

ASPPA *asap*

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Preparer Tax Identification Number (PTIN) - Get Yours Now

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▲ Background

Retirement plan practitioners are often called upon (and paid) to prepare certain tax returns for their clients. With limited exceptions, someone preparing a tax return for compensation is considered to be a "paid preparer".

Many tax returns require the signature and other information about the paid preparer, including the paid preparer's Social Security number (this is not required on Form 5500). In lieu of entering a Social Security number (and exposing oneself to possible identity theft), IRS allows paid preparers to obtain and use a Preparer Tax Identification Number (PTIN).

▲ What is a PTIN?

A PTIN is a unique identification number that a paid preparer can obtain from IRS. Without a PTIN, on forms that require preparer's signatures you must disclose your Social Security number on the tax returns you prepare. If you instead use a PTIN, you will satisfy the requirement of furnishing your identifying number pursuant to IRC §6109(a)(4). Note that the PTIN cannot be used in place of the Employer Identification Number (EIN) of the tax preparation firm, which also must be provided.

▲ When do you use a PTIN?

Use your PTIN when, as a paid preparer, you prepare a tax return that require the preparer's signature. Forms of this type that retirement plan practitioners would be expected to prepare include Forms 945, 990-T, and 5330.

▲ Why should practitioners apply for and use a PTIN?

Practitioners should use the PTIN to protect themselves from compromised security and identity theft.

▲ How do you obtain a PTIN?

If you are a paid preparer you may apply to IRS for a PTIN.

Note that you do not have to be a Circular 230 practitioner (Attorney, CPA, Enrolled Agent, Enrolled Actuary or ERPA) to obtain a PTIN.

There are 3 ways to obtain a PTIN; using the IRS form (see 2 and 3 below) is substantially simpler than the online process explained below.

1. **Online** - Go to <https://ia2.www4.irs.gov/e-services/Registration/index.htm>. This is the webpage to register to use IRS e-services. Once you have registered, follow the online instructions to have a PTIN assigned. You will receive your PTIN via regular mail.
2. **Fax** - Complete Form W-7P (downloadable at <http://www.irs.gov/pub/irs-pdf/fw7p.pdf>) and fax it to IRS at (631) 687-3850.
3. **Mail** - Complete Form W-7P (downloadable at <http://www.irs.gov/pub/irs-pdf/fw7p.pdf>) and mail it to:
Internal Revenue Service
P.O. Box 9003
Holtsville, NY 11742-9003

If you've applied for a PTIN, but haven't yet received it yet, do not write "PTIN applied for" on a form you've prepared. You must either use your Social Security number or wait for your PTIN to arrive.

▲ Conclusion

If you prepare a tax form for compensation, you *ARE* a paid tax return preparer. Don't compromise your security or expose yourself to identity theft. Get a PTIN today.

▲ Special Note

In order to apply for the Enrolled Retirement Plan Agent (ERPA) designation you will need to obtain a PTIN.