

1998 Income Tax School

## IRS TECHNOLOGY

### **Digital Daily . . . . . 108**

The IRS Internet Home Page provides links to various pages to assist taxpayers seeking specific information, forms, or publications.

#### **Tax Forms, Instructions and Publications. . 108**

#### **Tax Professional's Corner. . . . . 108**

#### **Tax Information for Business . . . . . 109**

#### **Tax Information for Individuals. . . . . 109**

#### **Taxpayer Help and Education . . . . . 109**

#### **Tax Regulations in Plain English . . . . . 109**

#### **IRS Newsstand . . . . . 109**

#### **Electronic Services . . . . . 110**

#### **Tax Statistics . . . . . 110**

#### **What's Hot . . . . . 110**

#### **Comments and Help. . . . . 110**

### **Latest Addition to IRS Web Page . . . . . 110**

*Tax-interactive* (TAXi) is an electronic learning laboratory provided on the Internet to help teen-agers learn about the federal tax system.

### **Other Helpful Web Sites . . . . . 111**

### **IRS *e-file*. . . . . 111**

Electronic filing through *e-file* is the fastest and most efficient method of submitting a tax return. The use of

automation to check for errors or missing information allows an error rate of less than 1 percent.

### **941 *e-file* . . . . . 112**

A new IRS program enables employers to file quarterly federal tax returns electronically. The service features automatic security checks, electronic acknowledgments, and record processing.

### **Electronic Federal Tax Payment**

#### **System (EFTPS) . . . . . 116**

In 1993 Congress mandated that the IRS begin collecting a specified percentage of total business taxes electronically, with threshold amounts phased in from 1994 to 1999.

### **IRS TaxFax Service . . . . . 117**

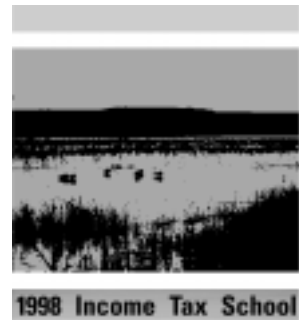
Taxpayers can access any of 144 forms and instructions and 147 information topics through the 24-hour IRS fax-on-demand service.

### **CD-ROM . . . . . 118**

Current and prior-year tax forms, instructions, and publications are available via CD-ROM. Tax forms may be filled in electronically and printed out for submission.

### **Application to Participate in the IRS *e-file***

#### **Program . . . . . 119**



## IRS TECHNOLOGY

### DIGITAL DAILY

*Digital Daily*, the IRS Internet Home Page, was launched in early 1996 to general acclaim from taxpayers and numerous awards from the Internet industry. The IRS Web Site had over 340 million hits from taxpayers seeking information, forms, or publications during the 1998 filing season—almost triple last year's filing season activity. Here is a sample of what can be found by visiting the Web Site at [www.irs.ustreas.gov](http://www.irs.ustreas.gov):

### TAX FORMS, INSTRUCTIONS AND PUBLICATIONS

The most popular page on the IRS Web Site, the **Tax Forms Instructions and Publications** page accounts for 70 percent of all accesses to the *Digital Daily*.

1. Current year forms, instructions, and publications
2. Prior year forms, instructions, and publications to 1992
3. Comment on tax forms and publications
4. More than 50 fill-in forms
5. 86 on-line publications
6. Link to state tax forms

### TAX PROFESSIONAL'S CORNER

The *Digital Daily* offers a special area for the tax professional. **The Tax Professional's Corner** provides quick links to the most technical offerings on the Web site as well as "News for the Tax Professional," which contains the latest news of interest to tax professionals.

1. Early release drafts of most major tax forms
2. Continuing professional education and special events
3. IRS *e-file* promotional materials
4. Administrative information and resources
5. Year 2000 project
6. Join the IRS *Digital Dispatch*<sup>1</sup>
7. Join the IRS Local News Net<sup>2</sup>

- 
1. The Digital Dispatch is an e-mail service providing national tax news and information about new developments on the IRS Web Site.
  2. The IRS Local News Net is an e-mail service designed to provide localized, targeted and immediate information for tax professionals in specific geographic areas.

# 1998 Workbook

## TAX INFORMATION FOR BUSINESS

The **Tax Information for Business** page presents accurate tax rules and regulations and how they affect businesses, both sole proprietors and corporations.

1. Market Segment Specialization Program Audit Technique Guides
2. Internal Revenue Bulletins
3. Exempt organization data base (Publication 79)
4. Tax calendars
5. Electronic filing and payment options
6. Quick and interactive answers to popular business questions
7. Programs and services for small business
8. Important business links

## TAX INFORMATION FOR INDIVIDUALS

The **Tax Information for Individuals** page presents tax tips for individuals and the latest changes and reminders regarding taxes.

1. Applicable Federal Rates
2. IRS appeals and dispute resolution
3. Tax tables
4. Collection Financial Standards
5. Where to file
6. Paying a balance due
7. Tax Trails: an interactive insight into deductions, credits, and more

## TAXPAYER HELP AND EDUCATION

The **Taxpayer Help and Education** page presents several services.

1. Help during disasters and emergencies
2. Online version of the voice response TeleTax system
3. More than 200 frequently asked tax questions

## TAX REGULATIONS IN PLAIN ENGLISH

The **Tax Regulations in Plain English** page provides a listing of tax regulations issued since August 1, 1995, with references to plain language summaries where available.

1. A searchable form of the official source of tax regulations
2. Comment on proposed regulations
3. Database of laws of the United States in effect as of January 16, 1996

## IRS NEWSSTAND

The IRS Newsstand provides news pertinent to taxes.

1. The latest breaking information for media distribution
2. Electronic access to federal agency records
3. Year 2000 Project
4. Tax supplements of helpful tax information articles

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## ELECTRONIC SERVICES

The **Electronic Services** page offers the latest information on filing tax returns electronically, filing federal and state returns simultaneously, downloading information, and retrieving up-to-date information from the IRS.

1. IRS *e-file* options for individuals
2. IRS *e-file* options for business
3. Direct deposit of tax refund
4. Electronic payment options for business and individuals

## TAX STATISTICS

The **Statistics of Income** (SOI) program produces data files compiled from tax and information returns filed with the IRS. This page contains information about the financial composition of individual taxpayers, businesses, exempt organizations, and more.

## WHAT'S HOT

The **What's Hot** page provides the latest information on tax law changes, as well as other news flashes and newly released statistics and bulletins.

## COMMENTS AND HELP

The **Comments and Help** page offers the following services.

1. Help in using the IRS Web Site
2. Screens for entering technical comments, complaints, or compliments
3. Tax law questions answered via e-mail

## LATEST ADDITION TO IRS WEB PAGE

The Internal Revenue Service and the Section of Taxation of the American Bar Association have collaborated on a project to help young people learn about the federal tax system. **TAX-interactive** (TAXi) is an electronic learning laboratory available on the Internet at **<http://www.irs.ustreas.gov/taxi>**.

TAXi is in an easy-to-read, teen-friendly format with various scenarios and a dictionary of tax terms. A "teachers' toolkit" provides teachers with resources to help integrate lessons about taxes in classroom settings.

## Quick and Easy Access to Tax Help and Forms

World Wide Web:

**<http://www.irs.ustreas.gov>**

File Transfer Protocol:

**[ftp.irs.ustreas.gov](ftp://www.irs.ustreas.gov)**

Telnet:

**[iris.irs.ustreas.gov](telnet://www.irs.ustreas.gov)**

Direct dial (by modem):

**(703) 321-8020**

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## OTHER HELPFUL WEB SITES

1. **www.house.gov**  
The site for the U.S. House of Representatives gives up-to-date information on daily events, roll call votes and hearing schedules
2. **www.senate.gov**  
The Senate site gives information on recent legislative actions and scheduled activities.
3. **www.house.gov/Member WWW.html** and **www.senate.gov/members.html**  
Both sites list e-mail addresses and/or Web site addresses for members.
4. **www.access.gpo.gov**  
The Government Printing Office lists products produced by the federal government. This site also is the first place to find published versions of congressional bills.
5. **thomas.loc.gov/**  
A searchable, browsable database of legislative records, Public Laws, vetoed bills, line-item vetoes, sponsors, etc.
6. **lcweb.loc.gov/**  
Access to key documents from the Library of Congress.

## IRS *e-file*

IRS *e-file* is a way to file a tax return to the IRS electronically. Upon receipt of the return information, IRS computers quickly and automatically check for errors or other missing information. Because of this, the error rate for electronic returns is less than one percent as opposed to the error rate for paper returns which remains steady between 20 and 21 percent. In addition, within 48 hours of electronic transmission, IRS acknowledges acceptance of the return. Only IRS *e-file* options provide this assurance. It is the fastest and most efficient way to file a tax return.

### BECOMING AN "AUTHORIZED IRS *e-file* PROVIDER"

Tax professionals who are accepted into the electronic filing program are now called "Authorized IRS *e-file* Providers." The IRS issues a Revenue Procedure that contains rules for participating in the IRS *e-file* program. Information about participation in the IRS *e-file* program can be found on the IRS "Digital Daily" Web Site under Electronic Services at the following Internet address: **http://www.irs.ustreas.gov** or by contacting the nearest Electronic Tax Administration (ETA) Coordinator. A listing of ETA Coordinators can be found on the Internet at the address listed above or by calling toll free, **1-800-691-1894**.

This year, the IRS will provide all tax professionals who are "Authorized IRS *e-file* providers" with an IRS *e-file* Promotional Kit, containing material that will be helpful in promoting IRS *e-file* services, at no charge. This kit will contain materials that can be personalized and a form to order available items. (No charge)

### GETTING STARTED

Complete an application (Form 8633) and fingerprint card (if applicable) before the May 31, 1999 deadline. To be accepted into the program, tax professionals must complete the application process, which includes fingerprinting (CPAs, Enrolled Agents, and attorneys are exempt from the fingerprint requirement). In addition, because program participants are expected to maintain a high degree of integrity, all applicants undergo a suitability check to ensure tax obligations are met. A letter of acceptance will be issued from the Andover Service Center after passing the suitability check. Each applicant must be 21 years of age and a U.S. citizen.

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## WHAT IS NEEDED

**Computer.** Most computers can be adapted to file returns electronically. Check the memory requirements with the software vendor.

**Software.** The IRS does not provide software programs. However, commercial software programs based on IRS specifications are available. Shop around or ask other "Authorized IRS *e-file* Providers" what software they use to file electronic returns. One of the keys to a successful electronic filing operation is having a software package with which the electronic filer is comfortable and meets all business needs.

## CHECK THE FEATURES OF THE SOFTWARE

Is it user friendly? Does it have help screens? Does it have screens for all forms eligible to be filed electronically? Does it verify math computations for each page? Is the user's manual easy to understand, accurate, and detailed? Does the vendor offer comprehensive technical support during the filing season? What are the hours of support? How many updates are issued? Does the software allow for direct transmission to the IRS? Are there built-in safety features to prevent accidental deletion of files? What is included in the quoted price? Modem? Additional programs? Are there volume discounts for returns transmitted? How long has the software been on the market?

## MODEM

For asynchronous filing, the dial-up modem must be Hayes-compatible. Line speed can be from 300 to 19,200 bps.

## FILE TRANSFER PROTOCOLS

For asynchronous filing the file transfer must be one of the following: Xmodem-CRC, Xmodem Checksum, Xmodem-1K, Ymodem-G, Ymodem-Batch, or Zmodem (Zmodem is the most common).

## FEDERAL/STATE

Federal/State *e-file* is a cooperative one-stop electronic income tax filing program between the IRS and most state tax administration agencies. This option allows the electronic filing of both federal and state income tax returns through the IRS *e-file* system.

## TOOLS TO HELP

1. **Publication 1345**, *Handbook for Electronic Filers of Individual Income Tax Returns*
2. **Publication 1345A**, *Supplement to Handbook*
3. **Rev. Proc. 97-60**
4. *Andover Service Center*. **1-800-691-1894** (Use this number to check the status of an application and the suitability process.)

## 941 *e-file*

The IRS now offers a program for electronic filing of Form 941, *Employer's Quarterly Federal Tax Return*. The program accepts and processes Form 941 in Electronic Data Interchange (EDI) format. It conducts security checks, sends electronic acknowledgments, and builds records to be processed by current IRS computer systems. The returns are transmitted nationwide via dial-up phone lines and menu-driven software directly to the IRS where they are processed at the Tennessee Computing Center (TCC) and the Austin Service Center (AUSC). At present, the program does not allow for attachments except for Schedule B, *Record of Federal Tax Liability*.

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## PARTICIPATION IN THE PROGRAM

The 941 *e-file* program is available to any business or reporting agent wanting to participate. However, current participants are predominantly the larger reporting agents or bulk filers who file Forms 941 for themselves and/or other businesses.

Software is currently being developed and tested for individual business filers. Small businesses or smaller reporting agents can participate in the program, but they may need to develop their own software or may need to purchase off-the-shelf software. A start-up kit containing tax preparation for the electronic filing of Form 941 and Schedule B in EDI format is available. Some software has been successfully tested by IRS and is suited for reporting agents with 20 or more employees.

Sources providing a list of vendors offering commercial off-the-shelf software for EDI are:

EDI Software Directory<sup>1</sup>  
1-800-336-4887

Buyer's Guide to Electronic Commerce<sup>1</sup>  
1685 Barnswallow Place  
Marietta GA 30062-2860  
(770) 578-4980

**Technical Specifications for developing software.** Technical specifications to develop software are available in Publication 1855, *Technical Specifications Guide for the Electronic Filing of Form 941, Employer's Quarterly Federal Tax Return (941ELF)*, Rev. 01/97. Specific tax filing requirements are in Publication 1264, *File Specifications, Processing Criteria and Record Layouts for Magnetic Tape Filing*, Rev. 10/95.

## GENERAL REQUIREMENTS

Interested business participants (reporting agents) should submit a letter of application to the *e-file* Help Desk at the Tennessee Computing Center to participate in the 941 *e-file* program. The reporting agent should submit the letter of application by the application due date preceding the quarter ending date, as follows:

Application Due Date	For Quarter Ending
December 15	March 31
March 15	June 30
June 15	September 30
September 15	December 31

The letter of application must include all pertinent content as specified in **Rev. Proc. 97-47**, *Revenue Procedure for Filing 941ELF* (in I.R.B. dated October 20, 1997). It should include a reporting agent's list and a reporting agent authorization for each taxpayer therein. A sample letter is included in the above revenue procedure. Successful completion of testing of return information is required before a reporting agent is accepted into the program. If the prospective participant's application is approved, a user-ID/password and personal identification number (PIN) will be issued.

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1. The IRS does not endorse commercial products. Acceptance of participating companies by the Internal Revenue Service does not imply endorsement by the IRS for the quality of the service provided.

# 1998 Workbook

## *e-file* Help Desk

Internal Revenue Service  
Tennessee Computing Center  
P.O. Box 30309 AMF  
Memphis TN 38130  
Attn: Electronic Filing Unit Stop 37  
(901) 546-2690 (Ext. 7519)

**Modem.** Filers may use any Hayes-compatible modem. The IRS is capable of receiving data up to a speed of 38,400 bps.

**Transmission protocol.** The following asynchronous protocols can be used:

1. MS Kermit
2. Xmodem-1K
3. Zmodem

## REPORTING AGENT REQUIREMENTS

In addition to the general requirements, the following applies to all reporting agents who want to participate with the 941 *e-file* program:

1. The letter of application must include a reporting agent list and a reporting agent authorization (form 8655, *Reporting Agent Authorization for Magnetic Tape/Electronic Filers*) for each taxpayer on the list.
2. Once reviewed and approved, the reporting agent will receive a validated agent's list submitted by the Tennessee Computing Center. This list will contain valid names and employee identification numbers (EINs) and must be used by the reporting agent to avoid processing delays.
3. The reporting agent must follow all guidelines associated with adding and deleting taxpayers from the validated agent's list.

## DUE DATES FOR QUARTERLY RETURNS

Businesses using 941 *e-file* have the entire month after payments are due to submit quarterly returns. The due dates are as follows:

Quarter	Due Date
For Quarter 1	April 30
For Quarter 2	July 31
For Quarter 3	October 31
For Quarter 4	January 31

If a business is fully paid for the current year, it has 10 extra days to submit the return(s) to the IRS. For example, instead of April 30, the business can take until May 10 to submit the return(s) for the first quarter.



# 1998 Workbook

## 941 RETURNS ACCEPTED

The 941 *e-file* program accepts timely, current returns that are refund returns or balance-due returns of less than \$50. The program will not accept the electronic filing of the following returns:

1. Balance-due returns of \$50 or more,
2. Amended returns,
3. Corrected returns,
4. Returns containing attachments (except Schedule B), or
5. Untimely returns (returns filed after the due date).

**Note:** A violation of any of these restrictions will cause a processing interruption.

## SIGNATURE REQUIREMENT

The 941 *e-file* program offers a paperless signature alternative. After the returns are transmitted, the filer inputs a personal identification number (PIN) to sign the jurat statement for the returns filed.

## BENEFITS OF 941 *e-file*

### Confidence

1. Taxpayer confidence increases as returns are processed quickly and without errors.
2. Electronic security reduces the chance of duplicate or erroneous returns.

### Speed

1. Acknowledgment e-mailed to originator within 48 hours of receipt.
2. Processing time reduced to one week.
3. Minimal hands-on processing means no paperwork delays.
4. Inventory backup eliminated.
5. Error resolution volume significantly reduced (fewer errors need correction).
6. Information available to IRS customer service sites quickly.

### Flexibility

1. With an appropriate software package, almost any computer can be adapted to transmit return information.
2. Information can be shared easily (with other agencies or the taxpayer).
3. Commercial EDI translation software packages are available from 941 EDI preparation software is also available.

## 941 *TeleFile*

941 *TeleFile* is an IRS *e-file* option for business. It is an interactive computer program designed to file Form 941, *Employers' Quarterly Federal Tax Return*, electronically using a Touch-Tone® telephone. Beginning April 1, 1998, small businesses meeting certain qualifications were invited to participate in 941 *TeleFile* using a toll-free telephone number.

# 1998 Workbook

## PARTICIPATION IN THE PROGRAM

Businesses can participate in 941 *TeleFile* if they:

1. Receive the special 941 *TeleFile Tax Record* as part of their 941 package;
2. Are monthly depositors;
3. Have a break-even, overpayment (will be applied to next quarter), or balance due of \$500 or less;
4. Have been in business for the previous 12 months;
5. Have no schedules or attachments;
6. Only have fractions of cents adjustments;
7. Do not have changes to entity data during the previous quarter;
8. Do not have seasonal employees; and
9. Do not file on magnetic tape.

## HOW TO FILE

Those receiving the special *TeleFile* tax package will access the 941 *TeleFile* system using the 800 number listed, on a Touch-Tone telephone. A voice processing system will prompt users to make the necessary entries using the telephone keypad. The system will repeat each entry to verify it for accuracy, and mistakes can be corrected immediately. At the end of the call, a **jurat statement** will be read, and the system will prompt the taxpayer to enter his or her **electronic signature**, consisting of the taxpayer's social security number and the last five letters of the taxpayer's last name (or the entire last name if it contains five characters or fewer). A confirmation number will then be issued to the caller as proof of filing. This alternative signature method makes the process completely paperless.

## ELECTRONIC FEDERAL TAX PAYMENT SYSTEM (EFTPS)

Congress enacted Section 6302(h) of the Internal Revenue Code in 1993 to require the IRS to implement an electronic funds transfer system to largely replace the paper coupon system for reporting and paying federal taxes. Congress wanted this system to be a simple, paperless way for taxpayers to make federal tax deposits. Treasury and the IRS complied with Congress's directive by developing the Electronic Federal Tax Payment System (EFTPS). Section 6302(h) requires the IRS to phase-in EFTPS from 1994 to 1999 by collecting a statutorily specified percentage of total business taxes in each year electronically.

### WHO *MUST* USE EFTPS?

The following threshold amounts are determined by employment taxes. If a taxpayer:

Deposited more than	In calendar year	The taxpayer must begin using EFTPS
\$78 million	1993	1/1/95
\$47 million	1993/1994	1/1/96
\$50 thousand	1995	7/1/97 <sup>a</sup>
\$50 thousand	1996	1.1.98 <sup>a</sup>

a. These deadlines have been extended to January 1, 1999.

# 1998 Workbook

**Note:** Taxpayers required to use EFTPS must make the same federal tax deposits through EFTPS that they would have made by using FTD coupons.

## EFTPS ENROLLMENT PROCESS

The IRS sent letters, enrollment forms, and instructions in late June/early July to taxpayers who are required to enroll in EFTPS. Taxpayers may also receive enrollment forms by calling **either** 1-800-555-4477 **or** 1-800-945-8400.

Two banks, First National Bank of Chicago and Nation's Bank, working under contract to the Department of the Treasury as Treasury Financial Agents (TFA), handle enrollment in the program, provide customer service, and process transactions.

It will take approximately 2-10 weeks after the enrollment form is received from the taxpayer to complete the enrollment process.

## EFTPS PAYMENT OPTIONS

The primary payment options are ACH Credit and ACH Debit. A taxpayer may choose either or both options and may change his or her option choice at any time by contacting the TFA.

### ACH

ACH is Automated Clearing House, which is the financial network run by the Federal Reserve to transfer funds electronically. ACH is widely used by the financial community to transfer funds, for example, for the direct deposits of wages and social security payments.

### ACH DEBIT

Taxpayers initiate payments using the ACH Debit option by instructing the TFA to institute an ACH Debit. Taxpayers can instruct the TFA to debit their accounts by using EFTPS Voice Response System or PC software (provided by the TFA). After the taxpayer initiates a debit, the TFA will validate the payment information and issue an acknowledgment number to the taxpayers. This number verifies that the payment was received by the TFA.

Taxpayers choosing ACH Debit can make their payments 24 hours a day, 7 days a week. Although the payment must be initiated at least one business day before it is due, the funds do not move from the taxpayer's account until the actual tax due date or the date indicated.

### ACH CREDIT

Taxpayers making federal tax deposits using the ACH Credit option instruct their banks to withdraw funds from their bank account for payment to the Treasury's account. Different banks may have different requirements for taxpayers to initiate a credit transaction (e.g., by telephone, personal computer, personal visit). Taxpayers must contact their banks to determine the bank's required procedure.

## EFTPS FEES

Neither the IRS nor the Treasury Financial Agent charges fees for either ACH Debits or Credits. Depending upon the taxpayer's banking arrangements, a taxpayer's bank may charge a fee for ACH Debit and Credit transactions. Taxpayers should consult their banks to determine what fees may be charged.

## IRS TAXFAX SERVICE

IRS TaxFax is a fax-on-demand service, available 24 hours a day. From a telephone connected to a fax machine, dial **(703)368-9694** to order any of the 144 forms and instructions available, as well as the 147 tax information topics. Available forms and tax information topics can be found in tax instruction booklets or the system can fax the user an index of products.

# 1998 Workbook

## ACCESSING IRS TAXFAX THROUGH A PERSONAL COMPUTER

IRS TaxFax can be accessed through a personal computer with a fax modem and fax software.

1. A TouchTone® telephone must be connected to the fax modem line.
2. Start the fax software on the personal computer.
3. Dial the fax number from the TouchTone telephone.
4. Follow the voice prompts.
5. Begin the fax program's manual "receive" or "begin fax" mode when instructed to press the start or receive button of the fax machine.
6. The requested items will be sent to the computer to be printed from the fax software.

## CD-ROM

The CD-ROM contains over 2,000 tax forms and publications for small businesses, return preparers and others who frequently need current or prior year tax products. Popular tax forms on the CD-ROM may be filled in electronically, and then printed out for submission.

## PRODUCTS AVAILABLE

1. Current year tax forms, instructions and publications
2. Prior year tax forms and instructions beginning in 1991 and publications from 1994
3. Internal Revenue Bulletin for 1998
4. Tax Supplements
5. Internet resources with links to the World Wide Web

## HOW TO ORDER

The CD-ROM can be purchased from the Government Printing Office (GPO), Superintendent of Documents for \$20.00 by calling **(202)512-1800** (select option #1) or through GPO's Web Site at **[http://www.access.gpo.gov/su\\_docs](http://www.access.gpo.gov/su_docs)**.

## MINIMUM SYSTEM REQUIREMENTS

1. Windows 3.1 or later/Windows 95
  1. 386,486 or Pentium-based personal computer
  2. 4 megabytes of RAM
  3. VGA, SVGA, or higher resolution display adapter supported by Windows
  4. Microsoft CD Extensions with CD controller board
  5. Windows-compatible printer with at least one megabyte of user RAM
2. Macintosh
  1. Macintosh 68020-68040; two megabytes of application RAM
  2. Power Macintosh; 4.5 megabytes of application RAM
  3. Apple System Software version 7.5 or later
  4. CD-ROM drive capable of reading ISO 9660 format

# 1998 Workbook

Form <b>8633</b> (Rev. May 1998) Department of the Treasury Internal Revenue Service	<h2 style="margin:0;">Application to Participate in the IRS e-file Program</h2>	For Official Use Only EFIN: _____ ETIN: _____  OMB Number 1545-0991
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PLEASE CHECK BELOW WHICH BOX(S) APPLY TO THIS APPLICATION:  
 NEW     FOREIGN FILER     ON-LINE FILING     REVISED (INCLUDE EFIN: \_\_\_\_\_)     REAPPLYING

<b>1a</b> Firm's legal name as shown on firm's tax return				<b>b</b> Firm's employer identification number and/or social security number (EIN/SSN)			
<b>c</b> Doing Business As (DBA) (If other than the name in item 1a)				<b>d</b> Is the firm controlled or owned by another electronic filer? <input type="checkbox"/> Yes, complete all controlling office information and Section 9 on page 2. Do not complete section 8. <input type="checkbox"/> No, skip to question 1k and complete section 8 and 9 on page 2.			
<b>e</b> Controlling Office Name				<b>g</b> ETIN of Controlling Office		<b>h</b> EFIN of Controlling Office	
<b>f</b> Controlling Office Business address				<b>i</b> Signature of responsible officer of the controlling office. <b>j</b> Date			
City	State	ZIP Code	County				
<b>k</b> Check the box at the right that indicates your form of organization. (see page 3 of this form)				<b>l</b> Check this box if you will be providing electronic filing and/or tax preparation as a benefit not for profit and are not using the services to attract customers who will pay for tax preparation or transmission services. Eligible entities include employers offering IRS e-file as a benefit to their employees, government agencies, VITA sites, etc. Attach to this form an explanation of how you will process returns for IRS e-file. . . . . <input type="checkbox"/>			
<input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Partnership (Number of Partners) ▶ _____ <input type="checkbox"/> Corporation <input type="checkbox"/> Other (Specify) ▶ _____							
<b>m</b> Name of contact representative (first, middle, last)				<b>n</b> Daytime telephone number (include area code)		<b>FAX</b> number	
<b>o</b> Name of alternate contact representative (first, middle, last)				<b>p</b> Daytime telephone number (include area code)		<b>FAX</b> number	
<b>q</b> Mailing address (street or P.O. Box)				<b>r</b> Business address (location of business)			
City	State	ZIP Code	County	City	State	ZIP Code	County

**2** List all previous Electronic Filer Identification Number(s) (EFIN) and Electronic Transmitter Identification Number(s) (ETIN) assigned to you or your firm.

<b>3</b> Please answer the following questions by checking the appropriate box(es). Do not check if using third-party transmitter.		Yes	No	<b>f</b> I expect to transmit to or accept returns for transmission to the following service centers. (Software Developers: Also indicate service centers in whose areas you expect to market your software). (See page 4 for service center chart.)																
<b>a</b> Will you transmit tax return data directly to IRS? (Transmitter) . . . . . If "Yes," will you: <input type="checkbox"/> Transmit using IBM 3780 bi-synchronous communication protocol. OR <input type="checkbox"/> Transmit using asynchronous communication protocol. If you will be using asynchronous, indicate the file transfer protocol you will be using (mark only one): <input type="checkbox"/> XMODEM - Checksum <input type="checkbox"/> YMODEM - G <input type="checkbox"/> XMODEM - CRC <input type="checkbox"/> YMODEM - Batch <input type="checkbox"/> XMODEM - 1K <input type="checkbox"/> ZMODEM		[Hatched]	[Hatched]	<input type="checkbox"/> Andover <input type="checkbox"/> Austin <input type="checkbox"/> Cincinnati <input type="checkbox"/> Memphis <input type="checkbox"/> Ogden																
<b>b</b> Will you write electronic filing software? (Software Developer) . . . . .		[Hatched]	[Hatched]	<b>4</b> Has the firm or any corporate officer, partner, owner or responsible official: (Explain "Yes" responses)																
<b>c</b> Will you prepare tax returns, including Forms 8453, or collect completed returns, including Form 8453, for the purpose of filing forms electronically? (Electronic Return Originator) . . . . .		[Hatched]	[Hatched]	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:50%;"></td> <td style="text-align: center;">Yes</td> <td style="text-align: center;">No</td> </tr> <tr> <td><b>a</b> been assessed any preparer penalties? . . . . .</td> <td style="text-align: center;">[Hatched]</td> <td style="text-align: center;">[Hatched]</td> </tr> <tr> <td><b>b</b> been convicted of a monetary crime? . . . . .</td> <td style="text-align: center;">[Hatched]</td> <td style="text-align: center;">[Hatched]</td> </tr> <tr> <td><b>c</b> failed to file personal or business tax returns, or unpaid tax liabilities? . . . . .</td> <td style="text-align: center;">[Hatched]</td> <td style="text-align: center;">[Hatched]</td> </tr> <tr> <td><b>d</b> been convicted of any criminal offense under the U.S. Internal Revenue laws? . . . . .</td> <td style="text-align: center;">[Hatched]</td> <td style="text-align: center;">[Hatched]</td> </tr> </table>			Yes	No	<b>a</b> been assessed any preparer penalties? . . . . .	[Hatched]	[Hatched]	<b>b</b> been convicted of a monetary crime? . . . . .	[Hatched]	[Hatched]	<b>c</b> failed to file personal or business tax returns, or unpaid tax liabilities? . . . . .	[Hatched]	[Hatched]	<b>d</b> been convicted of any criminal offense under the U.S. Internal Revenue laws? . . . . .	[Hatched]	[Hatched]
	Yes	No																		
<b>a</b> been assessed any preparer penalties? . . . . .	[Hatched]	[Hatched]																		
<b>b</b> been convicted of a monetary crime? . . . . .	[Hatched]	[Hatched]																		
<b>c</b> failed to file personal or business tax returns, or unpaid tax liabilities? . . . . .	[Hatched]	[Hatched]																		
<b>d</b> been convicted of any criminal offense under the U.S. Internal Revenue laws? . . . . .	[Hatched]	[Hatched]																		
<b>d</b> Will you receive tax return information from other electronic filers, format return information and send returns to a transmitter? (Service Bureau) . . . . .		[Hatched]	[Hatched]	<b>5</b> Do you intend to file Federal/State returns electronically? . . . . . (If "Yes" see page 3 of this form)																
<b>e</b> Do you intend to file Form 4868 and/or Form 9465? . . . . .		[Hatched]	[Hatched]	<b>6</b> Do you intend to file Forms 2555/2555E? . . . . .																
		[Hatched]	[Hatched]	<b>7</b> Is the Firm open 12 months a year? . . . . .																
		[Hatched]	[Hatched]	If you answer "No" to question 7, give address and telephone number available 12 months per year. (include area code) . . . . . ▶																

**8** Principals of Your Firm or Organization (continued on page 2) Complete only if line 1d is "No"  
 Do not complete this section if you checked the box in item 1d "Yes" or checked box 1l on page 1 of this form. If you are a sole proprietor, list your name, home address, and social security number, and respond to each question. If your firm is a partnership, list the name, home address, social security number, and respond to each question for each partner who has a five percent (5%) or more interest in the partnership. If your firm is a corporation, list the name, title, home address, social security number, and respond to each question for the President, Vice-President, Secretary, and Treasurer of the corporation. If you are a for-profit entity and checked "Other," on line 1k or you are a partnership and no partners have at least 5% interest in the partnership, list the name, title, home address, social security number, and respond to each question for at least one individual authorized to act for the firm in legal and/or tax matters. (You may use continuation sheets.) The signature of each person listed authorizes the Internal Revenue Service to conduct a credit check on that individual.

4

# 1998 Workbook

**8 Principals of Your Firm or Organization.** You may use continuation sheets. (Continued) Complete if line 1d is "No"

Unless you marked the box in 1f, or your only "Yes" response in Section 3 is to question b., you must provide a completed fingerprint card for each corporate officer, owner, or partner listed below. If a corporate officer, owner, or partner changes, a completed fingerprint card must be provided for each new corporate officer, owner, or partner. If the corporate officer, owner, or partner is an attorney, banking official who is bonded and has been fingerprinted in the last two years, CPA, enrolled agent, or an officer of a publicly owned corporation, evidence of current professional status may be submitted in lieu of the fingerprint card (see revenue procedure). Your application will not be processed if you do not provide the completed fingerprint card or evidence of professional status and a signature for each corporate officer, partner or owner.

Type or print name (first, middle, last)	U.S. citizenship? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Legal resident alien	Is the individual: <input type="checkbox"/> an attorney <input type="checkbox"/> a banking official <input type="checkbox"/> a C.P.A.	Is the individual licensed or bonded in accordance with state or local requirements? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not applicable
Title:		<input type="checkbox"/> an enrolled agent <input type="checkbox"/> an officer of a publicly owned corporation	
Home address	Social security number	Signature	
	Date of birth (Month, day, year)		

Type or print name (first, middle, last)	U.S. citizenship? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Legal resident alien	Is the individual: <input type="checkbox"/> an attorney <input type="checkbox"/> a banking official <input type="checkbox"/> a C.P.A.	Is the individual licensed or bonded in accordance with state or local requirements? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not applicable
Title:		<input type="checkbox"/> an enrolled agent <input type="checkbox"/> an officer of a publicly owned corporation	
Home address	Social security number	Signature	
	Date of birth (Month, day, year)		

Type or print name (first, middle, last)	U.S. citizenship? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Legal resident alien	Is the individual: <input type="checkbox"/> an attorney <input type="checkbox"/> a banking official <input type="checkbox"/> a C.P.A.	Is the individual licensed or bonded in accordance with state or local requirements? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not applicable
Title:		<input type="checkbox"/> an enrolled agent <input type="checkbox"/> an officer of a publicly owned corporation	
Home address	Social security number	Signature	
	Date of birth (Month, day, year)		

**9 Responsible Official**

The responsible official is the person who oversees the daily operations of the office listed on line 1r and 11. A responsible official may be responsible for more than one office (see instructions, page 3). A principal listed in Section 8 may also be a responsible official.

Name of responsible official (first, middle, last)	U.S. citizenship? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Legal resident alien	Is the individual: <input type="checkbox"/> an attorney <input type="checkbox"/> a banking official <input type="checkbox"/> a C.P.A.	Is the individual licensed or bonded in accordance with state or local requirements? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not applicable
Title:		<input type="checkbox"/> an enrolled agent <input type="checkbox"/> an officer of a publicly owned corporation	
Home address	Social security number	Signature	
	Date of birth (Month, day, year)		

**10 Drop-off Collection Points - complete this section as specified on page 3. (You may use continuation sheets.)**

Name and address of Drop-off Collection Point	Name of principal contact	Telephone number (include area code)
	(FOR OFFICIAL USE ONLY) CPIN	Does this office operate 12 months? <input type="checkbox"/> Yes <input type="checkbox"/> No
Name and address of Drop-off Collection Point	Name of principal contact	Telephone number (include area code)
	(FOR OFFICIAL USE ONLY) CPIN	Does this office operate 12 months? <input type="checkbox"/> Yes <input type="checkbox"/> No

**11 Foreign Filer (please provide all information)**

a Name of contact representative (first, middle, last)	c Telephone number of Foreign location (do not include international access codes, country codes, or city codes)
b Mailing address (including city, county and postal codes, if applicable)	d Business address (of Foreign location including city, county and postal codes if applicable)

**Applicant Agreement**

Under the penalties of perjury, I declare that I have examined this application and any accompanying information, and to the best of my knowledge and belief it is true, correct, and complete. This firm and its employees will comply with all the provisions of the Revenue Procedure for Electronic Filing of Form 1040, U.S. Individual Income Tax Return, and related publications, for all years of participation.

Acceptance for participation is not transferable. I understand that if this firm is sold or its organizational structure is changed, a new application must be filed. I further understand that noncompliance will result in the firm and/or the individuals listed on this application no longer being allowed to participate in the program. I am authorized to make and sign this statement on behalf of the firm.

12. Name and title of firm official and/or principal owner (type or print)	13. Signature of firm official and/or principal owner	14. Date
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## Filing Requirements

**Who Must File Form 8633.** (1) Applicant(s) requesting participation in the IRS e-file program for individual income tax returns. (2) applicant(s) required to revise a previously submitted Form 8633 in accordance with the Revenue Procedure describing Obligations of Participants in the IRS e-file Program for Form 1040, U.S. Individual Income Tax Return. (3) If Re-Appling please include the EFIN that was assigned to you when you first entered into the IRS e-file program.

**When to File:** New applications will be accepted through May 31, 1999. To ensure complete and timely review of your application prior to the beginning of the filing season you must file a new application between August 1 and December 1, 1998. Each change must be identified with a red asterisk (\*) reflected in front of the change on the revised Form 8633. Revised applications are accepted all year.

**Where to File:** Send Form 8633 to the Andover Service Center. See page 4 for the daytime and overnight mailing address. See page 4 for instructions on what service center to check under 3f page 1 depending on your location and Service Center Relationship as an ERO, Transmitter, Service Bureau, Software Developer and On-Line Transmitter.

## How to Complete the Form

### Page 1

Please indicate whether the application is new or revised and give your reason for filing a revised application by checking the appropriate box; if the reason is not listed, please explain.

**Note:** See Publication 1345 for additional information on when to file a Revised application.

File a new application if the applicant:

- has never been accepted to participate in the electronic filing or IRS e-file program;
- has previously been denied participation in the electronic filing or IRS e-file program;
- has been suspended from the electronic filing or IRS e-file program;
- is adding a new location and/or purchased an existing business that was previously owned by an accepted electronic filer on the date of sale.

**Line 1a.**—If your firm is a sole proprietorship, enter the name of the sole proprietor. If your firm is a partnership or corporation, enter the name shown on the firm's tax return. If submitting a revised application and the firm(s) legal name is not changing, be sure this entry is identical to your original application.

**Line 1b.**—If your firm is a partnership or a corporation, provide the firm's employer identification number (EIN). If your firm is a sole proprietorship, with employees, provide the business employer identification number (EIN). If you do not have employees provide the social security number (SSN).

**Line 1c.**—If, for the purpose of IRS e-file, you or your firm use a doing business as (DBA) name(s) other than the name on line 1a, include the name(s) on this line. Use an

attachment sheet if necessary to list all names.

**line 1d.**—Answer this question "No" if your firm does not operate electronic filing businesses at more than one location (see Note below) or if this application is for a controlling office. A controlling office applies to firms that operate IRS e-file businesses at more than one location (see Note below) and the entries in lines 1a and 1b are the same on all applications. The firm must designate one location as the controlling office. Answer this question "Yes" if this application is not for a controlling office and completes lines 1e-1j and the rest of the form, including section 9 on page 2.

**Note:** For the purpose of this question, a drop-off collection point is not considered to be another business location.

**Line 1e.**—If 1d is "Yes", enter the controlling office name.

**Line 1f.**—If 1d is "Yes", enter the controlling office business address.

**Line 1g.**—If 1d is "Yes", enter the controlling office Electronic Transmitter Identification Number (ETIN), if applicable.

**Line 1h.**—If 1d is "Yes", enter the controlling office Electronic Filer Identification Number (EFIN), if applicable.

**Line 1i.**—Provide an original signature of the responsible officer of the controlling office.

**Line 1k.**—"Other" represents organizations that don't fall within the Category of a sole proprietorship, partnership or corporation. Examples are: Limited Liability for Partners and Partnerships (LLPs); Limited Liability for Corporations (LLCs); associations; credit unions; an employer or organization who offer the service as a benefit to its employees or members; government agencies; Volunteer Income Tax Assistance (VITA sites).

**Line 1l.**—Check the box only if you are providing IRS e-file and/or tax preparation as a benefit and are not using the services to attract customers who will pay for tax preparation services. Generally, few applicants meet the criteria for checking this box. Eligible entities include employers offering IRS e-file as a benefit to their employees, government agencies, VITA sites, etc. If you check this box, you must also attach a description of how you will process electronic returns.

**Lines 1m and 1o.**—These people must be available on a daily basis to answer IRS questions during testing and throughout the processing year.

**Line 1q.**—Mailing address if different from the business address. Include P.O. box, if applicable. Remember, bulk shipments or overnight mail cannot be addressed to a P.O. box. You must provide a year-round mailing address.

**Line 1r.**—Address of the physical location of the firm. A Post Office box (P.O. box) will not be accepted as the location of your firm. Foreign locations must complete number 11 of this application.

**Line 3.**—Check all that apply. If you answer 3a

"Yes," you must indicate if you will be using IBM 3760 bi-synchronous or asynchronous communication protocol.

**Line 4a-4d.**—Misrepresentation when answering these questions may result in the rejection of an application to participate in the IRS e-file Program. Monetary crimes include, but are not limited to, money laundering, embezzlement, etc.

**Line 5.**—A "Yes" entry on this line will be combined with entries you make on line 3e. This will allow your EFIN to be accepted at multiple service centers to enable you to submit Federal/State returns to centers other than your primary service center.

**Line 6.**—If you answer "Yes" to this question you must check the box in 3e for Andover in addition to any other boxes that are applicable.

**Lines 8 and 9.**—Each individual listed must be a U.S. citizen or lawful permanent resident, have attained the age of 21 as of the date of the application, and if applying to be an Electronic Return Originator, meet state and local licensing and/or bonding requirements.

### Page 2

**Line 9.—Tier I Responsible Officials.**—Include first time applicants, reapplicants, and those individuals who have not otherwise participated in the electronic filing or IRS e-file program as responsible officials during the last two consecutive filing seasons. Tier I responsible officials may be listed on a maximum of ten applications, but if so, the responsible official should be able to physically visit any office on a daily basis.

**Tier II Responsible Officials.**—Must have participated as responsible officials for the last two consecutive filing seasons and have never been suspended from the electronic filing or IRS e-file program. Tier II responsible officials may be listed on a maximum of 20 applications, but if so, the responsible official should be able to physically visit any office on a daily basis.

**Line 10.—Drop-Off Collection Points.**—A drop-off collection point is where taxpayers can deposit their completed tax return, including Form 8453, for the purpose of having you file their returns electronically. Follow the format on Page 2 for a listing of your drop-off collection points. If you acquire additional drop-off collection points after you file your application, you will need to submit a revised Form 8633.

**Line 11.**—If you complete line 11 then be sure to complete lines 1m, 1n, 1o, 1p, and 1q of Form 8633 for contact representatives in the United States. Do not complete line 1r. Correspondence will occur through the contact representatives you list.

**Line 12-14.—Signature lines.** The responsible officer to act and sign for the firm in legal and/or tax matters should complete these lines.

# 1998 Workbook

Mail your application(s) to the address shown below.

Daytime: Internal Revenue Service  
Andover Service Center  
Attn: EFU Acceptance  
Testing Stop 983  
P.O. Box 4099  
Woburn, MA 01888-4099

Overnight Mail: Internal Revenue Service  
Andover Service Center  
Attn: EFU Acceptance  
Testing Stop 983  
310 Lowell Street  
Andover, MA 05501

Line 3f Chart		
YOUR REGULAR SERVICE CENTER RELATIONSHIP		ADDITIONAL SERVICE CENTER RELATIONSHIPS
<p>If you are an ERO and your business location is one of the following states, check this service center on your application.</p> <p>If you are a TRANSMITTER, SERVICE BUREAU or SOFTWARE DEVELOPER, check all the service centers where your clients and customers will be transmitting returns.</p> <p>If you are an ON-LINE TRANSMITTER, check all five service centers.</p>	<b>Service Center</b>	If you are a Federal/State ERO and your clients file state returns for the states listed below, add the associated service center to your application
Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, Virginia	<b>ANDOVER</b>	Connecticut, Delaware, District of Columbia, Maryland, New Jersey, New York, Pennsylvania, Rhode Island, Virginia
Illinois, Iowa, Kansas, Minnesota, Missouri, New Mexico, Oklahoma, Texas, Wisconsin	<b>AUSTIN</b>	Illinois, Iowa, Kansas, Missouri, New Mexico, Oklahoma, Wisconsin
Florida, Indiana, Kentucky, Michigan, Ohio, South Carolina, West Virginia	<b>CINCINNATI</b>	Indiana, Kentucky, Michigan, Ohio, South Carolina, West Virginia
Alabama, Arkansas, Georgia, Louisiana, Mississippi, North Carolina, Tennessee	<b>MEMPHIS</b>	Alabama, Arkansas, Georgia, Louisiana, Mississippi, North Carolina
Alaska, Arizona, California, Colorado, Hawaii, Idaho; Montana, Nebraska, Nevada, North Dakota, Oregon, South Dakota, Utah, Washington, Wyoming	<b>OGDEN</b>	Arizona, Colorado, Idaho, Montana, Nebraska, North Dakota, Oregon, Utah
If your clients file Forms 2555 or 2555-EZ with their Forms 1040, add Andover		

**Privacy Act Notice.** Privacy Act of 1974 requires that when we ask for information we tell you our legal right to ask for the information, why we are asking for it, and how it will be used. We must also tell you what could happen if we do not receive it, and whether your response is voluntary, required to obtain a benefit, or mandatory.

Our legal right to ask for information is 5 U.S.C. 301, 5 U.S.C. 500, 551-559, 31 U.S.C. 330, and Executive Order 9397.

We are asking for this information to verify your standing as a person qualified to participate in the IRS e-file program. The information you provide may be disclosed to the FBI and other agencies for background checks, to credit bureaus for credit checks, and to third parties to determine your suitability.

The IRS also may be compelled to disclose information to the public in response to requests made under 5 U.S.C. 552, the Freedom of Information

Act, information that may be released could include your name and business address and whether you are licensed or bonded in accordance with state or local requirements.

Your response is voluntary. However, if you do not provide the requested information, you could be disqualified from participating in the IRS e-file program.

If you provide fraudulent information, you may be subject to criminal prosecution.

**Paperwork Reduction Act Notice.** We ask for the information on this form to carry out the Internal Revenue laws of the United States. You must give us the information if you wish to participate in the IRS e-file program. We need it to process your application to file individual income tax returns electronically.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act

unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law.

Generally, tax returns and return information are confidential, as required by Code section 6103. The time needed to complete this form will vary depending on the individual circumstances. The estimated time is 60 minutes. If you have comments concerning the accuracy of this time estimate or suggestions for making this form simpler, we would be happy to hear from you.

You can write to the Tax Forms Committee, Western Area Distribution Center, Rancho Cordova, CA 95743-0001. **DO NOT** send this application to this office. Instead, see instructions above for information on where to file.