

**January 4, 2018**

**Working Together Conference**



***“Hot Topics Panel”***

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**IRS Statement on 2018 Filing Season Start Date**  
**Nov. 3, 2017**

The IRS has not yet announced a date that it will begin accepting individual tax returns for the 2018 tax filing season. At the present time, the IRS is continuing to update its programming and processing systems for 2018. In addition, the IRS continues to closely monitor potential legislation that could affect the 2018 tax season, including a number of “extender” tax provisions that expired at the end of 2016 that could potentially be renewed for tax year 2017 by Congress.

The IRS anticipates it will not be at a point to announce a filing season start date until later in the calendar year. The IRS will continue to work closely with the nation’s tax professionals and software community as preparations continue for the 2018 tax filing season.

Speculation on the Internet that the IRS will begin accepting tax returns on Jan. 22 or after the Martin Luther King Jr. Day holiday in January is inaccurate and misleading; no such date has been set.

**Refund Timing**

In addition, the IRS cautions taxpayers from relying on misleading refund charts on the internet that project tax refund dates. Any speculation about refund dates in 2018 is premature. In addition, these refund charts can overlook that many different factors affect the timing of tax refunds, ranging from the accuracy of information on the return to whether a taxpayer files electronically. In addition, the IRS and state revenue departments have increased their security protocols against identity theft and refund fraud, which also can affect the timing of federal and state refunds.

The IRS issues more than nine out of 10 refunds in less than 21 days. However, it’s possible your tax return may require additional review and take longer. [Where’s My Refund?](#) has the most up to date information available about your refund. The tool is updated no more than once a day so you don’t need to check more often. If you use a mobile device you can download the IRS2Go app to check your refund status.

E-File coupled with Direct Deposit remains the fastest way for taxpayers to receive their refunds.

Due to law changes first affecting last year’s returns, the IRS cannot issue refunds for tax returns claiming the EITC or ACTC before mid-February. This law requires the IRS to hold the entire refund — even the portion not associated with the EITC or ACTC. However, there is no need to wait to file such returns since the IRS will process them to the point of refund and then begin refund release when permitted by law.

## **IRS Statement on Health Care Reporting Requirement**

For the upcoming 2018 filing season, the IRS will not accept electronically filed tax returns where the taxpayer does not address the health coverage requirements of the [Affordable Care Act](#). The IRS will not accept the electronic tax return until the taxpayer indicates whether they had coverage, had an exemption or will make a shared responsibility payment. In addition, returns filed on paper that do not address the health coverage requirements may be suspended pending the receipt of additional information and any refunds may be delayed.

To avoid refund and processing delays when filing 2017 tax returns in 2018, taxpayers should indicate whether they and everyone on their return had coverage, qualified for an exemption from the coverage requirement or are making an individual shared responsibility payment. This process reflects the requirements of the ACA and the IRS's obligation to administer the health care law.

Taxpayers remain obligated to follow the law and pay what they may owe at the point of filing. The 2018 filing season will be the first time the IRS will not accept tax returns that omit this information. After a review of our process and discussions with the National Taxpayer Advocate, the IRS has determined identifying omissions and requiring taxpayers to provide health coverage information at the point of filing makes it easier for the taxpayer to successfully file a tax return and minimizes related refund delays.

For the year Jan. 1–Dec. 31, 2017, or other tax year beginning , 2017, ending , 20 See separate instructions.

Your first name and initial Last name Your social security number

If a joint return, spouse's first name and initial Last name Spouse's social security number

Home address (number and street). If you have a P.O. box, see instructions. Apt. no. Make sure the SSN(s) above and on line 6c are correct.

City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions). Presidential Election Campaign

Foreign country name Foreign province/state/county Foreign postal code Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund.

Filing Status

- 1 Single
2 Married filing jointly (even if only one had income)
3 Married filing separately. Enter spouse's SSN above and full name here.
4 Head of household (with qualifying person). (See instructions.)
5 Qualifying widow(er) (see instructions)

Exemptions

Table with columns for exemption types (6a, b, c), dependent details (1-4), and summary boxes (6a, 6b, 6c, 6d).

Income

Table for income reporting with lines 7 through 22, including categories like wages, interest, dividends, and other income.

Adjusted Gross Income

Table for adjusted gross income reporting with lines 23 through 37, including deductions for educator expenses, moving costs, and other adjustments.

Tax and Credits

Standard Deduction for—

• People who check any box on line 39a or 39b or who can be claimed as a dependent, see instructions.

• All others: Single or Married filing separately, \$6,350 Married filing jointly or Qualifying widow(er), \$12,700 Head of household, \$9,350

38 Amount from line 37 (adjusted gross income) 38
39a Check [ ] You were born before January 2, 1953, [ ] Blind. Total boxes checked 39a [ ]
if: [ ] Spouse was born before January 2, 1953, [ ] Blind.
b If your spouse itemizes on a separate return or you were a dual-status alien, check here 39b [ ]
40 Itemized deductions (from Schedule A) or your standard deduction (see left margin) 40
41 Subtract line 40 from line 38 41
42 Exemptions. If line 38 is \$156,900 or less, multiply \$4,050 by the number on line 6d. Otherwise, see instructions 42
43 Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0- 43
44 Tax (see instructions). Check if any from: a [ ] Form(s) 8814 b [ ] Form 4972 c [ ] 44
45 Alternative minimum tax (see instructions). Attach Form 6251 45
46 Excess advance premium tax credit repayment. Attach Form 8962 46
47 Add lines 44, 45, and 46 47
48 Foreign tax credit. Attach Form 1116 if required 48
49 Credit for child and dependent care expenses. Attach Form 2441 49
50 Education credits from Form 8863, line 19 50
51 Retirement savings contributions credit. Attach Form 8880 51
52 Child tax credit. Attach Schedule 8812, if required. 52
53 Residential energy credit. Attach Form 5695 53
54 Other credits from Form: a [ ] 3800 b [ ] 8801 c [ ] 54
55 Add lines 48 through 54. These are your total credits 55
56 Subtract line 55 from line 47. If line 55 is more than line 47, enter -0- 56

Other Taxes

57 Self-employment tax. Attach Schedule SE 57
58 Unreported social security and Medicare tax from Form: a [ ] 4137 b [ ] 8919 58
59 Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required 59
60a Household employment taxes from Schedule H 60a
b First-time homebuyer credit repayment. Attach Form 5405 if required 60b
61 Health care: individual responsibility (see instructions) Full-year coverage [ ] 61
62 Taxes from: a [ ] Form 8959 b [ ] Form 8960 c [ ] Instructions; enter code(s) 62
63 Add lines 56 through 62. This is your total tax 63

Payments

If you have a qualifying child, attach Schedule EIC.

64 Federal income tax withheld from Forms W-2 and 1099 64
65 2017 estimated tax payments and amount applied from 2016 return 65
66a Earned income credit (EIC) 66a
b Nontaxable combat pay election 66b
67 Additional child tax credit. Attach Schedule 8812 67
68 American opportunity credit from Form 8863, line 8 68
69 Net premium tax credit. Attach Form 8962 69
70 Amount paid with request for extension to file 70
71 Excess social security and tier 1 RRTA tax withheld 71
72 Credit for federal tax on fuels. Attach Form 4136 72
73 Credits from Form: a [ ] 2439 b [ ] Reserved c [ ] 8885 d [ ] 73
74 Add lines 64, 65, 66a, and 67 through 73. These are your total payments 74

Refund

Direct deposit? See instructions.

75 If line 74 is more than line 63, subtract line 63 from line 74. This is the amount you overpaid 75
76a Amount of line 75 you want refunded to you. If Form 8888 is attached, check here 76a
b Routing number c Type: [ ] Checking [ ] Savings
d Account number

Amount You Owe

77 Amount of line 75 you want applied to your 2018 estimated tax 77
78 Amount you owe. Subtract line 74 from line 63. For details on how to pay, see instructions 78
79 Estimated tax penalty (see instructions) 79

Third Party Designee

Do you want to allow another person to discuss this return with the IRS (see instructions)? [ ] Yes. Complete below. [ ] No
Designee's name Phone no. Personal identification number (PIN)


Sign Here

Joint return? See instructions. Keep a copy for your records.

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and accurately list all amounts and sources of income I received during the tax year. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.
Your signature Date Your occupation Daytime phone number
Spouse's signature. If a joint return, both must sign. Date Spouse's occupation If the IRS sent you an Identity Protection PIN, enter it here (see inst.)

Paid Preparer Use Only

Print/Type preparer's name Preparer's signature Date Check [ ] if self-employed PTIN
Firm's name Firm's EIN
Firm's address Phone no.

		<b>a</b> Employee's social security number		OMB No. 1545-0008		Safe, accurate, <b>FAST! Use</b>				Visit the IRS website at <a href="http://www.irs.gov/efile">www.irs.gov/efile</a>			
<b>b</b> Employer identification number (EIN)				<b>1</b> Wages, tips, other compensation				<b>2</b> Federal income tax withheld					
<b>c</b> Employer's name, address, and ZIP code				<b>3</b> Social security wages				<b>4</b> Social security tax withheld					
				<b>5</b> Medicare wages and tips				<b>6</b> Medicare tax withheld					
				<b>7</b> Social security tips				<b>8</b> Allocated tips					
<b>d</b> Control number				<b>9</b> Verification code				<b>10</b> Dependent care benefits					
<b>e</b> Employee's first name and initial		Last name		Suff.		<b>11</b> Nonqualified plans				<b>12a</b> See instructions for box 12			
<b>f</b> Employee's address and ZIP code						<b>13</b> Statutory employee		Retirement plan		Third-party sick pay			
						<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>		<b>12b</b>	
						<b>14</b> Other						<b>12c</b>	
										<b>12d</b>			
<b>15</b> State		Employer's state ID number		<b>16</b> State wages, tips, etc.		<b>17</b> State income tax		<b>18</b> Local wages, tips, etc.		<b>19</b> Local income tax		<b>20</b> Locality name	

Form **W-2** Wage and Tax Statement

2017

Department of the Treasury—Internal Revenue Service

Copy B—To Be Filed With Employee's FEDERAL Tax Return.  
This information is being furnished to the Internal Revenue Service.

## Notice to Employee

**Do you have to file?** Refer to the Form 1040 instructions to determine if you are required to file a tax return. Even if you don't have to file a tax return, you may be eligible for a refund if box 2 shows an amount or if you are eligible for any credit.

**Earned income credit (EIC).** You may be able to take the EIC for 2017 if your adjusted gross income (AGI) is less than a certain amount. The amount of the credit is based on income and family size. Workers without children could qualify for a smaller credit. You and any qualifying children must have valid social security numbers (SSNs). You can't take the EIC if your investment income is more than the specified amount for 2017 or if income is earned for services provided while you were an inmate at a penal institution. For 2017 income limits and more information, visit [www.irs.gov/eitc](http://www.irs.gov/eitc). Also see Pub. 596, Earned Income Credit. **Any EIC that is more than your tax liability is refunded to you, but only if you file a tax return.**

**Clergy and religious workers.** If you aren't subject to social security and Medicare taxes, see Pub. 517, Social Security and Other Information for Members of the Clergy and Religious Workers.

**Corrections.** If your name, SSN, or address is incorrect, correct Copies B, C, and 2 and ask your employer to correct your employment record. Be sure to ask the employer to file Form W-2c, Corrected Wage and Tax Statement, with the Social Security Administration (SSA)

to correct any name, SSN, or money amount error reported to the SSA on Form W-2. Be sure to get your copies of Form W-2c from your employer for all corrections made so you may file them with your tax return. If your name and SSN are correct but aren't the same as shown on your social security card, you should ask for a new card that displays your correct name at any SSA office or by calling 1-800-772-1213. You also may visit the SSA at [www.SSA.gov](http://www.SSA.gov).

**Cost of employer-sponsored health coverage (if such cost is provided by the employer).** The reporting in box 12, using code DD, of the cost of employer-sponsored health coverage is for your information only. **The amount reported with code DD is not taxable.**

**Credit for excess taxes.** If you had more than one employer in 2017 and more than \$7,886.40 in social security and/or Tier 1 railroad retirement (RRTA) taxes were withheld, you may be able to claim a credit for the excess against your federal income tax. If you had more than one railroad employer and more than \$4,630.50 in Tier 2 RRTA tax was withheld, you also may be able to claim a credit. See your Form 1040 or Form 1040A instructions and Pub. 505, Tax Withholding and Estimated Tax.

(Also see *Instructions for Employee* on the back of Copy C.)

**Instructions for Employee** (Also see *Notice to Employee*, on the back of Copy B.)

**Box 1.** Enter this amount on the wages line of your tax return.

**Box 2.** Enter this amount on the federal income tax withheld line of your tax return.

**Box 5.** You may be required to report this amount on Form 8959, Additional Medicare Tax. See the Form 1040 instructions to determine if you are required to complete Form 8959.

**Box 6.** This amount includes the 1.45% Medicare Tax withheld on all Medicare wages and tips shown in box 5, as well as the 0.9% Additional Medicare Tax on any of those Medicare wages and tips above \$200,000.

**Box 8.** This amount is **not** included in boxes 1, 3, 5, or 7. For information on how to report tips on your tax return, see your Form 1040 instructions.

You must file Form 4137, Social Security and Medicare Tax on Unreported Tip Income, with your income tax return to report at least the allocated tip amount unless you can prove that you received a smaller amount. If you have records that show the actual amount of tips you received, report that amount even if it is more or less than the allocated tips. On Form 4137 you will calculate the social security and Medicare tax owed on the allocated tips shown on your Form(s) W-2 that you must report as income and on other tips you did not report to your employer. By filing Form 4137, your social security tips will be credited to your social security record (used to figure your benefits).

**Box 9.** If you are e-filing and if there is a code in this box, enter it when prompted by your software. This code assists the IRS in validating the W-2 data submitted with your return. The code is not entered on paper-filed returns.

**Box 10.** This amount includes the total dependent care benefits that your employer paid to you or incurred on your behalf (including amounts from a section 125 (cafeteria) plan). Any amount over \$5,000 is also included in box 1. Complete Form 2441, Child and Dependent Care Expenses, to compute any taxable and nontaxable amounts.

**Box 11.** This amount is (a) reported in box 1 if it is a distribution made to you from a nonqualified deferred compensation or nongovernmental section 457(b) plan, or (b) included in box 3 and/or 5 if it is a prior year deferral under a nonqualified or section 457(b) plan that became taxable for social security

and Medicare taxes this year because there is no longer a substantial risk of forfeiture of your right to the deferred amount. This box shouldn't be used if you had a deferral and a distribution in the same calendar year. If you made a deferral and received a distribution in the same calendar year, and you are or will be age 62 by the end of the calendar year, your employer should file Form SSA-131, Employer Report of Special Wage Payments, with the Social Security Administration and give you a copy.

**Box 12.** The following list explains the codes shown in box 12. You may need this information to complete your tax return. Elective deferrals (codes D, E, F, and S) and designated Roth contributions (codes AA, BB, and EE) under all plans are generally limited to a total of \$18,000 (\$12,500 if you only have SIMPLE plans; \$21,000 for section 403(b) plans if you qualify for the 15-year rule explained in Pub. 571). Deferrals under code G are limited to \$18,000. Deferrals under code H are limited to \$7,000.

However, if you were at least age 50 in 2017, your employer may have allowed an additional deferral of up to \$6,000 (\$3,000 for section 401(k)(11) and 408(p) SIMPLE plans). This additional deferral amount is not subject to the overall limit on elective deferrals. For code G, the limit on elective deferrals may be higher for the last 3 years before you reach retirement age. Contact your plan administrator for more information. Amounts in excess of the overall elective deferral limit must be included in income. See the "Wages, Salaries, Tips, etc." line instructions for Form 1040.

**Note:** If a year follows code D through H, S, Y, AA, BB, or EE, you made a make-up pension contribution for a prior year(s) when you were in military service. To figure whether you made excess deferrals, consider these amounts for the year shown, not the current year. If no year is shown, the contributions are for the current year.

**A—**Uncollected social security or RRTA tax on tips. Include this tax on Form 1040. See "Other Taxes" in the Form 1040 instructions.

**B—**Uncollected Medicare tax on tips. Include this tax on Form 1040. See "Other Taxes" in the Form 1040 instructions.

**C—**Taxable cost of group-term life insurance over \$50,000 (included in boxes 1, 3 (up to social security wage base), and 5)

**D—**Elective deferrals to a section 401(k) cash or deferred arrangement. Also includes deferrals under a SIMPLE retirement account that is part of a section 401(k) arrangement.

**E—**Elective deferrals under a section 403(b) salary reduction agreement

*(continued on back of Copy 2)*



## Instructions for Employee *(continued from back of Copy C)*

**F**—Elective deferrals under a section 408(k)(6) salary reduction SEP

**G**—Elective deferrals and employer contributions (including nonelective deferrals) to a section 457(b) deferred compensation plan

**H**—Elective deferrals to a section 501(c)(18)(D) tax-exempt organization plan. See “Adjusted Gross Income” in the Form 1040 instructions for how to deduct.

**J**—Nontaxable sick pay (information only, not included in boxes 1, 3, or 5)

**K**—20% excise tax on excess golden parachute payments. See “Other Taxes” in the Form 1040 instructions.

**L**—Substantiated employee business expense reimbursements (nontaxable)

**M**—Uncollected social security or RRTA tax on taxable cost of group-term life insurance over \$50,000 (former employees only). See “Other Taxes” in the Form 1040 instructions.

**N**—Uncollected Medicare tax on taxable cost of group-term life insurance over \$50,000 (former employees only). See “Other Taxes” in the Form 1040 instructions.

**P**—Excludable moving expense reimbursements paid directly to employee (not included in boxes 1, 3, or 5)

**Q**—Nontaxable combat pay. See the instructions for Form 1040 or Form 1040A for details on reporting this amount.

**R**—Employer contributions to your Archer MSA. Report on Form 8853, Archer MSAs and Long-Term Care Insurance Contracts.

**S**—Employee salary reduction contributions under a section 408(p) SIMPLE plan (not included in box 1)

**T**—Adoption benefits (not included in box 1). Complete Form 8839, Qualified Adoption Expenses, to compute any taxable and nontaxable amounts.

**V**—Income from exercise of nonstatutory stock option(s) (included in boxes 1, 3 (up to social security wage base), and 5). See Pub. 525, Taxable and Nontaxable Income, for reporting requirements.

**W**—Employer contributions (including amounts the employee elected to contribute using a section 125 (cafeteria) plan) to your health savings account. Report on Form 8889, Health Savings Accounts (HSAs).

**Y**—Deferrals under a section 409A nonqualified deferred compensation plan

**Z**—Income under a nonqualified deferred compensation plan that fails to satisfy section 409A. This amount is also included in box 1. It is subject to an additional 20% tax plus interest. See “Other Taxes” in the Form 1040 instructions.

**AA**—Designated Roth contributions under a section 401(k) plan

**BB**—Designated Roth contributions under a section 403(b) plan

**DD**—Cost of employer-sponsored health coverage. **The amount reported with Code DD is not taxable.**

**EE**—Designated Roth contributions under a governmental section 457(b) plan. This amount does not apply to contributions under a tax-exempt organization section 457(b) plan.

**FF**—Permitted benefits under a qualified small employer health reimbursement arrangement

**Box 13.** If the “Retirement plan” box is checked, special limits may apply to the amount of traditional IRA contributions you may deduct. See Pub. 590-A, Contributions to Individual Retirement Arrangements (IRAs).

**Box 14.** Employers may use this box to report information such as state disability insurance taxes withheld, union dues, uniform payments, health insurance premiums deducted, nontaxable income, educational assistance payments, or a member of the clergy’s parsonage allowance and utilities. Railroad employers use this box to report railroad retirement (RRTA) compensation, Tier 1 tax, Tier 2 tax, Medicare tax and Additional Medicare Tax. Include tips reported by the employee to the employer in railroad retirement (RRTA) compensation.

**Note:** Keep **Copy C** of Form W-2 for at least 3 years after the due date for filing your income tax return. However, to help **protect your social security benefits**, keep Copy C until you begin receiving social security benefits, just in case there is a question about your work record and/or earnings in a particular year.



## News Release

Media Relations Office

Washington, D.C.

Media Contact: 202.317.4000

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

Public Contact: 800.829.1040

**Reminder to Employers and Other Businesses: Jan. 31 Filing Deadline  
Now Applies to All Wage Statements and Independent Contractor Forms**

IR-2017-189, Nov. 16, 2017

WASHINGTON — The Internal Revenue Service today reminded employers and other businesses of the Jan. 31 filing deadline that now applies to filing wage statements and independent contractor forms with the government.

The Protecting Americans from Tax Hikes (PATH) Act includes a requirement for employers to file their copies of [Form W-2](#) and [Form W-3](#) with the Social Security Administration by Jan. 31. The Jan. 31 deadline also applies to certain [Forms 1099-MISC](#) filed with IRS to report non-employee compensation to independent contractors. Such payments are reported in box 7 of this form.

This deadline makes it easier for the IRS to verify income that individuals report on their tax returns and helps prevent fraud. Failure to file these forms correctly and timely may result in penalties. As always, the IRS urges employers and other businesses to take advantage of the accuracy, speed and convenience of filing these forms electronically.

**Hints to help filers get ready**

Employers should verify employees' information. This includes names, addresses, Social Security or individual taxpayer identification numbers. They should also ensure their company's account information is current and active with the Social Security Administration before January. If paper Forms W-2 are needed, they should be ordered early.

An extension of time to file Forms W-2 is no longer automatic. The IRS will only grant extensions for very specific reasons. Details can be found on the instructions for [Form 8809](#).

For more information, read the instructions for [Forms W-2 & W-3](#) and the [Information Return Penalties](#) page at IRS.gov.

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**Education Credits  
(American Opportunity and Lifetime Learning Credits)**

Department of the Treasury  
Internal Revenue Service (99)

▶ Attach to Form 1040 or Form 1040A.

**2017**  
Attachment  
Sequence No. **50**

▶ Go to [www.irs.gov/Form8863](http://www.irs.gov/Form8863) for instructions and the latest information.

Name(s) shown on return

Your social security number



*Complete a separate Part III on page 2 for each student for whom you're claiming either credit before you complete Parts I and II.*

**Part I Refundable American Opportunity Credit**

<b>1</b>	After completing Part III for each student, enter the total of all amounts from all Parts III, line 30 . . . . .	<b>1</b>	
<b>2</b>	Enter: \$180,000 if married filing jointly; \$90,000 if single, head of household, or qualifying widow(er) . . . . .	<b>2</b>	
<b>3</b>	Enter the amount from Form 1040, line 38, or Form 1040A, line 22. If you're filing Form 2555, 2555-EZ, or 4563, or you're excluding income from Puerto Rico, see Pub. 970 for the amount to enter . . . . .	<b>3</b>	
<b>4</b>	Subtract line 3 from line 2. If zero or less, <b>stop</b> ; you can't take any education credit . . . . .	<b>4</b>	
<b>5</b>	Enter: \$20,000 if married filing jointly; \$10,000 if single, head of household, or qualifying widow(er) . . . . .	<b>5</b>	
<b>6</b>	If line 4 is: • Equal to or more than line 5, enter 1.000 on line 6 . . . . . • Less than line 5, divide line 4 by line 5. Enter the result as a decimal (rounded to at least three places) . . . . .	<b>6</b>	
<b>7</b>	Multiply line 1 by line 6. <b>Caution:</b> If you were under age 24 at the end of the year <b>and</b> meet the conditions described in the instructions, you <b>can't</b> take the refundable American opportunity credit; skip line 8, enter the amount from line 7 on line 9, and check this box . . . . . <input type="checkbox"/>	<b>7</b>	
<b>8</b>	<b>Refundable American opportunity credit.</b> Multiply line 7 by 40% (0.40). Enter the amount here and on Form 1040, line 68, or Form 1040A, line 44. Then go to line 9 below. . . . .	<b>8</b>	

**Part II Nonrefundable Education Credits**

<b>9</b>	Subtract line 8 from line 7. Enter here and on line 2 of the Credit Limit Worksheet (see instructions)	<b>9</b>	
<b>10</b>	After completing Part III for each student, enter the total of all amounts from all Parts III, line 31. If zero, skip lines 11 through 17, enter -0- on line 18, and go to line 19 . . . . .	<b>10</b>	
<b>11</b>	Enter the smaller of line 10 or \$10,000 . . . . .	<b>11</b>	
<b>12</b>	Multiply line 11 by 20% (0.20) . . . . .	<b>12</b>	
<b>13</b>	Enter: \$132,000 if married filing jointly; \$66,000 if single, head of household, or qualifying widow(er) . . . . .	<b>13</b>	
<b>14</b>	Enter the amount from Form 1040, line 38, or Form 1040A, line 22. If you're filing Form 2555, 2555-EZ, or 4563, or you're excluding income from Puerto Rico, see Pub. 970 for the amount to enter . . . . .	<b>14</b>	
<b>15</b>	Subtract line 14 from line 13. If zero or less, skip lines 16 and 17, enter -0- on line 18, and go to line 19 . . . . .	<b>15</b>	
<b>16</b>	Enter: \$20,000 if married filing jointly; \$10,000 if single, head of household, or qualifying widow(er) . . . . .	<b>16</b>	
<b>17</b>	If line 15 is: • Equal to or more than line 16, enter 1.000 on line 17 and go to line 18 • Less than line 16, divide line 15 by line 16. Enter the result as a decimal (rounded to at least three places) . . . . .	<b>17</b>	
<b>18</b>	Multiply line 12 by line 17. Enter here and on line 1 of the Credit Limit Worksheet (see instructions) ▶	<b>18</b>	
<b>19</b>	<b>Nonrefundable education credits.</b> Enter the amount from line 7 of the Credit Limit Worksheet (see instructions) here and on Form 1040, line 50, or Form 1040A, line 33 . . . . .	<b>19</b>	

For Paperwork Reduction Act Notice, see your tax return instructions.

Cat. No. 25379M

Form **8863** (2017)



# Instructions for Form 8863

## Education Credits (American Opportunity and Lifetime Learning Credits)

### General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

#### Future Developments

For the latest information about developments related to Form 8863 and its instructions, such as legislation enacted after they were published, go to [IRS.gov/Form8863](http://IRS.gov/Form8863).

#### What's New

**Limits on modified adjusted gross income (MAGI).** The lifetime learning credit MAGI limit increases to \$132,000 if you're filing married filing jointly (\$66,000 if you're filing single, head of household, or qualifying widow(er)). The American opportunity credit MAGI limits remain unchanged. See Table 1 and the instructions for line 3 or line 14.

**Form 8862 may be required.** If your American opportunity credit was denied or reduced for any reason *other than a math or clerical error* for any tax year beginning after 2015, you must attach a completed Form 8862, Information To Claim Certain Refundable Credits After Disallowance, to your 2017 tax return to claim the credit in 2017. See Form 8862 and its instructions for details.

#### Reminders

**Form 1098-T requirement.** To be eligible to claim the American opportunity credit or the lifetime learning credit, the law requires a taxpayer (or a dependent) to have received Form 1098-T, Tuition Statement, from an eligible educational institution.

However, for tax year 2017, a taxpayer may claim one of these education benefits if the student doesn't receive a Form 1098-T because the student's educational institution isn't required to send a Form 1098-T to the student under existing rules (for example, if the student is a nonresident alien, has qualified education expenses paid entirely with scholarships, or has qualified education expenses paid under a formal billing arrangement, or is enrolled in courses for which no academic credit is awarded). If a student's educational institution isn't required to provide a Form 1098-T to the student, a taxpayer may claim one of these education benefits without a Form 1098-T if the taxpayer otherwise qualifies, can demonstrate that the taxpayer (or a dependent) was enrolled at an eligible

educational institution, and can substantiate the payment of qualified tuition and related expenses.



*To claim the American opportunity credit, you must provide the educational institution's employer identification number (EIN) on your Form 8863. You should be able to get this information from Form 1098-T or the educational institution.*

**Ban on claiming the American opportunity credit.** If you claim the American opportunity credit even though you're not eligible, you may be banned from claiming the credit for 2 or 10 years depending on your conduct. See the Caution statement under *American Opportunity Credit*, later.

**Taxpayer identification number (TIN) needed by due date of return.** If you don't have a TIN by the due date of your 2017 return (including extensions), you can't claim the American opportunity credit on either your original or an amended 2017 return, even if you later get a TIN. Also, the American opportunity credit isn't allowed on either your original or an amended 2017 return for a student who doesn't have a TIN by the due date of your return (including extensions), even if that student later gets a TIN.

#### Purpose of Form

Use Form 8863 to figure and claim your education credits, which are based on adjusted qualified education expenses paid to an eligible educational institution (postsecondary). For 2017, there are two education credits.

- The American opportunity credit, part of which may be refundable.
- The lifetime learning credit, which is nonrefundable.

A **refundable** credit can give you a refund even if you owe no tax and aren't otherwise required to file a tax return. A **nonrefundable** credit can reduce your tax, but any excess isn't refunded to you.

Both of these credits have different rules that can affect your eligibility to claim a specific credit. These differences are shown in Table 1.

Table 1. **Comparison of Education Credits for 2017**

**Caution:** You can claim both the American opportunity credit and the lifetime learning credit on the same return, but not for the same student.

	<b>American Opportunity Credit</b>	<b>Lifetime Learning Credit</b>
<b>Maximum credit</b>	Up to \$2,500 credit per <b>eligible student</b>	Up to \$2,000 credit per <b>return</b>
<b>Limit on modified adjusted gross income (MAGI)</b>	\$180,000 if married filing jointly; \$90,000 if single, head of household, or qualifying widow(er)	\$132,000 if married filing jointly; \$66,000 if single, head of household, or qualifying widow(er)
<b>Refundable or nonrefundable</b>	40% of credit may be refundable; the rest is nonrefundable	Nonrefundable—credit limited to the amount of tax you must pay on your taxable income
<b>Number of years of postsecondary education</b>	Available <b>ONLY</b> if the student had not completed the first 4 years of postsecondary education before 2017	Available for all years of postsecondary education and for courses to acquire or improve job skills
<b>Number of tax years credit available</b>	Available <b>ONLY</b> for 4 tax years per eligible student (including any year(s) Hope credit was claimed)	Available for an unlimited number of tax years
<b>Type of program required</b>	Student must be pursuing a program leading to a degree or other recognized education credential	Student doesn't need to be pursuing a program leading to a degree or other recognized education credential
<b>Number of courses</b>	Student must be enrolled at least half-time for at least one academic period beginning during 2017 (or the first 3 months of 2018 if the qualified expenses were paid in 2017)	Available for one or more courses
<b>Felony drug conviction</b>	As of the end of 2017, the student had not been convicted of a felony for possessing or distributing a controlled substance	Felony drug convictions don't make the student ineligible
<b>Qualified expenses</b>	Tuition, required enrollment fees, and course materials that the student needs for a course of study whether or not the materials are bought at the educational institution as a condition of enrollment or attendance	Tuition and required enrollment fees (including amounts required to be paid to the institution for course-related books, supplies, and equipment)
<b>Payments for academic periods</b>	Payments made in 2017 for academic periods beginning in 2017 or beginning in the first 3 months of 2018	
<b>TIN needed by filing due date</b>	Filers and students must have a TIN by the due date of their 2017 return (including extensions)	
<b>Educational institution's EIN</b>	You must provide the educational institution's employer identification number (EIN) on your Form 8863	

## Who Can Claim an Education Credit

You may be able to claim an education credit if you, your spouse, or a dependent you claim on your tax return was a student enrolled at or attending an eligible educational institution. For 2017, the credits are based on the amount of adjusted qualified education expenses paid for the student in 2017 for academic periods beginning in 2017 or beginning in the first 3 months of 2018.

**Academic period.** An academic period is any quarter, semester, trimester, or any other period of study as reasonably determined by an eligible educational institution. If an eligible educational institution uses credit hours or clock hours and doesn't have academic terms, each payment period may be treated as an academic period. For details, see *Academic period* in chapters 2 and 3 of Pub. 970.

**Who can claim a dependent's expenses.** If a student is claimed as a dependent on another person's tax return, all qualified education expenses of the student are treated as having been paid by that person. Therefore, only that person can claim an education credit for the student. If a student isn't claimed as a dependent on another person's tax return, only the student can claim a credit.

**Expenses paid by a third party.** Qualified education expenses paid on behalf of the student by someone other than the student (such as a relative) are treated as paid by the student. However, qualified education expenses paid (or treated as paid) by a student who is claimed as a dependent on your tax return are treated as paid by you. Therefore, you're treated as having paid expenses that were paid by the third party. For more information and an example, see *Who Can Claim a Dependent's Expenses* in Pub. 970, chapter 2 or 3.

**Who cannot claim a credit.** You cannot claim an education credit on a 2017 tax return if any of the following apply.

1. You're claimed as a dependent on another person's tax return, such as your parent's return.
2. Your filing status is married filing separately.
3. You (or your spouse) were a nonresident alien for any part of 2017 and didn't elect to be treated as a resident alien for tax purposes.
4. Your MAGI is the following.
  - a. For the American opportunity credit: \$180,000 or more if married filing jointly; or \$90,000 or more if single, head of household, or qualifying widow(er) with dependent child.
  - b. For the lifetime learning credit: \$132,000 or more if married filing jointly; or \$66,000 or more if single, head of household, or qualifying widow(er) with dependent child.

Generally, your MAGI is the amount on your Form 1040, line 38; or Form 1040A, line 22. However, if you're filing Form 2555, Foreign Earned Income; Form 2555-EZ, Foreign Earned Income Exclusion; or Form 4563, Exclusion of Income for Bona Fide Residents of American Samoa; or are excluding income from Puerto Rico, add to the amount on your Form 1040, line 38, or Form 1040A, line 22, the amount of income you excluded. For details, see Pub. 970.

## American Opportunity Credit



*Don't claim the American opportunity credit for 2 years after there was a final determination that your claim was due to reckless or intentional disregard of the rules, or 10 years after there was a final determination that your claim was due to fraud.*

You may be able to claim a credit of up to \$2,500 for adjusted qualified education expenses (defined later) paid for each student who qualifies for the American opportunity credit. This credit equals 100% of the first \$2,000 and 25% of the next \$2,000 of adjusted qualified education expenses paid for each eligible student. The amount of your credit for 2017 is gradually reduced (phased out) if your MAGI is between \$80,000 and \$90,000 (\$160,000 and \$180,000 if you file a joint return). You cannot claim a credit if your MAGI is \$90,000 or more (\$180,000 or more if you file a joint return).



*If you can choose between using a student's adjusted qualified education expenses for the American opportunity credit or the lifetime learning credit, the American opportunity credit will always be greater than the lifetime learning credit.*

**Student qualifications.** Generally, you can claim the American opportunity credit for a student on a 2017 tax return only if **all** of the following six requirements are met.

1. As of the beginning of 2017, the student had not completed the first 4 years of postsecondary education (generally, the freshman through senior years of college), as determined by the eligible educational institution. For this purpose, don't include academic credit awarded solely because of the student's performance on proficiency examinations.

2. Neither the American opportunity credit nor the Hope scholarship credit has been claimed (by you or anyone else) for this student for any 4 tax years before 2017. If the American opportunity credit (and Hope scholarship credit) has been claimed for this student for any 3 or fewer tax years before 2017, this requirement is met.

**Example 1.** Sharon was eligible for the American opportunity credit for 2011, 2012, 2013, and 2016. Her parents claimed the American opportunity credit for Sharon on their 2011, 2012, and 2013 tax returns. Sharon claimed the American opportunity credit on her 2016 tax return. The American opportunity credit has been claimed for Sharon for 4 tax years before 2017. Therefore, the American opportunity credit **cannot** be claimed for Sharon for 2017. If Sharon were to file Form 8863 for 2017, she would check "Yes" for Part III, line 23, and would be eligible to claim only the lifetime learning credit if she meets all other requirements.

**Example 2.** Wilbert was eligible for the American opportunity credit for 2013, 2014, 2015, and 2017. His parents claimed the American opportunity credit for Wilbert on their tax returns for 2013, 2014, and 2015. No one claimed an American opportunity credit or Hope scholarship credit for Wilbert for any other tax year. The American opportunity credit and Hope scholarship credit have been claimed for Wilbert for only 3 tax years before 2017. Therefore, Wilbert meets the second requirement to be eligible for the American opportunity credit. If Wilbert were to file Form 8863 for 2017, he would check "No" for Part III, line 23. If Wilbert meets all of the other requirements, he is eligible for the American opportunity credit.

3. For at least one academic period beginning or treated as beginning (see below) in 2017, the student both:

a. Was enrolled in a program that leads to a degree, certificate, or other recognized educational credential; and

b. Carried at least one-half the normal full-time workload for his or her course of study.

The standard for what is half of the normal full-time work load is determined by each eligible educational institution. However, the standard may not be lower than any of those established by the U.S. Department of Education under the Higher Education Act of 1965.

For 2017, treat an academic period beginning in the first 3 months of 2018 as if it began in 2017 if qualified education expenses for the student were paid in 2017 for that academic period. See *Prepaid Expenses*, later.

**Example.** Glenda enrolls on a full-time basis in a degree program for the 2018 Spring semester, which begins in January 2018. Glenda pays her tuition for the 2018 Spring semester in December 2017. Because the tuition Glenda paid in 2017 relates to an academic period that begins in the first 3 months of 2018, her eligibility to claim an American opportunity credit in 2017 is determined as if the 2018 Spring semester began in 2017. Therefore, Glenda satisfies this third requirement.

4. As of the end of 2017, the student had not been convicted of a federal or state felony for possessing or distributing a controlled substance.

5. Filers and students must have a TIN by the due date of their 2017 return (including extensions).

6. You must provide the educational institution's employer identification number (EIN) on your Form 8863.



*If the requirements above aren't met for any student, you cannot claim the American opportunity credit for that student. You may be able to claim the lifetime learning credit for part or all of that student's qualified education expenses instead, if certain requirements are met.*

## Lifetime Learning Credit

The lifetime learning credit equals 20% of adjusted qualified education expenses (defined later), up to a maximum of \$10,000 of adjusted qualified education expenses per return. Therefore, the maximum lifetime learning credit you can claim on your return for the year is \$2,000, regardless of the number of students for whom you paid qualified education expenses. The amount of your credit for 2017 is gradually reduced (phased out) if your MAGI is between \$56,000 and \$66,000 (\$112,000 and \$132,000 if you file a joint return). You cannot claim a credit if your MAGI is \$66,000 or more (\$132,000 or more if you file a joint return).

You cannot claim the lifetime learning credit for any student if you claim the American opportunity credit for that student for the same tax year.

## Qualified Education Expenses

Generally, qualified education expenses are amounts paid in 2017 for tuition and fees required for the student's enrollment or attendance at an eligible educational institution. It doesn't matter whether the expenses were paid in cash, by check, by credit or debit card, or with borrowed funds.

For course-related books, supplies, and equipment, only certain expenses qualify.

- American opportunity credit: Qualified education expenses include amounts spent on books, supplies, and equipment needed for a course of study, whether or not the materials are purchased from the educational institution as a condition of enrollment or attendance.
- Lifetime learning credit: Qualified education expenses include amounts for books, supplies, and equipment **only if** required to be paid to the institution as a condition of enrollment or attendance.

Qualified education expenses include nonacademic fees, such as student activity fees, athletic fees, or other expenses unrelated to the academic course of instruction, **only if** the fee must be paid to the institution as a condition of enrollment or attendance. However, fees for personal expenses (described below) are never qualified education expenses.


Qualified education expenses **don't** include amounts paid for the following.

- Personal expenses. This means room and board, insurance, medical expenses (including student health fees), transportation, and other similar personal, living, or family expenses.
- Any course or other education involving sports, games, or hobbies, or any noncredit course, unless such course or other education is part of the student's degree program or (for the lifetime learning credit only) helps the student acquire or improve job skills.

You may receive Form 1098-T from the institution reporting either payments received in 2017 (box 1) or amounts billed in 2017 (box 2). However, the amount in box 1 or 2 of Form 1098-T may be different from the amount you paid (or are treated as having paid). In completing Form 8863, use only the amounts you actually paid (plus any amounts you're treated as having paid) in 2017 (reduced, as necessary, as described in *Adjusted Qualified Education Expenses*, later). See chapters 2 and 3 of Pub. 970 for more information on Form 1098-T.


Qualified education expenses paid on behalf of the student by someone other than the student (such as a relative) are treated as paid by the student. Qualified education expenses paid (or treated as paid) by a student who is claimed as a dependent on your tax return are treated as paid by you.

If you or the student takes a deduction for higher education expenses, such as on Schedule A or Schedule C (Form 1040), you cannot use those same expenses in your qualified education expenses when figuring your education credits.

 Any qualified expenses used to figure the education credits cannot be taken into account in determining the amount of a distribution from a Coverdell ESA or a qualified tuition program (section 529 plan) that is excluded from gross income. See Pub. 970, chapters 6 and 7, for more information.

## Prepaid Expenses

Qualified education expenses paid in 2017 for an academic period that begins in the first 3 months of 2018 can be used in figuring an education credit for 2017 only. See *Academic period*, earlier. For example, if you pay \$2,000 in December 2017 for qualified tuition for the 2018 winter quarter that begins in January 2018, you can use that \$2,000 in figuring an education credit for 2017 only (if you meet all the other requirements).

 You cannot use any amount you paid in 2016 or 2018 to figure the qualified education expenses you use to figure your 2017 education credit(s).


## Adjusted Qualified Education Expenses

For each student, reduce the qualified education expenses paid in 2017 by or on behalf of that student under the following rules. The result is the amount of adjusted qualified education expenses for each student.

**Tax-free educational assistance.** For tax-free educational assistance received in 2017, reduce the qualified educational expenses for each academic period by the amount of tax-free educational assistance allocable to that academic period. See *Academic period*, earlier.


Tax-free educational assistance includes:

1. The tax-free part of any scholarship or fellowship grant (including Pell grants);
2. The tax-free part of any employer-provided educational assistance;
3. Veterans' educational assistance; and
4. Any other educational assistance that is excludable from gross income (tax free), other than as a gift, bequest, devise, or inheritance.

 You may be able to increase the combined value of an education credit if the student includes some or all of a scholarship or fellowship grant in income in the year it is received.

Generally, any scholarship or fellowship grant is treated as tax-free educational assistance. However, a scholarship or fellowship grant isn't treated as tax-free educational assistance to the extent the **student** includes it in gross income (the **student** may or may not be required to file a tax return) for the year the scholarship or fellowship grant is received and either:

- The scholarship or fellowship grant (or any part of it) **must** be applied (by its terms) to expenses (such as room and board) other than qualified education expenses, or
- The scholarship or fellowship grant (or any part of it) **may** be applied (by its terms) to expenses (such as room and board) other than qualified education expenses.

 A student cannot choose to include in income a scholarship or fellowship grant provided by an Indian tribal government that is excluded from income under the Tribal General Welfare Exclusion Act of 2014 or benefits provided by an educational program described in section 5.02(2)(b)(ii) of Rev. Proc. 2014-35, available at [IRS.gov/irb/2014-26\\_IRB#RP-2014-35](http://IRS.gov/irb/2014-26_IRB#RP-2014-35).

**Coordination with Pell grants and other scholarships or fellowship grants.** You may be able to increase an education credit and reduce your total tax or increase your tax refund if the student (you, your spouse, or your dependent) chooses to include all or part of certain scholarships or fellowship grants in income. The scholarship or fellowship grant must be one that may qualify as a tax-free scholarship under the rules discussed in chapter 1 of Pub. 970. Also, the scholarship or fellowship grant must be one that may (by its terms) be used for expenses other than qualified education expenses (such as room and board).

The fact that the educational institution applies the scholarship or fellowship grant to qualified education expenses (such as tuition and related fees) doesn't prevent the student from choosing to apply certain scholarships or fellowship grants to other expenses (such as room and board). By choosing to do so, the student will include the part applied to other expenses (such as room and board) in gross income and may be required to file a tax return. However, this allows payments made in cash, by check, by credit or debit card, or with borrowed funds such as a student loan, to be applied to qualified education expenses. These payments, unlike certain scholarships or fellowship grants, won't reduce the qualified education expenses available to figure an education credit. The result is generally a larger education credit that reduces your total tax or increases your tax refund.

**Example 1.** Last year, your child graduated from high school and enrolled in college for the fall semester. You and your child meet all other requirements to claim the American opportunity credit, and you need to determine adjusted qualified education expenses to figure the credit.

Your child has \$5,000 of qualified education expenses and \$4,000 of room and board. Your child received a \$5,000 Pell

grant and took out a \$2,750 student loan to pay these expenses. You paid the remaining \$1,250. The Pell grant by its terms may be used for any of these expenses.

If you and your child choose to apply the Pell grant to the qualified education expenses, it will qualify as a tax-free scholarship under the rules discussed in chapter 1 of Pub. 970. Your child won't include any part of the Pell grant in gross income. After reducing qualified education expenses by the tax-free scholarship, you will have \$0 (\$5,000 – \$5,000) of adjusted qualified education expenses available to figure your credit. Your credit will be \$0.

**Example 2.** The facts are the same as in *Example 1*. If, unlike in *Example 1*, you and your child choose to apply only \$1,000 of the Pell grant to the qualified education expenses and to apply the remaining \$4,000 to room and board, only \$1,000 will qualify as a tax-free scholarship.

Your child will include the \$4,000 applied to room and board in gross income, and it will be treated as earned income for purposes of determining whether your child is required to file a tax return. If the \$4,000 is your child's only income, your child won't be required to file a tax return.

After reducing qualified education expenses by the tax-free scholarship, you will have \$4,000 (\$5,000 – \$1,000) of adjusted qualified education expenses available to figure your credit. Your refundable American opportunity credit will be \$1,000. Your nonrefundable credit may be as much as \$1,500, but depends on your tax liability.

If you're not otherwise required to file a tax return, you should file to get a refund of your \$1,000 refundable credit, but your tax liability and nonrefundable credit will be \$0.

**Note.** The result may be different if your child has other income or if you're the student. If you're the student and you claim the earned income credit, choosing not to apply a Pell grant to qualified education expenses may decrease your earned income credit at certain income levels by increasing your adjusted gross income. For details and more examples, see Pub. 970.

**TIP** Unlike a scholarship or fellowship grant, a tax-free distribution from a Coverdell ESA or qualified tuition program (section 529 plan) can be applied to either qualified education expenses or certain other expenses (such as room and board) without creating a tax liability for the student. An education credit can be claimed in the same year the beneficiary takes a tax-free distribution from a Coverdell ESA or qualified tuition program, as long as the same expenses aren't used for both benefits. For details, see Pub. 970, chapter 7 or 8.

**Tax-free educational assistance treated as a refund.** Some tax-free educational assistance received after 2017 may be treated as a refund of qualified education expenses paid in 2017. This tax-free educational assistance is any tax-free educational assistance received by you or anyone else after 2017 for qualified education expenses paid on behalf of a student in 2017 (or attributable to enrollment at an eligible educational institution during 2017).

If this tax-free educational assistance is received after 2017, but before you file your 2017 income tax return, see *Refunds received after 2017, but before your income tax return is filed*, later. If this tax-free educational assistance is received after 2017 and after you file your 2017 income tax return, see *Refunds received after 2017 and after your income tax return is filed*, later.

**Refunds.** A refund of qualified education expenses may reduce qualified education expenses for the tax year or may require you to repay (recapture) the credit that you claimed in an earlier year. Some tax-free educational assistance received after 2017 may

be treated as a refund. See *Tax-free educational assistance treated as a refund*, earlier.

**Refunds received in 2017.** For each student, figure the adjusted qualified education expenses for 2017 by adding all the qualified education expenses paid in 2017 and subtracting any refunds of those expenses received from the eligible educational institution during 2017.

**Refunds received after 2017, but before your income tax return is filed.** If anyone receives a refund after 2017 of qualified education expenses paid on behalf of a student in 2017 and the refund is received before you file your 2017 income tax return, reduce the amount of qualified education expenses for 2017 by the amount of the refund.

**Refunds received after 2017 and after your income tax return is filed.** If anyone receives a refund after 2017 of qualified education expenses paid on behalf of a student in 2017 and the refund is received after you file your 2017 income tax return, you may need to repay some or all of the credit that you claimed. See *Credit recapture* next.

**Credit recapture.** If any tax-free educational assistance for the qualified education expenses paid in 2017, or any refund of your qualified education expenses paid in 2017, is received after you file your 2017 income tax return, you must recapture (repay) any excess credit. You do this by refiguring the amount of your adjusted qualified education expenses for 2017 by reducing the expenses by the amount of the refund or tax-free educational assistance. You then refigure your education credit(s) for 2017 and figure the amount by which your 2017 tax liability would have increased if you had claimed the refigured credit(s). Include that amount as an additional tax for the year the refund or tax-free assistance was received.

**Example.** You paid \$8,000 tuition and fees in December 2017 for your child's Spring semester beginning in January 2018. You filed your 2017 tax return on February 2, 2018, and claimed a lifetime learning credit of \$1,600 (\$8,000 qualified education expense paid x 20% (0.20)). You claimed no other tax credits. After you filed your return, your child withdrew from two courses and you received a refund of \$1,400. You must refigure your 2017 lifetime learning credit using \$6,600 (\$8,000 qualified education expenses – \$1,400 refund). The refigured credit is \$1,320 and your tax liability increased by \$280. You must include the difference of \$280 (\$1,600 credit originally claimed – \$1,320 refigured credit) as additional tax on your 2018 income tax return. See the instructions for your 2018 income tax return to determine where to include this tax.

**TIP** If you paid qualified education expenses in both 2017 and 2018 for an academic period that begins in the first 3 months of 2018 and you receive tax-free educational assistance, or a refund, as described above, you may choose to reduce the qualified education expenses you paid in 2018 instead of reducing the qualified education expenses you paid in 2017.

## Eligible Educational Institution

An eligible educational institution is generally any accredited public, nonprofit, or proprietary (private) college, university, vocational school, or other postsecondary institution. Also, the institution must be eligible to participate in a student aid program administered by the Department of Education. Virtually all accredited postsecondary institutions meet this definition.

An eligible educational institution also includes certain educational institutions located outside the United States that are eligible to participate in a student aid program administered by the Department of Education.





The educational institution should be able to tell you if it's an eligible educational institution.

## Additional Information

See Pub. 970, chapters 2 and 3, for more information about these credits.

## Specific Instructions



You must complete a separate Part III on page 2 for each individual for whom you're claiming either credit before you complete Parts I and II.

## Part I—Refundable American Opportunity Credit

### Line 1

Enter the amount from Part III, line 30. If you're claiming the American opportunity credit for more than one student, add the amounts from each student's Part III, line 30, and enter the total for those students on line 1.

### Line 3

Enter your MAGI. Generally, your MAGI is the amount on your Form 1040, line 38; or Form 1040A, line 22. However, if you're filing Form 2555, Form 2555-EZ, or Form 4563, or are excluding income from Puerto Rico, you must include on line 3 the amount of income you excluded. For details, see Pub. 970.

### Line 7

If you were under age 24 at the end of 2017 and the conditions listed below apply to you, you **cannot** claim any part of the American opportunity credit as a refundable credit on your tax return. Instead, you can claim your allowed credit, figured in Part II, only as a nonrefundable credit to reduce your tax.

You **don't** qualify for a refundable American opportunity credit if 1 (a, b, or c), 2, and 3 below apply to you.

1. You were:
  - a. Under age 18 at the end of 2017, **or**
  - b. Age 18 at the end of 2017 **and** your earned income (defined later) was less than one-half of your support (defined later), **or**
  - c. Over age 18 and under age 24 at the end of 2017 **and** a full-time student (defined later) **and** your earned income (defined later) was less than one-half of your support (defined later).
2. At least one of your parents was alive at the end of 2017.
3. You're not filing a joint return for 2017.

If you meet these conditions, check the box next to line 7, skip line 8, and enter the amount from line 7 on line 9. If these conditions don't apply to you, complete line 8.

You can answer the following questions to determine whether you qualify for a refundable American opportunity credit.

1. Were you under age 24 at the end of 2017?
 

If no, stop here; you **do** qualify to claim part of the allowable American opportunity credit as a refundable credit.  
If yes, go to question 2.
2. Were you over age 18 at the end of 2017?

If yes, go to question 3.  
If no, go to question 4.

3. Were you a full-time student (defined later) for 2017?
 

If no, stop here; you **do** qualify to claim part of your allowable American opportunity credit as a refundable credit.  
If yes, go to question 5.
4. Were you age 18 at the end of 2017?
 

If yes, go to question 5.  
If no, go to question 6.
5. Was your earned income (defined later) less than one-half of your support (defined later) for 2017?
 

If no, stop here; you **do** qualify to claim part of your allowable American opportunity credit as a refundable credit.  
If yes, go to question 6.
6. Were either of your parents alive at the end of 2017?
 

If no, stop here; you **do** qualify to claim part of your allowable American opportunity credit as a refundable credit.  
If yes, go to question 7.
7. Are you filing a joint return for 2017?
 

If no, you **don't** qualify to claim part of your allowable American opportunity credit as a refundable credit.  
If yes, you **do** qualify to claim part of your allowable American opportunity credit as a refundable credit.



The educational institution's EIN must be provided on line 22(4) if the American opportunity credit is claimed for this student.

**Earned income.** Earned income includes wages, salaries, professional fees, and other payments received for personal services actually performed. Earned income includes the part of any scholarship or fellowship grant that represents payment for teaching, research, or other services performed by the student that are required as a condition for receiving the scholarship or fellowship grant. Earned income doesn't include that part of the compensation for personal services rendered to a corporation which represents a distribution of earnings or profits rather than a reasonable allowance as compensation for the personal services actually rendered.

If you're a sole proprietor or a partner in a trade or business in which both personal services and capital are material income-producing factors, earned income also includes a reasonable allowance for compensation for personal services, but not more than 30% of your share of the net profits from that trade or business (after subtracting the deduction for one-half of self-employment tax). However, if capital isn't an income-producing factor and your personal services produced the business income, the 30% limit doesn't apply.

**Support.** Support includes food, shelter, clothing, medical and dental care, education, and the like. Generally, the amount of an item of support will be the amount of expenses paid by the one furnishing such item. If the item of support is in the form of property or lodging, measure the amount of such item of support by its fair market value. To figure your support, count support provided by you, your parents, and others. However, a scholarship received by you isn't considered support if you were a full-time student (defined next) for 2017.

**Full-time student.** Solely for purposes of determining whether a scholarship is considered support, you were a full-time student for 2017 if during any part of any 5 calendar months during the year you were enrolled as a full-time student at an eligible educational institution (defined earlier), or took a full-time, on-farm training course given by such an institution or by a state, county, or local government agency.

## Part II—Nonrefundable Education Credits

### Line 9

Enter the amount from line 9 on the Credit Limit Worksheet, line 2, later.

### Line 10

Enter the amount from Part III, line 31. If you're claiming the lifetime learning credit for more than one student, add the amounts from each student's Part III, line 31, and enter the total for all those students on line 10.

### Line 14

Generally, your MAGI is the amount on your Form 1040, line 38; or Form 1040A, line 22. However, if you're filing Form 2555, Form 2555-EZ, or Form 4563, or are excluding income from Puerto Rico, you must include on line 14 the amount of income you excluded. For details, see Pub. 970.


### Line 18

Enter the amount from line 18 on the Credit Limit Worksheet, line 1, later.

### Line 19

Enter the amount from line 7 of the Credit Limit Worksheet here and on Form 1040, line 50; or Form 1040A, line 33.

Credit Limit Worksheet	
<b>Complete this worksheet to figure the amount to enter on line 19.</b>	
1. Enter the amount from Form 8863, line 18 . . . . .	1. _____
2. Enter the amount from Form 8863, line 9 . . . . .	2. _____
3. Add lines 1 and 2 . . . . .	3. _____
4. Enter the amount from: Form 1040, line 47; or Form 1040A, line 30 . . . . .	4. _____
5. Enter the total of your credits from either: Form 1040, lines 48 and 49, and Schedule R, line 22; or Form 1040A, lines 31 and 32 . . . . .	5. _____
6. Subtract line 5 from line 4 . . . . .	6. _____
7. Enter the smaller of line 3 or line 6 here and on Form 8863, line 19 . . . . .	7. _____

 **CAUTION** You must complete Part III for each student for whom you're claiming either the American opportunity credit or lifetime learning credit before you complete either Part I or Part II. Use additional copies of page 2 as needed for each student.

## Part III—Student and Educational Institution Information

### Line 20

Enter the student's name as shown on page 1 of your tax return.

### Line 21

Enter the student's social security number (or other TIN, if applicable) as shown on page 1 of your tax return.

### Line 22

If the student attended only one educational institution, enter the information about the institution and answer the questions about Form 1098-T in column (a). If the student attended a second educational institution, enter the information and answers for the second educational institution in column (b). If the student attended more than two educational institutions, attach an additional page 2 completed only through line 22.

If the educational institution has a foreign address, enter the foreign address here and don't abbreviate the country name. Follow the country's practice for entering the postal code and name of the province, country, or state.

The educational institution's EIN must be provided on line 22(4) if the American opportunity credit is claimed for this student.

### Line 23

If the American opportunity credit has been claimed for this student for any 4 tax years before 2017 (including any year for which the Hope scholarship credit was claimed for the student), the American opportunity credit cannot be claimed for this student for 2017. Check "Yes" and go to line 31.

If the American opportunity and Hope scholarship credits have been claimed for this student for 3 or fewer prior tax years, check "No." See *Student qualifications*, earlier.

### Line 24

Check "Yes" if the student enrolled at least half-time for at least one academic period that began or is treated as having begun (see below) in 2017 at an eligible educational institution in a program leading towards a postsecondary degree, certificate, or other recognized postsecondary educational credential. Otherwise, check "No."

If any qualified education expenses for the student were paid in 2017 for an academic period beginning in the first 3 months of 2018, treat that academic period as if it began in 2017. See *Student qualifications* and *Prepaid Expenses*, earlier.

If you checked "Yes," go to line 25. If you checked "No," the student isn't eligible for the American opportunity credit; skip lines 25 through 30 and go to line 31.

### Line 25

Check "Yes" if the student completed the first 4 years of postsecondary education before 2017. Otherwise, check "No."

A student has completed the first 4 years of postsecondary education before 2017 if the educational institution has awarded the student 4 years of academic credit at that institution for postsecondary coursework the student completed before 2017. Disregard any academic credit awarded solely on the basis of the student's performance on proficiency examinations.

If you checked "No," go to line 26. If you checked "Yes," the student isn't eligible for the American opportunity credit; skip lines 26 through 30 and go to line 31.

### Line 26

Check "Yes" if the student was convicted, before the end of 2017, of a federal or state felony for possession or distribution of a controlled substance.

If you checked "No," complete lines 27 through 30 for this student. If you checked "Yes," the student isn't eligible for the

American opportunity credit; skip lines 26 through 30 and go to line 31.



You **cannot** claim the American opportunity credit and the lifetime learning credit for the **same student** in the same year. If you complete lines 27 through 30 for this student, don't complete line 31.



If you're claiming an education credit for more than one student, complete a separate Part III for each student before returning to page 1 to complete Parts I and II.

If any qualified education expenses for the student were paid in 2017 for an academic period beginning in the first 3 months of 2018, treat that academic period as if it began in 2017. See *Student qualifications* and *Prepaid Expenses*, earlier.

## American Opportunity Credit

### Line 27

Enter the student's adjusted qualified education expenses for line 27. See *Qualified Education Expenses*, earlier. Use the Adjusted Qualified Education Expenses Worksheet, later, to figure each student's adjusted qualified education expenses. Don't enter more than \$4,000. Enter the total of all amounts from all Parts III, line 30, on Part I, line 1.

## Lifetime Learning Credit

### Line 31

Enter the student's adjusted qualified education expenses on line 31. See *Qualified Education Expenses*, earlier. Use the Adjusted Qualified Education Expenses Worksheet next to figure each student's adjusted qualified education expenses. Enter the total of all amounts from Part III, line 31, on Part II, line 10.

## Adjusted Qualified Education Expenses Worksheet

See *Qualified Education Expenses*, earlier, before completing.

Complete a separate worksheet for each student for each academic period beginning or treated as beginning (see below) in 2017 for which you paid (or are treated as having paid) qualified education expenses in 2017.

1. Total qualified education expenses paid for or on behalf of the student in 2017 for the academic period . . . . .	_____
2. Less adjustments:	
a. Tax-free educational assistance received in 2017 allocable to the academic period . . . . .	_____
b. Tax-free educational assistance received in 2018 (and before you file your 2017 tax return) allocable to the academic period . . . . .	_____
c. Refunds of qualified education expenses paid in 2017 if the refund is received in 2017 or in 2018 before you file your 2017 tax return . . . . .	_____
3. Total adjustments (add lines 2a, 2b, and 2c) . . . . .	_____
4. Adjusted qualified education expenses. Subtract line 3 from line 1. If zero or less, enter -0- . . . . .	_____

**Paid Preparer's Due Diligence Checklist**

Earned Income Credit (EIC), American Opportunity Tax Credit (AOTC), Child Tax Credit (CTC), and Additional Child Tax Credit (ACTC)

**2017**

Department of the Treasury  
Internal Revenue Service

▶ **To be completed by preparer and filed with Form 1040, 1040A, 1040EZ, 1040NR, 1040SS, or 1040PR.**  
▶ **Go to [www.irs.gov/Form8867](http://www.irs.gov/Form8867) for instructions and the latest information.**

Attachment  
Sequence No. **70**

Taxpayer name(s) shown on return

Taxpayer identification number

Enter preparer's name and PTIN

**Part I Due Diligence Requirements**

Please check the appropriate box for the credit(s) claimed on this return and complete the related Parts I-IV for the credit(s) claimed (check all that apply).	EIC <input type="checkbox"/>	CTC/ACTC <input type="checkbox"/>	AOTC <input type="checkbox"/>
<b>1</b> Did you complete the return based on information for tax year 2017 provided by the taxpayer or reasonably obtained by you? . . . . .	<input type="checkbox"/> <b>Yes</b> <input type="checkbox"/> <b>No</b>		
<b>2</b> Did you complete the applicable EIC and/or CTC/ACTC worksheets found in the Form 1040, 1040A, 1040EZ, 1040SS, 1040PR, or 1040NR instructions, and/or the AOTC worksheet found in the Form 8863 instructions, or your own worksheet(s) that provides the same information, and all related forms and schedules for each credit claimed? . . . . .	<input type="checkbox"/> <b>Yes</b> <input type="checkbox"/> <b>No</b>		
<b>3</b> Did you satisfy the knowledge requirement? To meet the knowledge requirement, you must do both of the following: • Interview the taxpayer, ask questions, and document the taxpayer's responses to determine that the taxpayer is eligible to claim the credit(s) • Review information to determine that the taxpayer is eligible to claim the credit(s) and for what amount . . . . .	<input type="checkbox"/> <b>Yes</b> <input type="checkbox"/> <b>No</b>		
<b>4</b> Did any information provided by the taxpayer, a third party, or reasonably known to you, in connection with preparing the return, appear to be incorrect, incomplete, or inconsistent? (If "Yes," answer questions 4a and 4b. If "No," go to question 5.) . . . . .	<input type="checkbox"/> <b>Yes</b> <input type="checkbox"/> <b>No</b>		
<b>a</b> Did you make reasonable inquiries to determine the correct, complete, and consistent information? . . . . .	<input type="checkbox"/> <b>Yes</b> <input type="checkbox"/> <b>No</b>		
<b>b</b> Did you document your inquiries? (Documentation should include the questions you asked, whom you asked, when you asked, the information that was provided, and the impact the information had on your preparation of the return.) . . . . .	<input type="checkbox"/> <b>Yes</b> <input type="checkbox"/> <b>No</b>		
<b>5</b> Did you satisfy the record retention requirement? To meet the record retention requirement, you must keep a copy of your documentation referenced in 4b, a copy of this Form 8867, a copy of applicable worksheets, a record of how, when, and from whom the information used to prepare Form 8867 and worksheet(s) was obtained, and a copy of any document(s) provided by the taxpayer that you relied on to determine eligibility or to compute the amount for the credit(s) . . . . . List those documents, if any, that you relied on. _____ _____ _____	<input type="checkbox"/> <b>Yes</b> <input type="checkbox"/> <b>No</b>		
<b>6</b> Did you ask the taxpayer whether he/she could provide documentation to substantiate eligibility for and the amount of the credit(s) claimed on the return if his/her return is selected for audit? . . . . .	<input type="checkbox"/> <b>Yes</b> <input type="checkbox"/> <b>No</b>		
<b>7</b> Did you ask the taxpayer if any of these credits were disallowed or reduced in a previous year? . . . . . (If credits were disallowed or reduced, go to question 7a; if not, go to question 8.)	<input type="checkbox"/> <b>Yes</b> <input type="checkbox"/> <b>No</b>		
<b>a</b> Did you complete the required recertification Form 8862? . . . . .	<input type="checkbox"/> <b>Yes</b>	<input type="checkbox"/> <b>No</b>	<input type="checkbox"/> <b>N/A</b>
<b>8</b> If the taxpayer is reporting self-employment income, did you ask questions to prepare a complete and correct Form 1040, Schedule C? . . . . .	<input type="checkbox"/> <b>Yes</b>	<input type="checkbox"/> <b>No</b>	<input type="checkbox"/> <b>N/A</b>

**Part II Due Diligence Questions for Returns Claiming EIC** (If the return does not claim EIC, go to Part III.)

	EIC	CTC/ACTC	AOTC
<b>9a</b> Have you determined that this taxpayer is, in fact, eligible to claim the EIC for the number of children for whom the EIC is claimed, or to claim EIC if the taxpayer has no qualifying child? (Skip 9b and 9c if the taxpayer is claiming EIC and does not have a qualifying child.) . . . . .	<input type="checkbox"/> Yes <input type="checkbox"/> No		
<b>b</b> Did you explain to the taxpayer that he/she may not claim the EIC if the taxpayer has not lived with the child for over half the year, even if the taxpayer has supported the child? . . . . .	<input type="checkbox"/> Yes <input type="checkbox"/> No		
<b>c</b> Did you explain to the taxpayer the rules about claiming the EIC when a child is the qualifying child of more than one person (tie-breaker rules)? . . . . .	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A		

**Part III Due Diligence Questions for Returns Claiming CTC and/or ACTC** (If the return does not claim CTC or ACTC, go to Part IV.)

<b>10a</b> Did all children for whom the taxpayer is claiming the CTC/ACTC reside with the taxpayer? (If "Yes," go to question 10c; if "No," go to question 10b.) . . . . .		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<b>b</b> Did you ask if there is an active Form 8332, Release/Revocation of Claim to Exemption for Child by Custodial Parent, or a similar statement in place and, if applicable, did you attach it to the return? . . . . .		<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	
<b>c</b> Have you determined that the taxpayer has not released the claim to another person? . . . . .		<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	

**Part IV Due Diligence Questions for Returns Claiming AOTC** (If the return does not claim AOTC, go to Part V.)

<b>11</b> Did the taxpayer provide substantiation such as a Form 1098-T and/or receipts for the qualified tuition and related expenses for the claimed AOTC?			<input type="checkbox"/> Yes <input type="checkbox"/> No
--	--	--	--

**Part V Credit Eligibility Certification**

- ▶ **You have complied with all due diligence requirements with respect to the credits claimed on the return of the taxpayer identified above if you:**
  - A. Interview the taxpayer, ask adequate questions, document the taxpayer's responses on the return or in your notes, review adequate information to determine if the taxpayer is eligible to claim the credit(s) and in what amount(s);
  - B. Complete this Form 8867 truthfully and accurately and complete the actions described in this checklist for all credits claimed;
  - C. Submit Form 8867 in the manner required; **and**
  - D. Keep all five of the following records for 3 years from the latest of the dates specified in the Form 8867 instructions under *Document Retention*.
    1. A copy of Form 8867,
    2. The applicable worksheet(s) or your own worksheet(s) for any credits claimed,
    3. Copies of any taxpayer documents you may have relied upon to determine eligibility for and the amount of the credit(s),
    4. A record of how, when, and from whom the information used to prepare this form and worksheet(s) was obtained, and
    5. A record of any additional questions you may have asked to determine eligibility for and amount of the credits, and the taxpayer's answers.

▶ **If you have not complied with all due diligence requirements for all credits claimed, you may have to pay a \$510 penalty for each credit for which you have failed to comply.**

<b>12</b> Do you certify that all of the answers on this Form 8867 are, to the best of your knowledge, true, correct, and complete? . . . . .	<input type="checkbox"/> Yes <input type="checkbox"/> No
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# Instructions for Form 8867

## Paid Preparer's Due Diligence Checklist for the Earned Income Credit (EIC), the Child Tax Credit (CTC)/Additional Child Tax Credit (ACTC), and/or the American Opportunity Tax Credit (AOTC)

Section references are to the Internal Revenue Code unless otherwise noted.

### Future Developments

For the latest information about developments related to Form 8867 and its instructions, such as legislation enacted after they were published, go to [IRS.gov/Form8867](https://www.irs.gov/Form8867).

### What's New

**Form 8867 revised.** Form 8867 has been simplified to allow the submission of one form for the EIC, the CTC/ACTC, and/or the AOTC.

**Multiple Forms 8867.** Multiple Forms 8867 may be submitted electronically for one return. See [Multiple Forms 8867 for one return](#), later.

**Childless EIC.** Your client may be able to qualify for the EIC under the rules for taxpayers without a qualifying child if your client has a qualifying child for the EIC who is claimed as a qualifying child by another taxpayer. For more information, see Pub. 596.

## General Instructions

Form 8867 covers the EIC, the CTC/ACTC, and/or the AOTC. You should check the boxes corresponding to all credits actually claimed on the return that you prepared.

**Only paid tax return preparers should complete this form.** If you were paid to prepare a return for any taxpayer claiming the EIC, the CTC/ACTC, and/or the AOTC, you must complete Form 8867 and meet the other due diligence requirements described later in [Purpose of Form](#).

**Form 8867 must be filed with the return.** Form 8867 must be filed with the taxpayer's return or amended return claiming the EIC, the CTC/ACTC, and/or the AOTC.

#### Signing tax return preparers.

- If you are the paid tax return preparer signing the return and you are filing the return electronically, file the completed Form 8867 electronically with the return.
- If you are the paid tax return preparer signing the return and you are **not** electronically filing the return, provide the completed Form 8867 to the taxpayer with instructions to file this form with his or her return.
- If you are the paid tax return preparer signing the return and you are mailing the return to the IRS for the taxpayer (which should only be done *after* the taxpayer has reviewed and signed the paper return), mail the completed Form 8867 to the IRS with the return.

**Nonsigning tax return preparers.** If you are the paid tax return preparer for any of the credits covered by Form 8867 but you are not required to sign the return as preparer, provide the signing tax return preparer the completed form in either electronic or paper format.

You can find rules regarding who is a signing tax return preparer and a nonsigning tax return preparer in Regulation section 301.7701-15. If you are the only paid tax return preparer for the taxpayer's return, you are the signing tax return preparer and must sign the return as preparer. Failure to sign the return when required may subject you to a penalty.

**Multiple Forms 8867 for one return.** Form 8867 must be completed by a paid tax return preparer responsible for a taxpayer's claim of the EIC, the CTC/ACTC, and/or the AOTC; therefore, there may be multiple Forms 8867 for one return or amended return. If there are multiple Forms 8867 for a paper return, attach all Forms 8867 to the return to be submitted to the IRS. If there are multiple Forms 8867 for an *e-filed* return, *e-file* will now accept transmission of up to four Forms 8867. All Forms 8867 must be retained as provided in [Document Retention](#).

**Example.** Paid tax return preparer A determined taxpayer T's eligibility for, and the amount of, the EIC claimed on T's return. Paid preparer B determined T's eligibility for, and the amount of, the AOTC claimed on T's return and also signs the return as the signing tax return preparer. Two Forms 8867 must be completed, one prepared by A for the EIC, and one prepared by B for the AOTC. The Form 8867 completed by B as the signing preparer should be filed with T's return.

### Purpose of Form

As a paid tax return preparer, you are required to exercise due diligence when preparing any client's return or claim for refund. As part of exercising due diligence, you must interview the client, ask adequate questions, and obtain appropriate and sufficient information to determine the correct reporting of income, claiming of tax benefits (such as deductions and credits), and compliance with the tax laws.

As a paid tax return preparer, you also must meet specific due diligence requirements set forth in Treasury Regulations when you prepare returns and claims for refund involving the EIC, the CTC/ACTC, and/or the AOTC. To meet these due diligence requirements, you may need to ask additional questions and obtain additional information to determine eligibility for, and the amount of, the EIC, the CTC/ACTC, and/or the AOTC. Failure to meet the EIC, the CTC/ACTC, and/or the AOTC due diligence requirements could result in a \$510 penalty for each failure. See section 6695(g) and Temporary Regulation section 1.6695-2T.

#### You have complied with the due diligence requirements set forth in Treasury Regulations for the EIC, the CTC/ACTC, or the AOTC claimed on a return or claim for refund if you:

1. Meet the knowledge requirement by interviewing the taxpayer, asking adequate questions, contemporaneously documenting the questions and the taxpayer's responses in your notes, reviewing adequate information to determine if the taxpayer is eligible to claim the credit(s) and in what amount(s), **and**
2. Complete Form 8867 truthfully and accurately and complete the actions described on Form 8867 for each credit claimed for which you are the paid tax return preparer.
3. Submit Form 8867 in the manner required.
4. Keep all five of the following records for three years from the latest of the dates specified later, in [Document Retention](#):
  - a. A copy of Form 8867,
  - b. The applicable worksheet(s) or your own worksheet(s) for any credits claimed (see [Due Diligence Requirements](#), later),
  - c. Copies of any documents provided by the taxpayer on which you relied to determine eligibility for, and the amount of, the credit(s),
  - d. A record of how, when, and from whom the information used to prepare Form 8867 and worksheet(s) was obtained, and

e. A record of any additional questions you may have asked to determine eligibility for, and amount of, the credits, and the taxpayer's answers.

## Specific Instructions

Enter the taxpayer's name as it appears on the return and enter the taxpayer identification number (TIN) for the taxpayer (primary TIN, if filing a joint return).

Enter the name and preparer tax identification number (PTIN) of the paid tax return preparer who determined the taxpayer's eligibility for, or the amount of, the credit(s) for which Form 8867 is being completed, even if that preparer is not the tax return preparer signing the tax return.

### Part I—Due Diligence Requirements

Complete questions 1–8 for all credits for which you were the paid tax return preparer determining the taxpayer's eligibility for, and the amount of, the credit.

#### Line 1

You should prepare the 2017 return based on information related to the 2017 tax year only, as situations may change from year to year. If you are preparing a late or amended return or claim for refund, you should prepare the return based on the information related to the tax year of the return or claim for refund.

#### Line 2

You must complete the applicable IRS worksheet for the EIC, the CTC/ACTC, and/or the AOTC (or your own worksheet that provides the same information), as well as all required forms and schedules for each credit claimed on the return for which you are the paid tax return preparer. You can find the worksheets for the EIC and the CTC/ACTC in the instructions for Forms 1040, 1040A, 1040EZ, and 1040NR. The ACTC worksheet can also be found in the instructions for Forms 1040SS and 1040PR. You can find the AOTC worksheet in the instructions for Form 8863. Completion of these forms, schedules, and worksheets assists you in determining the taxpayer's eligibility for the credit and the correct amount of the credit and is required under the due diligence requirements set forth in Treasury Regulations.

#### Lines 3 and 4

As a paid tax return preparer, when determining the taxpayer's eligibility for, or the amount of, a credit claimed on a return or claim for refund, you must not use information that you know, or have reason to know, is incorrect. You may not ignore the implications of information provided to, or known by you, and you must make reasonable inquiries if the information provided to you appears to be incorrect, inconsistent, or incomplete. You must make reasonable inquiries if a reasonable and well-informed tax return preparer, knowledgeable in the tax law, would conclude that the information provided to you appears to be incorrect, inconsistent, or incomplete. You must also contemporaneously document in your files any reasonable inquiries made and the responses to these inquiries.

You must know the tax law for each credit claimed on a return or claim for refund you prepare and use that knowledge to ask your client the right questions to get all the relevant facts to determine your client's eligibility for the credit(s) and the correct amount of the credit(s).

**Example 1.** Taxpayer X engages Preparer C to prepare his 2017 federal income tax return. During the intake interview, Taxpayer X states he is 25 years old, has never been married, and has two sons ages 12 and 10. X also states that he was self-employed, earned \$12,000 from his lawn care business, and had no business expenses or other income. Preparer C believes that X may be eligible for the EIC and the ACTC. The ages of the children seem inconsistent with the age of the taxpayer. Additionally, the taxpayer's claim that he has no business expenses seems inconsistent with his income. Preparer C must exercise due

diligence to determine whether a credit can be claimed with respect to the children and whether Taxpayer X meets the earned income requirements to claim a credit. Because Preparer C is preparing Taxpayer X's 1040 for the year, Preparer C would have been required to exercise due diligence with respect to those items when preparing the return, and if he made the appropriate inquiries during that process, then no additional questions would be necessary.

However, if he did not previously ask about the ages of the children and the income requirements, Preparer C is required to make reasonable inquiries. Reasonable inquiries could include:

- Are these your foster sons or adopted sons? If so, were the children placed in your home by an adoption or foster care agency?
- How long did the children live with you during 2017?
- If the taxpayer is not the parent, did any other relative also reside with these children for more than half the year in 2017?
- How much did you charge to care for each lawn?
- Do you have records of the amount of money you received from lawn work?
- Did you have any expenses for lawn mowing equipment, fuel, or other supplies for your business? If not, how did you provide lawn care services?
- How many lawns did you take care of?

Preparer C must contemporaneously document these inquiries in his files, along with the responses.

**Example 2.** Assume the same facts as in *Example 1* except that Preparer C also prepared X's 2016 return and at that time he was able to verify that the two boys are X's legally adopted children. When preparing X's 2017 return, C is not required to make additional inquiries to determine X's relationship to the two boys for purposes of the requirement that a return preparer must not know, or have reason to know, that a claim for the ACTC is based on false or incorrect information.

#### Line 5

Keep copies of any documents provided by the taxpayer on which you relied to prepare the return and determine the taxpayer's eligibility for the credit(s) and to compute the amount of the credit(s) and list the documents in the space provided. See [Document Retention](#), for more information on the due diligence recordkeeping requirements. You must request documents from the taxpayer to substantiate his or her eligibility for a tax credit only if you did not already do so as part of exercising due diligence when preparing the return for the particular taxable year.

The following are examples of documents that you may rely on to determine a taxpayer's eligibility for the credit(s) or the amount of the credit(s). This list is not all-inclusive and none of these documents are specifically required to demonstrate eligibility for the credits.

##### Residency of a Qualifying Child

- School records or statement
- Landlord or a property management statement
- Health care provider statement
- Medical records
- Child care provider records
- Placement agency statement
- Social service records or statement
- Place of worship statement
- Indian tribal official statement

##### Disability of Qualifying Child

- Doctor's statement or statement by doctor
- Other health care provider's statement or statement by health care provider
- Social services agency or program statement

##### Schedule C

- Business license
- Forms 1099
- Records of gross receipts provided by taxpayer
- Taxpayer's summary of income or summary of income provided by taxpayer
- Records of expenses provided by taxpayer

- Taxpayer's summary of expenses or summary of expenses provided by taxpayer
- Bank statements reconstruction

## Line 6

If your client's return is selected for audit, the IRS may ask your client to provide documents to show eligibility for, and the amount of, the credit(s) claimed on the return or claim for refund. The credit(s) may not be allowed without this information. You can help your clients be prepared to answer questions about their eligibility for the credit(s) claimed and the correctness of the amount of the credit(s) claimed if you help them understand that the IRS may ask for underlying documentation regarding eligibility for, and the computation of, the amount of the credit(s).

## Line 7

Unless an exception applies, if the EIC, the CTC/ACTC, and/or the AOTC claimed in a prior year was denied for a reason other than a clerical or math error, a claim for the credit on the taxpayer's 2017 return will be denied unless Form 8862 is attached to the return. See the Form 8862 instructions for more information.

## Line 8

The EIC, the CTC/ACTC, and the AOTC are determined using information that includes information about the kind and source of income reported on a taxpayer's return. For self-employed individuals, this information is generally reported on Schedule C (Form 1040) as income from self-employment. To exercise due diligence when determining eligibility for, and the amount of, the EIC, the CTC/ACTC, and/or the AOTC for a self-employed individual, you may also be required to ask additional questions to determine whether the Schedule C is correct and complete unless you prepared the individual's return and/or Schedule C and already exercised due diligence at that time. Additional guidance on Schedule C and the EIC is available as part of the EIC Tax Preparer Toolkit at [www.EITC.irs.gov](http://www.EITC.irs.gov).

If a taxpayer is not reporting self-employment income on Schedule C, select NA.

## Part II—Due Diligence Questions for Returns Claiming the EIC

### Line 9

As a paid tax return preparer, you must exercise due diligence to determine whether a taxpayer meets all of the eligibility requirements for the EIC. Although lines 9a, 9b, and 9c only ask three specific questions related to claiming a qualifying child for the EIC, **all** of the eligibility requirements for claiming the EIC must be met. Therefore, your client may not claim the EIC unless all of the eligibility requirements for the EIC are satisfied, even if you answer "Yes" to questions 9a, 9b, and 9c.

**Line 9a.** If your client is eligible to claim the EIC for taxpayers without a qualifying child, answer question 9a and skip questions 9b and 9c.

**Line 9c—Tiebreaker rules.** These rules determine if a taxpayer may claim a child as a qualifying child for the EIC when the child meets the definition of a qualifying child for more than one person. If, under these rules, the taxpayer may not claim a child as a qualifying child for the EIC, the taxpayer may be able to claim the EIC under the rules for a taxpayer without a qualifying child. For more information, see Pub. 596.

- If only one of the persons is the child's parent, the child is treated as the qualifying child of the parent.
- If the parents file a joint return together and can claim the child as a qualifying child, the child is treated as the qualifying child of both of the parents.
- If the parents do not file a joint return together but both parents claim the child as a qualifying child, the child is treated as the qualifying child of the parent with whom the child lived for the longer

period of time during the year. If the child lived with each parent for the same amount of time, the child is treated as the qualifying child of the parent who had the higher adjusted gross income (AGI) for the year.

- If no parent can claim the child as a qualifying child, the child is treated as the qualifying child of the person who had the highest AGI for the year.
- If a parent can claim the child as a qualifying child but no parent does so, the child is treated as the qualifying child of the person who had the highest AGI for the year, but only if that person's AGI is higher than the highest AGI of any of the child's parents who can claim the child.

Subject to the rules just described, the taxpayer and the other person(s) may be able to choose which of them treats the child as a qualifying child. If the taxpayer allows another person to treat the child as a qualifying child, the taxpayer is not eligible to claim the EIC for the same child. Also, generally EIC claims must be consistent with claims for other child-related benefits. For examples and details, see Pub. 596.

In many cases, the taxpayer may be able to tell you whether his or her AGI is higher than the AGI of the child's parents or other person who might also claim the child.

## Part III—Due Diligence Questions for Returns Claiming the CTC/ACTC

As a paid tax return preparer, you must exercise due diligence to determine whether a taxpayer meets all of the eligibility requirements for the CTC/ACTC. Lines 10a, 10b, and 10c only ask three specific questions about eligibility for the CTC/ACTC. However, your client must meet **all** of the eligibility requirements for claiming the CTC/ACTC. Therefore, your client may not claim the CTC/ACTC unless all of the eligibility requirements for these credits are satisfied, regardless of the answers to the questions on line 10.

### Line 10

If the taxpayer is the custodial parent of the child claimed for the credit, and he or she has completed Form 8332 or signed a similar document containing the same information, releasing a claim to exemption for the child in question, he or she is not entitled to claim the CTC/ACTC.

If the taxpayer is the noncustodial parent and has a Form 8332 (or equivalent document) signed by the custodial parent, you should determine whether there is a more recent form revoking the release of the exemption. See the Instructions for Form 8332 for more information.

## Part IV—Due Diligence Questions for Returns Claiming the AOTC

As a paid tax return preparer, you must exercise due diligence to determine whether a taxpayer meets all of the eligibility requirements for the AOTC. Although line 11 only asks about substantiation of qualified tuition and related expenses, your client must meet **all** of the eligibility requirements for claiming the AOTC. Therefore, your client may not claim the AOTC unless all of the eligibility requirements for the AOTC are satisfied, even if you answer "Yes" to the question on line 11.

### Line 11

**Only qualified tuition and related expenses included.** For purposes of claiming the AOTC, only qualified tuition and related expenses are included in calculating the amount of the credit a taxpayer may claim. Qualified tuition and related expenses are tuition and certain related expenses required for enrollment or attendance at an eligible educational institution. For more information on determining whether expenses meet the definition of qualified tuition and related expenses, see Pub. 970.

**Eligible educational institution.** An eligible educational institution is a school offering higher education beyond high school. The school must be a college, university, vocational school, or other



postsecondary educational institution eligible to participate in a student aid program run by the U.S. Department of Education. This term includes most, but not all, domestic accredited public, nonprofit and privately owned for-profit postsecondary institutions as well as some foreign institutions. Eligibility information should be available from the school. A link to the list of most eligible educational institutions is available at [IRS.gov/EEI](https://www.irs.gov/EEI).

**Tuition Statement (Form 1098-T).** Unless an exception to reporting applies, an individual enrolled in an eligible educational institution, whether domestic or foreign, must receive a Form 1098-T from the institution to claim the AOTC. The exceptions, for which an eligible educational institution is not required to provide a Form 1098-T, include: (1) nonresident aliens, unless the individual requests that the institution provide a Form 1098-T; (2) students enrolled only in noncredit courses; (3) students whose qualified tuition and related expenses are paid entirely with scholarships; and (4) students whose qualified tuition and related expenses are paid by a third party under a formal billing arrangement.

If an exception for receiving a Form 1098-T applies, and your client otherwise qualifies to claim the AOTC, you must first verify that the individual was enrolled at an eligible educational institution by reviewing school transcripts, or other documents made available to you by your client or the school. Second, you must verify the amount of tuition and qualified expenses paid by or on behalf of the individual. Evidence of payment includes copies of tuition receipts, cancelled checks, credit card or ACH debit statements. A nonresident alien, an individual whose tuition and related expenses are paid entirely with a tax-free scholarship or by a third party under a formal billing arrangement are generally ineligible for the AOTC.

If the individual has not received a Form 1098-T from an eligible educational institution, whether domestic or foreign, required to furnish the form (for example, the institution otherwise required to file the Form 1098-T doesn't file or refuses to do so) by January 31 of the year following the year to which the AOTC relates or date the return is filed claiming the AOTC, whichever is later, your client may still claim the AOTC if certain actions are taken. These actions include: (1) requesting after January 31 but before the due date for the return on which the credit is claimed that the institution furnish a Form 1098-T; and (2) fully cooperating with the educational institution's efforts to gather the information needed to furnish the Form 1098-T. If the individual doesn't receive a Form 1098-T, you must verify the individual's enrollment at the institution and payment of qualified tuition and related expenses as described earlier.

In 2017, Form 1098-T reports the amount billed by the institution, or the amount the student paid to the institution, for qualified tuition and related expenses during the calendar year, as well as certain refunds and reimbursements and scholarships and grants processed and administered by the school. A taxpayer may claim the AOTC only for qualified tuition and related expenses actually paid during the calendar year. Amounts reported on the Form 1098-T may not accurately reflect amounts actually paid for qualified expenses. Therefore, you must verify the amount of qualified tuition and related expenses actually paid by, or on behalf of, the student to determine the amount of the AOTC for which your client may claim the AOTC. For more information on eligibility for the AOTC and on determining the expenses that qualify for the AOTC, see Pub. 970, Form 8863, and the Instructions for Form 8863.

## Part V—Credit Eligibility Certification

### Line 12

Failure to meet the due diligence requirements for claiming the EIC, the CTC/ACTC, and/or the AOTC could result in a \$510 penalty for each failure. For example, if you are paid to prepare a return claiming the EIC, the CTC/ACTC, and the AOTC, and you fail to meet the due diligence requirements for all of these credits, you could be subject to a penalty of \$1,530.

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## Document Retention

To meet the due diligence requirements for the EIC, the CTC/ACTC, and the AOTC, you must keep all of the following records.

1. A copy of Form 8867;
2. The applicable worksheet(s) or your own worksheet(s) for any credits that are claimed that are specified in [Due Diligence Requirements](#), earlier;
3. Copies of any documents provided by the taxpayer on which you relied to determine eligibility for, and the amount of, the credit(s);
4. A record of how, when, and from whom the information used to prepare Form 8867 and the worksheet(s) was obtained; and
5. A record of any additional questions you may have asked to determine eligibility for, and the amount of, the credit(s), and the taxpayer's answers.

You must keep those records for three years from the latest of the following dates.

- The due date of the tax return (not including extensions).
- The date the return was filed (if you are a signing tax return preparer electronically filing the return).
- The date the return was presented to the taxpayer for signature (if you are a signing tax return preparer not electronically filing the return).
- The date you submitted to the signing tax return preparer the part of the return for which you were responsible (if you are a nonsigning tax return preparer).

These records may be kept on paper or electronically in the manner described in Revenue Procedure 97-22 (or later update). Revenue Procedure 97-22 is on page 9 of Internal Revenue Bulletin 1997-13, which is available at [IRS.gov/pub/irs-irbs/irb97-13.pdf](https://www.irs.gov/pub/irs-irbs/irb97-13.pdf).

## Additional Resources

1. Additional information regarding the eligibility rules for the EIC may be found in section 32 and in Pub. 596.
2. Additional information regarding the eligibility rules for the CTC/ACTC may be found in section 24 and in Pub. 972.
3. Additional information regarding the eligibility rules for the AOTC may be found in section 25A, in Pub. 970, and on Form 8863 and the Instructions for Form 8863.

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**Paperwork Reduction Act Notice.** We ask for you to obtain the information on this form to carry out the Internal Revenue laws of the United States. You are required to obtain this information.

You are not required to obtain 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 Internal Revenue Code section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

Learning about the law or the form . . . . .	18 min.
Preparing and sending the form . . . . .	1 hr., 49 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. See the instructions for the tax return with which this form is filed.

# IRS News Release

Media Relations Office

Washington, D.C.

Media Contact: 202.317.4000

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

Public Contact: 800.829.1040

## Get Ready for Taxes: Plan Ahead for 2018 Filing Season to Avoid Refund Delays

IR-2017-185, Nov. 7, 2017

WASHINGTON –The Internal Revenue Service today advised taxpayers about steps they can take now to ensure smooth processing of their 2017 tax return and avoid a delay in getting their refund next year. This is the first in a series of reminders to help taxpayers get ready for the upcoming tax filing season. Additionally, the IRS has a [special page](#) on its website with steps to take now for the 2018 tax filing season.

### Gather Documents

The IRS urges all taxpayers to file a complete and accurate tax return by making sure they have all the documents before they file their return, including their 2016 tax return. This includes Forms W-2 from employers, Forms 1099 from banks and other payers, and Forms 1095-A from the Marketplace for those claiming the Premium Tax Credit. Doing so will help avoid refund delays and the need to file an amended return later. Confirm that each employer, bank or other payer has a current mailing address.

Typically, these forms start arriving by mail in January. Check them over carefully, and if any of the information shown is inaccurate, contact the payer right away for a correction.

Taxpayers should keep a copy of their 2016 tax return and all supporting documents for a minimum of three years. Doing so will make it easier to fill out a 2017 return next year. In addition, taxpayers using a software product for the first time may need the Adjusted Gross Income (AGI) amount from their 2016 return to properly e-file their 2017 return. Learn more about verifying identity and electronically signing a return at [Validating Your Electronically Filed Tax Return](#).

### Renew Expiring ITINs

Some people with an Individual Taxpayer Identification Number (ITIN) may need to renew it before the end of the year. Doing so promptly will avoid a refund delay and possible loss of key tax benefits.

Any ITIN not used on a tax return in the past three years will expire on Dec. 31, 2017. Similarly, any ITIN with middle digits 70, 71, 72 or 80 will also expire at the end of the year. Anyone with an expiring ITIN who plans to file a return in 2018 will need to renew it using [Form W-7](#).

Once a completed form is filed, it typically takes about seven weeks to receive an ITIN assignment letter from the IRS. But it can take longer — nine to 11 weeks -- if an applicant waits until the peak of the filing season to submit this form or sends it from overseas. Taxpayers should take action now to avoid delays.

Taxpayers who fail to renew an ITIN before filing a tax return next year could face a delayed refund and may be ineligible for certain tax credits. For more information, visit the [ITIN](#) information page on IRS.gov.

### Refunds Held for Those Claiming EITC or ACTC Until Mid-Feb

By law, the IRS cannot issue refunds for people claiming the Earned Income Tax Credit (EITC) or Additional Child Tax Credit (ACTC) before mid-February. The law requires the IRS to hold the entire refund — even the portion not associated with EITC or ACTC. The IRS expects the earliest EITC/ACTC related refunds to be available in taxpayer bank accounts or debit cards starting on Feb. 27, 2018, if direct deposit was used and there are no other issues with the tax return. This additional period is due to several factors,

including the Presidents Day holiday and banking and financial systems needing time to process deposits. This law change, which took effect at the beginning of 2017, helps ensure that taxpayers receive the refund they're due by giving the IRS more time to detect and prevent fraud.

As always, the IRS cautions taxpayers not to rely on getting a refund by a certain date, especially when making major purchases or paying bills. Though the IRS issues more than nine out of 10 refunds in less than 21 days, some returns require further review.

### **For a Faster Refund, Choose e-file**

Electronically filing a tax return is the most accurate way to prepare and file. Errors delay refunds and the easiest way to avoid them is to [e-file](#). Nearly 90 percent of all returns are electronically filed. There are several e-file options:

- [IRS Free File](#),
- [Volunteer Income Tax Assistance and Tax Counseling for the Elderly programs](#),
- Commercial tax preparation software, or
- Tax professional.

### **Use Direct Deposit.**

Combining direct deposit with electronic filing is the fastest way for a taxpayer to get their refund. With direct deposit, a refund goes directly into a taxpayer's bank account. There's no reason to worry about a lost, stolen or undeliverable refund check. This is the same electronic transfer system now used to deposit nearly 98 percent of all Social Security and Veterans Affairs benefits. Nearly four out of five federal tax refunds are direct deposited.

Direct deposit saves taxpayer dollars. It costs the nation's taxpayers more than \$1 for every paper refund check issued but only a dime for each direct deposit.

# IRS News Release

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Media Relations Office

Washington, D.C.

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

Public Contact: 800.829.1040

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## **IRS Extends Due Date for Employers and Providers to Issue Health Coverage Forms to Individuals in 2018**

IR-2017-209, Dec. 22, 2017

WASHINGTON — The IRS announced today that it has extended the 2018 due date for certain entities to provide 2017 health coverage information forms to individuals.

Insurers, self-insuring employers, other coverage providers, and applicable large employers now have until March 2, 2018, to provide Forms 1095-B or 1095-C to individuals, which is a 30-day extension from the original due date of Jan. 31.

Insurers, self-insuring employers, other coverage providers, and applicable large employers must furnish statements to employees or covered individuals regarding the health care coverage offered to them. Individuals may use this information to determine whether, for each month of the calendar year, they may claim the premium tax credit on their individual income tax returns.

This 30-day extension is automatic. Employers and providers don't have to request it. The due dates for filing 2017 information returns with the IRS are not extended. For 2018, the due dates to file information returns with the IRS are:

- Feb. 28 for paper filers
- April 2 for electronic filers

Because of these extensions, individuals may not receive their Forms 1095-B or 1095-C by the time they are ready to file their 2017 individual income tax return. While information on these forms may assist in preparing a return, the forms are not required to file. Taxpayers can prepare and file their returns using other information about their health coverage. They do not have to wait for Forms 1095-B or 1095-C to file.

More information is contained in Notice 2018-06. Also visit [www.irs.gov/aca](http://www.irs.gov/aca) for more.

— 30 —

# What You Can Expect When the IRS Assigns Your Account to a Private Collection Agency

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## ***Our Mission***

*Provide America's taxpayers top quality service by helping them understand and meet their tax responsibilities and enforce the law with integrity and fairness to all.*

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**The IRS now contracts with private collection agencies to assist us in collecting overdue tax accounts.**

The Fixing America's Surface Transportation Act signed by the President on December 4, 2015, requires the IRS to contract with private collection agencies to help collect certain federal tax debts. Other federal, state, and local government agencies already use private collection agencies to collect overdue accounts. The law includes strong protection of taxpayer rights.

- Private collection agencies will be held to the same standards of service and taxpayer rights protection as the IRS requires of its own employees.
- Your privacy will be fully maintained. Confidentiality requirements and restrictions required by law will be strictly enforced.

Private collection agencies under contract with us to collect overdue tax accounts are, with some exceptions set forth in the Internal Revenue Code, required to conform to the rules, regulations, and provisions of the Fair Debt Collection Practices Act. Specific provisions of this act prohibit private collection agencies from threatening or intimidating taxpayers.

If you do not wish to work with your assigned private collection agency to settle your overdue tax account, you must submit this request in writing to the private collection agency.

Private collection agencies cannot take any type of enforcement action against you to collect this debt (such as filing a notice of Federal Tax Lien or issuing a levy). However, the IRS does have the legal authority to take these types of enforcement actions to collect an overdue account.

You can get more information about your taxpayer rights and the IRS collection process from the following IRS publications:

Publication 1, Your Rights as a Taxpayer, explains your rights in detail including your right to retain representation. It also explains the examination, appeal, collection, and refund processes.

Publication 594, The IRS Collection Process, explains the steps the IRS may take to collect overdue taxes.

Order IRS forms and publications at our website:  
[www.irs.gov](http://www.irs.gov), or by calling  
1-800-829-3676.

For more information on helpful topics including requesting relief from penalties, ordering account transcripts, and changing your address with the IRS, visit:  
[irs.gov/help-resources](http://irs.gov/help-resources).

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The Treasury Inspector General for Tax Administration (TIGTA) protects and promotes the fair administration of the Federal tax system. To make a complaint about a private collection agency or report any allegations of private collection agency employee misconduct, please call the TIGTA hotline at 800-366-4484; or visit:

[www.tigta.gov](http://www.tigta.gov); or write to:  
Treasury Inspector General  
for Tax Administration Hotline  
Post Office Box 589  
Ben Franklin Station  
Washington, DC 20044-0589

To report a threat, assault or attempted assault by a private collection agency employee, contact the TIGTA Office of Investigations with responsibility for your geographic area or call the TIGTA hotline at  
800-366-4484.

## **Why is the IRS assigning my account to a Private Collection Agency (PCA)?**

Congress passed legislation requiring the IRS to use private collection agencies to assist us in collecting certain overdue tax accounts. The IRS determined to place your account with a private collection agency for collection of your unpaid tax liability.

## **What if I have already paid the balance due on this account?**

Work with the private collection agency employee to identify the payment not applied to your account. Provide the payment information the employee requests. The information you provide will be used to research the application of the payment to ensure it is properly credited.

## **What will the private collection agency do?**

The private collection agency assigned to your account is working on our behalf. They will send you a letter confirming assignment of your unpaid tax liability and then contact you to resolve your account. They will explain the various payment options and help you choose one that is best for you.

## **How can I be sure it is the private collection agency calling me?**

The private collection agency will send you a letter confirming assignment of your tax account. The letter will include the same unique taxpayer authentication number that is on the letter sent to you from the IRS. As part of the authentication process the PCA employee will use the unique number for identity verification. Keep both letters in a safe place for future reference.

## **What private collection agencies are currently under contract with the IRS?**

The names and phone numbers of the private collection agencies under contract with the IRS are available on [irs.gov](http://irs.gov).



## **What should I do now?**

The private collection agency will contact you or you can pay now per the instructions below.

## **Can I call the private collection agency now?**

Yes. You can find their telephone number in the letter we sent you.

## **Who do I make my payments to?**

Make all payments to the IRS. The private collection agency can provide information on ways to pay or visit [www.irs.gov/Payments](http://www.irs.gov/Payments) for electronic payment options. Also see Publication 594, The IRS Collection Process, Ways to pay your taxes. Payment options include IRS Direct Pay to pay an individual tax bill directly from a checking or savings account at no cost. Also available are the Electronic Federal Tax Payment System (EFTPS), an electronic system to pay federal taxes via the Internet or by phone for free and paying by debit or credit card using an electronic payment service provider for a fee.

If paying by check or money order, make the check or money order payable to the United States Treasury. Write your name, Social Security number, and tax year on your payment. The private collection agency will provide the appropriate IRS mailing address for the payment.

## **Is there an organization outside the IRS that can provide tax assistance for free or a nominal fee?**

Assistance can be obtained from individuals and organizations that are independent from the IRS. IRS Publication 4134 provides a listing of Low Income Taxpayer Clinics (LITCs) and is available at [www.irs.gov](http://www.irs.gov). Also, see the LTC page at [www.taxpayeradvocate.irs.gov/litcmap](http://www.taxpayeradvocate.irs.gov/litcmap). The Directory of Federal Tax Return Preparers with credentials recognized by the IRS can be found at <http://irs.treasury.gov/rpo/rpo.jsf>. Assistance may also be available from a referral system operated by a state bar association, a state or local society of accountants or enrolled agents or another nonprofit tax professional organization. The decision to obtain assistance from any of these organizations or individuals will not result in the IRS giving preferential treatment in the handling of the issue, dispute or problem.

TAXPAYER  
**ADVOCATE**  
SERVICE

YOUR VOICE AT THE IRS



**NEED ADDITIONAL HELP?**

Contact the Taxpayer Advocate Service  
1-877-777-4778 or TTY/TTD 1-800-829-4059 or online at  
[www.irs.gov/advocate](http://www.irs.gov/advocate)

The Taxpayer Advocate Service is an independent organization within the Internal Revenue Service that helps taxpayers and protects taxpayer rights. We help taxpayers whose problems with the IRS are causing financial difficulties, who've tried but haven't been able to resolve their problems with the IRS, or believe an IRS system or procedure isn't working as it should. And our service is free.

Your local advocate's number is in your local directory and at [taxpayeradvocate.irs.gov](http://taxpayeradvocate.irs.gov). You can also call us at 1-877-777-4778. For more information about TAS and your rights under the Taxpayer Bill of Rights, go to [taxpayeradvocate.irs.gov](http://taxpayeradvocate.irs.gov). The Taxpayer Advocate Service is your voice at the IRS.



Department of Treasury  
Internal Revenue Service  
PO Box 149342  
Austin, TX 78714-9342

ERIC D. JOHNSON  
123 N HARRIS ST  
HARVARD, TX 12345

Notice	CP40
Notice date	January 26, 2017
Taxpayer ID number	XXX-XX-NNNN
Tax form	
Tax year	
Taxpayer authentication number	
To contact us	Phone: nnn-xxx-xxxx
Page 1 of 2	

## We assigned your overdue tax account to a private collection agency

Current law requires us to contract with qualified private collection agencies to assist in collecting certain overdue federal taxes. We have assigned your account to the following agency:

[Agency name]  
[Address line 1]  
[Address line 2]  
[Phone number]

### What happens next

The private collection agency will work with you to resolve your overdue account. The private collection agency will explain payment options to help you find one that is best for you. It also will provide you with a payment plan if you can't pay the full amount at this time.

You can pay online now at [www.irs.gov/directpay](http://www.irs.gov/directpay) or visit [www.irs.gov/payments](http://www.irs.gov/payments) for more information about ways to pay. If paying by check or money order, make the check or money order payable to the United States Treasury. Include your name, social security number, and the tax year on your payment and send it to the address on this notice. These are the only forms of payment the IRS accepts. We'll never ask you to pay using any form of pre-paid card or store or online gift card.

The private collection agency is required to maintain the security and privacy of your tax information. To do this, it will ask you to provide your name and address of record before assisting you in resolving your account. Also, it will perform two-party verification by asking you for the first five numbers of your taxpayer authentication number at the top of this notice. The private collection agency will then provide the subsequent five numbers.

**Keep this notice for your records.** You'll need information from it to complete the two-party verification.

See the enclosed Publication 4518, What You Can Expect When the IRS Assigns Your Account to a Private Collection Agency, for more information.

### Additional information

- Visit [www.irs.gov/cp40](http://www.irs.gov/cp40)
- You can also find the following online:
  - Publication 1, Your Rights as a Taxpayer
- For tax forms or publications, visit [www.irs.gov/formspubs](http://www.irs.gov/formspubs) or call 1-800-TAX-FORM (1-800-829-3676).
- The Taxpayer Advocate Service (TAS) is an independent organization within the IRS that can help protect your

<b>Notice</b>	CP40
<b>Tax year</b>	
<b>Notice date</b>	January 26, 2017
<b>Taxpayer ID number</b>	XXX-XX-NNNN
<b>Page 2 of 2</b>	

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Additional information – **continued**

taxpayer rights. TAS can offer you help if your tax problem is causing a hardship, or you've tried but haven't been able to resolve your problem with the IRS. If you qualify for TAS assistance, which is always free, TAS will do everything possible to help you. Visit [www.taxpayeradvocate.irs.gov](http://www.taxpayeradvocate.irs.gov) or call 1-877-777-4778.

- Assistance can be obtained from individuals and organizations that are independent from the IRS. The Directory of Federal Tax Return Preparers with credentials recognized by the IRS can be found at <http://irs.treasury.gov/rpo/rpo.jsf>. IRS Publication 4134 provides a listing of Low Income Taxpayer Clinics (LITCs) and is available at [www.irs.gov](http://www.irs.gov). Also, see the LITC page at [www.taxpayeradvocate.irs.gov/litcmap](http://www.taxpayeradvocate.irs.gov/litcmap). Assistance may also be available from a referral system operated by a state bar association, a state or local society of accountants or enrolled agents or another nonprofit tax professional organization. The decision to obtain assistance from any of these individuals and organizations will not result in the IRS giving preferential treatment in the handling of the issue, dispute or problem.

# Revocation or Denial of Passport in Case of Certain Unpaid Taxes

## Alert

The IRS has not yet started certifying tax debt to the State Department. Certifications to the State Department will begin in January 2018. The content presented here is for informational purposes only.

If you have seriously delinquent tax debt, IRC § 7345 authorizes the IRS to certify that debt to the State Department for action. The State Department generally will not issue a passport to you after receiving certification from the IRS.

- [Certification Of Individuals With Seriously Delinquent Tax Debt](#)
- [Annual Adjustment For Inflation](#)
- [Taxpayer Notification - Notice CP 508C](#)
- [Reversal Of Certification - Notice CP 508R](#)
- [Judicial Review Of Certification](#)
- [Payment Of Taxes](#)
- [Passport Status](#)
- [Travel](#)

Upon receiving certification, the State Department shall deny your passport application and/or may revoke your current passport. If your passport application is denied or your passport revoked and you are overseas, the State Department may issue you a limited validity passport good only for direct return to the United States.

## Certification Of Individuals With Seriously Delinquent Tax Debt

Seriously delinquent tax debt is an individual's unpaid, legally enforceable federal tax debt totaling more than \$50,000\* (including interest and penalties) for which a:

- Notice of federal tax lien has been filed and all administrative remedies under IRC § 6320 have lapsed or been exhausted or
- Levy has been issued

Seriously delinquent tax debt is limited to liabilities incurred under Title 26 of the United States Code and does not include debts collected by the IRS such as the FBAR Penalty and Child Support.

Some tax debt is not included in determining seriously delinquent tax debt even if it meets the above criteria. It includes tax debt:

- Being paid in a timely manner under an installment agreement entered into with the IRS
- Being paid in a timely manner under an offer in compromise accepted by the IRS or a settlement agreement entered into with the Justice Department
- For which a collection due process hearing is timely requested in connection with a levy to collect the debt

- For which collection has been suspended because a request for innocent spouse relief under IRC § 6015 has been made

Before denying a passport, the State Department will hold your application for 90 days to allow you to:

- Resolve any erroneous certification issues
- Make full payment of the tax debt
- Enter into a satisfactory payment alternative with the IRS

## **Annual Adjustment For Inflation**

\*The \$50,000 threshold is indexed yearly for inflation

Under **new Code Section 7345(f)**, in the case of a calendar year beginning after 2016, the dollar amount in new Code Section 7345 shall be increased by an amount equal to (1) such dollar amount, multiplied by (2) the cost-of-living adjustment determined under Code Section 1(f)(3) for the calendar year, determined by substituting “calendar year 2015” for “calendar year 1992” in Code Section 1(f)(3)(B). If any amount as adjusted under the preceding sentence is not a multiple of \$1,000, such amount shall be rounded to the nearest multiple of \$1,000.

## **Taxpayer Notification - Notice CP 508C**

The IRS is required to notify you in writing at the time the IRS certifies seriously delinquent tax debt to the State Department. The IRS is also required to notify you in writing at the time it reverses certification. The IRS will send written notice by regular mail to your last known address.

## **Reversal Of Certification - Notice CP 508R**

The IRS will reverse a certification when:

- The tax debt is fully satisfied or becomes legally unenforceable.
- The tax debt is no longer seriously delinquent.
- The certification is erroneous.

The IRS will make this reversal within 30 days and provide notification to the State Department as soon as practicable.

A previously certified debt is no longer seriously delinquent when:

- You and the IRS enter into an installment agreement allowing you to pay the debt over time.
- The IRS accepts an offer in compromise to satisfy the debt.
- The Justice Department enters into a settlement agreement to satisfy the debt.
- Collection is suspended because you request innocent spouse relief under IRC § 6015.
- You make a timely request for a collection due process hearing in connection with a levy to collect the debt.

The IRS will not reverse certification where a taxpayer requests a collection due process hearing or innocent spouse relief on a debt that is not the basis of the certification. Also, the IRS will not reverse the certification because the taxpayer pays the debt below \$50,000.

## **Judicial Review Of Certification**

The State Department is held harmless in these matters and cannot be sued for any erroneous notification or failed decertifications under IRC § 7345.

If the IRS certified your debt to the State Department, you can file suit in the U.S. Tax Court or a U.S. District Court to have the court determine whether the certification is erroneous or the IRS failed to reverse the certification when it was required to do so. If the court determines the certification is erroneous or should be reversed, it can order the IRS to notify the State Department that the certification was in error.

IRC § 7345 does not provide the court authority to release a lien or levy or award money damages in a suit to determine whether a certification is erroneous. You are not required to file an administrative claim or otherwise contact the IRS to resolve the erroneous certification issue before filing suit in the U.S. Tax Court or a U.S. District Court.

## **Payment Of Taxes**

If you can't pay the full amount you owe, you can make alternative payment arrangements such as an installment agreement or an offer in compromise to have your certification reversed.

If you disagree with the tax amount or the certification was made in error, you should contact the phone number listed on Notice CP 508C. If you've already paid the tax debt, please send proof of that payment to the address on the Notice CP 508C.

If you recently filed your tax return for the current year and expect a refund, the IRS will apply the refund to the debt and if the refund is sufficient to satisfy your seriously delinquent tax debt, the account is considered fully paid.

## **Passport Status**

If your U.S. passport application is denied or your U.S. passport is revoked, the State Department will notify you in writing.

If you need your U.S. passport to keep your job, once your seriously delinquent tax debt is certified, you must fully pay the balance, or make an alternative payment arrangement to have your certification reversed.

Once you've resolved your tax problem with the IRS, the IRS will reverse the certification within 30 days of resolution of the issue and provide notification to the State Department as soon as practicable.

## **Travel**

If you're leaving in a few days for international travel, need to resolve passport issues and have a pending application for a U.S. passport, you should call the phone number listed on Notice CP 508C. If you already have a U.S. passport, you can use your passport until you're notified by the State Department that it has been revoked.

If your passport is cancelled or revoked, after you're certified, you must resolve the tax debt by paying the debt in full, making alternative payment arrangements or showing that the certification is erroneous.

The IRS will reverse your certification within 30 days of the date the tax debt is resolved and provide notification to the State Department as soon as practicable.

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## **Related Topics**

[Payment Plans Installment Agreements](#)

[Offer in Compromise](#)

[Collection Due Process \(CDP\)](#)

[Tax Information for Innocent Spouses](#)

*Page Last Reviewed or Updated: 14-Dec-2017*



On irs.gov, go to Tax Professional page, click on 'Access e-Services'

## Tax Professionals

Enrolled Agents

Annual Filing Season Program  
Participants

Enrolled Retirement Plan Agents

Certified Professional Employer  
Organizations (CPEO)

Enrolled Actuaries

E-File Providers

Modernized e-File

### Popular

- [Forms, Publications and Instructions](#)
- [EIN](#)
- [ITIN](#)
- [Refund](#)
- [Pay](#)
- [ACA](#)
- [Power Of Attorney \(POA\)](#)
- [Notice or Letter](#)
- [Fraud or Scam](#)
- [Where to File](#)
- [Research Guidance](#)
- [Identity Theft](#)

### e-Services

Get access to Transcript Delivery System, TIN Matching, e-file and ACA Applications.

[Access e-Services](#)

### PTIN System

Status:  Online

[Renew or Register](#)

Click on 'Login or Register'

## Registration Services

All tax professionals and payers who wish to use e-Services must register online to create an individual user account. Registration Services allows you to confirm your registration, revise your information, change your password or PIN and recover a lost password or PIN.

[GO](#)

## e-file Application

Use our online e-file Application to [become an authorized e-file provider](#). Learn more about IRS e-file that's [required for most tax return preparers](#).

It is only through an approved e-file application that tax professionals, who are [Electronic Return Originators \(EROs\)](#), [Circular 230 Practitioners](#), or [Reporting Agents \(RAs\)](#), can gain access to the Transcript Delivery System. EROs must e-file five or more returns in a tax season to be eligible. Circular 230 Practitioners need only apply and be approved.



Enter your Username and Password

Click on 'Application'

Internal Revenue Service  
United States Department of the Treasury

e-services On-line Tutorials Help Mailbox Sign out Contact Us

services

- [Application](#)
- [Remove Affiliation](#)
- [Reporting Agent e-Services](#)
- [Transcript Delivery System](#)
- [Registration Services](#)

Welcome to IRS e-services

**Your name and firm you are representing.**

[Application](#)  
Access to apply or revise an existing application on-line for participation in IRS *e-file* Program or Taxpayer Identification Number (TIN) Matching.

[Remove Affiliation](#)  
Provides access to the Firm Disassociation page that will allow you to remove your affiliation to the *e-file* firm or organization you selected. Disassociating yourself from the *e-file* application will remove your name from each of the *e-file* applications shown and will eliminate all authority that resulted from your affiliation.

Click on 'e-file Application'

**services**

[Application](#)

[Remove Affiliation](#)

[Reporting Agent e-Services](#)

[Transcript Delivery System](#)

[e-File Application](#)

The Application to participate in the IRS *e-file* Program can be submitted on-line. The IRS will review your application information and supply a written confirmation as to your acceptance or rejection into the program. You may use this either to create a new Application or to revise an existing one.

[ACA Application for TCC](#)

The application to participate in IRS Affordable Care Act electronic filing of information returns is available on-line. The IRS will review the information submitted on your application and send an acceptance or rejection letter. You may use this link to create a new application or to revise an existing one.

[New TIN Matching Application](#)

Payers may apply for Taxpayer Identification Number (TIN) Matching, an on-line product which allows you to submit TIN/Name combinations for verification against IRS records.

Click on 'EFIN Status'



**e-file Application**

Name: **Your Firm**

Employer Identification Number **55-5555555**  
(EIN):

You are about to revise the application for your Firm/Organization. If your application has been submitted and been accepted by the IRS you may have to re-submit your application for review based on your revisions. Not all changes will require you to re-submit the application for review.

Select the area of the application you want to enter, revise or view information about:

[Add New Location](#)

[Firm Name & Business Type](#)

[Firm/Organization Address](#)

[Principal\(s\)](#)

[Responsible Official\(s\)](#)

[Application Contact\(s\)](#)

[Program\(s\) Applying For](#)

[Form\(s\)](#)

[ETIN Status](#)

[EFIN Status](#)

[Delegated User\(s\)](#)

[Application Status](#)

[Application Summary](#)

[Personal Information](#)

[Application Comments](#)

[Application Submission](#)

[Self Certification](#)



When you have finished e-file application Menu, you may do any of the following:

- Select *Previous* to go back to the ETIN Status page.
- Select *Save* to save all changes made.
- Select *Cancel* to exit the application.
- Select *Return to Search* to return to Search e-file Application.

[Previous](#)

[Save](#)

[Cancel](#)


[Return to Search](#)

**e-file Application : EFIN Status**

Name: **Your Firm**

Employer Identification Number **55-**  
(EIN): **555555**

Listed below are the EFIN(s) Electronic Filing Identification Number(s) and their statuses that have been assigned to this application.

	<a href="#">EFIN</a>	<a href="#">EFIN Status</a>	<a href="#">Begin Date/Time</a>	
1	<b>555555</b>	Valid/Active	10/26/2012 4:09:27PM	

Do you own or operate Web site(s) through which taxpayer information is collected, transmitted, stored, or processed?    Yes  No

If you own or operate Web site(s) through which taxpayer information is collected, transmitted, stored, or processed you are required to register their URLs with us. If you own or operate any such Web site that you have not previously registered with us, select the URL Collection link on the

Application Information page menu to register now.

**Electronic Return Originator (ERO) Activity by EFIN/Return Type**

The activity shown below by EFIN and Return Type represents the total YTD counts for returns submitted electronically to the IRS.

	<a href="#">EFIN</a>	<a href="#">Return/Form Type</a>	<a href="#">Processing Year</a>	<a href="#">Transmitted YTD</a>	<a href="#">Accepted YTD</a>	<a href="#">Rejected YTD</a>
1		1040	2016	51	50	1
2		1041	2016	9	9	0
3	<b>555555</b>	1065	2016	12	12	0
4		1120	2016	10	10	0
5		1120S	2016	10	10	0



## Returns Filed per PTIN

See the chart below for the number of tax returns with your PTIN processed by the IRS **this year**. The data is updated weekly and includes only Form 1040 series returns **processed** through the date specified.

If the number is **substantially higher** than the number of tax returns you've prepared and you suspect possible misuse of your PTIN, complete [Form 14157](#).

**Note:** A minimum of 50 returns must be processed for data to be shown. At this time the data is only available for enrolled agents, CPAs, attorneys, and participants in the IRS Annual Filing Season Program, but will be expanded to other PTIN holders in the future.

### Definitions:

- Processing Year: the current calendar year
- Tax Year: the tax year of the returns
- 1040s Processed: includes **only** 1040 series returns (1040, 1040-PR, 1040-SS, 1040A, 1040EZ, 1040EZ-T, 1040NR, and 1040NR-EZ)
- 

### 140 Returns as of 06/27/2016

Processing Year	Tax Year	1040s Processed
2016	2015	90
	2014	47
	2013	1
	2012	2

Previous

# e-Services - Online Tools for Tax Professionals

## More In Tax Pros

- [Enrolled Agents](#)
- [Annual Filing Season Program Participants](#)
- [Enrolled Retirement Plan Agents](#)
- [Certified Professional Employer Organizations \(CPEO\)](#)
- [Enrolled Actuaries](#)
- [E-File Providers](#)
- [Modernized e-File](#)

e-Services is a suite of web-based tools that allow tax professionals, reporting agents, mortgage industry and payers to complete transactions online with the IRS. The tools include Registration Services, e-file Application, Transcript Delivery System and Taxpayer Identification Number (TIN) Matching. These services are only available to approved IRS business partners as noted below and not to the public.

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## e-Services Hot Topics

**NEW REGISTRATION AND LOGIN STARTED DEC. 10, 2017:** All e-Services users must re-register and create new e-Services accounts using a more rigorous two-factor authentication process called Secure Access. Register for your account by selecting the service you want to access. Please review [Important Update about Your e-Services Account](#) for details. If you previously registered in Get Transcript, View Your Tax Account, or IP PIN, please use that password and your e-Services username. We recommend using the "Forgot Password" feature after one failed attempt. Please attempt to register online prior to contacting the e-Help Desk for exception processing.

**Modify Profile and/or add IRS2Go App:** To change your password, change your site image, change your site phrase, or add the IRS2Go security code, you can log into [Get Transcript Online](#) and select "Profile". The IRS2Go app has a new "security" feature that will allow e-Services users to generate the second-factor security code to access accounts. See [Secure Access: How to Register for Certain Online Self-Help Tools](#) for more details on the IRS2Go app.

**Registration Assistance:** If you cannot register online via Secure Access and need exception processing, call the e-Help desk at 1-888-841-4648 (select your language, then prompt 1 and remain on the line until an assistor picks up) 7:30 a.m. Eastern to 7 p.m. Eastern

**Subscribe to Quick Alerts:** Stay informed about issues affecting e-Services and e-file. See [Subscribe to Quick Alerts](#).

**Scam Alert:** There are ongoing criminal campaigns to steal tax pro account passwords and client data. See our [Protect Your Clients; Protect Yourself](#) for the latest alerts.

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## **e-Services Secure Object Repository (SOR) Secure Mailbox**

The SOR is a secure environment to place and download results for TDS and TIN Matching.

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### ***e-file Application***

Use our online e-file Application to [become an authorized e-file provider](#). Learn more about IRS e-file that's [required for most tax return preparers](#).

It is only through an approved e-file application that tax professionals, who are [Electronic Return Originators \(EROs\)](#), [Circular 230 Practitioners](#), or [Reporting Agents \(RAs\)](#) , can gain access to the Transcript Delivery System. EROs must e-file five or more returns in a tax season to be eligible. Circular 230 Practitioners need only apply and be approved.



# Important Update about Your e-Services Account

## Updated Information for e-Services Users 12/08/17

Starting Dec. 10, 2017, all e-Services users must register through a new, more rigorous identity proofing process called Secure Access.

This new process is not optional, on the part of the IRS or its online users. The IRS must make this change to meet federal information system standards. Additionally, cybercriminals increasingly are targeting tax professionals to steal e-Services usernames and passwords, putting taxpayer data at risk.

In recent years, we authenticated each e-Services user individually. When you registered for e-Services, you were asked for your name, address, social security number, your date of birth, adjusted gross income and filing status. That limited amount of information no longer is enough to meet federal information system standards. Users will continue to be authenticated as individuals.

Here's how Secure Access helps –

- First, it strengthens the initial identity proofing process to make sure the person registering is who they say they are.
- Second, it strengthens security through a two-factor authentication process for returning users that helps prevent account takeover by cybercriminals. Two-factor authentication means you must have your credentials (username and password) plus a security code sent to your mobile phone or generated by your IRS2Go app each time you log in.

This is a one-time process. Once you have authenticated your identity and established a Secure Access account for e-Services, there is no further action required.

## Steps You Must Take to Register

Any e-Services user who has not previously created a Secure Access account through Get Transcript Online, IP PIN tool, View Balance or by exception processing in recent days must validate their identity through this more rigorous process. This also includes all TIN Matching users and users who received Letter 5903 last December and authenticated by telephone.

Before starting the identity proofing process, you should review [Secure Access: How to Register for Certain Online Self-Help Tools](#) to learn what you will need to complete the process and how the process will work. You should also review [FAQs: e-Services and Secure Access](#).

You will need to pass various identity proofing stages, including questions to confirm your email, tax return information, financial account information and mobile phone confirmation.

If you have a mobile phone associated with your name, you may complete the Secure Access process in one session. If you have all the available information, you can complete this process within 15 minutes. If you do not have a mobile phone associated with your name, you may request an activation code by mail, which will be delivered within five to 10 days. By using the activation code by mail feature, you also may return to register your IRS2Go App or any text-enabled mobile phone, including a business phone in a company name.

## **Alternative steps if you cannot authenticate online**

If you are an existing e-Services user and you cannot successfully authenticate online, you have an option called exception processing by phone. You may call the IRS and a customer service representative will ask a series of questions related to your current and prior year tax return information including income information documents. For exception processing, call the e-Help desk at 1-888-841-4648 (select your language, then prompt 1 and remain on the line until an assistor picks up) 7:30 a.m. Eastern to 7 p.m. Eastern.

If you accurately answer all questions, an assistor will create a Secure Access account and issue a temporary password and an activation code by mail. This will allow you to return to e-Services registration and complete the process.

If you are unable to accurately answer the questions related to your tax information, you must make an appointment and visit a Taxpayer Assistance Center to verify your identity in person with two forms of government-issued identification. Once your identity is verified, you must again call the e-Help Desk, an account will be established and an activation code by mail issued to allow you to complete the process.

## **How to use the IRS2Go App**

The IRS2Go app has a new “security” feature that will allow e-Services users to generate the second-factor security code to access accounts. The app can be downloaded for free from the Apple App Store, Google Play and Amazon. It can be installed on mobile devices such as smart phones and tablets, such as iPads, Samsung or Amazon Fire.

If your mobile apps do not update automatically, you may have to download IRS2Go again before you can see the “security” tab. The IRS2Go app option will assist those e-Services users who cannot use mobile phones in work areas or who may not have internet access.

Again, see [Secure Access: How to Register for Certain Online Self-Help Tools](#) for more details on the IRS2Go app.

## **UPDATE - New e-Services platform and landing page**

The move to a new e-Services platform and a new landing page has been completed. All applications and tools for all users, including state users, are now available. During this transition period, there may be some performance issues. Additionally, you can no longer script the login process when accessing e-Services applications.

## **UPDATE - New e-Services User Agreement**

As we make these changes to e-Services, we also will make changes to the e-Services User Agreement. We will notify you in advance when this user agreement is available.

*Page Last Reviewed or Updated: 11-Dec-2017*

## **Secure Access: How to Register for Certain Online Self-Help Tools**

To better protect taxpayers, the IRS recently upgraded its identity verification process for certain online self-help tools. The purpose is to prevent taxpayer impersonations and account takeovers by identity thieves.

Because the Secure Access Authentication platform is more rigorous, it helps if you prepare to register in advance.

Currently, the Secure Access Authentication process applies to the [Get Transcript Online](#), [Get an IP PIN](#), [e-Services](#) and [your tax account tools](#).

**Here's what new users need to get started:**

- A readily available email address;
- Your Social Security number;
- Your filing status and address from your last-filed tax return;
- Your personal account number from a:
  - credit card, or
  - home mortgage loan, or
  - home equity (second mortgage) loan, or
  - home equity line of credit (HELOC), or
  - car loan(The IRS does not retain this data)
- A readily available mobile device. For instant access, your name must be associated with a U.S.-based mobile phone capable of receiving text messages. If the mobile phone number cannot be linked to your name, you may opt for a mailed activation code during registration.

Note:

If you have a “credit freeze” on your credit records through Experian, it must be [temporarily lifted](#) before you can successfully complete this process.

The credit card cannot be American Express, a debit card, or a corporate card issued in your name by your company or organization.

Because this process involves verification using financial records, there may be a “soft inquiry” placed on your credit report. This notice does not affect your credit score. The IRS does not retain your financial account information.

If you have a pay-as-you-go mobile phone or a business/family plan mobile phone not associated with your name, you may request that we mail an activation code to the address we have on file for you. To complete the registration process, you still must have either 1) a text-enabled, U.S.-based phone to receive a security code via text or 2) the [IRS2Go mobile application](#) to receive a security code within the IRS2Go app.

If you have already created an account with Secure Access and need to change your phone number, you must re-register.

**First-time users of any Secure Access-supported tool must:**

- Submit name and email address to receive a confirmation code;
- Enter the emailed confirmation code;
- Provide SSN, date of birth, filing status and address on the last filed tax return;
- Provide some financial account information for verification such as the last eight digits of their credit card number or car loan number or home mortgage account number or home equity (second mortgage) loan number or home equity line of credit;
- Enter a mobile phone number to receive a six-digit activation code via text message OR request an activation code by mail (see below);
- Enter the activation code sent to mobile phone;
- Create username and password, create a site phrase and select a site image.

**First-time users who opt for an Activation Code by Mail must:**

- Complete the steps above through financial account information;
- On the mobile phone verification page, select “Receive an activation code by postal mail”;
- Create username and password, create a site phrase, select a site image, and select secret questions;
- Allow 5 to 10 business days for mail delivery of the activation code;
- Return to the online service and enter your username and password;
- Enter the activation code at the prompt;
- Enter number for any type of text-enabled phone at the prompt (this may include a pay-as-you-go mobile phone or a business/family plan mobile phone not associated with your name); and/or select the option to receive a security code via the [IRS2Go mobile application](#);
- Complete mobile device activation;
- Check mobile device for a security code;
- Enter the security code at the prompt to complete the Secure Access registration process.

**Returning users with existing credentials but new to Secure Access must:**

- Log in with an existing username and password;
- Submit financial account information for verification, for example, the last eight digits of a credit card number or car loan number or home mortgage account number or home equity (second mortgage) loan account number;
- Submit a mobile phone number to receive an activation code via text OR request an activation code by mail (see above).

**Returning users who previously completed the Secure Access process must:**

- Log in with an existing username and password;
- Receive a security code via mobile device provided during account set up;
- Enter the security code into secure access.
- You will need a security code each time you log into Secure Access.

**Using the IRS2Go Mobile App to Receive a Security Code:**

- The [IRS2Go](#) app is a mobile app that is available for Android smartphones, Android tablets, iPhones, iPads, and Amazon Fire tablets.
- IRS2Go offers the option to generate the security code needed for each login. There is a one-time registration process where your app-enabled device must be connected to the internet. After registering the mobile device, you do not need to be connected to the Internet to generate the security code via the IRS2Go app. To use the IRS2Go Security Code feature, the time on your mobile device must be accurate.
- There are two ways to select the IRS2Go option to receive the security code needed for each login.
  - The first way to register your IRS2Go app is you can ask for an activation code by mail. When you return to Secure Access and enter the activation code, you will have the option of receiving the security code via text or via the IRS2Go app. To register the app, select “set up a security code using IRS2Go mobile app”.
  - The second way to register the IRS2Go app is if you’ve previously registered with a mobile phone linked to your name, you can add the IRS2Go app via your profile page after you have logged in. In the Security Code section, click "set up IRS2Go mobile app authentication".
- The IRS2Go app may only be connected to one account at a time. The app cannot support multiple Secure Access users.

- When you log into an IRS.gov application, you may remove and/or replace your IRS2Go device from your profile page. When replacing a mobile device, do not remove the IRS2Go app from your original device until you have set up the IRS2Go security code on your new device.

*Page Last Reviewed or Updated: 08-Dec-2017*

## FAQs about e-Services and Secure Access

Starting Dec. 10, 2017, all e-Services users must re-register and re-validate their identities using a more rigorous, two-factor authentication process called Secure Access. Two-factor authentication means returning users must enter their credentials (username and password), plus a security code sent via text to a mobile phone or to the IRS2Go app on a mobile device. Two-factor authentication helps prevent e-Services accounts from being taken over by cybercriminals who may be adept at stealing passwords but are unlikely to have the user's mobile phone. Preventing account takeovers helps protect taxpayer and tax practitioner data and helps prevent the filing of fraudulent tax returns.

- [FAQs – Who is Affected?](#)
- [FAQs – Getting Started](#)
- [FAQs – the Exception Process](#)

### FAQs for Secure Access Registration – Who is Affected?

#### **I'm a TIN Matching user. Do I need to register through Secure Access?**

Yes. All e-Services products will be protected by Secure Access. That means all e-Services users must validate their identities using the Secure Access registration process.

#### **Last December, I received Letter 5903 which asked me to call the e-Help Desk to verify my identity, which I did. Do I need to revalidate?**

Yes. If you validated your identity by phone after receiving Letter 5903, you still must authenticate your identity by updating your e-Services account through Secure Access. All current e-Services users, who have not registered for other IRS.gov tools protected by Secure Access, must validate their identities by using Secure Access registration.

#### **I registered for Get Transcript Online last year using Secure Access. What do I need to do?**

If you created an IRS account last year using a tool protected by Secure Access, for example Get Transcript Online or Get an IP PIN tools, your authentication information automatically will migrate to Secure Access, including your existing e-Services username. Once e-Services moves behind Secure Access, you will be asked to change your e-Services password.

#### **Can I change my user name when I register through Secure Access?**

No. Your e-Services username is permanent and cannot be changed.

#### **Can I change my e-Services password?**

Although your username is permanent and will remain the same, you will be asked to change your password to meet new password protocols.

**As a taxpayer, I passed Secure Access last year when I registered through the Get Transcript Online or Get an IP PIN tool. I used a different username and password because it is a personal account. How does this affect me?**

If you have a personal account for either Get Transcript Online, IP PIN or any Secure Access-protected tool on IRS.gov, your e-Services account will merge with your Secure Access account. You will login using your e-Services user name and retain your Secure Access password.

## **FAQs for Secure Access Registration - Getting Started**

### **How do I get started with verifying my identity through e-Services?**

Before you start, review [Secure Access: How to Register for Certain Online Self-Help Tools](#).

Here are a few items you will need:

- A readily available email address;
- Your Social Security number;
- Your filing status and address from your last-filed tax return;
- Your personal account number from a:
  - credit card, or
  - home mortgage loan, or
  - home equity (second mortgage) loan, or
  - home equity line of credit (HELOC), or
  - car loan(The IRS does not retain this data)
- A readily available mobile device that either is text-enabled or supports the IRS2Go app. A text-enabled mobile phone associated with your name will allow you to complete registration in one session. If you want to use a business mobile phone or the IRS2Go app, request the activation code by mail.  
NOTE: If you have a “credit freeze” on your credit records through Experian, it must be temporarily lifted before you can successfully complete this process. The credit card cannot be American Express, a debit card or a corporate card issued in your name by your company or organization.

### **What is the difference between the various “codes” used by Secure Access?**

There are three codes:

- A one-time confirmation code is sent to your email address as you begin the registration process and is valid for 15 minutes.
- A one-time activation code is sent during the registration process to validate your mobile phone.
  - May be sent to your mobile phone and is valid for 10 minutes or;
  - May be mailed to your address of record if you lack a mobile phone associated with your name and is valid for 30 days
- A six-digit security code generated each time you login to e-Services:
  - May be sent to your mobile phone and is valid for 10 minutes or;
  - May be generated via IRS2Go app and is valid for 60 seconds.

### **Can several users register the same mobile phone?**

No. The system allows only one user per device.

### **How can I register through Secure Access if I have a business mobile phone and do not have a personal mobile phone associated with my name?**

There is an option to receive an activation code by mail. This option will allow you to receive an activation code within five to 10 business days, return to Secure Access and complete the process by entering any text-enabled mobile phone number. The mailed activation code is valid for 30 days.

### **If I get an activation code by mail, do I still need a mobile phone?**

No. We have the IRS2Go app available for use on mobile devices in lieu of the mobile phone requirement. Upon completing the activation code process, you will be prompted to provide a text-enabled mobile phone number OR use the IRS2Go app in lieu of a text to receive the recurring security code. IRS2Go can be used on many types of mobile devices such as smart phones and tablets. This includes phone or tablet products supported by Apple, Android and Amazon. It does not include laptops or computers.

### **What is the benefit of the IRS2Go app?**

After you have successfully registered through Secure Access, the app will generate a security code for e-Services users. You do not need to be connected to the Internet to receive a security code through the app. But you do need an app-enabled mobile device such as a smart phone or tablet. This is to assist those users who may be in offices that do not receive cell service or are not Internet connected.

### **If we use the IRS2Go app, can several people use the same tablet?**

No. Each individual must have his or her own mobile device, such as a smart phone or tablet.

### **I don't have Internet service at work, can I still use IRS2Go app?**

Your app-enabled device will need to be connected to the Internet to complete an initial, one-time set up and receive a one-time digital key. However, after this set up, the app itself will generate a security code as needed and do so offline. Your device does not need to be connected to the Internet to generate the recurring security code needed for each login.

### **Is there an option to have a landline instead of a digital device to receive security codes?**

The IRS is working toward an option that would send a voice text to your landline phone, but it is not available at this time.

### **Where can I get the IRS2Go app?**

The IRS2Go app is available for free at iTunes App Store, Google Play and Amazon. It will work on mobile devices powered by Apple (iPhone and iPad), Android (phones and tablets by Google, Samsung and other manufacturers) or Amazon (Amazon Fire tablets.) Learn more about the IRS2Go app at [Secure Access: How to Register for Certain Online Self-Help Tools](#).

## **FAQs for Secure Access Registration – the Exception Process**

### **I'm unable to register through Secure Access, what is my option?**

If you are an existing e-services customer and cannot authenticate your identity through Secure Access, you may call the e-Help Desk and verify your identity over the phone. If you successfully authenticate your identity via phone, the IRS assistor will establish your Secure Access account, issue a temporary password and issue you an activation code by mail. You must return to the Secure Access registration to complete the process by providing a text-enabled mobile phone number or establishing IRS2Go, which will enable you to receive the recurring security code each time you login.

**What do I need to successfully authenticate my identity by phone?**

You will need access to your email and your most recent and prior year tax returns as well as documents such as information returns and associated schedules.

**Can I skip the online process and call the e-Help Desk to authenticate?**

It is much faster and easier to authenticate your identity online. We will add additional telephone support assistors in late October, but we do anticipate an increased call volume.

**I hired several new employees who have failed the online Secure Access process. Can they use the exception process?**

No. The exception process is only for existing e-Services users. If you hire employees who do not currently have an e-Services account, they cannot use the exception process; they must complete the Secure Access process online.

**What is my option if I cannot authenticate by phone?**

If you are an existing e-Services user and you are unable to authenticate your identity through the online Secure Access process or by phone through the exception process, you will need to make an appointment to visit a Taxpayer Assistance Center to identity proof in-person. You must bring two forms of government identification. Once your identity is validated at a TAC, you must call the e-Help Desk again so they assistor can establish a Secure Access account, create a temporary password and issue an activation code by mail.

**Can I skip the online process and call the e-Help Desk to authenticate?**

It is much faster and easier to authenticate your identity online. We will add additional telephone support assistors, but we do anticipate an increased call volume.

*Page Last Reviewed or Updated: 13-Dec-2017*



# IRS News Release

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Media Relations Office

Washington, D.C.

Media Contact: 202.317.4000

[www.IRS.gov/newsroom](http://www.IRS.gov/newsroom)

Public Contact: 800.829.1040

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## **Security Summit Partners Mark Progress in Identity Theft Battle; Prepare for 2018 Tax Season**

IR-2017-176, Oct. 17, 2017

WASHINGTON – The IRS, state tax agencies and private-sector industry leaders today detailed their continued progress against tax-related identity theft and prepared additional safeguards for the 2018 filing season to curb refund fraud.

The latest IRS data continued to show significant improvements as fewer identity theft returns entered the tax system, fewer fraudulent refunds were issued and fewer taxpayers were reporting themselves as victims of identity theft.

The progress also underscored that the Security Summit partnership created in March 2015 has led to stronger federal and state tax systems than just a few years ago with important new protections for taxpayers – which take on even greater importance given recent high-profile data breaches,

“We’ve made tremendous progress since the Security Summit partnership held its first session in 2015,” said IRS Commissioner John Koskinen. “We’ve seen the number of identity theft-related tax returns fall by about two-thirds since 2015. This dramatic decline helped prevent hundreds of thousands of taxpayers from facing the challenges of dealing with identity theft issues. This reflects the unique collaboration between the tax industry, the states and the IRS. But we have much more work facing us. As we evolve, so do the cybercriminals here and abroad. We must constantly be on guard.”

“The collaborative work of the Summit is helping states, industry and the IRS identify fraudulent schemes and tax returns earlier,” said Courtney M. Kay-Decker, director of the Iowa Department of Revenue and a representative of the Federation of Tax Administrators. “These efforts mean we are better able to protect our taxpayers from tax refund fraud and from the effects of identity theft.”

This is Koskinen’s final Security Summit meeting prior to the end of his term as IRS commissioner in November. Koskinen convened the various groups together for an unprecedented meeting in 2015. This session led to the creation of the Security Summit and a series of initiatives that resulted in greater protections for the taxpayers and the tax system.

### **Significant Progress Against Identity Theft in 2016 and 2017**

Since 2015, the IRS has put in place numerous safeguards as the federal, state and private sectors worked together. For example, the tax industry shares dozens of important data points from returns that help the IRS and states identify potential identity theft fraud. Password protocols for both individual and tax professional software have been enhanced. States have worked with financial institutions to create their own program to help identify suspect refunds. The IRS continues to pilot a Form W-2 Verification Code that helps verify income information and employers.

“These efforts have made a remarkable difference for taxpayers,” Koskinen said. “The numbers show we are making progress on multiple fronts, with significant improvements in 2016. And we continued this dramatic trend in 2017.”

Among the highlights seen by the IRS since 2015:

- Confirmed identity theft returns declined. In calendar year 2016, the IRS stopped 883,000 confirmed identity theft returns, a 37 percent drop in confirmed identity theft returns from 2015. During the first eight months of 2017, the IRS has stopped 443,000 confirmed identity theft returns, a 30 percent decline from same time last year.
- Financial firms stopped suspect refunds. Financial institutions stopped 124,000 suspect refunds in 2016, a 50 percent decline from 2015. Financial institutions have stopped 127,000 suspect refunds so far this year, which in part reflects a handful of cases involving several thousand accounts.
- Identity theft victim numbers fell substantially. The number of people reporting that they were victims of identity theft fell to 376,000 in 2016, a 46 percent decline from 699,000 in 2015. This year the strong trend line has continued through August: 189,000 taxpayers have reported themselves as victims of identity theft, which is down approximately 40 percent from the same time last year.

The IRS and its Security Summit partners are already looking at how to refine existing protections and add new ones for the 2018 filing season. For example, Summit partners will be sharing more data points from tax returns than in the past.

Also for 2018, there will be a new “Verification Code” box included on all official Forms W-2 for the first time. Many taxpayers will see a 16-character code on about 66 million Forms W-2 to assist with authenticating the Form W-2. Taxpayers preparing their own returns and tax professionals are urged to enter the code if the box contains the 16-digit number.

Due to security concerns, not everything the partners do is visible to the public or fraudsters. For example, the Summit partners continue to implement information sharing in the Identity Theft Tax Refund Fraud Information Sharing and Analysis Center (ISAC) where emerging identity theft schemes and alerts are shared within the partnership. So far this year, 67 security alerts have already been shared through this process.

### **New Protections for Business Returns**

The Summit partners also are putting an increased emphasis on identity theft protections for business returns in the Form 1120 and 1041 series. The IRS will be asking tax professionals to gather more information on their business clients. The data being collected assists the IRS in authenticating that the tax return being submitted is actually a legitimate return filing and not an identity theft return. Some of the new questions people may be asked to provide when filing their business, trust or estate client returns include:

- The name and Social Security number of the company individual authorized to sign the business return. Is the person signing the return authorized to do so?
- Payment history – Were estimated tax payments made? If yes, when were they made, how were they made, and how much was paid?
- Parent company information – Is there a parent company? If yes, who?
- Additional information based on deductions claimed.

- Filing history – Has the business filed Form(s) 940, 941 or other business-related tax forms?

To help businesses and business return preparers, the IRS has created a new [Identity Theft Guide for Business, Partnerships and Estate and Trusts](#).

### **Taxpayers, Tax Professionals Can Help Protect Themselves**

The IRS warned all tax and payroll professionals and other entities holding personally identifiable information to be especially alert to cybercriminals impersonating clients to steal additional sensitive information from their files. The IRS urged tax professionals and others to perform due diligence steps regarding email requests for personal information and watch out for phishing emails.

“We know that cybercriminals are planning for the 2018 tax season just as we are. They are stockpiling the names and SSNs they have collected. They try to leverage that data to gather even more personal information. This coming filing season, more than ever, we all need to work diligently and together to combat this common enemy,” Koskinen said. “We all have a role to play in this fight.”

The IRS and Summit partners again will continue a public awareness campaign [“Taxes. Security. Together.”](#) to remind taxpayers what steps they can take to better protect their financial data while online. The third year of this campaign will begin next month.

The IRS and Summit partners have a similar awareness program for tax professionals called [“Protect Your Clients, Protect Yourself.”](#) This summer, partners promoted a 10-week [“Don’t Take the Bait”](#) campaign aimed at warning tax preparers about various phishing scams. The Summit plans to continue this education and outreach effort to tax professionals in the months ahead.

# IRS News Release

Media Relations Office  
[www.irs.gov/newsroom](http://www.irs.gov/newsroom)

Washington, D.C.

Media Contact: 202.317.4000  
Public Contact: 800.829.1040

## 2018 PTIN Renewal Period Underway for Tax Professionals

IR-2017-180, Oct. 26, 2017

WASHINGTON — The Internal Revenue Service today reminded the nation's more than 727,000 federal tax return preparers that they must renew their Preparer Tax Identification Numbers (PTINs) for 2018. All current PTINs will expire Dec. 31, 2017.

Anyone who prepares or helps prepare any federal tax return, or claim for refund for compensation must have a valid PTIN from the IRS. The PTIN must be used as the identifying number on returns prepared. Failure to have and use a valid PTIN may result in penalties.

"We ask that you renew your PTIN as soon as possible to avoid a last-minute rush," said Carol A. Campbell, Director, IRS Return Preparer Office. "It's easy to let this slip as the holiday season approaches."

For those who have a 2017 PTIN, the renewal process takes a few moments online. Those who cannot remember their user ID and password can find online tools to assist them. Preparers can get started at [www.irs.gov/ptin](http://www.irs.gov/ptin). If registering for the first time, the PTIN application may also be completed online. There is no fee for obtaining or renewing a PTIN.

Paper [Form W-12](#), IRS Paid Preparer Tax Identification Number Application and Renewal, is available for paper applications and renewals, and takes four to six weeks to process.

All enrolled agents, regardless of whether they prepare returns, must have a PTIN in order to maintain their status.

### Annual Filing Season Program Participation Kicks Off

The voluntary IRS Annual Filing Season Program is intended to encourage non-credentialed tax return preparers to take continuing education (CE) courses to increase their knowledge and improve their filing season readiness. Participation generally requires 18 hours of CE, including a course in basic tax filing issues and updates, ethics, as well as other federal tax law courses. More information on the types and amounts of CE required for the program is available [online](#).

Preparers desiring to receive an Annual Filing Season Program Record of Completion for 2018, must (1) complete their continuing education requirements by Dec. 31, 2017; (2) have a valid 2018

PTIN; and (3) consent to adhere to specific practice requirements in Treasury Department Circular No. 230.

The IRS has a [video](#) to demonstrate how to sign the Circular 230 consent and print the Record of Completion.

### **Enrolled Agent Credential**

The Annual Filing Season Program is a filing season qualification while the enrolled agent program provides professional status. The enrolled agent credential is an elite credential issued by the IRS to tax professionals who demonstrate special competence in federal tax planning, individual and business tax return preparation and representation matters. Enrolled agents have unlimited representation rights; allowing them to represent any client before the IRS on any tax matter. As non-credentialed return preparers consider the next steps in their professional career, the IRS encourages them to consider becoming an enrolled agent.

Enrolled agents and participants in the Annual Filing Season Program are included in the [Directory of Federal Tax Return Preparers with Credentials and Select Qualifications](#) created on IRS.gov to help explain the various tax return preparer credentials and qualifications to taxpayers. The directory also contains information on attorneys, certified public accountants, enrolled retirement plan agents and enrolled actuaries who are registered with the IRS.

Additional information on the enrolled agent program is available [here](#). Information on understanding tax return preparer credentials and qualifications [is also available](#).

# IRS News Release

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## **10 Million Taxpayers Face an Estimated Tax Penalty Each Year; Act Now to Reduce or Avoid it for 2017; New Web Page Can Help**

IR-2017-182, Oct. 31, 2017

WASHINGTON — The Internal Revenue Service today reminded taxpayers assessed an estimated tax penalty for tax year 2016 that they still have time to take steps to reduce or eliminate the penalty for 2017 and future years.

To help raise awareness about the growing number of estimated tax penalties, the IRS has launched a new [“Pay as You Go, So You Don’t Owe”](#) web page. The IRS.gov page has tips and resources designed to help taxpayers, including those involved in the [sharing economy](#), better understand tax withholding, making estimated tax payments and avoiding an unexpected penalty.

Each year, about 10 million taxpayers are assessed the estimated tax penalty. The average penalty was about \$130 in 2015, but the IRS has seen the number of taxpayers assessed this penalty increase in recent years. The number jumped about 40 percent from 7.2 million in 2010 to 10 million in 2015.

Most of those affected taxpayers can easily reduce or, in some cases, eliminate the penalty by increasing their withholding or adjusting estimated tax payments for the rest of the year. With a little planning, taxpayers can avoid the penalty altogether.

By law, the estimated tax penalty usually applies when a taxpayer pays too little of their total tax during the year. The penalty is calculated based on the interest rate charged by the IRS on unpaid tax.

### **How to Avoid the Penalty**

For most people, avoiding the penalty means ensuring that at least 90 percent of their total tax liability is paid in during the year, either through income-tax withholding or by making quarterly estimated tax payments. Keep in mind exceptions to the penalty and special rules apply to some groups of taxpayers, such as farmers, fishers, casualty and disaster victims, those who recently became disabled, recent retirees, those who base their payments on last year’s tax and those who receive income unevenly during the year. For details, see [Form 2210](#) and its instructions.

Taxpayers may want to consider increasing their tax withholding in 2017, especially if they had a large balance due when they filed their 2016 return earlier this year. Employees can do this by filling out a new [Form W-4](#) and giving it to their employer. Similarly, recipients of pensions and annuities can make this change by filling out [Form W-4P](#) and giving it to their payer.

In either case, taxpayers can typically increase their withholding by claiming fewer allowances on their withholding form. If that's not enough, they can also ask employers or payers to withhold an additional flat dollar amount each pay period. For help determining the right amount to withhold, check out the [Withholding Calculator](#) on IRS.gov.

Taxpayers who receive Social Security benefits, unemployment compensation and certain other government payments can also choose to have federal tax taken out by filling out [Form W-4V](#) and giving it to their payer. But some restrictions apply. See the form and its instructions for details.

For taxpayers whose income is normally not subject to withholding, starting or increasing withholding is not an option. Instead, they can avoid the estimated tax penalty by making quarterly estimated tax payments to the IRS. In general, this includes investment income — such as interest, dividends, rents, royalties and capital gains — alimony and self-employment income. Those involved in the [sharing economy](#) may also need to make these payments.

### **Tips to Make Estimated Tax Payments**

Estimated tax payments are normally due on April 15, June 15, Sept. 15 and Jan. 15 of the following year. Any time one of these deadlines falls on a weekend or holiday, taxpayers have until the next business day to make the payment. Thus, the next estimated tax payment for the fourth quarter of 2017 is due Tuesday, Jan. 16, 2018.

The fastest and easiest way to make estimated tax payments is to do so electronically using IRS [Direct Pay](#) or the Treasury Department's Electronic Federal Tax Payment System ([EFTPS](#)). For information on other payment options, visit [IRS.gov/payments](#). Taxpayers may also use [Form 1040-ES](#) to figure these payments. [IRS Publication 505](#), Tax Withholding and Estimated Tax, is a resource on withholding and estimated payments.



# TAXES. SECURITY. TOGETHER.

The IRS, the states and the tax industry are committed to protecting you from identity theft. We've strengthened our partnership to fight a common enemy – the criminals – and to devote ourselves to a common goal – serving you. Working together, we've made many changes to combat identity theft, and we are making progress. However, cybercriminals are constantly evolving, and so must we. The IRS is working hand-in-hand with your state revenue officials, your tax software provider and your tax preparer. But, we need your help. We need you to join with us. By taking a few simple steps, you can better protect your personal and financial data online and at home.

Please consider these steps to protect yourselves from identity thieves:

## Keep Your Computer Secure

- Use security software and make sure it updates automatically; essential tools include:
  - Firewall
  - Virus/malware protection
  - File encryption for sensitive data
- Treat your personal information like cash, don't leave it lying around
- Check out companies to find out who you're really dealing with
- Give personal information only over encrypted websites – look for “https” addresses.
- Use strong passwords and protect them
- Back up your files

## Avoid Phishing and Malware

- Avoid phishing emails, texts or calls that appear to be from the IRS and companies you know and trust, go directly to their websites instead
- Don't open attachments in emails unless you know who sent it and what it is
- Download and install software only from websites you know and trust
- Use a pop-up blocker
- Talk to your family about safe computing

## Protect Personal Information

Don't routinely carry your social security card or documents with your SSN. Do not overshare personal information on social media. Information about past addresses, a new car, a new home and your children help identity thieves pose as you. Keep old tax returns and tax records under lock and key or encrypted if electronic. Shred tax documents before trashing.

**Avoid IRS Impersonators.** The IRS will not call you with threats of jail or lawsuits. The IRS will not send you an unsolicited email suggesting you have a refund or that you need to update your account. The IRS will not request any sensitive information online. These are all scams, and they are persistent. Don't fall for them. Forward IRS-related scam emails to [phishing@irs.gov](mailto:phishing@irs.gov). Report IRS-impersonation telephone calls at [www.tigta.gov](http://www.tigta.gov).

Additional steps:

- Check your credit report annually; check your bank and credit card statements often;
- Review your Social Security Administration records annually: Sign up for My Social Security at [www.ssa.gov](http://www.ssa.gov).
- If you are an identity theft victim whose tax account is affected, review [www.irs.gov/identitytheft](http://www.irs.gov/identitytheft) for details.



# IRS News Release

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## IRS Issues Urgent Warning to Beware IRS/FBI-Themed Ransomware Scam

### IRS YouTube Videos:


Tax Scams: [English](#) | [Spanish](#) | [ASL](#)Private Collection of Overdue Taxes: [English](#) | [Spanish](#)

IR-2017-134, Aug. 28, 2017


WASHINGTON – The Internal Revenue Service today warned people to avoid a new phishing scheme that impersonates the IRS and the FBI as part of a ransomware scam to take computer data hostage.

The scam email uses the emblems of both the IRS and the Federal Bureau of Investigation. It tries to entice users to select a “here” link to download a fake FBI questionnaire. Instead, the link downloads a certain type of malware called ransomware that prevents users from accessing data stored on their device unless they pay money to the scammers.

“This is a new twist on an old scheme,” said IRS Commissioner John Koskinen. “People should stay vigilant against email scams that try to impersonate the IRS and other agencies that try to lure you into clicking a link or opening an attachment. People with a tax issue won’t get their first contact from the IRS with a threatening email or phone call.”




Dear



The Internal Revenue Service (IRS) is the revenue service of the United States federal government. The government agency is a bureau of the Department of the Treasury. The IRS is responsible for collecting taxes and administering the Internal Revenue Code, the federal statutory tax law of the U.S. Our duty to maximize tax revenue, as well as pursuing and resolving instances of erroneous or fraudulent tax filings.

Owing to changes of Tax laws of the United States of America of June 21, 2017 (Federal tax regulations ref. no. 13-444876478) any business activity of resident or the non-resident citizens of the United States of America abroad, in particular the belonging of offshore companies, equity participation and offshore capitals, is transferred under the special control of the Federal Bureau of Investigation.



**FBI requires a completed questionnaire [here](#) with absolutely reliable information. The questionnaire should be printed, filled out, signed in the specified places, scanned and sent within 10 days from the reception of this letter here: [report@irs.fbi.gov](mailto:report@irs.fbi.gov)**

The IRS, state tax agencies and tax industries – working in partnership as the Security Summit – currently are conducting an awareness campaign called Don’t Take the Bait, that includes warning tax professionals about the various types of phishing scams, including ransomware. The IRS highlighted this issue in an Aug. 1 news release [IR-2017-125 Don’t Take the Bait, Step 4: Defend against Ransomware.](#)

Victims should not pay a ransom. Paying it further encourages the criminals, and frequently the scammers won't provide the decryption key even after a ransom is paid.

Victims should immediately report any ransomware attempt or attack to the FBI at the Internet Crime Complaint Center, [www.IC3.gov](http://www.IC3.gov). Forward any IRS-themed scams to [phishing@irs.gov](mailto:phishing@irs.gov).

The IRS does not use email, text messages or social media to discuss personal tax issues, such as those involving bills or refunds. For more information, visit the "[Tax Scams and Consumer Alerts](#)" page on IRS.gov. Additional information about tax scams is available on IRS social media sites, including YouTube videos.

If you are a tax professional and registered e-Services user who disclosed any credential information, contact the [e-Services Help Desk](#) to reset your e-Services password. If you disclosed information and taxpayer data was stolen, contact your [local stakeholder liaison](#).

# IRS News Release

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## Fake Insurance Tax Form Scam Aims at Stealing Data from Tax Pros, Clients

IR-2017-171, Oct. 12, 2017

WASHINGTON – The Internal Revenue Service today alerted tax professionals and their clients to a fake insurance tax form scam that is being used to access annuity and life insurance accounts.

Cybercriminals currently are combining several tactics to create a complex scheme through which both tax professionals and taxpayers have been victimized.

There may be variations but here's how one scam works: The cybercriminal, impersonating a legitimate cloud-based storage provider, entices a tax professional with a phishing email. The tax professional, thinking they are interacting with the legitimate cloud-based storage provider, provides their email credentials including username and password.

With access to the tax professional's account, the cybercriminal steals client email addresses. The cybercriminal then impersonates the tax professional and sends emails to their clients, attaching a fake IRS insurance form and requesting that the form be completed and returned. The cybercriminal receives replies by fax and/or by an email very similar to the tax professional's email – using a different email service provider or a slight variation to the tax pro's address.

The subject line varies but may be “urgent information” or a similar request. The awkwardly worded text of the email states:

*Dear Life Insurance Policy Owner,  
Kindly fill the form attached for your Life insurance or Annuity contract details and fax back to us for processing in order to avoid multiple (sic) tax bill (sic).*

The cybercriminal, using data from the completed form, impersonates the client and contacts the individual's insurance company. The cybercriminal then attempts to obtain a loan or make a withdrawal from those accounts.

The [IRS reminds tax professionals](#) to be aware of phishing emails, free offers and other common tricks by scammers. Those tax professionals who have data breaches should contact the IRS immediately through their Stakeholder Liaison. See [Data Theft Information for Tax Professionals](#).

Individuals who receive the insurance tax form scam email should forward it to [phishing@irs.gov](mailto:phishing@irs.gov) and then delete it. Individuals who completed and returned the fake tax form should contact their insurance carrier for assistance.

# IRS News Release

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Media Relations Office

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

Public Contact: 800.829.1040

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## IRS Criminal Investigation Releases Fiscal Year 2017 Annual Report

IR-2017-208, December 20, 2017

WASHINGTON — The Internal Revenue Service today announced the release of the [Criminal Investigation Division's \(CI\) annual report](#), reflecting significant accomplishments and criminal enforcement actions taken in fiscal year 2017.

Focusing on employment tax, refund fraud, international tax enforcement, tax-related identity theft, public corruption, cybercrime, terrorist financing and money laundering, CI initiated 3,019 cases in FY 2017. The number of cases initiated is directly tied to the number of special agents that CI has.

“We have the same number of special agents—around 2,200—as we did 50 years ago,” said Don Fort, Chief, CI. “Financial crime has not diminished during that time— in fact, it has proliferated in the age of the Internet, international financial crimes and virtual currency. Despite these challenges, we continue to do amazing work, investigating some of the most complicated cases in the agency’s history. Criminals would be foolish to mistake declining resources for a lack of commitment in this area.”

The annual report is released each year for the purpose of highlighting the agency’s successes while providing a historical snapshot of the make-up and priorities of the organization. The very first Chief of IRS CI, Elmer Lincoln Irey, served from 1919 to 1946 and envisioned releasing such a document each year to showcase the agency’s investigative work.

CI is the only federal law enforcement agency with jurisdiction over federal tax crimes. This year, CI again boasted a conviction rate rivaling all federal law enforcement at 91.5% while spending more than 72% of their investigative time working tax cases. That conviction rate speaks to the thoroughness of the investigations and CI is routinely called upon by prosecutors across the country to lead financial investigations on a wide variety of financial crimes including international tax evasion, identity theft, terrorist financing and transnational organized crime.

CI investigates potential criminal violations of the Internal Revenue Code and related financial crimes in a manner to foster confidence in the tax system and compliance with the law. The interactive report summarizes a wide variety of CI activity throughout the fiscal year and includes case examples from each field office on a wide range of financial crimes.

“Since taking over as the Chief of CI this summer, I could not be prouder to lead the men and women of this organization,” said Fort. As financial crimes—and the way we investigate them—continue to evolve, CI continues to set the standard for financial investigations worldwide.”

# Complaint: Tax Return Preparer

Use this form to file a complaint with the IRS against a tax return preparer or tax preparation business.

**CAUTION: READ THE INSTRUCTIONS BEFORE COMPLETING THIS FORM. There may be other more appropriate forms specific to your complaint. (For example, if you believe you are a victim of identity theft, please complete Form 14039, Identity Theft Affidavit).**

## Section A - Return Preparer Information *(complete all known information)*

1. Preparer's professional status *(check all that apply)*

- Attorney
- Certified Public Accountant
- Other/Unknown
- Enrolled Agent
- Payroll Service Provider

2. Preparer's name and address

3. Preparer's business name and address *(if different)*

4. Preparer's telephone number(s) *(include area code)*

5. Preparer's email address

6. Preparer's website

7. Preparer Electronic Filing Identification Number (EFIN)

8. Preparer Tax Identification Number (PTIN)

9. Employer Identification Number (EIN)

## Section B - Complaint Information

10. Tax period(s) impacted

11a. Review the complaints below and check all that apply

- Theft of Refund *(Diverted refund to unknown account; return filed does not match taxpayer's copy)*
- E-File *(e-filed returns using pay stub, non-commercial software or Free File without properly securing taxpayer's signature)*
- Preparer Misconduct *(Failed to provide copy of return, return records, sign returns or remit payments for taxes due; misrepresentation of credentials; agreed to file return but did not; filed return without authorization or consent.)*
- PTIN Issues *(Failed to include Preparer Tax Identification Number (PTIN) on tax return; improperly used a PTIN belonging to another individual)*
- False Items/Documents *(False expenses, deductions, credits, exemptions or dependents; false or altered documents; false or overstated Form W-2 or 1099; incorrect filing status)*
- Employment Taxes *(Failed to file forms 940, 941, 943, or 945 or remit Employment Tax payment)*
- Other *(explain below)*

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Attach a **copy** of any documents you received from the tax return preparer (e.g., **tax returns**, advertisements, business cards, Form 8879, IRS e-file Signature Authorization, Form 8888, Allocation of Refund (including savings bond purchases), Contract for Service Agreement, and Refund Transfer Agreement). Do not send original returns or payments with this form.

11b. Provide facts and other information related to the complaint *(attach additional sheets if necessary)*.

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**Section C - Taxpayer's Information** Are you the taxpayer?  Yes  No

*(We never share this information with the person or business you are reporting)*

This information may be necessary to process your complaint. If you are the taxpayer complete section C only. If you are not the taxpayer, complete sections C and D.

12. Name of individual or business

13. Mailing address *(street, city, state, ZIP code)*

14. Telephone number(s) *(include area code)*

15. Email address

16. Taxpayer's signature

17. Date of complaint

**Section D - Your Information** *(do not complete if you are the taxpayer)*

*(We never share this information with the person or business you are reporting)*

This information is not required to process your complaint but is helpful if we need to contact you for additional information.

18. Name *(Last, First, MI)*

19. Date of complaint

20. Mailing address *(street, city, state, ZIP code)*

21. Telephone number(s) *(include area code)*

22. Email address

23. Your relationship to Preparer

- Client  IRS employee
- Return preparer working for a different firm\*  Other *(specify)* \_\_\_\_\_
- Return preparer working for the same firm\*

\* Taxpayers' information and any information relating to another professional are confidential. Please obtain your client's consent before sharing any protected tax information, even with the IRS.

The completed form along with all supporting information can be filed by fax or regular mail.

If faxing Form 14157 send to: **855-889-7957**

If mailing Form 14157 send to:  
**Attn: Return Preparer Office**  
**401 W. Peachtree Street NW**  
**Mail Stop 421-D**  
**Atlanta, GA 30308**

**Privacy Act and Paperwork Reduction Act Notice**

We ask for the information on this form to carry out the Internal Revenue laws of the United States. We need it to ensure that preparers are complying with these laws and to allow us to figure and collect the right amount of tax.

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 Internal Revenue Code section 6103.

The time require to complete this form will vary depending on individual circumstances. The estimated average time is 15 minutes. The primary purpose of this form is to report potential violations of the Internal Revenue laws by tax return preparers. We are requesting this information under authority of 26 U.S.C. § 7801 and § 7803. Providing this information is voluntary, and failure to provide all or part of the information will not affect you. Providing false or fraudulent information may subject you to penalties. We may disclose this information to the Department of Justice to enforce the tax laws, both civil and criminal, and to cities, states, the District of Columbia, and U.S. commonwealths or possessions to carry out their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal non-tax criminal laws, and to federal law enforcement and intelligence agencies to combat terrorism.

## Instructions for Form 14157, Complaint: Tax Return Preparer

### General Instructions

#### What's New

A check box was added to determine if the form was completed by the impacted taxpayer. Another method to file the form was added.

#### Purpose of Form

Use Form 14157 to file a complaint against a tax return preparer or tax preparation business.

Individuals who are paid to prepare federal tax returns must follow ethical standards and guidelines as established in Treasury Department Circular 230. For more information on requirements for paid tax return preparers, view Circular 230 at [www.irs.gov/taxpros](http://www.irs.gov/taxpros).

#### Where to Send This Form

The completed form along with all supporting information can be filed by fax or regular mail.

If faxing Form 14157 send to: 855-889-7957

If mailing Form 14157 send to: Attn: Return Preparer Office, 401, W. Peachtree Street NW, Mail Stop 421-D, Atlanta, GA 30308

If a tax return preparer filed a return or altered your return without your consent and you are seeking a change to your account, complete Form 14157-A, Tax Return Preparer Fraud or Misconduct Affidavit, in addition to Form 14157. Submit both forms along with the documents listed in the Form 14157-A instructions to the address indicated on the Form 14157-A.

#### **CAUTION: DO NOT USE Form 14157:**

- If you suspect your **identity was stolen**. Use Form 14039. Follow "Instructions for Submitting this Form" on Page 2 of Form 14039.
- To report **alleged tax law** violations by an individual, a business, or both. Use Form 3949-A. Submit to the address on the Form 3949-A.

### Specific Instructions

#### Section A - Return Preparer Information

**Preparer's Professional Status** - Indicate any professional credentials held, or claimed to be held, by the return preparer. An Attorney is an individual in good standing with a state bar association. A Certified Public Accountant is an individual in good standing with a state board of accountancy. An Enrolled Agent status is granted solely by the IRS upon the individual's demonstration of special competence in tax matters, by written examination, and passing suitability requirements. A Payroll Service Provider is a third party paid by an employer to administer the employer's payroll and tax responsibilities. Select Other/Unknown if you are unsure of the preparer's status.

**Information about the Tax Return Preparer** - Provide as much information as you know about the paid tax return preparer or business.

**Preparer's Identification Numbers(s)** - If known, provide the tax preparer's Electronic Filing Identification Number (EFIN), Preparer Tax Identification Number (PTIN), and Employer Identification Number (EIN).

#### Section B - Complaint Information

##### Tax Period(s)

Indicate the tax period(s) of the tax return for which the tax preparer misconduct occurred. Most individual's tax returns cover a calendar year of 12 months, January 1 through December 31. For example, you may have a tax return that was prepared in 2013, but the tax year is 2012 because the tax return covered calendar year 2012. A business's tax return can cover a quarter or a full year. For example, you may have a Form 941, Employer's Quarterly Federal Tax Return, prepared for the period ending September 30, 2014.

Review the complaint allegations and check all that apply. Describe in detail the facts of your complaint in 11b. Attach a copy of any documents you received from the tax return preparer. For Employment Tax complaints attach a copy of any Contract for Service Agreement. Also attach additional sheets if necessary. Do not send original returns or payments.

##### Theft of Refund

A preparer:

- Embezzled or stole all or a portion of a client's federal tax refund.
- Diverted a refund to an account that was not the client's.
- Provided a copy of the return to the client that had direct deposit information that is not theirs.
- Provided a copy of the return to the client that does not match the return that was filed with the IRS.
- Failed to explain that a cash advance, fast refund, or instant refund was actually a refund anticipation loan borrowed against an income tax refund and the related fees and interest charges.

**E-File**

A preparer:

- Filed a return electronically using a last payroll stub or a leave and earnings statement without waiting for the official Form W-2 from the employer. Return preparers are generally prohibited from filing a return prior to receipt of Forms W-2, W-2G, and 1099-R.
- Used non-commercial software to prepare returns that appear self prepared by the taxpayer and is not including his or her name, PTIN, or firm name. Similarly, the preparer used the "Free File" program to prepare and file tax returns for clients. For more information on Free File, visit [www.irs.gov/freefile](http://www.irs.gov/freefile).
- Filed a return electronically without securing taxpayer's signature on Form 8879 (e-File Signature Authorization).

**Preparer Misconduct**

A preparer:

- Did not provide client with a copy of the return he or she prepared, and refused to provide a copy after a request.
- Did not return some or all of the client's original records.
- Did not sign the federal tax returns that he or she prepared.
- Claimed to be an attorney, certified public accountant, enrolled agent, or registered tax return preparer, but does not actually have the credential claimed or the credential is no longer valid (e.g. expired, suspended or revoked).
- Agreed to file return but did not.
- The preparer charged for services not performed.
- Did not remit payment for taxes due.
- Filed a return or submitted other information for a client without their knowledge, authorization, or consent.
- Failed to explain that a cash advance, fast refund, or instant refund was actually a refund anticipation loan borrowed against an income tax refund and the related fees and interest charges. The return preparer was misleading, or failed to ensure taxpayers understand financial products and related fees.

**PTIN Issues**

A preparer:

- Improperly used a Preparer Tax Identification Number (PTIN) belonging to another individual.
- Does not have a PTIN or is not including a PTIN on returns prepared.

**False Items/Documents**

A preparer knowingly:

- Claimed false or fictitious expenses and/or deductions on a tax return.
- Claimed unrelated, non-existent, unknown or additional information on a tax return.
- Made changes to a client's original tax documents or used false or incorrect documents to complete return.
- Claimed false or fictitious income and/or federal withholding on a tax return.
- Claimed an improper filing status on a tax return. The filing status claimed did not accurately reflect the taxpayer's family situation.

**Employment Taxes**

A preparer:

- Did not remit employment tax funds to the IRS on behalf of a client for Forms 940, 941, 943, 944, or 945 in full or on time.
- Did not prepare employment tax returns (Form 941, 940, 943, 944, 945) on behalf of a client in an accurate and/or timely manner.

**Other**

- If none of the above describes the nature of the complaint, briefly summarize the complaint. Some examples of other tax preparer misconduct or improper tax preparation practices include, but are not limited to, fee dispute and bad behavior such as threats.

**Section C - Taxpayer Information**

Indicate if you are the taxpayer impacted by the tax preparer's misconduct or improper tax preparation practices.

Enter the taxpayer's name, street address, city, state, zip code, telephone number(s), and email address where he/she can be contacted.

**Taxpayer's Signature** – Sign and date.

**Section D - Your Contact Information**

Enter your name, street address, city, state, zip code, telephone number(s), and e-mail address where you can be contacted. This information is not required to process your complaint but is helpful if we need to contact you for additional information.

**Your Relationship to Preparer**

Enter your relationship to the return preparer.

Taxpayers' information and any information relating to another professional are confidential. Please obtain your client's consent before sharing any protected tax information, even with the IRS.



# What would you do if your client information system or data was breached?



**PROTECT  
YOUR CLIENTS  
PROTECT  
YOURSELF**

## **All tax return preparers should have a security plan.**

**Use IRS Publication 4557, *Safeguarding Taxpayer Data* to review and assess your security posture**

### **If you have a data breach or other security incident, contact:**

- **Internal Revenue Service** – Your local IRS Stakeholder Liaison
- **Federal Bureau of Investigation** – Your local office
- **Local Police** – File a police report
- **State Tax Agencies** – Email the Federation of Tax Administrators at [StateAlert@taxadmin.org](mailto:StateAlert@taxadmin.org)
- **State Attorneys General** – Most states require that the attorney general be notified of data breaches
- **Insurance Company** – To check if your insurance policy covers data security incidents

**See *Data Theft Information for Tax Professionals* on [IRS.gov](http://IRS.gov)**

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# IRS Services Guide



## Help for Individual Taxpayers

If you need help with	Here's where to find it
General tax law information	<ul style="list-style-type: none"> <li>• Go to <a href="https://www.irs.gov">IRS.gov</a> and search <b>Interactive Tax Assistant</b>, <b>Tax Topics</b>, <b>Frequently Asked Questions</b>, <b>Tax Trails</b> and <b>IRS Tax Map</b> to get answers to your tax questions</li> <li>• Go to <a href="https://www.irs.gov/pub">IRS.gov/Pub 17</a>, Your Federal Income Tax for Individuals, for information about recent tax law changes and interactive links to find answers to your questions</li> <li>• Access tax law information using IRS <b>eBooks</b> for mobile devices</li> <li>• Find tax law information in your electronic filing software</li> </ul>
Finding a qualified tax professional	<ul style="list-style-type: none"> <li>• Search <a href="https://www.irs.gov/chooseataxpro">IRS.gov/chooseataxpro</a> on <a href="https://www.irs.gov">IRS.gov</a> to help you locate a qualified tax preparer</li> </ul>
Preparing a federal tax return	<p>Find free options on <a href="https://www.irs.gov">IRS.gov</a> or in your community for those who qualify</p> <ul style="list-style-type: none"> <li>• Go to <a href="https://www.irs.gov/filing">IRS.gov/Filing</a> to find information on filing your taxes</li> <li>• Go to <a href="https://www.irs.gov/freefile">IRS.gov/FreeFile</a> to find brand name software to prepare and e-file your return for free</li> <li>• Go to <a href="https://www.irs.gov/vita">IRS.gov/VITA</a> to find free tax help. Select Free Tax Help on the <a href="https://www.irs.gov/irs2go">IRS2Go</a> app, or call 1-800-906-9887 to find the nearest location for free tax preparation</li> <li>• Go to <a href="https://www.irs.gov/tce">IRS.gov/TCE</a> for free help with your taxes, or call 1-888-227-7669 to find the nearest location for free tax preparation</li> </ul> <p><b>Note:</b> Use Direct Deposit when filing your return for a quicker refund. It's fast and safe.</p>
Reporting health care coverage	<ul style="list-style-type: none"> <li>• Go to <a href="https://www.irs.gov/aca">IRS.gov/aca</a> and learn how to report health care coverage and what Form 1095-B, Health Coverage and Form 1095-C, Employer-Provided Health Insurance Offer and Coverage mean to you</li> <li>• Go to <a href="https://www.irs.gov/ita">IRS.gov/ITA</a> to determine if you must reconcile advance payments or if you can claim a <b>Premium Tax Credit</b></li> <li>• Go to <a href="https://www.irs.gov/ita">IRS.gov/ITA</a> to determine if you can claim a coverage exemption or if you must make an <b>Individual Shared Responsibility</b> payment</li> <li>• Go to <a href="https://www.healthcare.gov">HealthCare.gov</a> to get a Form 1095-A, <i>Health Insurance Marketplace Statement</i>, apply for health care coverage or report changes in circumstances to the <b>Health Insurance Marketplace</b></li> </ul>
Getting a transcript or copy of a return	<ul style="list-style-type: none"> <li>• Go to <a href="https://www.irs.gov/gettranscript">IRS.gov/GetTranscript</a></li> <li>• Call the automated transcript toll-free line: 1-800-908-9946</li> <li>• Mail in Form 4506-T (available on <a href="https://www.irs.gov">IRS.gov</a>)</li> </ul>
Checking on the status of a refund	<ul style="list-style-type: none"> <li>• Go to <a href="https://www.irs.gov">IRS.gov</a> and click on <b>Where's My Refund</b></li> <li>• Call the automated refund hotline: 1-800-829-1954</li> <li>• Select Refund Status on the <a href="https://www.irs.gov/irs2go">IRS2Go</a> mobile app</li> </ul>
Checking the status of an amended return	<ul style="list-style-type: none"> <li>• Go to <a href="https://www.irs.gov">IRS.gov</a> and click on the Tools tab and select the <b>Where's My Amended Return</b> tool</li> </ul>

Making a tax payment	Go to <a href="https://www.irs.gov/payments">IRS.gov/payments</a> . You can pay by: <ul style="list-style-type: none"> <li>• <b>Direct Pay</b> (Individuals only – checking or savings account, free)</li> <li>• <b>Debit or credit card</b></li> <li>• <b>Electronic Federal Tax Payment System</b></li> <li>• <b>Check or money order</b></li> </ul> Download the IRS2Go mobile app to make a payment.
What if I can't pay now?	Go to <a href="https://www.irs.gov/payments">IRS.gov/payments</a> and select online payment agreement. <ul style="list-style-type: none"> <li>• Go to <a href="https://www.irs.gov/OPA">IRS.gov/OPA</a> to apply for an Online Payment Agreement to pay your taxes over time</li> <li>• Go to <a href="https://www.irs.gov/OIC">IRS.gov/OIC</a> to find the Offer In Compromise pre-qualifier tool to settle for less than you owe</li> </ul>
Understanding an IRS Notice or Letter	<ul style="list-style-type: none"> <li>• Go to <a href="https://www.irs.gov">IRS.gov</a> and enter <b>understanding your notice</b> in the Search box to find additional information about your IRS notice or letter</li> </ul>
Getting an Employer Identification Number (EIN)	<ul style="list-style-type: none"> <li>• Go to <a href="https://www.irs.gov/EIN">IRS.gov/EIN</a> to apply for an Online EIN Application</li> <li>• Available Monday - Friday, 7 a.m. to 10 p.m. Eastern time</li> </ul>
Getting an Individual Taxpayer Identification Number (ITIN)	<ul style="list-style-type: none"> <li>• Go to <a href="https://www.irs.gov/ITIN">IRS.gov/ITIN</a> to learn more about renewing an expired ITIN and to get an application</li> </ul>
Understanding Identity Theft issues	<ul style="list-style-type: none"> <li>• Go to <a href="https://www.irs.gov">IRS.gov</a> and enter <b>Identity Theft</b> in the Search box for information and videos</li> </ul>
Obtaining a tax form or publication	<ul style="list-style-type: none"> <li>• Go to <a href="https://www.irs.gov/forms-pubs">IRS.gov/forms-pubs</a></li> </ul>
Contacting a local Taxpayer Advocate	<ul style="list-style-type: none"> <li>• Go to <a href="https://www.irs.gov">IRS.gov</a> and enter <b>Taxpayer Advocate</b> in the Search box or call them at 1-877-777-4778 or TTY/TTD: 1-800-829-4059</li> </ul>



## Help for Tax Professionals

If you need help with	Here's where to find it
General Tax Professional Information	<ul style="list-style-type: none"> <li>• Go to <a href="https://www.irs.gov/for-tax-pros">IRS.gov/for-tax-pros</a> to find tools and information For Tax Pros</li> <li>• Find Health Care Law information in the <a href="#">ACA Information Center for Tax Professionals</a></li> </ul>
Getting a Preparer Tax Identification Number (PTIN)	<ul style="list-style-type: none"> <li>• Enter <b>PTIN</b> into the Search box to get PTIN requirements and renew or sign up for a PTIN</li> <li>• Call toll-free: 1-877-613-7846</li> <li>• International: 1-915-342-5655 (not toll-free)</li> <li>• TTY: 1-877-613-3686</li> </ul>
Getting a Power of Attorney (POA)	<ul style="list-style-type: none"> <li>• Go to <a href="https://www.irs.gov">IRS.gov</a> and enter <b>POA</b> in the Search box for information on Form 2848 and Instructions</li> </ul>
Contacting the Practitioner Priority Service	<ul style="list-style-type: none"> <li>• Call toll-free: 1-866-860-4259 for help with a client account issue</li> </ul>
Obtaining a tax form or publication	<ul style="list-style-type: none"> <li>• Go to <a href="https://www.irs.gov/forms-pubs">IRS.gov/forms-pubs</a></li> </ul>
Keeping up with the latest IRS information affecting tax professionals	<ul style="list-style-type: none"> <li>• Go to <a href="https://www.irs.gov">IRS.gov</a> and enter "Join e-news" in the Search box to subscribe to <b>e-News for Tax professionals</b></li> <li>• Follow IRS on <b>Twitter</b>, at: <a href="https://twitter.com/irstaxpros">https://twitter.com/irstaxpros</a></li> <li>• Like IRS on <b>Facebook</b>, at: <a href="https://www.facebook.com/IRStaxpros">https://www.facebook.com/IRStaxpros</a></li> </ul>
Professional responsibility information	<ul style="list-style-type: none"> <li>• Go to <a href="https://www.irs.gov">IRS.gov</a> and enter <b>Circular 230</b> in the Search box for information on the standards of practice for tax professionals and frequently asked questions</li> </ul>

## **Connect with the IRS**

The IRS uses social media tools to share the latest information on tax changes, initiatives, products and services. Connect with the IRS through the following social media tools.

### **IRS2Go**

Get quick access to IRS social media, sign up for helpful tax tips, check your tax refund status and make a payment — all with the [IRS2Go mobile app](#). IRS2Go is available in both English and Spanish for Android and iOS mobile devices.

### **YouTube**

Tune in to the IRS YouTube channels. You can watch short, informative videos in English, American Sign Language and other languages.

### **Twitter**

IRS tweets include various tax-related announcements, news for tax professionals and hiring initiatives.

### **Tumblr**

The IRS Tumblr blog provides current tax information.

### **Facebook**

The IRS Return Preparer Facebook page posts useful information for tax professionals.

### **Audio files for Podcasts**

Subscribe to IRS Podcasts on iTunes or download them from the [Multimedia Center](#).

### **Subscriptions**

Sign up for free [e-News subscriptions](#) on many topics. This news is delivered straight to your inbox. See which ones you want to join.

## **Protect Your Identity**

At the IRS, privacy and security are paramount. We use these tools to share public information with you. Don't post your social security number or other confidential information on social media sites. Always protect your identity when using any social networking site.

We will not be able to answer personal tax or account questions on any of these sites.