate in IRS *e-file*, is assigned an Electronic Filing Identification Number (EFIN) and receives credentials (see Credentials, p.14). The applicant identifies its Principals and at least one Responsible Official on its IRS *e-file* Application. The roles are not mutually exclusive; a Principal may also serve as the Responsible Official. A business is accepted and may continue to participate in IRS *e-file* if the business and its Principals and Responsible Official(s) meet and adhere to IRS *e-file* requirements.

Each individual who is a Principal or Responsible Official must:

- Be a United States citizen or an alien lawfully admitted for permanent residence (legal resident alien) as described in 8 U.S.C. §1101(a)(20) (1994);
- Be 21 years of age as of the date of application; and
- Meet applicable state and local licensing and/or bonding requirements for the preparation and collection of tax returns.

IRS Supports Authorized IRS *e-file* Providers

e-services – A suite of electronic products available to tax professionals, including Preparer Tax Identification Number (PTIN) Application, IRS *e-file* Application, and TIN Matching (currently available for Payers Only). Electronic Return Originators that e-filed 100 or more accepted individual income tax returns in either the prior or the current year and register for e-services have access to incentive products. Incentive products include Disclosure Authorization, Transcript Delivery System and Electronic Account Resolution.

IRS Web Site – IRS *e-file* is supported through use of the IRS web site, www.irs.gov in many ways. Important information, including updates and Frequently Asked Questions (FAQs) are posted regularly. Also, taxpayers can locate the nearest Electronic Return Originators (EROs) to assist them with e-filing returns.

National Marketing – Nationally televised advertisements air on both cable and prime networks. The IRS also runs radio ads, print ads and online media campaigns to create full multi-media program exposure for IRS *e-file* prior to and during the filing season.

Marketing Tool Kit – Kit contains professionally developed material to help EROs advertise e-file and promote their participation in IRS *e-file*. It includes a window decal for on-premise advertising; desk placard, e-file posters, stickers and informational publications. EROs in good standing, with correct address information in the IRS *e-file* records automatically receive a kit each year.

QuickAlerts – QuickAlerts provide up to the minute e-file information. It is the IRS' latest "push" technology messaging system. Users choose the method in which they wish to receive messages, either by phone, fax, or e-mail. The messages advise of problems that may interrupt processing or acknowledgment of electronically filed returns, tax law or publication changes affecting e-file, IRS *e-file* conferences and other information of interest to Authorized IRS *e-file* Providers.

E-News for Tax Professionals – Subscribe to this reorganized and improved version of the Local News Net. The new electronic newsletter for tax professionals and others provides consolidated and localized information that's available for the first time on a state-by-state basis. Services through E-News include IRS Digital Dispatch, IRS Newswire, and IRS Tax Tips. For more information on the electronic subscription services, visit "The Newsroom" section at irs.gov, and click on "E-News Subscriptions" under the "contents listing".

For more information on any of the above products, check the IRS web Site at www.irs.gov.



IRS *e-file* Application

Getting Started

Apply to participate in IRS *e-file* using an electronic application, after first registering for e-services. Both are available at the IRS web site, www.irs.gov. This applies to all applicants that want to develop software or submit Forms 940, 941, 1040 series, 1041, 1065, 1120, 1120S, 1120-POL, 990, 990-EZ, 990-PF, state income tax returns, and extensions of time to file individual and corporate income tax and exempt organization returns.

To become an Authorized IRS *e-file* Provider, apply by submitting an IRS *e-file* Application and be accepted by the IRS. Applying is an easy three step process. Before applying, contact a number of vendors and Software Developers to decide which Provider Option(s) make the best business sense for your firm and to find the products that best meet your business needs.

Whether to file state individual income tax returns electronically is an additional business decision. Federal/State *e-file* is cooperative tax filing between the IRS and some of the states that have income taxes. This process makes it possible for both federal and state individual income tax returns to be filed electronically at one time. Each participating state has its own requirements, but all require that the applicant has been accepted to participate in IRS *e-file* before they will accept the applicant to participate in their state electronic filing programs.

When to Submit a New Application

Applicants and Authorized IRS *e-file* Providers must submit a new application with fingerprint cards or other documentation for the appropriate individuals if:

- The applicant has never participated in IRS *e-file*;
- The applicant has previously been denied participation in IRS *e-file*;
- The applicant has been suspended from IRS *e-file*;
- The applicant has not submitted any *e-file* returns for more than two years;
- The Provider is participating in IRS *e-file* and wants to originate the electronic submission of returns from an additional location (see Adding New Business Locations, p17); or
- The structure of the business has changed, requiring use of a new or different Taxpayer Identification Number (TIN).



Become Familiar with Rules and Requirements

It is important that applicants become familiar with the rules and requirements for participation in IRS *e-file* by reading the applicable IRS *e-file* documents. The revenue procedure, publications and other information about IRS *e-file* and related topics, including state filing information can be found on the IRS web site at www.irs.gov. Applicants with questions or who don't know where to begin may call IRS e-Help, toll-free at 1-866-255-0654 for assistance.

Revenue Procedure 2000-31, *Requirements of Participants in the IRS e-file Program for Individual Income Tax Returns* – specifies the requirements for participating as an Authorized IRS *e-file* Provider and is the official set of rules that govern participation in IRS *e-file*. Revenue Procedure 2000-31 will be updated in the future to clarify that the revenue procedure sets forth requirements for all Providers, not just Providers e-filing individual income tax returns.

Implementing Documents – The IRS may conduct pilot programs looking for ways to improve and simplify IRS *e-file*. Each pilot program is usually conducted within a limited geographic area or with a limited taxpayer or practitioner community. The rules for pilot programs are contained in implementing documents typically referred to as “Memoranda of Understanding” (MOU) or “Memoranda of Agreement” (MOA). If you are part of a pilot program, the implementing document has the same force as the revenue procedure.

IRS *e-file* Publications

The IRS issues various publications that contain the requirements for participating in IRS *e-file*. You should read the applicable publications for your business needs. The publications are intended to supplement the revenue procedure but do not supersede it. However, the publications have the same legal force and effect as the revenue procedure. Violating a provision of the publications may subject the Provider to sanctions (see Sanctioning, p. 25).

Providers should familiarize themselves with the revenue procedure and the publications to ensure compliance with requirements for participation in IRS *e-file*.

Publication 3112, *IRS e-file Application and Participation*, which you are reading provides important information regarding the IRS *e-file* Application process. It also contains the rules for participation in IRS *e-file* that are applicable to all Authorized IRS *e-file* Providers.

Publication 1345, *Handbook for Authorized IRS e-file Providers*, contains requirements and important information for participating in IRS *e-file* of Individual Income Tax Returns.

Publication 1345A, *Filing Season Supplement for Authorized IRS e-file Providers*, is revised annually to include the most current information about IRS *e-file*. It contains updates, IRS *e-file* contact information and addresses, a comprehensive list of Error Reject Code (ERC) Explanations, and Form Field Exhibits.

Publication 1346, *Electronic Return File Specifications and Record Layouts for Individual Income Tax Returns*. Information in this publication will be of particular interest to those who transmit or develop software for transmission to the IRS of Individual Income Tax Returns.

Publication 1436, *Test Package for Electronic Filers of Individual Income Tax Returns*, contains scenarios and instructions for preparing test material for Electronic Filing of Individual Income Tax Returns.

Publication 1437, *Procedures for Electronic Filing of U.S. Income Tax Returns for Estates and Trusts, Form 1041*, contains procedures for filing Forms 1041 electronically.

Publication 1438, *File Specification for Form 1041*, outlines the communication procedures, transmission format, validation criteria, and record layouts for filing Forms 1041 electronically.

Publication 1524, *Procedures for the 1065 e-file Program*, contains information and technical file specifications for electronically filing Forms 1065, *U.S. Return of Partnership Income*.

Publication 1525, *File Specifications, Validation Criteria and Record Layouts for the 1065 Program, U.S. Return of Partnership Income*, outlines technical specifications, validation criteria and record layouts for filing Forms 1065 electronically.

Publication 1855, *Technical Specifications Guide for Electronic Filing of Form 941, Employer's Quarterly Federal Tax Return*, provides the technical file specifications for Form 941 and guidance for participation in e-file of employment tax returns.

Publication 3715, *Technical Specifications Guide for Electronic Filing of Form 940, Employer's Federal Unemployment Tax Return*, provides the technical file specifications for electronically filing Forms 940.

Publication 3416, *1065 e-file Program U.S. Partnership Return (Publication 1525 Supplement)*, provides exhibits of forms and schedules associated with Form 1065 e-file.

Publication 3823, *Employment Tax e-file System User Guide*, contains the procedural guidelines and validation criteria for the Employment Tax e-file System.

Publication 4162, *Modernized e-file Test Package for Form 1120/1120S*, contains the test scenarios for Corporate Assurance Testing by Software Developers of 1120/1120S software.

Publication 4163, *Modernized e-file Information for Authorized IRS e-file Providers of Forms 1120/1120S*, contains rules and other specific information for e-file of Forms 1120/1120S.

Publication 4164, *Modernized e-file Guide for Software Developers and Transmitters*, contains information for Transmitters and Software Developers participating in Modernized e-file of Forms 1120, 1120S, 990, 990-EZ, 990-PF, 1120-POL, 7004 and 8868.

Publication 4206, *Modernized e-file Handbook for Authorized IRS e-file Providers of Exempt Organization Returns*, is an annual publication that contains business rules and other specific information for Forms 990, 990-EZ, 990-PF, 1120-POL and 8868 e-file.



You may submit an application to become an Authorized IRS *e-file* Provider year round. It is important to submit your completed application no later than 45 days prior to the date you intend to begin filing returns electronically.

Choose the Authorized IRS *e-file* Provider options that are best for you.

1

2 Complete and submit the IRS *e-file* Application. Using the electronic IRS *e-file* Application will ensure your application is complete. You can complete the electronic IRS *e-file* Application online after registering for e-services on the IRS web site at www.irs.gov.

Pass a Suitability Check.

3

Become an Authorized IRS *e-file* Provider in 3 Steps

STEP 1

Choose Provider Options

An Authorized IRS *e-file* Provider can be an Electronic Return Originator, Intermediate Service Provider, Transmitter, Software Developer, or Reporting Agent. More than one Provider Option may be chosen, for example; ERO and Transmitter on one application. Be sure to include all choices on the application. **Online Filer should not be chosen unless you intend to allow taxpayers to self-prepare returns** by entering return data directly on commercially available software, software downloaded from an Internet site and prepared off-line, or through an online Internet site. Taxpayers using the Internet to file their tax returns may also be filing through an ERO. For example, if the taxpayer provides tax information that someone else uses to prepare a return and originate the electronic submission of the return, an ERO is being used. Brief descriptions for each Provider type are below (additional information provided later in this publication).

Electronic Return Originator (ERO) – originates the electronic submission of tax returns to the IRS.

Intermediate Service Provider – assists with processing return information between ERO (or the taxpayer in the case of Online Filing) and a Transmitter.

Transmitter – sends the electronic return data directly to the IRS. EROs and Reporting Agents may apply to be transmitters and transmit return data themselves, or they may contract with an accepted third-party transmitters who will transmit the data for them. A Transmitter must have software and computers that allow it to interface with the IRS.

Software Developer – writes either origination or transmission software according to the IRS *e-file* specifications.

Reporting Agent – prepares and originates the electronic submission of employment tax returns for its clients. A Reporting Agent must be an accounting service, franchiser, bank, or other person that complies with Rev. Proc. 2003-69, as modified by section 21.02 of the revenue procedure. Reporting Agents must submit Form 8655, *Reporting Agent Authorization for Magnetic Tape/Electronic Filers*, to the IRS prior to submitting an IRS *e-file* Application.

NOTE: A Large Taxpayer is not an Authorized IRS *e-file* Provider. A Large Taxpayer is a business that prepares and transmits the electronic submission of its own business returns directly to the IRS, and either has assets of \$10 million or more, or is a partnership with more than 100 partners.

STEP 2

Complete and Submit the IRS *e-file* Application

The IRS *e-file* Application is available at the IRS web site www.irs.gov via e-services. Complete and submit your IRS *e-file* Application using this electronic method to ensure your application is complete prior to submitting it to the IRS. To use the electronic IRS *e-file* Application, you must first register for e-services. Each individual that is a Principal or Responsible Official will also have to register for e-services on the IRS web site prior to submitting the IRS *e-file* Application to the IRS.

When completing the IRS *e-file* Application you provide basic information about your business, key people in your business, and the Provider Options you chose in Step 1. The IRS *e-file* Application is easy to use. If needed, help is available when completing the application by clicking designated words and symbols. If you need additional assistance, you may call e-Help, toll-free at 1-866-255-0654.

Each Principal and Responsible Official must answer several personal questions, and sign the Terms of Agreement (TOA) using a PIN, selected during initial registration for e-services. The electronic IRS *e-file* Application will prompt you for missing information to ensure that only complete applications are submitted to the IRS.

Principals and Responsible Officials may have to submit additional information, such as fingerprint cards, or evidence of professional status, as described below. The electronic IRS *e-file* Application will prompt you with a message regarding additional documentation you must mail to the IRS. Submit all supporting documentation together with the tracking number the electronic IRS *e-file* Application provides when the application is submitted.

If unable to successfully register for e-services, you should carefully complete Form 8633, *Application to Participate in the IRS e-file Program*, and mail it to the IRS per the instructions with the form. Be sure to answer all pertinent questions and obtain all required signatures when completing Form 8633. Incomplete Forms 8633 received by the IRS are returned to the applicant and may result in delayed acceptance for participation in IRS *e-file*.

If Form 8633 is used, it is advised that a Principal or Responsible Official register for e-services and review the firm's IRS *e-file* Application at the IRS web site to ensure it is accurate. The registered individual may also add an email address, Delegated Users and Authorities to the application using the electronic IRS *e-file* Application.

Applications cannot be processed by the IRS until all required information and documents, when applicable, are received. All required documentation must be mailed to the IRS, Andover Campus, ATTN: EFU Acceptance, Testing Stop 983, at P.O. Box 4099, Woburn, MA 01888-40999, or if by overnight mail at 310 Lowell Street, Andover, MA 05501-0001.

Please submit fingerprint cards or evidence of professional status for all Principals and Responsible Officials, unless the individuals meet one of the exceptions shown below. Only one set of fingerprint cards is required for each Principal and Responsible Official. The unique fingerprint cards for IRS *e-file* can only be obtained from the IRS by calling e-Help, toll-free at 1-866-255-0654. Most local law enforcement offices will fingerprint individuals for a nominal fee. Fingerprints must be obtained using a trained specialist.

In lieu of fingerprints, Principals and Responsible Officials may choose to submit evidence that they are following:

- **Attorney** – Proof of good standing of the bar of the highest court in any state, commonwealth, possession, territory, or the District of Columbia and is not currently under suspension or disbarment from practice before the IRS or the bar of any state, commonwealth, possession, territory, or the District of Columbia, such as a State Bar Card;

- **Certified Public Accountant** – A duly qualified to practice Certified Public Accountant in any state, commonwealth, possession, territory, or the District of Columbia, who is not currently under suspension or disbarment from practice before the IRS or whose license to practice is not currently suspended or revoked by any state, commonwealth, possession, territory, or the District of Columbia, may provide a copy of current and active CPA license or wallet card. LPAs must provide fingerprints;

- **Enrolled Agent (pursuant to part 10 of 31 C.F.R. Subtitle A)** – Provide Enrolled Agent Number or copy of current Enrolled Agent card;

- **Officer of a publicly held corporation** – Provide a copy on corporate letterhead which carries the name of the officer, the exchange where listed, and the name under which the stock is traded for the individuals listed as Principals and Responsible Officials; or

- **Banking official who is bonded and has been fingerprinted within the last two years** – Provide a copy of the bonding certificate and proof of fingerprinting within the last two years.

Evidence of professional status must show the name, the state of issuance, and that the license is active with an un-expired expiration date. Attorneys and CPAs may obtain proof by accessing their state licensing board website.

STEP 3

Pass a Suitability Check

The IRS will conduct a suitability check on the applicant, and on all Principals and Responsible Officials listed on an application to determine the applicant's suitability to be an Authorized IRS *e-file* Provider. Applicants that apply to be a Software Developer only, are not subject to a suitability check.

Suitability checks may include the following:

- A criminal background check;
- A credit history check;
- A tax compliance check to ensure that all required returns are filed and paid, and to identify fraud and preparer penalties; and
- A check for prior non-compliance with IRS *e-file* requirements.

If anyone fails the suitability, the applicant's application will be denied. See Denial of Participation, p. 15, for additional information regarding reasons why participation in IRS *e-file* may be denied. Applicants denied participation in IRS *e-file* will be notified in writing. The denied applicant may appeal the decision. See Administrative Review, p. 27, to appeal a denial. If the denial is upheld on appeal, the applicant may not reapply to become an Authorized IRS *e-file* Provider for the period of time specified in the denial letter.

Important Roles

Principals

Generally, the Principal for a business or organization includes the following:

- **Sole Proprietorship:** The sole proprietor is the Principal for a sole proprietorship.
- **Partnership:** Each partner who has a 5 percent or more interest in the partnership is a Principal. If no partner has at least a 5 percent or more interest in the partnership, the Principal is an individual authorized to act for the partnership in legal and/or tax matters. At least one such individual must be listed on the application.
- **Corporation:** The President, Vice-President, Secretary, and Treasurer are each a Principal of the corporation.
- **Other:** The Principal for an entity that is not a sole proprietorship, partnership, or corporation is an individual authorized to act for the entity in legal and/or tax matters. At least one such individual must be listed on the application.

Responsible Officials

A Responsible Official is an individual with authority over the Provider's IRS *e-file* operation at a location, is the first point of contact with the IRS, and has authority to sign revised IRS *e-file* applications. A Responsible Official ensures the Provider adheres to the provisions of the revenue procedure as well as all publications and notices governing IRS

e-file. The Responsible Official may oversee IRS *e-file* operations at one or more offices, but must be able to fulfill identified responsibilities for each of the offices. If one individual cannot fulfill these responsibilities, additional Responsible Officials may be identified. To add or change Responsible Officials, a Provider must revise its IRS *e-file* Application.

Delegated Users

A Delegated User is an individual within a firm/organization, other than a Principal or Responsible Official, who is authorized to use one or more of the e-services products. A Principal or Responsible Official appoints an individual as a Delegated User on the IRS *e-file* Application available on the IRS web site. A Delegated User should be an employee, partner, or other member of the Firm/Organization or have a business relationship with the Firm/Organization. A Delegated User may be authorized by a Principal or Responsible Official with authorities, which include the following:

- Viewing, updating, signing, and submitting IRS *e-file* Applications;
- Accessing e-services incentive products (Disclosure Authorization, Electronic Account Resolution and Transcript Delivery System);
- Transmitting Forms 990, 1120, and 1120-POL through the Internet (Internet Transmitter);
- Requesting a new password (Security Manager); and
- Viewing Software Developer information.

A Delegated User is not required to meet the same suitability standards as a Principal or Responsible Official. The actions of the Delegated User are the responsibility of the Principal or Responsible Official who appoints the individual. Large firms with multiple Delegated Users on a single IRS *e-file* Application should limit the number of Delegated Users to 100.

Each Delegated User should usually be listed on only one IRS *e-file* Application. It is not necessary for a Delegated User to be listed on more than one IRS *e-file* Application unless the Delegated User is affiliated with different firms (TINs). A Delegated User authorized to view and make changes to IRS *e-file* Applications must be listed on each application for which the authority applies. A Delegated User does not need to be listed on more than one application when the authority is to access e-services incentive products.

It is important that Delegated Users and authorities be deleted from the IRS *e-file* Application when the Delegated Users are no longer with the firm or when their position within the firm no longer warrants one or more authorities.

Acceptance

After suitability is passed and the application is processed, an acceptance letter will be mailed. Transmitters and Software Developers must complete testing before acceptance. See Testing, p. 22, for information regarding required testing for Transmitters and Software Developers.

Once accepted, Authorized IRS *e-file* Providers do not have to reapply each year as long as they continue to e-file returns. However, if a Provider does not e-file returns for two consecutive years, it will be notified and removed from the listing of active Providers. A Provider may be reactivated if it replies to the notice within sixty days and request reactivation. Otherwise, the Provider will have to complete a new application. If a Provider is suspended for any reason, the Provider may re-apply to participate in IRS *e-file* after the suspension period is completed.

Providers must update their application information within thirty days of the date of any changes to the information on their current application. See *Reporting Changes to the IRS*, p. 16. All changes can be made using the IRS *e-file* Application at the IRS web site.



Credentials

All Providers are issued credentials each year in the form of an acceptance letter or a security letter that allows continued participation in IRS *e-file*. The assigned Electronic Filing Identification Number (EFIN) is in the letter. The letter is sent prior to December to the mailing address of each Provider. Transmitters, Software Developers and Online Providers receive a replacement password in their security letter. The last two digits of the corresponding Electronic Transmitter Identification Number (ETIN) are in the letterhead.

All Providers must include their identification numbers with the electronic return data of all returns that are transmitted to the IRS. If more than one Authorized IRS *e-file* Provider is involved in the origination and transmission of the return data, applicable electronic filing identification numbers (EFIN and ETIN) for each Provider must be included in the electronic record.

Providers do not need to submit a new IRS *e-file* Application each year to participate in IRS *e-file*. Letters are issued annually and confirm that Authorized IRS *e-file* Providers may continue to participate. Providers will automatically receive acceptance letters if:

- Their addresses are up-to-date on IRS *e-file* Application records;
- They transmitted at least one e-file return that was acknowledged as accepted for the previous or the current year;
- They are not denied, suspended or expelled from participation in IRS *e-file*;
- They have not been removed from IRS *e-file* for any reason.

Providers are required to have the appropriate identification numbers and the annual acceptance letter to participate in IRS *e-file*.

Providers that meet all of the above conditions, but have not received letters by mid-December, should call e-Help, toll-free at 1-866-255-0654 to check their status.

Checking Credentials of Other Authorized IRS *e-file* Providers

Authorized IRS *e-file* Providers may only use other Authorized IRS *e-file* Providers to perform the processes required for IRS *e-file*. Providers should check the credentials of the other Providers to ensure that they are Authorized IRS *e-file* Providers. Care must be taken to safeguard IRS *e-file*. If you have any questions about doing business with another firm, contact the IRS by calling e-Help, toll-free at 1-866-255-0654.

Using Third Parties for IRS *e-file* Related Activities

Authorized IRS *e-file* Providers may associate with third parties that are not Authorized IRS *e-file* Providers for IRS *e-file* related activities only if the third party agrees to adhere to all applicable requirements for participation in IRS *e-file* as set forth in revenue procedures, publications, and notices governing IRS *e-file*. The IRS may require the Provider to discontinue their association with third parties not adhering to IRS *e-file* requirements. The IRS may also sanction a Provider that knowingly and directly or indirectly associates with a third party that is not adhering to applicable IRS *e-file* requirements.

Denial to Participate in IRS e-file

The IRS reviews each firm or organization, Principal, and Responsible Official listed on the IRS *e-file* Application. An applicant may be denied participation in IRS *e-file* for a variety of reasons that include but are not limited to:

1. Conviction of any criminal offense under the revenue laws of the United States or of a state or other political subdivision;
2. Failure to file timely and accurate Federal, state, or local tax returns;
3. Failure to timely pay any Federal, state, or local tax liability;
4. Assessment of penalties;
5. Suspension/disbarment from practice before the IRS or before a state or local tax agency;
6. Disreputable conduct or other facts that may adversely impact IRS *e-file*;
7. Misrepresentation on an IRS *e-file* Application;
8. Unethical practices in return preparation;
9. Assessment against the applicant of a penalty under §6695(g) of the Internal Revenue Code;
10. Stockpiling returns prior to official acceptance to participate in IRS *e-file*;
11. Knowingly and directly or indirectly employing or accepting assistance from any firm, organization, or individual denied participation in IRS *e-file*, or suspended or expelled from participating in IRS *e-file*. This includes any individual whose actions resulted in the denial, suspension, or expulsion of a firm from IRS *e-file*;
12. Knowingly and directly or indirectly accepting employment as an associate, correspondent, or as a subagent from, or sharing fees with, any firm, organization, or individual denied participation in IRS *e-file*, or suspended or expelled from participating in IRS *e-file*. This includes any individual whose actions resulted in denial, suspension, or expulsion of a firm from IRS *e-file*.

Administrative Review Process for Denial

An applicant denied participation in IRS *e-file* has the right to an administrative review. An applicant may mail a written response to the address shown in the denial letter, within thirty calendar days of the date of the denial letter. The applicant's response must address the IRS' reason(s) for denial and have supporting documentation attached. During this administrative review process, the denial of participation remains in effect.

Upon receipt of an applicant's written response, the IRS will reconsider its denial of the applicant's participation in IRS *e-file*. The denial may either be withdrawn and the applicant accepted for participation in IRS *e-file* or a second denial letter will be issued. An applicant who receives a second denial letter is entitled to an appeal, which must be submitted in writing to the attention of the Office of Appeals. The appeal must be mailed to the address shown in the second denial letter within thirty calendar days of the date of the denial letter. An applicant's written appeal must contain a detailed explanation, along with documentation supporting why the denial should be reversed. **Failure to respond within thirty calendar days of the date of any denial letter irrevocably terminates the applicant's right to an administrative review or appeal.**

Reporting Changes to Your IRS *e-file* Application

Notifying IRS *e-file* of Changes

Providers should ensure that the IRS has current information by reviewing and either updating or revising their IRS *e-file* Applications. Providers may review and update or revise, as necessary, their IRS *e-file* Application information electronically on the IRS web site via e-services. All updates and revisions may be submitted using the electronic IRS *e-file* Application. A Principal, Responsible Official, or a Delegated User authorized to revise an IRS *e-file* Application may revise the firm's application electronically.

Providers must revise their IRS *e-file* Application within thirty days of a change of any information on the current application. This is important for several reasons. If the IRS does not have current addresses of Providers, the Providers may not receive important letters, credentials, publications, or promotional material. If any of those items are returned to the IRS indicating that the address has changed, the Provider will be temporarily removed from participation in IRS *e-file*. This means that all returns submitted by those Providers will be rejected until the address information is updated. The same is true for telephone numbers. If the IRS tries to call Providers whose numbers have changed, those Providers will be temporarily removed from participation in IRS *e-file* until new telephone numbers are provided. Keep in mind that changes submitted on an IRS *e-file* Application will not change the address of record for a business' tax records nor will a change to tax records automatically update information associated with a Provider's EFIN.

Providers that are unable to revise their IRS *e-file* Application electronically may update the below information by letter, using the firm's official letterhead:

- All addresses;
- All phone and fax numbers;
- Contact persons;
- Form types to be e-filed;
- Transmission protocols;
- Adding Federal/State e-file; and
- Changes to Foreign Filer information.

Unless you are solely a Software Developer or Reporting Agent, you may also add additional Provider Options—ERO, Transmitter, Intermediate Service Provider, or Software Developer—by letter, using the firm's letterhead. **Exceptions**—Changes that result in the firm being issued a new Employer Identification Number (EIN) require that a new IRS *e-file* Application be submitted. Firms that change their form of organization, such as from a sole proprietorship to a corporation, must also submit a new application.

Letters must include enough information to correctly identify the application being revised. Be sure to include the appropriate EFIN and/or ETIN that applies, as well as a firm name, firm EIN or Social Security Number (SSN), and doing business as name. If the firm is controlled or owned by another Authorized IRS *e-file* Provider, the name, business address, and EFIN and ETIN (if applicable) of the controlling Authorized IRS *e-file* Provider must be included. A Principal or the Responsible Official of the firm must sign the letter. Most changes that can be made using a letter can also be made by telephone. A Principal or the Responsible Official of the firm must sign the letter or call the IRS. The caller will be asked for identifying information.

Providers that sell, transfer, or otherwise discontinue an IRS *e-file* business must notify the IRS within thirty days. The easiest way to notify the IRS is to use the "Close Office" feature on IRS *e-file* Application on the IRS web site. If notifying by letter, be sure to include enough information to identify the correct business location. Providers may not

sell or transfer identification numbers or passwords when selling, transferring or otherwise discontinuing an IRS *e-file* business.

When a Revised IRS *e-file* Application is Required

The following situations are changes that can not be made by letter or telephone, but require revision using the IRS *e-file* Application (or by Form 8633 if unable to register for e-services):

- The Authorized IRS *e-file* Provider is functioning solely as a Software Developer or Reporting Agent and intends to do business as an ERO, Intermediate Service Provider, or Transmitter;
- An additional Principal of the firm, such as a partner or a corporate officer is being added;
- The Responsible Official is changed; or
- A Principal must be deleted.

These revised applications (except the fourth situation) must be submitted with fingerprint cards or evidence of professional status for new Principals and Responsible Officials of the firm unless the individual is listed as a Principal or Responsible Official on the application of a Provider currently participating in IRS *e-file*.

Adding New Business Locations

Providers may need to submit new IRS *e-file* Applications when expanding their e-file businesses to new business locations. EROs must submit new applications for additional fixed locations from which the origination of the electronic submission of returns will occur. If all activities occurring at

a location are other than origination of electronic submission of returns, an application is not required for the location. If tax returns are prepared or collected at a location, but forwarded to another location for origination of the electronic submission, an application is not required for the location where the tax returns are prepared or collected. EROs may also originate the electronic submission from other than fixed locations without submitting an application for each such location. A fixed location is an office owned or leased by the ERO.

Acquiring an IRS *e-file* Business by Purchase, Transfer, or Gift

Providers that acquire an existing IRS *e-file* business with current credentials by purchase, transfer or gift must submit a new IRS *e-file* Application and receive new Electronic Filing Identification Numbers, and passwords, where applicable. Proof of sale must be submitted. Applications must be submitted during the period beginning forty five days before and ending thirty days after the acquisition date.

Providers that acquire an existing IRS *e-file* business by purchase, transfer or gift may not use the identification numbers or passwords of the previous Authorized IRS *e-file* Provider. Providers may not acquire by sale, merger, loan, gift, or otherwise, the identification numbers or passwords of another Authorized IRS *e-file* Provider. Contact the IRS, prior to the acquisition, for assistance in making a smooth transition when transfers will occur during the filing season. Providers interested in acquiring IRS *e-file* businesses currently under suspension or firms that were denied acceptance to participate in IRS *e-file* should contact e-Help at 1-866-255-0654 to discuss transition issues.





Participation in IRS *e-file*

Authorized IRS *e-file* Providers must adhere to applicable IRS *e-file* rules and requirements to continue participation in IRS *e-file*. The IRS *e-file* rules and requirements are included in revenue procedures, throughout this publication, and in other publications and notices that govern IRS *e-file*. Providers must adhere to all applicable IRS *e-file* rules and requirements regardless of where published. Some rules and requirements are specific to the *e-file* activity performed by the Provider. The list below, while not all-inclusive, applies to all Authorized IRS *e-file* Providers. Additional rules and requirements specific to the Provider's *e-file* activity are included under each Provider Option.

- Cooperate with the IRS' efforts to monitor Authorized IRS *e-file* Providers and investigate electronic filing fraud and abuse;
 - Adhere to the advertising standards described in this publication;
 - Ensure the security of tax return information;
 - Ensure against the unauthorized use of its EFIN and/or ETIN, including not transferring its EFIN or ETIN to another entity when transferring the business by sale, gift, or other disposition;
 - Notify the IRS of changes as described in this publication in a timely manner; and
 - Comply with provisions of an implementing document for any pilot program in which the Provider participates.
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Provider Roles and Responsibilities

The roles and responsibilities of Providers relate to the e-file activity the firm is conducting. The firm identified its e-file activity by selecting the appropriate Provider Option in the IRS *e-file* Application. Each Provider Option is a different role and may have different responsibilities that relate specifically to the e-file activity of the firm. Some Providers may have more than one e-file business activity. For example, an ERO may also be a Transmitter. Providers must adhere to all IRS *e-file* rules and requirements applicable to their multiple e-file roles.

The Electronic Return Originator

An Electronic Return Originator (ERO) is the Authorized IRS *e-file* Provider that originates the electronic submission of a return to the IRS. The ERO is usually the first point of contact for most taxpayers filing a return using IRS *e-file*.

The Origination of an Electronic Return

Although an ERO may also engage in return preparation, that activity is separate and different from the origination of the electronic submission of the return to the IRS. An ERO originates the electronic submission of a return after the taxpayer authorizes the filing of the return via IRS *e-file*. The return must have been either prepared by the ERO or collected from a taxpayer. An ERO originates the electronic submission by:

- Electronically sending the return to a Transmitter that will transmit the return to the IRS;
- Directly transmitting the return to the IRS; or
- Providing a return to an Intermediate Service Provider for processing prior to transmission to the IRS.

In originating the electronic submission of a return, the ERO has a variety of responsibilities, including, but not limited to:

- Timely originating the electronic submission of returns;
- Submitting any required supporting paper documents to the IRS;
- Providing copies to taxpayers;
- Retaining records and making records available to the IRS;
- Accepting returns only from taxpayers and Authorized IRS *e-file* Providers;
- Having only one EFIN for the same business entity for use at that location unless the IRS has issued more than one EFIN to a business entity at the same location. For this purpose, the business entity is generally the entity that reports on its return the income derived from electronic filing. The IRS may, for example, issue more than one EFIN to accommodate a high volume of returns.

An ERO must clearly display the firm's name at all locations and sites at which it prepares or collects returns so taxpayers know the firm to contact about their returns.

The Intermediate Service Provider

An Intermediate Service Provider receives tax information from an ERO (or from a taxpayer who files electronically using a personal computer, modem, and commercial tax preparation software), processes the tax return information, and either forwards the information to a Transmitter or sends the information back to the ERO (or taxpayer for Online Filing).

The Intermediate Service Provider has a variety of responsibilities that include, but are not limited to:

- Including its Electronic Filing Identification Number (EFIN) and the ERO's EFIN with all return information it forwards to a Transmitter;
- Serving as a contact point between its client EROs and the IRS, if requested;
- Providing the IRS with a list of each client ERO, if requested; and
- Adhering to all applicable rules that apply to Transmitters

An Intermediate Service Provider participating in Online Filing must clearly display its name in its product so taxpayers know the firm to which they are providing return information.

The Software Developer

A Software Developer develops software for the purposes of formatting electronic return information according to IRS *e-file* specifications and/or transmitting electronic return information directly to the IRS. IRS *e-file* specifications are found in some of the publications mentioned in this document. Software Developers must pass what is referred to as either acceptance or assurance testing. If an Authorized IRS *e-file* Provider is a Software Developer that performs no other role in IRS *e-file* but that of software development, its Principals and Responsible Officials do not have to pass a suitability check during the application process. If a Software Developer performs the function of any one of the other Provider Options in addition to that of software development, then suitability checks will apply.

A Software Developer has a variety of responsibilities that include, but are not limited to:

- Promptly correcting any software error causing returns to reject and distributing the correction;
- Ensuring its software creates accurate returns; and
- Adhering to specifications provided by the IRS in publications.

The Transmitter

A **Transmitter** transmits electronic tax return information directly to the IRS. A bump-up service provider that increases the transmission rate or line speed of formatted or reformatted information sent to the IRS via a public switched telephone network is also a Transmitter. The IRS accepts transmissions using a variety of telecommunication protocols. In order to transmit electronic return data directly to the IRS, Transmitters must be equipped with both computer hardware and software that make it possible. Prior to transmitting return data to the IRS, an application requesting the “Transmitter” Provider Option must be submitted, and an EFIN, an ETIN and a password received for testing. Testing that ensures the compatibility of your transmission systems with the IRS systems must be completed to enable transmission of the electronic return data to the IRS.

A Transmitter has a variety of responsibilities that include, but are not limited to:

- Ensuring EFINs of other Providers are included as required by IRS *e-file* specifications in the electronic return record of returns it transmits;
- Timely transmitting returns to the IRS, retrieving acknowledgment files, and sending the acknowledgment file information to the ERO, Intermediate Service Provider or taxpayer (for Online Filing); and
- Promptly correcting any transmission error that causes an electronic transmission to be rejected.

Not for Profit Providers

All requirements of an Authorized IRS *e-file* Provider apply to Not for Profit Providers, unless otherwise noted. See Publication 1345 for additional information.

IRS Sponsored Programs

IRS sponsored programs, including Volunteer Income Tax Assistance (VITA), Tax Counseling for the Elderly (TCE), Outreach, Self-Help and Taxpayer Assistance Centers in IRS offices, may electronically file returns. In order to be accepted to participate in IRS *e-file*, a VITA or TCE sponsor must obtain the permission of the IRS (and, in the case of a TCE sponsor, the permission of the IRS office that is funding the TCE program) to provide electronic filing.

Employers Offering IRS *e-file* as an Employee Benefit

An employer may offer electronic filing as an employee benefit whether the employer chooses to transmit returns or contracts with a third party to transmit the tax returns.



Testing

The purpose of testing is to ensure, prior to live processing, that Providers transmit in the correct format and meet the IRS electronic filing specifications; that returns have few validation or math errors; that required fields will post to the IRS Master File; and that Providers understand the mechanics of IRS *e-file*.

Acceptance or Assurance Testing must be completed by all Software Developers in accordance with the applicable publication for each type of return. Communication testing is a requirement for Reporting Agents and Transmitters planning to transmit electronic returns to IRS. Most software packages (IRS accepted e-file software) have communications tests built in so that completing this requirement is relatively easy. Follow the directions in the software or documentation package. If you have problems, you should first contact the vendor who sold you the software or contact the technical support operation that comes with the software package.

The test status of each form transmitted to the IRS can be viewed by accessing the firm's IRS *e-file* application and clicking on the "FORMS" link. The form/format previously

selected for transmitter provider option will be displayed in a table along with the status. The status is updated from "test" to "production" when required communication testing is completed. The status is set back to "test" around the end of October for Forms 1040, ETD (electronically transmitted documents), 1041, and 1065. These are the only forms requiring renewed communications testing prior to each filing season. Software Developers can view the information they provided to the IRS about each of their software packages, the Software ID number that has been assigned by the IRS, and the test status of a particular package.

If the software appears to be working correctly but the tests can not be completed, acknowledgment files are not received, or other problems are experienced, contact e-Help at 1-866-255-0654 (toll free).

Passwords are required to transmit returns directly to the IRS. Passwords are issued annually and mailed to each Authorized IRS *e-file* Provider that has an ETIN, provided it is not suspended or expelled from participation in IRS *e-file* or has not been removed from participating because it did not file any e-file returns for two years. Transmitters must acknowledge receipt of their passwords in accordance with instructions received with the password to ensure the password is not rendered invalid.

Advertising Standards

“IRS *e-file*” is a brand name. The firms accepted for participation in IRS *e-file*, EROs, Transmitters, Intermediate Service Providers, Reporting Agents and Software Developers are “Authorized IRS *e-file* Providers”. Acceptance to participate in IRS *e-file* does not imply endorsement of the software or quality of services provided by the IRS, Financial Management Service (FMS), or Treasury.

All Providers must abide by the following advertising standards.

An Authorized IRS *e-file* Provider must comply with the advertising and solicitation provisions of 31 C.F.R. Part 10 (Treasury Department Circular No. 230). This circular prohibits the use or participation in the use of any form of public communication containing a false, fraudulent, misleading, deceptive, unduly influencing, coercive, or unfair statement of claim. A Provider must adhere to all relevant Federal, state, and local consumer protection laws that relate to advertising and soliciting.

The Provider must not use improper or misleading advertising in relation to IRS *e-file*. For example, any claim concerning a faster refund by virtue of electronic filing must be consistent with the language in official IRS publications. The Provider must clearly describe funds being advanced by a financial institution as a loan or other financial product, and not as a refund. The advertisement on a Refund Anticipation Loan (RAL) or other financial product must be

easy to identify, and in easily readable print. That is, it must be made clear in the advertising that the taxpayer is borrowing against the anticipated refund and not obtaining the refund itself from the financial institution.

A Provider must not use the IRS’ name, “Internal Revenue Service,” or “IRS” within a firm’s name. However, once accepted to participate in IRS *e-file*, a firm may represent itself as an “Authorized IRS *e-file* Provider”. If promotional materials or logos provided by the IRS are used, the Provider must comply with all IRS instructions pertaining to their use. Advertising materials must not carry the FMS, IRS, or other Treasury Seals. If the advertising is for a cooperative electronic filing project (public or private sector) it must clearly state the names of all cooperating parties.



The IRS *e-file* logo is not copyrighted. It should only be used to indicate that a Provider offers this service to taxpayers or has performed it on behalf of a taxpayer. Its use does not or should not appear to portray any other relationship between the IRS and any Provider. In using the IRS *e-file* logo, the Provider must use the following guidelines:

- Do not combine the logo with the IRS eagle symbol, the word “Federal”, or with other words or symbols that suggest a special relationship between the IRS and the logo user;
- Do not place text closer than $\frac{1}{8}$ inch from the logo;
- Do not overprint other words or symbols on the logo; and
- Do not change the letter spacing or type style.

In one-color products, the logo should be printed solid, preferably PMS 285 blue. In multi-color products, the logo should be printed in solid PMS 285 blue with the lightning bolt in solid PMS 109 yellow. When using color systems other than Pantone (PMS), the colors should be as close as possible to the PMS shades.

If an Authorized IRS *e-file* Provider uses radio, television, Internet, signage, or other methods of communication to advertise IRS *e-file*, the Provider must keep a copy of the text or, if prerecorded, the recorded advertisement, and provide it to the IRS upon request. Copies must be retained until the end of the calendar year following the last transmission or use.

If an Authorized IRS *e-file* Provider uses direct mail, e-mail, fax communications, or other distribution methods to advertise, the Provider must retain a copy, as well as a list or other description of the firms, organizations, or individuals to whom the communication was sent, and provide it to the IRS upon request, until the end of the calendar year following the date sent.

Monitoring of Authorized IRS *e-file* Providers

The IRS monitors Authorized IRS *e-file* Providers for compliance with the revenue procedure and IRS *e-file* rules and requirements. Monitoring may include, but is not limited to:

- Conducting suitability checks;
- Reviewing the quality of IRS *e-file* submissions for rejects and other defects;
- Checking adherence to signature requirements on returns;
- Scrutinizing advertising material;
- Examining records; and
- Observing office procedures.

In addition, the IRS may monitor Authorized IRS *e-file* Providers for compliance with the paid preparer regulations, including provisions of IRC section 6695(g), which relates to the due diligence requirements for Earned Income Tax Credit claims on individual income tax returns;



IRS personnel monitor Authorized IRS *e-file* Providers through review of IRS records and during visits to Providers' offices and other locations where IRS *e-file* activities are performed. Monitoring visits may be conducted to investigate complaints and to ensure voluntary compliance.

Suitability

All Authorized IRS *e-file* Providers, except those that function solely as Software Developers, must pass a suitability check on the firm as well as on all Principals and Responsible Officials of the firm prior to acceptance to participate in IRS *e-file*. To safeguard IRS *e-file*, suitability checks may be completed regularly on Authorized IRS *e-file* Providers, Principals and Responsible Officials. If the results of a suitability check indicate a firm or individual does not meet and adhere to IRS *e-file* requirements the Authorized IRS *e-file* Provider may be sanctioned.

Sanctioning

Violations of IRS *e-file* requirements may result in warning or sanctioning an Authorized IRS *e-file* Provider. The failure of a Provider to comply with any requirement or any provision of this publication, as well as other publications and notices that govern IRS *e-file* may be sanctioned. A Provider may also be sanctioned for the same reasons that an application may be denied. See Denial to Participate in IRS *e-file*, p. 15. Before sanctioning the IRS may issue a warning letter that describes specific corrective action the Provider must take. The IRS may sanction a Provider without issuance of a warning letter.

Sanctioning may be a written reprimand, suspension or expulsion from participation from IRS *e-file*, or other sanctions, depending on the seriousness of the infraction. The IRS categorizes the seriousness of infractions as Level One, Level Two, and Level Three. Sanctions may be appealed through the Administrative Review Process. Un-reversed suspensions make Authorized IRS *e-file* Providers ineligible to participate in IRS *e-file* for a period of either one or two years, and the remainder of the current year.

In most circumstances, a sanction is effective thirty days after the date of the letter informing the Provider of the sanction, or the date the sanction is upheld by the reviewing offices or the Office of Appeals, whichever is later. In certain circumstances, the IRS can immediately suspend or expel an Authorized IRS *e-file* Provider without prior warning or notice. If a Principal or Responsible Official is suspended or expelled from participation in IRS *e-file*, every entity that listed the suspended or expelled Principal or Responsible Official on its IRS *e-file* Application may also be suspended or expelled.

The IRS may list in the *Internal Revenue Bulletin*, newsletters, or other media the name and owner of any entity suspended or expelled from participation in IRS *e-file* and the sanction's effective date. The IRS may warn or sanction Authorized IRS *e-file* Providers who are using the services of a denied, suspended, or expelled Provider as such a business relationship is prohibited. However, if the IRS deems it appropriate, it may sanction the Provider without such warning.

Levels of Infraction

Level One Infractions — Level One Infractions are violations of IRS *e-file* rules and requirements that, in the opinion of the IRS, have little or no adverse impact on the quality of electronically filed returns or on IRS *e-file*. The IRS may issue a letter of reprimand for a Level One Infraction.

Level Two Infractions — Level Two Infractions are violations of IRS *e-file* rules and requirements that, in the opinion of the IRS, have an adverse impact upon the quality of electronically filed returns or on IRS *e-file*. Level Two Infractions include continued Level One Infractions after the IRS has brought the Level One Infraction to the attention of the Authorized IRS *e-file* Provider. Depending on the infractions, the IRS may either restrict participation in IRS *e-file* or suspend the Authorized IRS *e-file* Provider from participation for one year and the remainder of the current year.

Level Three Infractions — Level Three Infractions are violations of IRS *e-file* rules and requirements that, in the opinion of the IRS, have a significant adverse impact on the quality of electronically filed returns or on IRS *e-file*. Level Three Infractions include continued Level Two Infractions after the IRS has brought the Level Two Infraction to the attention of the Authorized IRS *e-file* Provider. A Level Three Infraction may result in suspension from participation in IRS *e-file* for two years and the remainder of the current year. Depending on the severity of the infraction, such as fraud or criminal conduct, a Level Three Infraction may result in expulsion without the opportunity for future participation. The IRS reserves the right to suspend or expel an Authorized IRS *e-file* Provider prior to administrative review for Level Three Infractions.

Beginning January 1, 2005, suspensions will be for either one or two years from the effective date of the suspension, in accordance with the level of infraction.

The Administrative Review Process for Sanctioning

An Authorized IRS *e-file* Provider advised of either a proposed sanction or an immediate sanction has the right to an administrative review. The Provider may mail a detailed written explanation with supporting documentation, as to why the sanction should be withdrawn within thirty calendar days of the date of the letter to the office that issued the letter. During this administrative review process, an immediate sanction remains in effect.

Upon receipt of the Provider's written response, the IRS will reconsider and may either withdraw or affirm the sanction in writing to the Provider. If a Provider receives a letter affirming a suspension or an expulsion, the Provider may appeal to the Office of Appeals. The appeal must be in writing and mailed to the IRS office that issued the recommended sanctioning letter within thirty calendar days of the date of the letter recommending the sanction. The Provider's written appeal must contain detailed reasons, with supporting documentation, to show why the recommended suspension or expulsion should not be imposed. **Failure to respond within thirty calendar days of the date of any sanction letter irrevocably terminates the Provider's right to an administrative review or appeal.**

Helpful Hints

The below information may help to ensure continued participation in IRS *e-file*.

Tips for Passing Suitability

The following tips can help prevent problems during suitability checks.

- Anticipate suitability issues and avoid them or if necessary, correct them before they become problems;
- Update all addresses and phone numbers on your IRS *e-file* Application as changes occur; and
- Respond timely and in writing with complete explanations and documentation to any letters you receive regarding suitability.

Tips For Monitoring Visits

- Adhere to IRS *e-file* rules and requirements;
- Adhere to applicable statutory and regulatory requirements;
- Cooperate by meeting with the IRS investigator and providing requested information and documents; and
- Respond timely and in writing with complete explanations and documentation to any letters you receive as a result of a monitoring visit.



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