

## Need More Information?

■ Publication 4163, Catalog 36165C, **Modernized e-File Information for Authorized IRS e-file Providers of Forms 1120/1120-S**

■ Publication 3909I, Catalog Number 36361M, **Form 1120 Fact Sheet**

## Additional Resources and Links

■ [www.irs.gov/efile](http://www.irs.gov/efile) Go to the Tax Professionals Page and click on e-Services.

■ [www.aboutefile.com](http://www.aboutefile.com) for additional information about IRS e-file.

■ **e-Help Desk** 1-866-255-0654

■ **Information on electronic Corporate Returns**, visit: [www.irs.gov/efile/businesses](http://www.irs.gov/efile/businesses)

# e-filing YOUR Form 1120 AND 1120-S

**U.S. Corporation  
Income Tax Return and  
U.S. Income Tax Return  
for an S Corporation**

[www.irs.gov/efile](http://www.irs.gov/efile)



consider it done

## IRS e-file for Corporations, Forms 1120 and 1120-S

**Form 1120**  
(U.S. Corporation  
Income Tax Return) and  
**Form 1120-S**  
(U.S. Income Tax Return for an  
S Corporation)

Form 1120 is used to report the income, gains, losses, deductions and credits, and income tax liability of a corporation. All domestic corporations (including corporations in bankruptcy) must file whether or not they have taxable income.

Form 1120-S is used to report income, deductions, gains, losses, etc., of a domestic corporation that has elected to be an S Corporation by filing Form 2553, Election by a Small Business Corporation, and whose election is in effect for the tax year and until terminated.



## IRS e-file for Forms 1120 and 1120-S

The IRS has designed an electronic filing process for Forms 1120 and 1120-S under IRS e-file. Electronic filing for Forms 1120 and 1120-S launched in February 2004 includes file and pay capabilities. This product has 100 relative forms and schedules available. Form 7004, Application for Automatic Extension of Time to File Corporation Income Tax Return and three other forms were added for Tax Year 2004. For a complete list of forms and schedules refer to Publication 4163, Modernized e-File Information for Authorized IRS e-file Providers of Forms 1120/1120-S. This program provides the ability to e-file complex, consolidated returns, including attachments and multiple subsidiaries and foreign entities. It uses Extensible Markup Language (XML) technology, that allows e-filed returns to be processed as they are received rather than in batches. Filers will receive a prompt electronic acknowledgement. The system also includes an integrated payment option. Corporations can e-file a balance due return and, at the same time, authorize an electronic funds transfer.

# Forms 1120 and 1120-S

## Benefits of Electronic Filing

### IRS e-file takes the hassle out of

- preparing paper returns,
- buying stamps,
- eliminates returns being lost in the mail, and
- virtually eliminates late filing fees and penalties.

## It's Convenient

- **Fast electronic acknowledgement** of return receipt
- **Easy to understand error messages** in plain language
- **Tax preparation work is automated** with return preparation software that performs calculations, and highlights needed forms and schedules
- **Completely paperless**—corporations will have the option to use the Practitioner PIN method or the Form 8453-C or S can be scanned and included as a PDF attachment
- **Eliminates the duplicate filing requirements** of international Forms 5471, 5472, 5713, and 8832 to the Philadelphia Submission Processing Center.
- **Integrated Payment Option**—Owe Taxes? You can e-file a balance due return and, at the same time, authorize an electronic funds withdrawal from your bank account. Payments are subject to limitations of the Federal Tax Deposit Rules.

## Fast

- Information is quickly available to IRS Customer Service sites
- Quick processing time

## Accurate

- Fewer risks of transcription errors
- High accuracy rates

## Safe

- Tax information is secure
- Only authorized users have access to the system
- Corporate filers will have the option of filing their returns directly with the IRS via the Internet.

## Who Can Participate

Any business taxpayer who files Form 1120/1120-S may e-file their return through an Authorized IRS *e-file* Provider. A listing of 1120/1120-S e-file Approved Providers is available at [www.irs.gov/efile](http://www.irs.gov/efile). Additional providers will be added as they become available.

## How to Participate

Tax professionals who plan to file Forms 1120 and 1120-S electronically must submit a new or revised electronic IRS *e-file* application. For this one-time registration process, you must apply at least 45 days before you plan to electronically file. Log on to [www.irs.gov/efile](http://www.irs.gov/efile), and click on e-Services.

If you're a corporate filer who'd like to participate in the 1120 and 1120-S e-file program, please ensure your software has this electronic filing capability.

Clients are encouraged to use electronic signatures to sign their individual and business tax returns. Taxpayers may authorize an Electronic Return Originator (ERO) to enter their Personal Identification Number, PIN, by completing Form 8879-C or S, *IRS e-file Signature Authorization for Form 1120 (1120S)*. Additional information is available in Publication 4163, *Modernized e-File (MeF) Information for Authorized IRS e-file Providers of Forms 1120/1120S*.

## New for 2005 (Tax Year 2004 Returns)

- Form 7004, *Application for Automatic Extension of Time to File for Corporate Returns*
- Schedule M-3 (Form 1120), *Net Income (Loss) Reconciliation for Corporations with Total Assets of \$10 Million or More*
- Form 8858, *Information Return of U.S. Persons With Respect To Foreign Disregarded Entities*
- Schedule M (Form 8858), *Transactions Between Foreign Disregarded Entity of a Foreign Tax Owner and the Filer or Other Related Entities*

## Easy Payment Options

Corporate business taxpayers can e-file and pay balance due returns electronically in a single step using one of the following options:

### ■ **Electronic Federal Tax Payment System (EFTPS)**

Pay all of your taxes electronically using EFTPS. Once you are enrolled, you can pay all types of taxes year round. EFTPS is a free electronic payment option available to pay all Federal taxes electronically. Log on to [www.EFTPS.gov](http://www.EFTPS.gov) or call 1-800-555-4477.

### ■ **Electronic Funds Withdrawal (EFW)**

EFW is available with balance due returns through Extensible Markup Language (XML) technology and IRS Corporate Payment schema. A signed authorized agreement between IRS and their Financial Agent is needed to initiate an EFW (direct debit payment). EFW payments will be withdrawn in a single transaction. An electronic payment record must be included in the transmission of the corporate income tax return. To get started, complete Forms 8453-C/8453-S or 8879-C/8879-S or 8878-A or refer to Publication 4163 for more information on EFW and Credit Card payments.

## New Requirements & Coming Attractions!

■ **New IRS e-file Requirements for Large Corporations and Tax Exempt Organizations** Corporations with gross assets of \$50 million or more, and tax exempt organizations with total assets of \$100 million or more, and which also file at least 250 returns a year, are required to electronically file their returns starting in 2006 (for 2005 returns) under new Treasury Regulations. After the first effective year, the requirement will affect corporations and tax exempt organizations with \$10 million or more in gross assets. For more information and FAQs on the new e-file requirements for Large Corporations and Tax Exempt Organizations, go to [www.irs.gov/businesses/corporations/index.html](http://www.irs.gov/businesses/corporations/index.html).

■ **Fed/State Corporate e-file** is scheduled for implementation in 2006.

## e-Services

### What is e-Services?

e-Services is a suite of Web-based products that will allow tax professionals and financial institutions choices for conducting business with the IRS. The service is available 24 hours a day, 7 days a week from any computer with an Internet connection.

### Who can use e-Services?

e-Services is geared toward Tax Practitioners, Payers, State Tax Administrations and State Unemployment Insurance Administrations. If you are already an Electronic Return Originator (ERO), you must register for e-Services to update or revise your e-file application to use the e-Services products.

### What are the e-Services Products?

Available Products include:

- Registration
- Preparer Tax Identification Number (PTIN) Application
- Electronic IRS *e-file* Application
- Taxpayer Identification Number (TIN) Matching

The following premium products are available to tax practitioners who are active participants in the IRS *e-file* program and meet the eligibility requirements:

- Disclosure Authorization (DA)
- Electronic Account Resolution (EAR)
- Transcript Delivery System (TDS)

### How do I sign-up for e-Services?

To register for e-Services go to [www.irs.gov](http://www.irs.gov), IRS Keyword: e-Services, then go to the Registration Services page. Also, view the e-Services page for additional requirements.

# e-file