


2010 Electronic IRS Updates


Presented by
Stakeholder Liaison

Small Business/Self-Employed Division
January 2010



Benefits of e-file


- Accuracy - eliminate errors
- Processing time - faster refund
- Reduced costs - competitive edge
- Acknowledgement - proof of receipt
- Electronic signature
- File now / pay later
- Fed/state filing - simultaneously
- Convenient / safe / secure



Filing Season 2009

IRS *e-file* updates - as of Sept. 1, 2009:

- Over 93 million electronically-filed individual income tax returns accepted
 - 6 percent increase over 2008
- 61 million ERO returns
- 31.9 million online returns
 - 19 percent increase



Modernized e-File

- Faster acknowledgements
- Electronic signature process
- Attachments
- Amended returns
- Prior year returns
- Year-round filing
- Specific explanation of errors



Business e-file and MeF

MeF allows EROs to e-file Forms:

- 7004
- 1120, 1120S, 1120F
- 1065, 1065B
- 990, 990EZ, 990PF, 990N, 8868, 1120POL
- 2290, 720, 8849

Other business e-file options:

- 1041 (K-1s)
- 940, 941, 944



MeF Signature Methods

- Form 8879 series - Practitioner PIN
- Form 8453 series - Scanned Document



MeF Fed/State Update

- **17 states in production for 1120:**
 - AL, CO, FL, GA, ID, KS, LA, MD, MI, MO, MT, NY, OR, PA, SC, UT and WI
 - Plus New York City
- **12 states in production for 1065:**
 - AL, CO, GA, ID, KS, MD, MI, MT, NY, PA, UT, and WI
- **Three states in production for 990:**
 - CA, HI and MI



Federal e-file Mandates

Corporations / Charities / Non-Profits

- Total assets of \$10 million or more, and
- File at least 250 returns

Partnerships

- More than 100 partners (Schedules K-1)

Heavy Highway Vehicle Use Tax

- 25 or more vehicles



What's New with MeF Business

- **Clearer acknowledgements**
- **General indicator**
- **New forms**
 - Form 1120 Schedule G
 - Form 1118 Schedule K
 - Form 8926
 - Form 1065 Schedule B-1



Modernized e-File for 1040

The 1040 MeF Program will be implemented in a three-phase strategy over three years

Phase I - February 2010

- Form 1040
- 21 forms and schedules
- Form 4868



Modernized e-File for 1040

Forms and schedules available
Feb. 17, 2010:

1040	Schedule EIC	2210	8829
Schedule A	Schedule M (new)	2441	8863
Schedule B	Schedule R	4562	8880
Schedule C	Schedule SE	4868	8888
Schedule D	1099-R	8283	W-2
Schedule E	2106	8812	



Modernized e-File for 1040

Phase II – January 2011

- Current tax year 2010
 - 23 forms and schedules
- Prior tax year 2009
 - 23 forms and schedules
- Code optimization and new hardware



Modernized e-File for 1040

Phase III – January 2012

- Current tax year 2011
 - Approximately 151 forms and schedules
 - original 23 plus 128 new forms/schedules
- Prior tax years 2010 and 2009
 - 23 forms and schedules



States Participating in MeF

Effective Feb. 17, 2010: AR, CO, GA, ID, IN, KS, LA, MI, MT, NE, OH, OK, OR, RI, UT and WI
➢ CA will launch own program

After April 15, 2010: AL, CT, DE, HI, IL, IA, KY, MD, MA, MO, NJ, NC, ND, PA, SC, VT and WV

2011: AZ, DC, MN, NM and VA

2012: MS and NY



Practitioners and 1040 MeF

- Advantages for practitioners
- Impact on practitioners
- Contact your software provider
- Keyword search “Practitioner MeF”
- E-mail: 1040MeF@irs.gov



Electronic Payment Options

- EFTPS
- EFW / direct debit
- Credit card / debit card

New credit / debit card payment options

- Individual: Forms 1040X and 5329
- Business: Forms 1041, 1065 and amended Form 940



Assistance and Resources

e-Help Desk: 866-255-0654

- Standard hours 6:30 a.m. – 6 p.m. Central (weekdays)

Extended hours during filing season

- Weekdays, 6:30 a.m. – 10 p.m. Central
- Saturdays, 6:30 a.m. – 4 p.m. Central

Treasury offsets: 800-304-3107



QuickAlerts – New Platform



Quick Alerts for Tax Professionals

August 25, 2009

e-file Resources

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Subject: EMS Annual Labor Day Power Outage

The Electronic Management System located at Memphis, Tennessee will be unavailable from Saturday, September 5th at 9:00 p.m. Eastern Time through Monday, September 7th at 7:00 a.m. Eastern Time. There will be no drains on Monday, September 7th due to the Labor Day holiday.

The Electronic Management System located at Martinsburg, West Virginia will be unavailable from Sunday, September 6, at 2:00 p.m. Eastern Time through Tuesday, September 8th at 6:00 a.m. Eastern Time. When services are resumed, all processing will occur and acknowledgement files will be available based on the established drain schedule.

These systems will not be available due to a scheduled power outage over the Labor Day Holiday weekend. The Internal Revenue Service will not be accepting e-file

IRS Recommends Increased Oversight of Federal Tax Return Preparers



Background

- IRS Return Preparer Review
- IRS Strategic Plan Objectives
- Oversight agency interest
- Consumer protection group concerns
- Taxpayer Advocate concerns
- Almost 9 out of 10 use a paid preparer/software



Definition of Preparer for These Recommendations

Any person who prepares for compensation any return of tax or any claim for refund of tax under the Internal Revenue Code



Summary of Significant Recommendations

1. Registration, user fee, and Preparer Tax Identification Number (PTIN) usage requirements for **all** signing paid preparers
2. Competency testing for signing paid preparers who are **not** attorneys, certified public accountants, or enrolled agents
3. Continuing education requirements of 15 hours per year for signing paid preparers who are **not** attorneys, certified public accountants, enrolled agents, enrolled actuaries, or enrolled retirement plan agents
4. Tax compliance verification of **all** paid preparers



Efforts This Filing Season

- Helping taxpayers choose a reputable preparer
- Sending 10,000 letters to preparers with large volumes of returns with error-prone issues
- Visiting thousands of preparers who receive the letters to discuss preparer obligations and responsibilities
- Posing as taxpayers for the purpose of determining non-compliance
- Working closely with the Department of Justice to pursue civil or criminal action as appropriate



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File Providers | Enrolled Actuaries | Enrolled Agents

Tax Information for Tax Professionals

Tax Return Preparer Findings
Check here for information about the Tax Return Preparer Review

The American Recovery and Reinvestment Act of 2009 Information Center
Update on the new economic stimulus legislation

Disaster Relief Resources Center for Tax Professionals
Visit this resource center to learn how to re-establish your business after a natural disaster.

Recruitment is Open for the 2009 IRS Nationwide Tax Forecaster!
Attend the IRS Nationwide Tax Forecaster to learn the latest in tax administration, mingle with industry partners, and earn up to 18 CPE credits!



Questions?