

Request for Applications to Participate in the 2005 IRS Individual e-file Partnership Program

Announcement 2004–93

The Stakeholder Partnerships, Education and Communication (SPEC) function within the Internal Revenue Service (IRS) is continuing its efforts to establish IRS *e-file* partnerships with various entities. The IRS is seeking non-monetary *e-file* partnerships for **Filing Season 2005**. No applications for funding (monetary compensation) will be considered. A commercial business, non-profit organization, state government or local government may submit applications. Applications are not solicited from other Federal government agencies. The program is an annual program and covers the period **January 2005, through October 15, 2005**. **All prior year partners must reapply for Filing Season 2005.**

BACKGROUND

The IRS Restructuring and Reform Act of 1998 (RRA 98) requires the IRS to receive 80 percent of all returns electronically by 2007. RRA 98 authorized the IRS Commissioner to promote the benefits of and encourage the use of *e-file* services. As a result of RRA 98, the IRS enters into non-monetary partnerships with businesses to offer low cost income tax preparation and electronic filing for qualified taxpayers.

Continued opportunities for growth in electronic tax administration are evident. For Filing Season 2004, the IRS received 61.5 million electronically filed returns, an increase of 16.17% over the previous year. Visit the IRS web site, <http://www.irs.gov>, for the most current results from market research on individual taxpayers, including demographic data and psychographic studies. This research includes attitudinal surveys, customer satisfaction surveys, Public Service communications, tracking studies and any focus group results.

The IRS accepts most forms and schedules for electronic filing. Visit the IRS web site for a complete listing of accepted forms and schedules.

FILING SEASON 2005

For Filing Season 2005, the IRS will focus on the 1040 series income tax returns covering “IRS *e-file* Using a Tax Preparer” and “IRS *e-file* Using a Personal Computer.” Additional emphasis is being placed on the following features: “Self-Select Personal Identification Number (PIN) for *e-file*”, “Using *e-file* for Federal/State Returns”, and “Electronic Payment Options” for balance due and estimated payment options.

A major area of emphasis is to reach those taxpayers who continue to file computer prepared paper returns (v-code). Research indicates that the number of v-code returns continues to increase (76% of all v-code returns are prepared by paid preparers). Emphasis should be placed on converting v-code filers to electronically file their returns through the marketing and promotion of the benefits of *e-file*.

Participants should also reach first-time filers and those individuals eligible for the Earned Income Tax Credit (EITC). It’s important to note that many of the military families may also qualify for EITC since supplemental payments and combat pay are exempt from the income calculations.

Participants are encouraged to focus on reducing the number of errors made on electronically filed returns, including those returns claiming EITC. A new electronic tool has been established to help tax professionals determine whether their clients are eligible for EITC. The new “EITC Assistant” is a step taken by the IRS to maximize taxpayer participation, minimize EITC errors while increasing compliance. The “EITC Assistant” will make its debut for Filing Season 2005, and it will be prominently displayed on the IRS Homepage at <http://www.irs.gov>.

The IRS expects all accepted partners to aggressively market, promote and offer *e-file* products and services through October 15, 2005. The IRS will supply the partners with the Filing Season and post-April 15th *e-file* campaign message(s), as they become available, to target additional qualified taxpayers, *i.e.*, extensions, military returns, etc. For additional information on the various *e-file* programs, features, and market research, visit our web site at <http://www.irs.gov>.

Participants will receive hyperlinks from the IRS web site — irs.gov (Partners Page) — to the Participant’s web site. Potential Participants may request links for the following categories:

- IRS *e-file* Partners for Taxpayers
- IRS *e-file* Partners for Tax Professionals
- IRS *e-file* Partners for Financial Institutions/Employers
- IRS *e-file* Partners for Credit Card Payment Options.

PARTICIPATION STANDARDS & REQUIREMENTS

Participants will abide to the following standards and requirements, if applicable:

- The Participant (Electronic Return Originator, Intermediate Service Provider, Software Developer, and Transmitter) must be in good standing with the IRS, comply with the *e-file* requirements stated in the IRS Revenue Procedure 2000–31, Publications 1345 and 1345A, 26 U.S.C. 7216, U.S.C. 6103, and pass the annual Suitability and Participants Acceptance Testing (PATS) conducted by the IRS.
- The Participant will offer their products and services to filers of the 1040 Series returns, including complex returns, balance due returns, Federal/State returns, and 1040EZ returns.
- The Participant will target EITC eligibles, first-time filers and v-coders.
- The Participant will focus on reducing the number of errors on electronically prepared returns, including those returns claiming EITC.
- The Participant will offer a variety of *e-file* features including the Self-Select PIN, Electronic Payment Options, Federal/State *e-file*, Direct Deposit of Refunds, etc.
- The Participant will aggressively market, promote and offer *e-file* services

through October 15, 2005. The Participant is encouraged to use the current Filing Season *e-file* marketing key messages developed by the IRS. In addition, the Participant is encouraged to use the post-April 15th *e-file* campaign messages and other promotional tools, as they become available, to target qualified taxpayers (*i.e.*, extensions, military returns, etc.).

- **Only one version of each software program will be permitted.** Identical or similar programs will be rejected. The first version of software proposed in time by a company meeting the other requirements of this application will be the version permitted. Licensing of software is permitted as follows: a company that meets all other qualifications for participation is permitted to obtain its software through a license rather than to self-produce the software. However, the licensed software cannot be utilized by the licensor or another licensee.

- The Participant will be permitted only **one (1)** hyperlink on the IRS *e-file* Partners Page per category:

- IRS *e-file* Partners for Taxpayer

- IRS *e-file* Partners for Tax Professionals

- IRS *e-file* Partners for Financial Institutions/Employers

- IRS *e-file* Partners for Electronic Payment Options.

- The Participant will provide the IRS with a description (**not to exceed 350 characters including spaces**) for each hyperlink placed on the IRS *e-file* Partners Page. The hyperlink description may describe multiple offers/services.

- The Participant will not have a URL(s) containing the word “IRS.”

- The Participant will be required to supply the IRS with a link to their web site in their application or **no less than ten (10) business days** before the site is expected to go live (start date of electronic filing). All sites must be examined before they can be posted on the

IRS *e-file* Partners Page. The purpose of the review is to ensure each Participant’s web site complies with the standards and requirements set forth in this document.

- The Participant will adhere to industry best practices to ensure the taxpayer return information entrusted to them is secure and the privacy of such information is maintained. In any instance where a Participant contracts with a service provider to obtain technology services, it will adhere to this standard. To the extent multiple Participants rely on a single service provider for front or back office services (not ISP services), it is even more critical that such taxpayer security and privacy be maintained with respect to others who share these services.

- A Participant’s web site must be functionally adequate and consistent with the Participant’s offer in permitting a taxpayer to complete their return. Failure to comply could result in the Participant’s removal from the Partners Page.

- The Participant will place the IRS *e-file* logo on its web site. The *e-file* logo and guidelines can be downloaded from <http://www.irs.gov>.

- The Participant will have a link(s) to the IRS web site, <http://www.irs.gov>, from its web site.

- The Participant will be required to prove and display third-party certifications for the privacy/security/authenticity of its online service. The Participant’s web site should display the third-party certification and privacy seals. Examples of third-party certifications are those received from VeriSign, Thawte, Truste, etc.

- The Participant’s web site will not contain inappropriate content. Further, the Participant will ensure that all online advertising and hyperlinks posted on its web site neither promote nor link to inappropriate content.

- The Participant will clearly disclose its customer service support options (including associated fees, if any) and

privacy policy on the landing page of its web site. Participants must provide taxpayers with a business contact point by on-line form, email, mail, facsimile or telephone number which the Participant maintains and reviews. The Participant must provide taxpayers a method to obtain the status of their tax return. Taxpayers can be directed to “**Where’s My Tax Refund?**” located on the Homepage of [irs.gov](http://www.irs.gov) (<http://www.irs.gov>).

- The Participant will prominently display on the landing page of its web site the promotion of income tax preparation and electronic filing for EITC eligibles, low-income taxpayers, and first-time filers. Participants are encouraged to offer a monetary incentive (reduced return preparation and electronic filing costs) to attract these taxpayers.

- The Participant will disclose limitations in the forms and schedules that are likely to be needed to support their offerings. The Participant should display a listing of the forms and schedules that will be offered either from the Participant’s landing page or the Participant must have a clear link from the landing page that takes the user to a forms and schedules listing.

- The Participant will clearly disclose on its web site the States that their software supports. This disclosure can appear on the Participant’s landing page of its web site or the Participant must have a clear link from the landing page which will take the user to a listing of States.

- The Participant is permitted to offer commercial products and services consistent with obtaining the positive consent of the user as described in 26 U.S.C. 7616 before offering fee-based products and services not related to tax preparation.

- The Participant will include a feature in their tax preparation software that will “time out” the session after no changes are made for a period of time consistent with best practices approved by privacy seal certification programs.

- The Participant, upon learning of an inappropriate disclosure of a taxpayer's return information to a member of the public, such as another taxpayer or other unauthorized party in the course of providing *e-file* services as a result of their hyperlink on the IRS *e-file* Partners Page, will immediately notify the IRS of this disclosure and then shut down its program immediately.
- The Participant will submit written notification (*e.g.*, email) to the IRS of changes, additions and deletions to URLs, link descriptions, etc.
- The Participant will submit Performance Reports to the IRS Point of Contact by **May 31, 2005**, covering Filing Season activity, and by **November 15, 2005**, covering post Filing Season activity. The reports will cover information such as *e-file* statistics (including the number of EITC returns), web site activity and anything else the IRS deems necessary. The IRS Point of Contact will provide written reporting instructions and requirements to accepted Participants.

PERFORMANCE STANDARDS

- The IRS will have the accepted Participant's hyperlink(s) available on the IRS web site for the start of electronic filing, subject to the participant's passing of the annual Suitability, PATS testing, and web site review. Hyperlinks will remain on the IRS *e-file* Partners Page through **October 15, 2005, or later, at the discretion of the IRS.**
- The IRS will randomize on a daily basis the hyperlinks that exist on the IRS *e-file* Partners Page.
- The IRS may establish a link from the IRS *e-file* Partners Page to the Free File web page.
- The IRS will accept, if appropriate, the Participant's written request for changes/additions/deletions to a URL, link description, etc.
- The IRS will review the Participant's web site(s) at any time to ensure that participation requirements are met.

- The IRS will not endorse specific offerings or products, but will promote the IRS *e-file* Partners Page. A "Site Disclaimer" will exist on the IRS web site before the user enters the Participant's web site.

PARTICIPATION TERMS

The IRS Individual *e-file* Partnership Program is an annual program, and all prospective Participants, including returning Participants, must reapply each year following the guidelines in the Internal Revenue Bulletin announcement advertised on <http://www.irs.gov>.

- If the IRS determines that the Participant is not meeting the "Participation Standards & Requirements," the IRS may terminate its partnership with the Participant and remove the participant's hyperlink(s) from the IRS *e-file* Partners Page.
- The Participant will notify the IRS immediately if it wishes to terminate its partnership with the IRS. The notification should be submitted through email to the IRS Point of Contact or sent to the Point of Contact's address indicated below in "IRS Point of Contact/Application Submission."

APPLICATION PROCESS

Applications should contain the following information, **if applicable**:

- Include the Applicant's Point of Contact information (name, title, address, telephone number, fax number and email address) for discussion of your application.
- Identify the Applicant's secure web site.
- Identify the Applicant's tax preparation software and the States it will support.
- Identify the IRS forms and schedules that support your offering(s).
- Include the Applicant's Electronic Filer Identification Number(s) (EFIN) and/or Electronic Transmitter Identification Number (ETIN).

- Identify the Applicant's hyperlink(s) and provide a short description (**not to exceed 350 characters including spaces**) of the services and products to be promoted on the IRS *e-file* Partners Page. In addition, the Applicant should provide the associated URL(s). **The URL(s) cannot contain the word "IRS."** Indicate the category for each hyperlink:

- IRS *e-file* Partners for Taxpayers
- IRS *e-file* Partners for Tax Professionals
- IRS *e-file* Partners for Financial Institutions/Employers
- IRS *e-file* Partners for Electronic Payment Options.
- Identify the Applicant's third party administrators (*i.e.*, VeriSign, Thawte, Truste) that certify the privacy and security of its online service.
- Identify the Applicant's communication vehicle(s) (*i.e.*, web site, marketing/promotional products, etc.) to market and promote your products and services and IRS *e-file*. Describe the incentives, discounts, offers, benefits to taxpayers or other specific approaches to increase *e-file* volumes.

- Describe steps the Applicant will take to reach EITC and first-time filers. This can include marketing/promotional efforts, monetary incentives (reduced return preparation and electronic filing costs).
- Describe steps the Applicant will take to reduce errors on electronically filed returns, including those returns claiming EITC.
- Certify the Applicant's compliance with the privacy and disclosure provisions of 26 U.S.C. 7216 and 26 U.S.C. 6103.

IRS POINT OF CONTACT/APPLICATION SUBMISSION

Applications to participate in the IRS Individual *e-file* Partnership

Program should be submitted as a Word document through email at ***WIE-filepartners@irs.gov** (Please make sure there is an asterisk before the WI (Wage and Investment) when submitting an application.) An application may also be sent to Karen Bradley at the following address:

Internal Revenue Service
5000 Ellin Road
Lanham, MD 20706
Attention: Karen Bradley
SE:W:CAR:SPEC:FO:IMS
C5-351

If you wish to have a hyperlink(s) on the IRS *e-file* Partners Page for the start of electronic filing, your application must be submitted by **December 10, 2004**. If your application is received after the deadline, the IRS has a right not to accept the application.

Illustrations of marketing materials may be submitted in Adobe Acrobat Portable Document (PDF) or other appropriate files.

Any questions regarding the development of applications, the submission of Performance Reports, or any other type of contact for this program should be directed to **Karen Bradley at (202) 283-7034** or through email to ***WIE-filepartners@irs.gov**. Please make sure there is an asterisk (*) before the WI (Wage and Investment) for any type of email contact.

APPLICATION EVALUATION

All applications will be evaluated based on the required information provided to the IRS and the applicant's ability to fulfill their responsibilities. Prior year performance will also be considered when evaluating applications from returning partners.

ACCEPTANCE/DENIAL OF APPLICATION

If your application is accepted, you will receive written notification from the IRS. If your application is denied, you will receive written notification from the IRS with an explanation of the denial.

e-Help Desk

If you have any questions related to e-products/electronic filing, you can contact the e-Help Desk toll-free at **1-866-255-0654**. The e-Help desk assistants are ready to respond to non-account related questions and issues. You can also go to ***http://www.irs.gov*** where the IRS houses a variety of information which impacts the tax professional.
