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IRS continues to expand taxpayer services and online tools, key milestones reached with Inflation Reduction Act funding

Quarterly update highlights expansion on Individual, Business Online Accounts; Document Upload Tool hits 1 million submissions and more amended returns can be filed electronically

IR-2024-196, July 25, 2024

WASHINGTON – As part of ongoing transformation efforts, the Internal Revenue Service announced today continued progress on a variety of taxpayer service and technology projects using Inflation Reduction Act (IRA) funding that expand online tools and digital services.

The IRS highlighted improvements, including six new features to help taxpayers using the Individual Online Account, a new Spanish version of the Business Tax Account tool and the availability of amended business forms that can be filed electronically. In addition, the IRS announced hitting the milestone of 1 million submissions through the Document Upload Tool and more special Community Assistance Visits to help taxpayers in underserved parts of the country.

“Funding from the Inflation Reduction Act is helping spur innovation and improvement across the IRS to transform our operations in our work to help taxpayers and the nation,” said IRS Commissioner Danny Werfel. “This progress can be seen in our continued expansion of our online accounts to provide more features, increased use of new digital tools and additional special activities to help taxpayers in-person. By providing digital forms, making payments easier and continuing work to reduce paper-based processes that have long hampered the IRS and frustrated taxpayers, our progress is accelerating to make long-overdue improvements.”

Werfel highlighted these efforts as part of a quarterly update on the IRS Strategic Operating Plan, the transformational effort using IRA funding. As these initiatives continue to improve taxpayer service and expand online tools, the agency is also working to modernize its core technology infrastructure and [compliance efforts](#) focused on neglected problem areas involving high-income taxpayers, partnerships and corporations.

New features, key milestones reached on online, digital products

Taxpayers deserve the same functionality in their online accounts that they experience with their bank or other financial institutions. As detailed in the Strategic Operating Plan, the IRS is working to transform its operations to enable a future in which all taxpayers can meet their responsibilities, including interactions with the IRS, in a digital manner if they prefer. As part of this vision, taxpayers will be able to securely file all documents and respond to all notices online as well as securely access and download their data and account history. The IRS has hit or is progressing toward several milestones toward these goals, including:

- The IRS continues to expand the functionality of its online platforms, including several new features in **Individual Online Account** that give taxpayers the ability to:
 - Retrieve all their tax related information from one source, including Wage & Income, Account, Record of Account, and Return transcripts;
 - Request an update to their Identity Protection (IP) PIN using their smartphones or tablets;
 - View information about the status of their audit at their convenience, instead of having to call the IRS to obtain audit information;
 - Use a Lien Payoff Calculator to access lien information, calculate their lien payoff amount and generate a letter for download/print;

- Complete the Pending Installment Agreement process within Online Account without having to be re-routed to a separate application and
 - View a comprehensive overview of their account information, including the status of their tax refund as it's being processed.
- With the latest expansion, **Business Tax Account** is now available in Spanish. In addition, eligible business taxpayers can see their balance due and make the payment all in one place. Previously, the balance due had to be viewed in a separate place from where the payment was made, adding another complicating step for businesses making payments. Sole proprietors can now download business entity transcripts from their Business Tax Account. This transcript shows entity information like business name, address, location address and more for the Employer Identification Number on file.
 - **File new amended returns electronically:** Additional business Forms 940, 941, 943 and 945, including the Spanish version of Forms 941 and 943, can now be filed electronically. Through this improved process, IRS employees can now access taxpayer return information electronically, allowing them to provide more complete and accurate answers to taxpayer questions. In addition, the IRS can now accept related electronic payments while minimizing errors normally associated with processing paper returns. Taxpayers can still choose to submit a paper version.
 - **Respond to notices online hits 1 million uploads:** IRS digitalization efforts reached another key milestone in the agency's transformation work with the Document Upload Tool accepting its one millionth taxpayer submission. Initially launched in 2021 in a limited format and greatly expanded in 2023 with funding from IRA, the tool offers taxpayers and tax professionals the option to respond digitally to eligible IRS notices by securely uploading required documents online through IRS.gov. For anyone with a smart phone or computer, this means that replying to IRS notices is now often as easy as scanning required documents and uploading them to the tax agency.
 - **Use mobile-adaptive forms:** IRS now has a total of 30 forms available for mobile use, allowing taxpayers to fill out common non-tax forms on cell phones and tablet devices and then submit them to the IRS digitally. Taxpayers have submitted more than 72,000 mobile-friendly forms since the September 2023 launch. Providing taxpayers with common forms in this new format offers them a safe and fast way to electronically engage with the IRS. This can also help reduce mail and paper when they send forms to the IRS, a part of the [Paperless Processing Initiative](#). Forms adapt to any screen size and ensure information is entered into all required data fields. This can help reduce errors, which can delay processing. In addition, taxpayers can access five of these forms that require signatures in their Online Account, including:
 - Form 13533 - VITA/TCE Partner Sponsor Agreement
 - Form 13533-A - FSA Remote Sponsor Agreement
 - Form 14039-B - Business Identity Theft Affidavit
 - Form 12508 - Questionnaire for Non-Requesting Spouse
 - Form 14157-A - Tax Return Preparer Fraud or Misconduct Affidavit
 - **Redesigning notices:** The IRS has redesigned 100 of the most common notices that individual taxpayers receive, part of the ongoing work to prepare for the 2025 filing season as part of the Simple Notice Initiative. These notices make up about 90% of total notice volume sent to individual taxpayers, representing about 150 million notices sent to individual taxpayers in 2022.

More in-person help offered; special programs offered in underserved areas

The IRS continues to focus on helping taxpayers get it right the first time, helping them to interact with the

agency in the ways that work best for them on the phone, in-person and online. The IRS is expanding in-person service, particularly those in underserved and rural communities.

During the filing season, IRS Taxpayer Assistance Centers had a 37% increase in face-to-face contacts, with the IRS working with nearly 1.3 million taxpayers for this calendar year through July 13. The IRS also received 2.7 million volunteer prepared returns to date compared to 2.5 million last year, an increase of 9.1%.

This summer, the IRS is continuing its special series of Community Assistance Visits to give taxpayers living in areas far from the agency's in-person offices an opportunity to meet face-to-face with IRS customer service representatives. These visits, which began last year with IRA funding, provide help for taxpayers who live about a two-hour drive away from an IRS office.

The IRS has already hosted events in Roma, Texas; Humboldt, Iowa; Hazlehurst, Georgia; and Orocovis, Puerto Rico. This week, the agency is offering face-to-face help at a temporary Taxpayer Assistance Center in Gallup, New Mexico. Upcoming Community Assistance Visits include:

- Aug. 5-9, Thomasville, Alabama
- Aug. 19-23, Great Bend, Kansas
- Sept. 9-13, West Plains, Missouri
- Sept. 23-27, Clarkston, Washington
- Oct. 7-11, Fairbanks, Alaska
- Oct. 21-25, Potsdam, New York

More information on these events will be available on [IRS.gov](https://www.irs.gov) closer to the event date.

Modernizing foundational technology

In addition to improvements to customer-facing technology, the IRS is modernizing decades-old systems and equipment:

- **Digitalization:** The IRS continues to make significant progress scanning and electronically filing paper returns. The IRS has replaced scanning equipment that is older than five years and installed automated mail-sorter machines in the six highest-volume IRS locations, streamlining the process of mail sorting, opening and scanning. As of the end of June, the IRS had scanned more than 2 million pieces of paper. Digitization has far-reaching implications for how the IRS can improve service and will enable the IRS to create completely digital workflows.
- **Online Account payment plans.** The IRS recently delivered a data service that improves the taxpayer experience through Individual Online Account, allowing tax professionals to access and create payment plans on behalf of individual taxpayers.

Beyond the improvements made in direct support of taxpayers, foundational technology has continued the incremental improvements needed to increase operational effectiveness and efficiency for IRS employees, which ultimately helps taxpayers:

- **Updating outdated Human Resource IT systems.** Due to more than a decade of funding cuts to the agency, the IRS has hundreds of disparate, legacy human resources (HR) information technology (IT) systems with thousands of workflows. The transformation and streamlining of the HR IT applications using IRA funding is key to cultivating a robust organization, with a healthy HR function at its core. This multi-year project is a partnership with Treasury's CIO and leverages cutting-edge technology to modernize IRS's legacy HR applications, automate manual processes and make use of Treasury's existing shared service offerings. These HR technology improvements in talent acquisition, workforce planning, labor and employee relations and other

key HR processes will enhance the employee experience, improve productivity and help retain a strong and high-quality workforce needed to deliver customer service improvements for taxpayers.

- **Increasing network bandwidth to help employees, taxpayers.** IRS has doubled the network bandwidth at many of our worksites to meet increased workforce demand and improve taxpayer service. The IRS is on track to complete this phase of network expansion at all sites ahead of filing season 2025.

Ensuring complex partnerships, large corporations and high-income, high-wealth individual taxpayers pay taxes owed

The IRS is also continuing work to ensure large corporate, large partnership and high-income individual filers pay the taxes they owe. Prior to the Inflation Reduction Act, more than a decade of budget cuts prevented the IRS from keeping pace with the increasingly complicated set of tools that the wealthiest taxpayers use to hide their income and evade paying their share. The IRS is now taking a variety of steps to close this gap.

The IRS has ramped up efforts to pursue high-income, high-wealth individuals who have either not filed their taxes or failed to pay recognized tax debt, with dozens of revenue officers focused on these high-end collection cases. These efforts are concentrated among taxpayers with more than \$1 million in income and more than \$250,000 in recognized tax debt. Earlier this month, the [IRS announced that it has collected more than \\$1 billion from high-wealth taxpayers](#) as part of an effort to ensure these individuals pay what they owe. The \$1 billion collected represents collections as of April 2024, with work continuing in this area.

More improvements planned for 2025 as filing season work intensifies

In addition to these areas mentioned above, the IRS has a number of initiatives where changes related to the Inflation Reduction Act will accelerate later this year and into the 2025 filing season. Here are some examples:

- Continuing to focus on enhancing live assistance through improved efficiency in call centers, reducing paper and continued expanded staffing levels at Taxpayer Assistance Centers, while working to ensure taxpayers are aware of all available credits and benefits.
- Expanding online services by expanding the features available in Online Account, including digital copies of notices, status updates, secure two-way messaging and expanded payment options.
- Accelerating digitalization by providing new non-tax forms in digital mobile-friendly formats, in addition to the 20 delivered in fiscal year 2024, as well as scanning at the point of entry virtually all paper-filed tax and information returns.
- Increased taxpayer information by expanding information available on important issues ranging from the availability of important tax credits and benefits, as well as more consumer-focused information raising awareness about emerging tax scams and schemes.

More information on these and other improvements related to the 2025 tax season will be available later this fall.

For further information:

- [Strategic Operating Plan](#)
- [IRS.gov tools](#)
- [Taxpayer Online Account](#)
- [Tax information in non-English languages](#)

Funding from the Inflation Reduction Act improves taxpayer service with modern online tools

IR-2024-230, Sept. 4, 2024

WASHINGTON — With the funding from the Inflation Reduction Act (IRA), the Internal Revenue Service continues to modernize online tools for taxpayers to take advantage of clean energy credits.

The IRA, with its associated funding, gave the IRS the opportunity to transform taxpayer services – creating new, fully electronic processes and systems, updating legacy systems, improving compliance and fraud mitigation.

Building and launching these online tools has been a major milestone for the IRA and is helping to save taxpayers time and money.

IRS Energy Credits Online

IRS Energy Credits Online or IRS ECO, is a free electronic service that is secure, accurate and requires no special software, making it accessible to large and small businesses alike.

Taxpayers can use the IRS ECO platform to register and provide information to the IRS for filing purposes. In addition, IRS ECO incorporates validation checks and other risk-mitigation measures and allows for monitoring in real time of key metrics to include identification of customer-service enhancements and fraudulent activity.

In November 2023, the IRS announced that qualified manufacturers can submit eligible clean vehicle VINs and sellers and dealers can register their business and complete time of sale reports completely online using IRS [Energy Credits Online tool](#).

If a taxpayer transfers their clean vehicle credit, IRS Energy Credits Online allows dealers and sellers to receive advance payments within 72 hours of the expiration of a cancellation period. IRS ECO generates a time of sale report that the vehicle buyer will use when filing their federal tax return to claim or report the transfer of the credit.

In December 2023, the IRS announced that qualifying businesses, tax-exempt organizations or entities such as state, local and Indian tribal governments can register using the new [IRS Energy Credits Online tool](#) so they can take advantage of the elective payment or transfer of credits.

The Inflation Reduction Act and the Creating Helpful Incentives to Produce Semiconductors Act, known as CHIPS, allows taxpayers to take advantage of certain manufacturing investment, clean energy investment and production tax credits through elective pay or transfer.

Elective payment and the transfer election create alternative ways for applicable entities and eligible taxpayers who have earned one of the IRA clean energy or the CHIPS credits to get the benefit of the credit even if the taxpayer cannot use the credit to offset their tax liability.

IRS ECO was built with flexibility and as it evolves taxpayers will soon be able to leverage the technology for home energy credits. The IRS will continue to interact with taxpayers, qualified manufacturers, sellers and dealers to maximize the effectiveness of this tool and is committed to delivering a seamless experience that works for taxpayers.

Simplified Processes

When introduced in 2009, applying for the Qualifying Advanced Energy Project Credit program could be a cumbersome and complex process. Taxpayers had to navigate intricate paper-based procedures to report necessary information to both the IRS and the DOE. However, expanded funding from the IRA enabled a transition towards a fully electronic process.

In a landmark milestone, the IRS, in partnership with the Department of the Treasury and the Department

of Energy (DOE), created a streamlined digital application process for the Qualifying Advanced Energy Project Credit and the Wind and Solar Low-Income Communities Bonus Credit programs.

The pioneering collaboration led to the creation of an online application portal for the two programs and marked a significant step forward in the IRS's commitment to leveraging modern technology for improved taxpayer service and lowering barriers of entry for taxpayer to access clean energy tax incentives.

This partnership led to the creation of a DOE online application portal for the Wind and Solar Low-Income Communities Bonus Credit public release in June 2023.

The DOE portal is designed to streamline the digital implementation of the Qualifying Advanced Energy Project Credit and the Wind and Solar Low-Income Communities Bonus Credit.

This new portal provides a user-friendly interface for taxpayers and simplifies the submission and review processes, enabling easy communication between taxpayers, DOE and IRS.

By creating a user-friendly platform, the agencies lowered the barrier to entry, making it easier for taxpayers to participate in these clean energy tax incentives.

The portal was thoroughly tested before its public release in June 2023, ensuring a robust and efficient system.

To further simplify the application process, a new Advanced Energy Project Credit DOE portal was launched because of extensive collaboration with the IRS Large Business and International Division.

Enhanced Customer Service and Communication

These new online tools allowed this IRS to create new ways for the IRS to provide customer service directly to the taxpayer without long wait times on the phone. Recognizing the preference for email communication, the IRS established customer service email inboxes and help desk support structures, ensuring prompt and effective taxpayer assistance.

Since August of 2022 the IRS has published several [program resources](#) reflecting the ongoing commitment to taxpayer service, education and continuous improvement.

Looking Ahead

The IRS remains dedicated to enhancing online tools and focusing on future updates to further streamline processes and improve user experiences. The landmark funding will continue the IRS's ability to integrate modern technology to deliver unprecedented service quality and efficiency to taxpayers, all while supporting the clean energy tax incentives.

Use IRS.gov to find helpful resources

The IRS reminds taxpayers of the several resources for the [credits and deductions under the Inflation Reduction Act](#) can be found on IRS.gov.



Document Upload Tool reaches key milestone; 1 million submissions received

IR-2024-155, June 05, 2024

WASHINGTON – The Internal Revenue Service announced today reaching another key milestone in the agency’s transformation work with the Document Upload Tool accepting its one millionth taxpayer submission.

Use of the Document Upload Tool, sometimes referred to as DUT, continues to grow. During the first six months of this fiscal year, more than 265,000 taxpayers used the tool, and the number continues to grow each month.

Initially launched in 2021 in a limited format and greatly expanded in 2023 with funding from the Inflation Reduction Act (IRA), the tool offers taxpayers and tax professionals the option to respond digitally to eligible IRS notices by securely uploading required documents online through IRS.gov. For anyone with a smart phone or computer, this means that replying to IRS notices is now often as easy as scanning required documents and uploading them to the tax agency.

“The Document Upload Tool is a key part of our ambitious initiative to transform the IRS into a virtually paperless agency, and we continue to see increased use of this by taxpayers,” said IRS Commissioner Danny Werfel. “This tool saves time for taxpayers and helps IRS employees process responses faster and more efficiently. A growing number of taxpayers are using their smart phones or computers to scan and upload their responses to IRS correspondence, rather than the more time-consuming option of writing a letter or mailing in documents.”

The Document Upload Tool has shown steady growth over time as well. Since 2022, average monthly use of the DUT has more than doubled every year, from around 16,000 in 2022, to around 37,000 in 2023 and finally almost 84,000 so far in 2024. The document submissions cover a wide range of tax issues, including responding to IRS Notice CP2000, where the agency notifies taxpayers of potentially underreported income.

The IRS receives about 76 million paper tax returns and forms, as well as 125 million pieces of correspondence, notice responses and non-tax forms each year. In the past, the agency’s limited capability to accept these forms digitally or to digitize paper has added time-consuming steps that has created challenges for taxpayers, tax professionals and IRS employees. For decades, the only option available was to have taxpayers or their representatives mail or fax these documents to the tax agency.

The IRS estimates that more than 94% of individual taxpayers will have the option of no longer having to send mail to the IRS, potentially replacing up to 125 million paper documents per year, easing the paperwork burden for both them and the IRS.

The IRS team of leaders that oversaw last year’s sweeping DUT expansion is now a finalist for the 2024 [Samuel J. Heyman Service to America Medals](#). Known as the Sammies, the Samuel J. Heyman Service to America Medals are considered to be the “Oscars” of public service.

To learn more about the Document Upload Tool, visit [IRS.gov/DUT](https://www.irs.gov/DUT).

IRS tops \$1 billion in past-due taxes collected from millionaires; compliance efforts continue involving high-wealth groups, corporations, partnerships

IR-2024-185, July 11, 2024

WASHINGTON – As part of continuing compliance efforts under the Inflation Reduction Act, the Internal Revenue Service today announced the agency has surpassed the \$1 billion mark in collections from high-wealth taxpayers with past-due taxes.

As part of larger efforts taking place, the IRS has stepped up activity specifically on 1,600 individuals whose incomes were more than \$1 million per year and who each owed the IRS more than \$250,000 in recognized tax debt. Since last fall, this IRS compliance effort has generated more than \$1 billion in collections from this group, with work continuing in this area.

“With this collection activity, the IRS passed an important milestone in our effort to improve compliance and ensure fairness in the tax system,” said IRS Commissioner Danny Werfel. “Our increased work in this area means these past-due tax bills from high-end taxpayers are no longer being left on the table, like they were too often in the past.”

“Years of funding declines meant the IRS couldn’t get to money that we knew was owed, but we simply didn’t have the resources or staffing to collect,” Werfel added. “Funding from the Inflation Reduction Act is reversing a decade-long decline in our compliance work, including increasing our compliance work involving the wealthiest individuals and groups with tax issues. The collection results achieved in less than a year reveal the magnitude of what can be achieved over the long run as our Inflation Reduction enforcement continues to ramp up in the months ahead.”

Werfel noted that Inflation Reduction Act resources continue to help in a variety of areas. In addition to improving taxpayer service during the successful 2024 [filing season](#), the IRS has focused IRA resources on expanded enforcement work to pursue complex partnerships, large corporations and high-income, high-wealth individuals who do not pay overdue tax bills.

“We continue working to add staff and technology to ensure that the taxpayers with the highest income, including partnerships, large corporations and millionaires and billionaires, pay what is legally owed under federal law,” Werfel said. “At the same time, we are focused on improving our taxpayer service for hard-working taxpayers. The additional resources the IRS received under the Inflation Reduction Act are making a difference, both for taxpayers who play by the rules and those who don’t.”

Prior to the Inflation Reduction Act, more than a decade of budget cuts prevented the IRS from keeping pace with the increasingly complicated maneuvers that the wealthiest taxpayers use to hide their income and evade paying their share. The IRS is continuing to take action to close this gap.

Today’s announcement involves a segment of high-income individual taxpayer cases. Last fall, the IRS ramped up efforts to pursue high-income, high-wealth individuals who failed to pay a tax bill. These high-end collection cases are concentrated among taxpayers with more than \$1 million in income and more than \$250,000 in recognized tax debt.

Out of a total of 1,600 of these cases, the IRS has assigned 1,500 to revenue officers, with over \$1 billion collected so far. The \$1 billion collected through spring represents payments from over 1,200 individuals, with the IRS anticipating the figure to grow in the months ahead.

IRS continues work on high-wealth non-filers, complex partnerships, large corporations

The IRS has a variety of other efforts underway to improve tax compliance in overlooked areas where the agency did not have adequate resources prior to Inflation Reduction Act funding.

Earlier this year, the IRS announced a [new effort focused on high-income taxpayers](#) who have failed to file federal income tax returns in more than 125,000 instances since 2017. Non-filers receive IRS compliance letters alerting them that the IRS is aware of their missing return and encouraging them to file or contact the IRS. The new initiative involves more than 25,000 people with more than \$1 million in income, and over 100,000 people with incomes between \$400,000 and \$1 million between tax years 2017 and 2021.

These are all cases where the IRS has received third party information—such as through Forms W-2 and 1099s—indicating these people received income in these ranges but failed to file a tax return. Without adequate resources, the IRS non-filer program has only run sporadically since 2016 due to severe budget and staff limitations that didn't allow these cases to be worked. With new Inflation Reduction Act funding available, the IRS now has the capacity to do this core tax administration work.

The IRS anticipates having more details related to this non-filer initiative later this year.

Other elements of the agency's renewed compliance focus include:

- **Abusive use of partnerships.** Last month, the IRS announced a [new series of steps](#) to combat abusive partnership transactions that allow wealthy taxpayers to avoid paying what they owe.
- **Activities involving large corporations and partnerships.** These [efforts](#) include opening examinations of 76 of the largest partnerships in the U.S., representing a cross section of industries including hedge funds, real estate investment partnerships, publicly traded partnerships, large law firms and other industries. Other activities include expanding the large corporate compliance (LCC) program.
- **Aircraft use.** In February, the IRS announced plans to [begin dozens of audits involving personal use of business aircraft](#). The audits will focus on aircraft usage by large corporations, large partnerships and high-income taxpayers. The IRS will examine whether the use of jets is being properly allocated between business and personal use.

U.S. Department of the Treasury, IRS announce \$1.3 billion recovered from high-income, high-wealth individuals under Inflation Reduction Act initiatives

\$172 million recovered from 21,000 wealthy taxpayers who have not filed tax returns since 2017 in first six months of new initiative

IR-2024-233, Sept. 6, 2024

WASHINGTON — Today, U.S. Secretary of the Treasury Janet L. Yellen and Commissioner of the Internal Revenue Service Danny Werfel are delivering remarks at the Austin, Texas, IRS campus to announce new milestones under Inflation Reduction Act initiatives to ensure wealthy individuals pay taxes owed, improve service for taxpayers through the Digital First Initiative and modernize foundational technology.

Ensuring high-income, high-wealth taxpayers pay taxes owed

- The IRS in February 2024 launched an initiative to pursue 125,000 high-income, high-wealth taxpayers who have not filed taxes since 2017. These are cases where IRS has received third party information—such as through Forms W-2 and 1099s—indicating these people received income between \$400,000 and \$1 million or more than \$1 million, but failed to file a tax return. Prior to the Inflation Reduction Act, the IRS non-filer program ran sporadically since 2016 due to severe budget and staff limitations that did not allow these cases to be pursued. With new Inflation Reduction Act funding, the IRS now has the capacity to do this core tax administration work. **In the first six months of this initiative, nearly 21,000 of these wealthy taxpayers have filed, leading to \$172 million in taxes being paid.**
- The IRS in the fall of 2023 launched a new initiative using Inflation Reduction Act funding to pursue high-income, high-wealth individuals who have failed to pay recognized tax debt, with dozens of senior employees assigned to these cases. This work is concentrated on taxpayers with more than \$1 million in income and more than \$250,000 in recognized tax debt. The IRS was previously unable to collect from these individuals due to a lack of resources. After successfully collecting \$38 million from more than 175 high-income, high-wealth individuals last year, the IRS expanded this effort last fall to around 1,600 additional high-income, high-wealth individuals. **Nearly 80% of these 1,600 millionaires with delinquent tax debt have now made a payment, leading to over \$1.1 billion recovered. This is an additional \$100 million just since July, when Treasury and IRS announced reaching the \$1 billion milestone.**

Improving taxpayer service through the Digital First Initiative

With Inflation Reduction Act resources, the IRS is significantly improving taxpayer service in person, over the phone, and online. The IRS is working to deliver the same modern online experience that taxpayers experience with their bank or financial institutions. Using Inflation Reduction Act resources, the IRS has created and enhanced popular and convenient online tools that save taxpayers time and money, while also reducing phone calls, paper processes, and other burdens on IRS employees. For example, in Filing Season 2024, IRS updated the “Where’s My Refund?” tool to provide more detailed refund status information in plain language, increasing use by nearly 30%.

Thanks to Inflation Reduction Act resources, the IRS has launched more digital tools in the last two years than the previous 20 years, including:

- More than two dozen new features and enhancements to Individual and Tax Professional Online Account;
- The launch of Business Tax Account;
- The release of 30 digital mobile-adaptive forms;
- The ability for taxpayers to receive their refund status via a conversational hotline;
- A mobile-friendly web tool for Where's My Refund; and
- Direct File, a new tool that allows taxpayers to file for free, directly with the IRS.

Through the **Digital First Initiative**, the IRS is pursuing a vision where taxpayers can do all their transactions with the IRS digitally if they prefer. At the core of that improved digital experience for taxpayers are enhancements to Individual Online Account. Thanks to funding from the Inflation Reduction Act, taxpayers can now:

- View the status of refunds and certain audits.
- Access a complete overview of their account information, including detailed historical data.
- Access identity protection services, a lien payoff calculator, and the ability to complete the pending installment agreement process using smartphones or tablets—all critical as taxpayers prepare for Filing Season 2025.
- Retrieve tax related information from a single source, including digital copies of notices and letters—**with more than 170 different types of notices and letters currently available in their Online Account**. The agency's goal is to make an additional 98 notices available for digital viewing, reaching a total of 268 notices digitally available by the end of 2024.

Through the **Simple Notice Initiative**, the IRS is also redesigning up to 200 individual taxpayer notices to be shorter and clearer, reducing taxpayer frustration and the number of phone calls requiring live assistance, for Filing Season 2025. The IRS has completed 109 notices as of the end of July 2024.

Additionally, **Tax Pro Online Account** rolled out more self-service options for tax professionals, including easier navigation to secure two-way messaging where authorized tax professionals can digitally communicate with the IRS on behalf of their clients. The IRS is also continuing to expand the features within **Business Tax Account**, an online self-service tool for business taxpayers that now allows them to view and submit balance-due payments. The account is also now accessible in Spanish, with more translations planned.

Modernizing 65-year-old foundational technology to improve taxpayer service and better secure taxpayer data

- For 65 years, the IRS has relied on the same foundational technology for many of its critical systems, including the Individual Master File (IMF), which houses taxpayer data and feeds into key systems. The core technology, based on ALC and COBOL coding, has become a liability due to the diminishing pool of experts proficient in this legacy language.
- The IRS has reached a critical milestone in modernizing a core technology component of the Individual Master File, by porting the outdated Assembly-based codebase to Java, a more modern, more sustainable language. Reflecting the agency's focus on technology best practices, this new system, Integrated Tax Processing Engine (ITPE), is now running simultaneously with IMF to verify accuracy of its data processing. The system's data will be hosted in the Enterprise Data Platform, a modern, cloud-based system for managing data.
- Making taxpayer history available in a modern data environment is a key step toward the IRS implementing real-time data processing with platforms that will enable transactions to be processed more quickly, transparently, and securely. These improvements are a critical enabler

for the IRS's Digital First Initiative. For example, it will improve taxpayer service by allowing taxpayers and customer service representatives to access real-time account information in the future just as any bank or financial institution does. These improvements will also empower IRS to implement tax code changes and emergency benefit programs more quickly, while reducing the costs of maintaining IRS systems. This project was delayed for years due to underfunding.

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IRS releases 2022 tax gap projections; voluntary compliance rate among taxpayers remains steady

IR-2024-262, Oct. 10, 2024

WASHINGTON — The Internal Revenue Service today released the tax gap projections for tax year 2022, a detailed analysis showing the nation's projected gross tax gap at \$696 billion. This reflects the difference between projected 'true' tax liability and the amount of tax that is actually paid on time.

The new tax gap projections reflect an increase over the tax year 2014-2016 estimates and the tax year 2017-2019 projections. The 2022 projection is an increase of \$200 billion over tax years 2014-2016.

However, the IRS noted the increase for 2022 is similar to the 41 percent increase in the economy since the 2014-2016 time period as measured by the Gross Domestic Product. With the new study also showing the voluntary compliance rate among taxpayers remaining steady at 85%, the IRS noted the tax gap increase ultimately reflects growth in the economy and changes in the sources of income – not a change in taxpayer behavior involving filing or paying their taxes.

In addition, the new tax gap projections reflect the time period before the IRS began increasing tax compliance work following passage of the Inflation Reduction Act (IRA) in August of 2022. Since then, the IRS has stepped up compliance activity in a variety of areas with the additional funding, including the agency collecting [an initial \\$1.3 billion](#) from high-income non-filers following IRA funding.

“This is a critical study about the nation's tax system, and the results underscore there remains a sizable tax gap between taxes that are legally owed but aren't actually being paid,” said IRS Commissioner Danny Werfel. “While the bottom line for the new tax gap numbers shows the increase basically reflects growth in the larger economy, the size of the gap also vividly illustrates the ongoing need for adequate funding for the IRS. We need to focus both on compliance efforts to enforce existing laws as well as improving service to help taxpayers with their tax obligations to help address the tax gap. Since passage of the Inflation Reduction Act in 2022, we have taken important steps to begin improving tax compliance. While our recent work will not be fully reflected in the tax gap analysis for several years, we will continue to provide routine, interim updates on how enhanced enforcement on complex areas of tax evasion and delinquency impacts compliance.”

The new projections are published in [Tax Gap Projections for Tax Years 2021 and 2022 \(IRS Publication 5869\)](#).

Gross tax gap

The projected \$696 billion gross tax gap is the difference between projected 'true' tax liability for a given period and the amount of tax that is paid on time. The gross tax gap covers three key areas – non-filing of taxes, underreporting of taxes and underpayment of taxes.

- Non-filing, which means tax not paid on time by those who do not file on time:
 - \$63 billion in tax year 2022, representing 9% of the gross tax gap.
- Underreporting, which reflects tax understated on timely filed returns.
 - \$539 billion in tax year 2022, representing 77% of the gross tax gap.
- Underpayment, or tax that was reported on time, but not paid on time.
 - \$94 billion in tax year 2022, representing 14% of the gross tax gap.

The primary focus on tax gap estimation is to measure compliance behavior as manifested in tax paid voluntarily and on time. The tax gap estimates and projections provide insight into the historical scale of tax compliance and to the persisting sources of low compliance.

Net tax gap

Late payments and IRS enforcement efforts are projected to generate an additional \$90 billion on tax years 2021 and 2022 returns, resulting in a projected net tax gap of \$617 billion and \$606 billion respectively.

Between tax years 2017-2019 and tax year 2022, the estimated tax liability increased by about 27%, roughly the same increase as the gross and net tax gaps. Much of these increases in true total tax liability and the gross tax gap can be attributed to economic growth.

The IRS notes that the tax gap estimates and projections cannot fully account for all types of noncompliance.

Voluntary compliance rate remains unchanged

The tax year 2021 and 2022 tax gap projections translate to about 85% of taxes paid voluntarily and on time, which is consistent with recent levels. The projections are based largely upon the compliance behavior estimated from the most recent set of completed audits (from tax years 2014-2016). That estimated compliance behavior is projected forward to taxpayers in subsequent tax years to generate the gross tax gap.

After IRS compliance efforts and other late payments are factored in, the projected share of taxes eventually paid is 86.9% for tax year 2022, down slightly from the 87% for tax years 2014-2016.

Tax gap analysis consistently shows that compliance is higher when there is third-party information reporting, and even higher when also subject to withholding.

With the help of Inflation Reduction Act resources, the IRS is taking a variety of steps to help improve voluntary compliance by improving taxpayer services and offering new technology tools to work in concert with additional compliance work. In fiscal year 2023, the latest year for which data is available, the IRS collected more than \$4.6 trillion in taxes, penalties, interest and user fees.

The IRS also has an array of other taxpayer service programs aimed at supporting accurate tax filing and helping address the tax gap. These range from working with businesses and partner groups such as IRS's [Volunteer Income Tax Assistance and Tax Counseling for the Elderly](#) to a variety of education and outreach efforts.

The voluntary compliance rate of the U.S. tax system is vitally important for the nation. A one-percentage-point increase in voluntary compliance would bring in about \$46 billion in additional tax receipts.

Projecting the tax gap

Given the complexity of the tax system and available data, no single approach can be used for estimating each component of the tax gap. Each approach is subject to measurement or non-sampling error; the component estimates that are based on samples are also subject to sampling error.

The projections do not fully represent noncompliance in some components of the tax system, particularly as it relates to corporate income tax, income from flow-through entities, foreign or illegal activities, digital assets and pandemic credits because data are lacking.

Details on how the IRS projects the Tax Gap can be found in [IRS Publication 6031: Tax Gap Projections Methodology](#).

The IRS continues to actively work on new methods for estimating and projecting the tax gap to better reflect changes in taxpayer behavior as they emerge. More information about the tax gap and estimates for prior tax years can be found at [IRS: The tax gap](#).



To protect against identity theft, IRS adds additional protections to Centralized Authorization File, Transcript Delivery System; changes designed to protect sensitive tax pro, taxpayer information

IR-2024-136, May 9, 2024

WASHINGTON — With identity theft and refund fraud an ongoing concern, the Internal Revenue Service today highlighted additional protections for tax professionals being taken to increase security for the [Centralized Authorization File](#) (CAF) program and placed new guidelines on requesting client transcripts by phone.

“Tax professionals continue to present a tempting target to identity thieves and fraudsters,” said IRS Return Integrity and Compliance Services Director James Clifford. “With identity theft an ongoing concern, the IRS has taken additional steps needed to protect both tax professionals and their clients given the sensitivity and importance of the information involved. The IRS will continue working with the tax professional community on these issues to minimize burden on practitioners while also working to ensure the safety and security of this information.”

The IRS has become increasingly concerned about the risk a compromised CAF number presents to tax professionals and taxpayers. In these cases, there is risk that fraudsters could use a compromised CAF to obtain transcripts and other sensitive taxpayer personally identifiable information (PII) to commit identity theft refund fraud and other crimes. In many cases, the fraudster has not only obtained a practitioner’s CAF number but also has the practitioner’s sensitive personal information.

To address this issue, the IRS has a process in which suspected compromised CAF numbers are placed into a suspended status pending further review. Once placed into a suspended status, the owner of the CAF number will be contacted to confirm if the CAF number has been compromised. If the compromise is confirmed, the IRS will take the appropriate actions to address the compromised CAF number. The IRS recognizes the significance of the CAF process and is continuously working on ways to expedite this review process for impacted practitioners.

More information about this issue can be found in a special alert issued today by the IRS Office of Professional Responsibility.

In addition to the changes being made to protect tax professionals from a compromised CAF number, the IRS has also taken related security steps to change how tax professionals can order transcripts by phone through the [Transcript Delivery System \(TDS\)](#).

Tax professionals now need to call the Practitioner Priority Service (PPS) line to request transcripts to be deposited into their Secure Object Repository (SOR) mailbox. IRS employees on other phone lines may not be authorized to provide transcripts through the SOR delivery method. Tax professionals will need to pass enhanced authentication. If the identity of the caller cannot be verified, transcripts will not be delivered using the SOR delivery method but will instead be mailed to the taxpayer’s address of record.



Tax professionals should also be on the lookout for unsolicited scam emails asking to provide credential information such as CAF number, [Electronic Filing Identification Number \(EFIN\) information](#) and driver's license. These emails may look like they are coming from the IRS or a tax software company. Tax professionals who receive these unsolicited emails should report them to phishing@irs.gov.

As work in this important area continues, the IRS will remain in contact with national tax professional organizations and others in the tax community.

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CAF Numbers in “Pending Review” Status

Internal Revenue Service (IRS) sent this bulletin at 05/08/2024 06:50 AM EDT

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Alerts from Office of Professional Responsibility (OPR)

May 8, 2024

OPR Resources

[Circular 230 Tax Professionals](#)

[Circular No. 230 \(Rev. 6-2014\)](#)

[Frequently Asked Questions](#)

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Issue Number: 2024-05

Inside This Issue

CAF Numbers in “Pending Review” Status

To fulfill their professional obligations, practitioners—attorneys, certified public accountants, enrolled agents, and tax return preparers who participate in the Internal Revenue Service’s [Annual Filing Season Program](#)—must comply with [Circular 230, Regulations Governing Practice before the Internal Revenue Service \(31 CFR Subtitle A, Part 10\)](#), which is administered and enforced by the IRS’s Office of Professional Responsibility (OPR). Only the OPR has authority to suspend or revoke, through disbarment, a practitioner’s eligibility and authority to practice before the IRS.

A prerequisite to representing a taxpayer before the IRS is filing a [Form 2848, Power of Attorney and Declaration of Representative](#). Validly completed authorizations, which specify the tax periods and taxes to which they relate, are recorded on the IRS’s Centralized Authorization File (CAF).[\[1\]](#)

To prevent unauthorized disclosure of taxpayer information, in certain circumstances a practitioner’s CAF number may be suspended pending an IRS review into whether the CAF number has been compromised owing to identity theft or other fraud. This article provides background on the IRS’s procedures relating to suspended CAF numbers, including how an affected practitioner can expedite the resolution of a CAF

number review.

What Is a CAF Number and Why Is It Important?

To enhance taxpayer confidentiality and to facilitate interaction between practitioners and IRS personnel, each practitioner is assigned a nine-digit CAF number.^[2] CAF numbers, which are different from a tax professional's preparer tax identification number (PTIN) or their Social Security number (SSN), are used by the IRS to determine and verify the extent of a practitioner's authority to represent a taxpayer before the IRS and receive and inspect the taxpayer's confidential tax information. The IRS also uses CAF numbers to fulfill and keep track of requests for client information (like transcripts) while safeguarding both the client's and the tax professional's personal information. Thus, consistent with the taxpayer privacy provisions of IRC 6103, IRS employees will check the CAF to ensure they are dealing only with someone with *actual authority* to act on behalf of a taxpayer and to request disclosure of the taxpayer's return information. The CAF number itself is personal identifiable information (PII) and should, as much as possible, be kept secure.

What Might Cause a CAF Number to Be Placed in "Pending Review" Status?

Given the sensitivity of taxpayer information, the IRS is continually reviewing and strengthening its practices to guard against identity theft and the improper disclosure of taxpayer information. In connection with those effort to authenticate an individual's identity and authorization to receive sensitive information, the IRS has long requested personal information, in addition to their CAF number, from practitioners (or anyone accessing tax-related information by means of a Form 8821). The purpose of the authentication process, including the validation of the individual's SSN, is to protect both taxpayers and the tax professionals who are working on their behalf.^[3]

Beyond this basic authentication step, the IRS has a process for IRS employees to refer authorizations with suspicious characteristics for further review. Under this process, the status of the affected CAF account will be coded to "P" for "pending review," indicating that the CAF number is currently under review for potential compromise and may be subject to fraudulent use. To safeguard taxpayer information pending the review, the practitioner to whom the CAF number was assigned will be unable to rely on the CAF or IRS employees to authenticate the practitioner's authority to represent taxpayers until the review process is complete. For security reasons, IRS customer service representatives assigned to the Practitioner Priority Service (PPS), or other call sites cannot, for example, interact with the practitioner about a represented taxpayer's tax matter. The process is akin to the freeze that a credit card company imposes when their fraud-prevention measures are activated, though for a compromised CAF number, the confidential information of multiple clients as well as the practitioner could be at stake.

What might cause a CAF number to be suspended pending review?

First, the suspension may have absolutely nothing to do with anything

the practitioner has done. If the practitioner has included their CAF number in a document appropriately shared with a client or other third party and that document (e.g., a copy of a Form 2848 or Form 8821) is exposed because of a physical or digital data breach experienced by the client or third party, the CAF number could be compromised and misused—in particular, by a malicious actor who files a fraudulent authorization form with the IRS to gain access to taxpayer information. In addition, there could be aspects of a practitioner’s tax practice that, while legitimate, might trigger IRS red flags.

The line between actual fraudulent use of a CAF number and its mere appearance can be very thin, as can the line between a compromised number and one that is uncompromised but has anomalous yet innocuous attributes. As a result, “false positives” sometimes occur, with practitioners’ legitimate, uncompromised CAF numbers being suspended pending review.

A practitioner may learn that this has happened to them in different ways. For example, they might contact the IRS to discuss a client’s tax matter and be informed that the conversation cannot occur because the practitioner’s authority to represent the client cannot be verified. Regrettably, because of privacy concerns or other restrictions, the IRS employee who is dealing with the practitioner (or the taxpayer) may not be able to share any additional information with them, only exacerbating their confusion.

Once a preliminary determination is made that a practitioner’s (or other tax professional’s) CAF number may have been compromised and is placed in review, the practitioner will receive a letter by mail from the IRS—generally from IRS Criminal Investigation (CI)—letting them know their CAF is under review.

To help expedite the review process:

- The individuals who receive these letters are asked to verify their identities by sending to the IRS a notarized document that includes pictures of their photo identification.
- The notarized document should be returned to CI using the mailbox provided in the letter within 30 days from the date of the letter.
- The return of the notarized document will then begin a dialogue of verifying their client listings and, if needed, the issuance of a new CAF number. The dialogue may be done over the phone in some cases to accelerate the process.

For those CAF holders whose CAF number is confirmed to be compromised, the IRS will work with the CAF holder to assign them a new CAF number and move their clients to the tax professional’s new CAF number.

The holders of all CAF numbers currently coded as “pending review” have been contacted. The individuals who are told that their CAF account is in “pending review” status can contact the IRS directly by email at CICAF@ci.irs.gov.

Protecting confidential taxpayer data is of paramount concern to the IRS. At the same time, the IRS recognizes that suspending a CAF number pending review can have significant effects on a practitioner's ability to provide valuable services to their clients. For these reasons, the IRS is continually working to identify, adopt, and refine procedures to detect, address, and prevent actual or possible fraud. Notably, the IRS recently implemented new security measures applicable to how tax professionals can order by phone tax transcripts generated through the Transcript Delivery System (TDS). Tax professionals will now need to call the PPS line to request transcripts be deposited into the professional's Secure Object Repository (SOR) mailbox. Transcripts will only be provided via phone contact with the PPS; IRS employees on other phone lines may no longer be authorized to provide transcripts through the SOR delivery method. When they call the PPS, tax professionals will need to pass currently required authentication and verify the Short Identification (ID) number associated with their SOR mailbox.

As with these new measures, the OPR intends for the IRS to explore ways that may improve the resolution process for potentially compromised CAF numbers and minimize the burden imposed on practitioners.

[1] In addition to submitting a Form 2848, a practitioner may submit a more limited authorization request—Form 8821, *Tax Information Authorization*—signed by the taxpayer, to authorize any individual, corporation, firm, organization, or partnership a taxpayer designates to inspect or receive that taxpayer's confidential information verbally or in writing for the type of tax and the years or periods listed on the form (or to delete or revoke a prior Form 8821).

[2] Typically, CAF numbers are assigned when the practitioner files their *first* authorization with the IRS. Practitioners may, however, inadvertently be assigned additional CAF numbers if they fail to include their CAF number on an authorization filed with the appropriate CAF unit. To avoid unintended additional CAF numbers, practitioners are encouraged to include their CAF number on all later authorizations.

[3] If the IRS concludes that a CAF number is, in fact, compromised, the CAF status will be recoded to "Confirmed Fraud." Attempts to access taxpayer data using a CAF number with a status of "confirmed fraud" will be unsuccessful.

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IRS reminds tax professionals to renew PTINs for 2025 tax season

IR-2024-274, Oct. 22, 2024

WASHINGTON — The Internal Revenue Service today announced that Preparer Tax Identification Number (PTIN) renewals for 2025 are now being processed.

The nation's more than 810,000 tax return preparers must renew their PTIN for the coming year. All current PTINs will expire on Dec. 31, 2024.

Anyone who prepares or assists in preparing federal tax returns for compensation must have a valid PTIN before preparing returns. All Enrolled Agents must also have a valid PTIN. The PTIN should be included as the identifying number on any return or claim for refund filed with the IRS. Failure to have and use a valid PTIN may result in penalties.

The fee to renew or obtain a PTIN is \$19.75 for 2025. The PTIN fee is non-refundable.

Tax return preparers with a 2024 PTIN should use the online renewal process, which takes about 15 minutes to complete. A paper option, [Form W-12, IRS Paid Preparer Tax Identification Number \(PTIN\) Application and Renewal](#), along with [instructions](#), is also available for PTIN applications and renewals. The paper form can take up to six weeks to process.

To renew a PTIN online:

- **Access PTIN account** – If users already have an [online PTIN account](#), they can log in there.
- **Renew PTIN** – Complete the online renewal application by verifying personal information and answering a few questions. [View a checklist](#) of what's needed before getting started.
- **Pay the fee** – Pay the \$19.75 renewal fee via credit/debit/ATM card or eCheck. Upon completion of the application and payment, applicants will receive confirmation that a PTIN has been renewed.

The online system not only allows PTIN renewal, but tax return preparers can:

- Check their continuing education.
- View a summary of the number of filed returns on which their PTIN has appeared in the current year.
- Receive communications through a secure mailbox from the IRS Return Preparer Office.
- Track their progress for participation in the IRS Annual Filing Season Program.

First time PTIN applicants can also apply for a PTIN online.

To apply for a PTIN online:

- **Create an account** – First, create an account by providing a name and email address. Tax professionals should use an email address to which they always have access. The system will then email a temporary password, which can be updated after going back to enter the information in the PTIN application.
- **Apply for a PTIN** – Complete the online application by providing personal information, information about the previous year's tax return, professional credentials and more. [View a checklist](#) of what's need before getting started.
- **Pay the fee** – Pay the \$19.75 application fee via credit/debit/ATM card or eCheck.
- **Get a PTIN** – After completion of the online application and payment, a PTIN is provided online.

Opportunity for non-credentialed tax return preparers

The [Annual Filing Season Program](#) is a voluntary IRS program geared toward tax return preparers who are not Enrolled Agents, attorneys or certified professional accountants. It's intended to encourage those non-credentialed tax return preparers to take continuing education courses to increase their knowledge and improve their filing season readiness.

Those who choose to participate must renew their PTIN, complete up to 18 hours of continuing education from [IRS-approved CE providers](#) by Dec. 31, 2024, and consent to adhere to specific obligations in [Treasury Department Circular 230, Regulations Governing Practice before the Internal Revenue Service](#).

After completing the steps, the tax return preparer receives an Annual Filing Season Program [Record of Completion](#) from the IRS. Program participants are then included in a public [directory](#) of tax return preparers with credentials and select qualifications on the IRS website.

The searchable IRS directory helps taxpayers find tax return [preparers](#) in their area who have completed the program or hold professional credentials recognized by the IRS.

Watch [Tax Pros: Here's how to participate in the IRS Annual Filing Season Program](#) for more details about the program.

Enrolled Agent credential

The [Enrolled Agent credential](#) is a certification 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 rights to practice before the IRS, allowing them to represent any client before the IRS on any tax matter.

As non-credentialed tax return preparers think about next steps in their professional career, the IRS encourages them to consider becoming an Enrolled Agent.

All Enrolled Agents, regardless of whether they prepare tax returns, must renew their PTIN annually to maintain their active status.

IRS encourages all taxpayers to sign up for an IP PIN for the 2025 tax season

IR-2024-278, Oct. 23, 2024

WASHINGTON — As the 2025 tax season approaches, the IRS encourages all taxpayers to take an important step to safeguard their identity by signing up for an Identity Protection Personal Identification Number (IP PIN).

This simple yet crucial step can provide an added layer of security, helping protect against tax-related identity theft.

The IRS encourages taxpayers to sign up for [IRS Online Account](#), which provides a quick and easy way to obtain an IP PIN. Signing up early will ensure taxpayers have extra safety by having an IP PIN to electronically file their returns when the filing season begins in 2025.

The IRS encourages people to sign up for an IP PIN before Nov. 23, 2024. After this date, the IP PIN system will undergo maintenance and will not be available again until early January 2025. Signing up for an IP PIN now will ensure that a taxpayer's identity is protected when the filing season begins. New IP PINs are generated for the 2025 filing season during this period, so online enrollees must retrieve their new IP PIN starting early January 2025.

An IP PIN is a six-digit number that prevents someone else from filing a federal tax return using a taxpayer's Social Security number or Individual Taxpayer Identification Number. It's a vital tool for ensuring the safety of taxpayers' personal and financial information. The IP PIN, known only to an individual and the IRS, confirms their identity when they electronically file their tax return, making it much more difficult for thieves to use their information fraudulently.

How to request an IP PIN

The best way to sign up for an IP PIN is through [IRS Online Account](#). The process requires identity verification, and spouses and dependents can also obtain an IP PIN if they complete the required verification steps. Once an IPPIN is issued, it must be on both electronic and paper returns.

To get an IP PIN, taxpayers should create or log into their online account at IRS.gov and follow the steps for identity verification. Once verified, taxpayers need to click on the profile tab to request their IP PIN. IP PIN users must use this number when filing their federal tax returns for the current calendar year and any previous years filed during that same period.

For those unable to create an Online Account, alternative methods are available, such as in-person authentication at a Taxpayer Assistance Center. More information is available on how to sign up at [Get an identity protection Pin \(IP PIN\)](#).

Additional information about IP PINs

- An IP PIN is valid for one calendar year. For security reasons, new IP PINs are generated at the beginning of each calendar year. Some participants will receive their IP PIN in the mail, while others will have to log into their Online Account to view their current IP PIN.
- Enrolled taxpayers can log back in to their Online Account to view their current IP PIN.

- Taxpayers with an IP PIN must use it when filing any federal tax returns during the year, including prior year tax returns, or amended returns.
- IP PIN users should share their number only with the IRS and their tax preparation provider. **The IRS will never call, email, or text a request for the IP PIN.**
- Taxpayers can get an IP PIN now for 2024. The IRS will issue new IP PINs starting in January 2025.
- Taxpayers who enrolled in the IP PIN program and have not been a victim of tax-related identity theft can opt out of the IP PIN program via their Online Account.

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IRS reminds taxpayers of important tax guidelines involving contributions and distributions from online crowdfunding

FS-2024-28, August 2024

Crowdfunding distributions may be includible in the gross income of the person receiving them depending on the facts and circumstances. The crowdfunding website or its payment processor may be required to report distributions of money raised if the amount distributed meets certain reporting thresholds.

Here are some important basics to keep in mind.

Crowdfunding is a method of raising money through websites by soliciting contributions from a large number of people. The contributions may be solicited to fund businesses, for charitable donations or for gifts. In some cases, the money raised through crowdfunding is solicited by crowdfunding organizers on behalf of other people or businesses. In other cases, people establish crowdfunding campaigns to raise money for themselves or their businesses.

Receipt of a Form 1099-K for distributions of money raised through crowdfunding

The crowdfunding website or its payment processor may be required to report distributions of money raised, if the amount distributed meets certain reporting thresholds, by filing [Form 1099-K, Payment Card and Third Party Network Transactions](#), with the IRS.

If required to file a Form 1099-K with the IRS, the crowdfunding website or its payment processor must also furnish a copy of that form to the person to whom the distributions are made. The American Rescue Plan Act (ARPA) clarifies that the crowdfunding website or its payment processor is not required to file Form 1099-K with the IRS or furnish it to the person to whom the distributions are made if the payments are not made in exchange for goods or services.

The reporting thresholds for a crowdfunding website or payment processor to file and furnish Form 1099-K are:

- Calendar years 2023 and prior – Form 1099-K is required if the total of all payments distributed to a person exceeded \$20,000 and resulted from more than 200 transactions. See [Notice 2023-10](#) and [Notice 2023-74](#).
- Calendar year 2024 – The IRS announced a plan for the threshold to be reduced to \$5,000 as a phase-in for the lower threshold provided under the ARPA. See [\(IR-2023-221\)](#).

Note: The ARPA lowered the reporting threshold for third party settlement organizations (TPSOs) so that TPSOs are only required to report on Forms 1099-K if the total of all payments distributed to a payee in a calendar year exceeds \$600, regardless of the number of transactions. However, implementation of this lower threshold has been delayed.

Crowdfunding distributions may be made to the crowdfunding organizer, or directly to individuals or businesses for whom the organizer solicited funds. A Form 1099-K must be filed with the IRS and furnished to the person or entity that received the payments if the reporting threshold is met for the year in which the distributions were made.

A person receiving a Form 1099-K for distributions of money raised through crowdfunding may not recognize the filer's name on the form. Sometimes the payment processor used by the crowdfunding website, rather than the crowdfunding website itself, will furnish the Form 1099-K and will be listed as the filer on the form. If the recipient of a Form 1099-K does not recognize the filer's name or the amounts included on the Form 1099-K, the recipient can use the filer's telephone number listed on the form to contact a person knowledgeable about the payments reported.

Box 1 on the Form 1099-K will show the gross amount of the distributions made to a person during the calendar year. But the furnishing of a Form 1099-K doesn't automatically mean the amount reported on the form is taxable to the person receiving the form.

If non-taxable distributions are reported on Form 1099-K, the recipient should report the transaction on Form 1040, Schedule 1, as follows:

- Part I – Line 8z, Other Income – “Form 1099-K Received for Non-Taxable Crowdfunding Distributions” to show the gross proceeds from the distributions reported on Form 1099-K.
- Part II – Line 24z, Other Adjustments – “Form 1099-K Received for Non-Taxable Crowdfunding Distributions” to show the non-taxable amount of the distributions reported on Form 1099-K.

The net effect of these two adjustments on income is \$0.

Alternatively, if non-taxable distributions are reported on Form 1099-K and the recipient does not report the transaction on their tax return, the IRS may contact the recipient for more information. The recipient will have the opportunity to explain why the crowdfunding distributions were not reported on their tax return. As discussed below, the income tax consequences depend on all the facts and circumstances.

Tax treatment of money raised through crowdfunding

Under federal tax law, gross income includes all income from whatever source derived unless it is specifically excluded from gross income by law. Whether crowdfunding distributions are includible in the gross income of the person receiving them depends on all the facts and circumstances of the distribution.

In most cases, property received as a gift is not includible in the gross income of the person receiving the gift.

If crowdfunding contributions are made as a result of the contributors' detached and disinterested generosity, and without the contributors receiving or expecting to receive anything in return, the amounts may be gifts and therefore may not be includible in the gross income of those for whom the campaign was organized. Contributions to crowdfunding campaigns are not necessarily a result of detached and disinterested generosity, and therefore may not be gifts. Additionally, contributions to crowdfunding campaigns by an employer to, or for the benefit of, an employee are generally includible in the employee's gross income.

If a crowdfunding organizer solicits contributions on behalf of others, distributions of the money raised to the organizer may not be includible in the organizer's gross income if the organizer further distributes the money raised to those for whom the crowdfunding campaign was organized.

More information is available to help taxpayers determine what their tax obligations are in connection with their Form 1099-K at [Understanding Your Form 1099-K](#). Taxpayers may want to consult a trusted tax professional for information and advice regarding how to treat amounts received from crowdfunding campaigns.

Recordkeeping for money raised through crowdfunding

Crowdfunding organizers and any person receiving amounts from crowdfunding should keep complete and accurate records of all facts and circumstances surrounding the fundraising and disposition of funds for at least three years.

More Information

- [About Form 1099-K, Payment Card and Third Party Network Transactions](#)
- [Understanding your Form 1099-K](#)
- [Form 1099-K FAQs](#)
- [Gig economy tax center](#)

IRS, states, tax industry announce new joint effort to combat growing scams and schemes; ongoing coordination to follow in footsteps of Security Summit's identity theft efforts to help taxpayers and protect revenue

IR-2024-215, Aug. 16, 2024

WASHINGTON — A coalition representing the Internal Revenue Service, state tax agencies and the spectrum of the nation's tax industry today announced a new joint effort to combat the growth of scams and schemes threatening taxpayers and tax systems.

The new combined effort follows a variety of increased scams and schemes that intensified during the past filing season that aimed to exploit vulnerable taxpayers while enriching fraudsters and promoters.

Convened at the request of IRS Commissioner Danny Werfel, the coalition of federal and state tax agencies along with software and financial companies as well as key national tax professional associations agreed to a three-pronged approach. They will work to expand outreach and education about emerging scams, develop new approaches to identify potentially fraudulent returns at the point of filing and create infrastructure improvements to protect taxpayers as well as federal, state and industry tax systems.

The new task force will be called the [Coalition Against Scam and Scheme Threats \(CASST\)](#).

"Across the spectrum of the tax system, we've seen a rising tide of scams and schemes that try to exploit taxpayers and find gaps in government and industry defenses," Werfel said. "This new collaborative approach will allow the private and public sectors to throw our combined weight against this threat. We will do more to work closely together, share information faster, respond quickly to threats and quickly alert the public to new and emerging threats. Our goal is to have a mass effect on this expanding problem that's spread on social media and through bad actors."

The new CASST project has wide support across the nation's tax community. In addition to the IRS, other participants include state tax agencies represented by the Federation of Tax Administrators as well as the leading software and financial industries working in the tax space and key national tax professional organizations. The Council for Electronic Revenue Communication Advancement, the National Association of Computerized Tax Processors and the American Coalition for Taxpayer Rights are among those that have signed on to support the initiative. In all, more than 60 different groups from the private sector have signed on to the initiative, either individually or as part of a group.

"The FTA membership is dedicated to protecting taxpayers from fraudulent attacks on the country's tax ecosystem," said Federation of Tax Administrators Executive Director Sharonne Bonardi. "We are committed to continuing our collaborative efforts by working with the IRS, industry and other stakeholders to implement strategies that allow for proactive detection, prevention and mitigation of scams and schemes deployed by bad actors intending to defraud tax agencies."

The new coalition is an outgrowth of the Security Summit effort, and while the new collaborative effort will not replace the Summit, the scams coalition will be closely modeled on the Summit. The Security Summit was launched in 2015 by the same groups to stem the growth in tax-related identity theft. The combined effort improved information sharing between the groups, identified common approaches to combat tax-related identity theft, improved internal tax system defenses and conducted extensive public awareness campaigns for taxpayers and tax professionals. While tax-related identity theft remains a concern, the improved protections have protected millions of taxpayers and prevented billions of dollars of fraudulent payments.

For this new project targeting scams, the CASST task force has agreed to high-level principles. The purpose of the group will be to better protect taxpayers from falling prey to unscrupulous actors by leveraging multilateral relationships across the tax ecosystem to minimize the filing of fraudulent tax returns.

"CERCA is pleased to work with the IRS and the states to combat the proliferation of 'scams and schemes' that are victimizing millions of Americans," said Shannon Bond, chair of the Council for Electronic Revenue Communication Advancement. CERCA represents companies in the tax software and preparation industries as well as financial service groups and others in the tax community.

"Continuing our long partnership with the IRS, CERCA stands shoulder to shoulder with both the federal government and the states to reduce first-party fraud, which threatens the viability of tax systems and imperils vulnerable taxpayers."

During the past tax season, there has been increased activity involving a variety of scams and schemes harming taxpayers, including the [Fuel Tax Credit, household employment taxes and the Sick and Family Leave Credit](#). The IRS has seen hundreds of thousands of dubious claims come in where it appears taxpayers are claiming credits for which they are not eligible, leading to refunds being delayed and the need for taxpayers to show they have legitimate documentation to support these claims.

Numerous other scams and schemes continue to be seen circulating on [social media](#) and are highlighted through efforts including the annual [IRS Dirty Dozen](#) list and alerts from the Security Summit partners. The new approach will increase collaborative efforts to raise awareness and education about schemes, not just during tax season but throughout the year.

With the new scam and scheme initiatives, the IRS, states and the private sector will work to put in place new protections by filing season 2025. The combined effort is particularly important because the group has seen instances where scammers look for weak points in government systems and the private sector to exploit. The combined effort will improve defenses across both the private and public sector with a goal of making it more difficult for scammers to slip improper or false tax returns through the system.

The group will also work to make long-term structural changes to fundamentally improve the ability to identify and stop scams. This includes working to improve EFIN and PTIN validation and new steps to combat "[ghost preparers](#)," who prepare tax returns for a fee and do not in any way sign a tax return or disclose their role on the tax return as the preparer. In many cases, these are inflated tax refunds that lead to millions in revenue loss and add risk for taxpayers who file potentially improper claims with only the individual's name associated with the tax return.



An Overview of the IRS's 2024 "Dirty Dozen" Tax Scams

Compiled annually, the Dirty Dozen lists a variety of common scams that taxpayers can encounter anytime. The IRS warns taxpayers, tax professionals and financial institutions to beware of these scams.

Phishing and smishing scams

Taxpayers and tax professionals should be alert to fake communications from those posing as legitimate organizations in the tax and financial community, including the IRS and state agencies. These messages arrive in the form of an unsolicited text (smishing) or email (phishing) to lure unsuspecting victims to provide valuable personal and financial information that can lead to identity theft. The IRS initiates most contacts through regular mail and will never initiate contact with taxpayers by email, text or social media regarding a bill or tax refund.

Employee Retention Credit claims

Unscrupulous and aggressive promoters of questionable claims for the Employee Retention Tax Credit (ERC) continue to mislead taxpayers into believing that every employer qualifies for ERC. Businesses still have an option to pull back on any unprocessed ERC claims to avoid future repayment, interest and penalties. Claims that are withdrawn will be treated as if they were never filed. The IRS has already received more than \$250 million in withdrawals as the agency continues intensifying audits and criminal investigation work in this area. Employers who submitted claims are encouraged to review the complex ERC requirements and talk to a trusted tax professional about their eligibility amid misleading marketing around the credit.

Online account help from third-party scammers

Swindlers pose as a "helpful" third party and offer to help create a taxpayer's IRS Online Account at IRS.gov. In reality, no help is needed. The online account provides valuable tax information. But third parties making these offers will try to steal a taxpayer's personal information this way. They can sell the information or use the sensitive details to file fraudulent tax returns, obtain loans and open credit accounts. Taxpayers should establish their own online account through IRS.gov.

False Fuel Tax Credit claims

The fuel tax credit is meant for off-highway business and farming use. It's not available to most taxpayers. However, unscrupulous tax return preparers and promoters entice taxpayers with inflated refunds to fraudulently claim fuel credits by creating false documents or receipts for fuel. These promoters charge inflated fees, increasing their own financial interest, while leaving the taxpayer with future risk of compliance action. The IRS has heightened inspection with the increase filing for fuel credits using Form 4136, Credit for Federal Tax Paid on Fuels.

Offer in Compromise mills

Offers in Compromise are an important program to help people who can't pay to settle their federal tax debts. But "mills" aggressively promote Offers in Compromise in misleading ways, frequently in radio and TV ads, to people who clearly don't meet the qualifications, frequently costing taxpayers thousands of dollars. A taxpayer can check their eligibility for free using the IRS Offer in Compromise Pre-Qualifier tool.

The list is not a legal document or a literal listing of agency enforcement priorities. It is designed to raise awareness among a variety of audiences that may not always be aware of developments involving tax administration.

Fake charities

Caution is needed whenever real tragedies occur because of scammers preying on well-meaning taxpayers with fake charities. These scammers create fake organizations to steal money and personal information. Taxpayers who give money or goods to a charity should check the Tax-Exempt Organization Search (TEOS) tool on IRS.gov to ensure legitimacy. Only deductions to legitimate charities might be claimed as a deduction by taxpayers on their federal tax return if they itemize their deductions.

Unscrupulous tax return preparers

Most tax preparers provide outstanding and professional service. However, people should be careful of shady tax professionals and watch for common warning signs, including charging a fee based on the size of the refund. Avoid "ghost" preparers, who will prepare a tax return but refuse to sign or include their IRS Preparer Tax Identification Number (PTIN). Taxpayers should never sign a blank or incomplete return. Unethical preparers may file false tax returns and steal valuable personal information. After the tax return is prepared, these preparers can simply disappear, leaving well-meaning taxpayers to deal with the consequences.

Social media: Not the ideal place for solid tax advice

Social media can lure good taxpayers into trouble with the circulation of inaccurate or misleading tax information. Scammers use social media to entice taxpayers with schemes to increase their refunds. These can involve common tax documents like Form W-2 or more uncommon ones like Form 7202, Schedule H or Form 8944. While all of these forms are real, they are intended for a very limited, specialized group. These schemes encourage people to file fraudulent, inaccurate information in hopes of getting a refund. Taxpayers should always remember that if something sounds too good to be true, it probably is.

Spearphishing and cybersecurity for tax professionals and businesses

Phishing emails or text messages are designed to get users to provide personal information. Spearphishing is a tailored phishing attempt to a specific organization or business. A successful spearphishing attack can steal client/customer data and tax preparers' identities, allowing thieves to file fraudulent returns. Some requests look like they come from an official source asking for sensitive Form W-2 information. Sidestep spearphishing by never clicking suspicious links, double checking requests with the original sender and being vigilant year-round.

Schemes aimed at high-income filers

High-income, high-wealth taxpayers are targeted by questionable tax practitioners and independent promoters selling schemes aimed at reducing taxes. These potentially abusive arrangements involve things like improper art donation deductions, Charitable Remainder Annuity Trusts and monetized installment sales. These tax traps are advertised by aggressive promoters, who misapply the rules and leave filers vulnerable.

Bogus tax avoidance strategies and schemes with international elements

Beware of promoters peddling bogus tax schemes aimed at reducing taxes or avoiding them altogether. These schemes can take many shapes, including abusive deals involving syndicated conservation easements and micro-captive insurance arrangements. They can involve an international component, such as hiding cash and digital assets offshore or using Maltese foreign individual retirement accounts or foreign captive insurance. Unscrupulous promoters often recommend digital assets as being untraceable and undiscoverable by the IRS. However, the IRS can identify and track anonymous transactions of digital assets around the globe.

Help stop fraud and scams

Visit [IRS.gov/scams](https://www.irs.gov/scams) to find Form 14242, Report Suspected Abusive Tax Promotions or Preparers. Submit the form online, by mail or by fax.



[IRS.gov/account](https://www.irs.gov/account)

Access Your IRS Individual Online Account



Access Tax Records

- View key information from your most recently filed tax return, including your adjusted gross income.
- View payment amounts needed for filing, including Economic Impact Payments and advance Child Tax Credit payments.
- View copies of certain notices.

Manage Communications Preferences

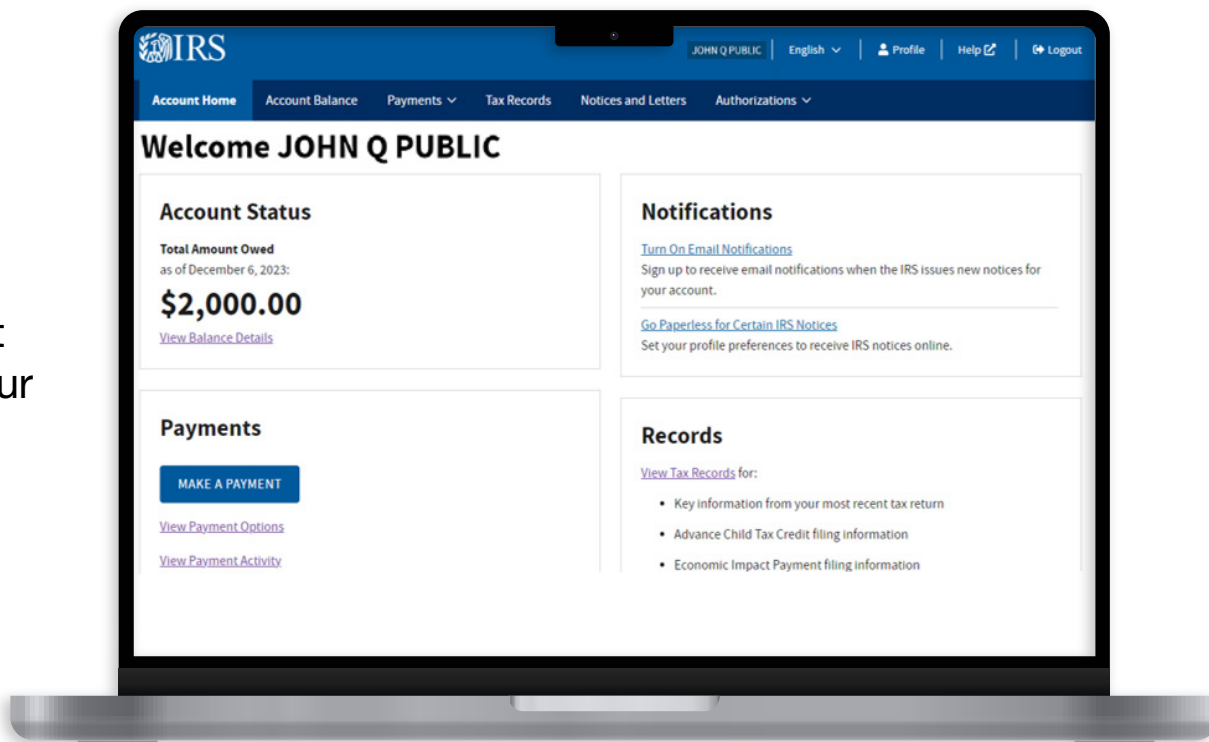
- Go paperless for certain IRS notices.
- Get email notifications for new account information or activity.

View Your Balance

- View amount owed.
- Get a breakdown by tax year.

View or Create Payment Plans

- Learn about payment plan options.
- Apply for a new payment plan.
- View plan details if you have a payment plan.



Make and View Payments

- Make a payment from your bank account or by debit/ credit card.
- View five years of payment history, including any estimated tax payments.
- View any pending or scheduled payments.

View Tax Pro Authorizations

- View any authorization requests from tax professionals.
- Approve and electronically sign power of attorneys and tax information authorizations from your tax professional.

Create or access your account at [IRS.gov/account](https://www.irs.gov/account). If you don't have an existing account, have your photo identification ready.



IRS.gov/taxproaccount

Tax professionals: How to manage authorizations using Tax Pro Account

Submit Powers of Attorney (POA) or Tax Information Authorization (TIA)

1. Enter tax professional's and taxpayer's details
 - Professional's details: name, address, Centralized Authorization File (CAF) number
 - Taxpayer's details: name, address, tax identification number (TIN)
2. Select tax matter(s) and period(s)
3. For POA: Check box as electronic signature and submit for validation
4. Optional: Inform taxpayer to approve the request in their Online Account

Link your Centralized Authorization File (CAF) number

1. Select Link a CAF number from your profile
2. Follow the 2-step process to request a PIN and then enter your PIN. Allow 1-2 weeks for the PIN to arrive to the address registered on CAF.



Linking your CAF is a one-time process

View or withdraw active POA/TIA authorizations

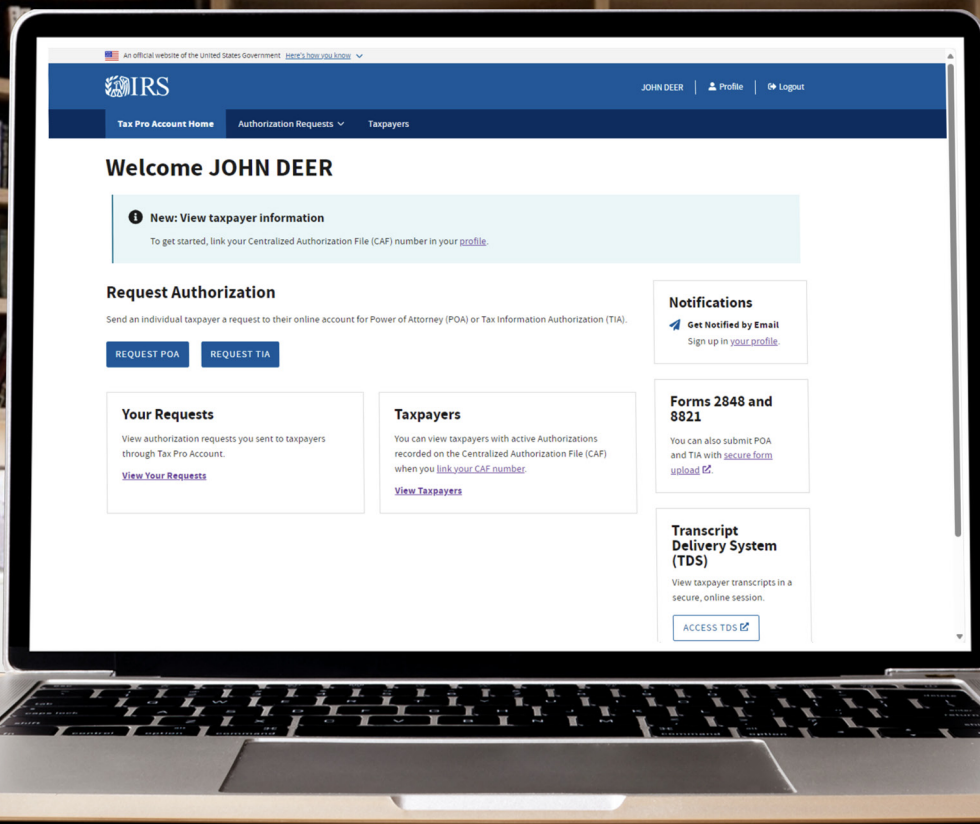
1. Select a taxpayer in the Taxpayers tab
2. Click Authorizations to view active authorizations, regardless of how they were submitted
3. View authorization details or click withdraw



Once authorization is approved by the taxpayer or withdrawn by the tax professional, it's processed in CAF in real-time

Considerations for taxpayers and tax professionals

- Names and addresses must match IRS records exactly
- Must have an address in the United States or the District of Columbia
- POA can be initiated by attorneys, CPAs, enrolled agents, enrolled actuary and retirement plan agents. TIA can be initiated by anyone with a valid CAF number.



[IRS.gov/taxproaccount](https://www.irs.gov/taxproaccount)

Tax professionals: Save time with Tax Pro Account

Do more with Tax Pro Account

- View individual and business taxpayer information
- Submit Powers of Attorney (POA) or Tax Information Authorizations (TIA)
- View and withdraw from active authorizations

Benefits

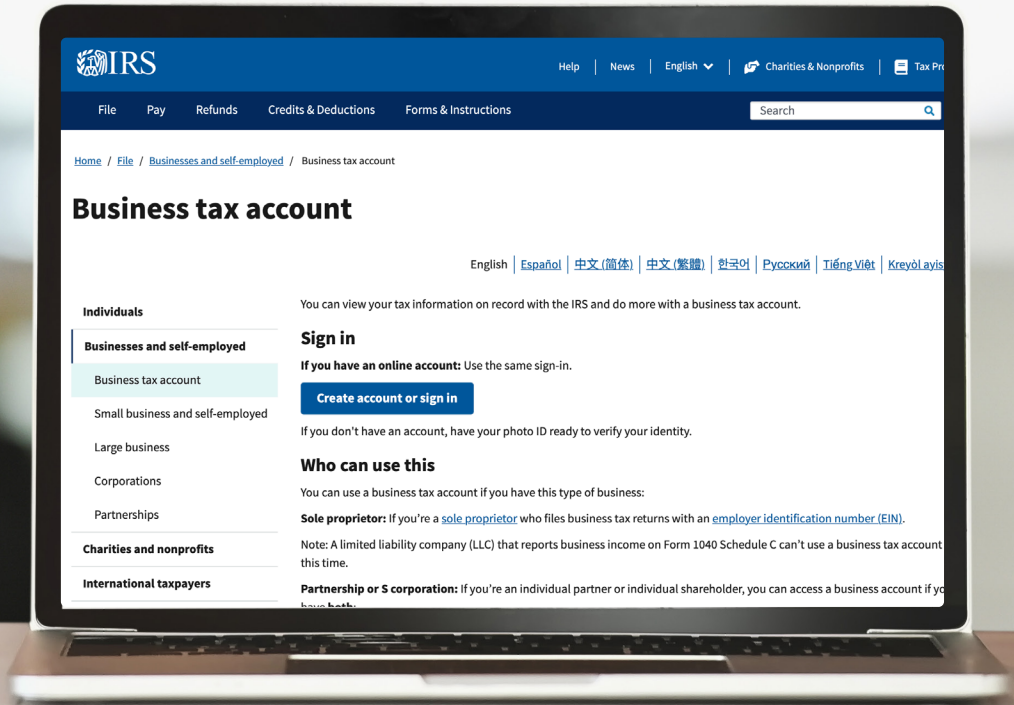
- Submit and withdraw authorizations in real time
- Access taxpayer information with ease
- View entire inventory of active POA/TIA authorizations once the Centralized Authorization File (CAF) is linked
- Sign-in with enhanced identify protection using ID.me credentials

Need to know

- Taxpayers have 120 days to approve authorizations through their Individual Online Account
- Taxpayers and tax professionals must have an address in the United States or the District of Columbia



[IRS.gov/businessaccount](https://www.irs.gov/businessaccount)



Access your Business Tax Account

Do more with a Business Tax Account

- View and pay your tax balance or make a Federal Tax Deposit
- View your payment history for recent transactions
- Request a tax compliance check
- View the business name and address on file with the IRS
- View and download select digital notices or transcripts for payroll, income and excise tax returns

Discover if you qualify to use a Business Tax Account at
[IRS.gov/businessaccount](https://www.irs.gov/businessaccount)



IRS, Security Summit release new Written Information Security Plan to help tax pros protect against identity thieves, data risks

Week 6 of "Protect Your Clients; Protect Yourself" series highlights tips that tax pros can take

IR-2024-208, Aug. 13, 2024

WASHINGTON — The Internal Revenue Service and the Security Summit partners today announced the availability of a new, updated Written Information Security Plan designed to help protect tax professionals against continuing threats from identity thieves and data breaches.

As part of a special eight-part series, the IRS and Summit partners highlighted the newly updated [Publication 5708, Creating a Written Information Security Plan for your Tax & Accounting Practice](#). This Written Information Security Plan, or WISP, is a 28-page template designed to help tax pros, particularly smaller practices. The WISP has been updated and expanded to make data security planning easier.

The new WISP, the result of a year-long effort, is an easy-to-understand document developed by and for tax and industry professionals to keep customer and business information safe and secure. Tax pros are required to have a security plan under federal law.

The new version of the WISP includes several new information updates since the first version came out. This includes highlighting best practices for implementing multi-factor authentication for any individual accessing any information system, unless their qualified individual has approved in writing the use of reasonably equivalent or more secure access controls.

In addition, tax pros now need to report a security event affecting 500 or more people to the Federal Trade Commission (FTC) as soon as possible, but no later than 30 days from the date of discovery. This is in addition to reporting the incident to an IRS [Stakeholder Liaison](#) and [state tax authorities](#).

"Tax professionals play a vital role in the nation's tax system, and they hold a vast amount of taxpayer information that can be a treasure trove to identity thieves," said IRS Commissioner Danny Werfel. "The newly updated Written Information Security Plan provides a helpful road map for tax pros to help protect their clients and themselves from the constant threat of data breaches. The IRS and the Security Summit partners urge tax pros to stay on top of these evolving threats, and this updated plan is an important part of that effort."

This marks the sixth part of a special summer news release series focused on tax professional security. Now in its ninth year, the ["Protect Your Clients; Protect Yourself"](#) campaign provides timely tips to help protect sensitive taxpayer data that tax professionals hold while also protecting their own businesses from identity thieves.

This is part of an annual education effort by the [Security Summit](#), a group that includes tax professionals, industry partners, state tax agencies and the IRS. The public-private partnership has worked since 2015 to protect the tax system against tax-related identity theft and fraud.

These security tips and the newly updated WISP are a key focus of the [Nationwide Tax Forum](#), being held this summer in five cities throughout the U.S. In addition to the series of eight news releases, the tax professional security component is featured at the three-day continuing education events. The forums continue this week in Baltimore, as well as the weeks of August 19 in Dallas and September 9 in San Diego. The IRS reminds tax pros that registration deadlines are quickly approaching for the Dallas forum, as San Diego has already sold out.



The forums will feature several specific sessions to help educate the tax professional community on security-related topics. Tax professionals will hear from experts at the IRS, the tax professional community as well as a special session from Salve Regina University's Pell Center from Rhode Island.

In the remaining weeks, the news release series and the IRS Tax Forums will provide timely tips to help protect sensitive taxpayer data that tax professionals hold while also protecting their own businesses from identity thieves.

Tax professionals are required by law to secure their clients' data, and to help them meet this obligation, the IRS and the Security Summit partners are advising them to use the WISP template designed to make data security planning easier.

Knowing that tax professionals play a critical role in our nation's tax system, the Summit – led by the Tax Professionals Working Group – spent months originally developing two publications: [Publication 5708, Creating a Written Information Security Plan for your Tax & Accounting Practice](#) and [Publication 5709, How to Create a Written Information Security Plan for Data Safety](#). Publication 5708 is the WISP, and Publication 5709 is a special summary flyer designed to be shared among the tax professional community.

“It’s more important than ever for tax pros to protect their data, passwords and other information,” said Kimberly Rogers, director of the IRS Return Preparer Office and co-chair of the Summit's Tax Pro Working Group. “The updated Written Information Security Plan is a result of months of work by tax professionals across the country. The Security Summit members worked together on this plan to make it easier for all tax professionals to develop a plan and an approach that is right for them.”

As part of legal requirements to implement and maintain a WISP in their practices, tax pros need to have it in a written form that’s accessible. In addition, tax professionals are recommended to review, test and update their WISPs.

The basics of a WISP

The WISP, available in [Publication 5708](#), begins with the basics. It walks users through getting started on a plan, including understanding security compliance requirements and professional responsibilities. It continues with an outline for a basic WISP and a sample template. The sample is not intended to be the final word on written security plans, but it is intended to give tax professionals a place to start in understanding and attempting to draft a plan for their business.

Throughout the process, tax pros are reminded that a security plan should be appropriate to the company’s size, scope of activities, complexity and the sensitivity of the customer data it handles. There is no one-size-fits-all WISP.

The IRS also reminds tax professionals that a WISP is just one part of what they need to protect their clients and themselves. Given the rapidly evolving nature of threats, the Summit also strongly encourages tax professionals to consult with technical experts to help with security issues and safeguard their systems.

A good WISP focuses on three areas:

- Employee management and training;
- Information systems;
- Detecting and managing system failures.



Tax pros required by law to have a security plan

There are many aspects to running a successful business in the tax preparation industry, including reviewing tax law changes, learning software updates as well as managing and training staff. One often overlooked but critical component is creating a WISP. However, federal law requires all professional tax preparers to create and implement a data security plan.

The Gramm-Leach-Bliley Act (GLBA) requires financial institutions to protect customer data. Under this law, tax and accounting professionals are considered financial institutions, regardless of size. In its implementation of this law, the FTC issued measures required to keep customer data safe. One requirement is implementing a WISP.

As a part of the plan, the FTC requires each firm to:

- Designate one or more employees to coordinate its information security program.
- Identify and assess risks to customer information in each relevant area of the company's operation and evaluate the effectiveness of the current safeguards for controlling these risks.
- Design and implement a safeguards program and regularly monitor and test it.
- Select service providers that can maintain appropriate safeguards by ensuring the contract requires them to maintain safeguards and oversee their handling of customer information.

Evaluate and adjust the program considering relevant circumstances, including changes in the firm's business or operations, or the results of security testing and monitoring.

Tax pro with a security problem? Contact an IRS Stakeholder Liaison, states and FTC

As part of a security plan, the IRS also recommends tax professionals create a data theft response plan, which includes contacting their [IRS Stakeholder Liaison](#) to report a security incident. Tax professionals can also share information with the appropriate state tax agency by visiting a special ["Report a Data Breach"](#) page with the Federation of Tax Administrators.

Tax professionals should also understand the [FTC data breach response requirements](#) as part of their overall information and data security plan. The new WISP also includes information on the requirement to report an incident to the FTC when 500 or more people are affected within 30 days of the incident.

Additional resources

- [Publication 5709, How to Create a Written Information Security Plan for Data Safety](#)
- [Publication 5708, Creating a Written Information Security Plan for your Tax & Accounting Practice](#)
- Review [Publication 5293, Data Security Resource Guide for Tax Professionals](#), which provides an overview and resources about how to avoid data theft.
- Tax professionals can also get help with security recommendations by reviewing IRS [Publication 4557, Safeguarding Taxpayer Data](#), and the IRS' [Identity theft information page for tax pros](#).
- Read [Small Business Information Security: The Fundamentals](#), by the National Institute of Standards and Technology.

Tax professionals should also stay connected to the IRS through subscriptions to [e-News for tax professionals](#) and its [social media sites](#).

How to Create a Written Information Security Plan for Data Safety

WISP



With data security incidents continuing, tax professionals must have current written information security plans or WISPs.



Federal law, enforced by the Federal Trade Commission, requires professional tax preparers to create and maintain a written data security plan.



Having a WISP protects businesses and clients while providing a blueprint of action in the event of a security incident. In addition, a WISP can help if other events occur that can seriously disrupt a tax professional's ability to conduct normal business, including fire, flood, tornado, earthquake and theft.



The Security Summit developed a plain language sample plan that tax pros can use for guidance in making their own WISP. The **sample plan** is available on IRS.gov.



A security plan should be appropriate to the company's size, scope of activities, complexity and the sensitivity of the customer data it handles.

Developing a WISP

A good **WISP** should identify the risks of data loss for the types of information handled by a company and focus on three areas:

1. Employee management and training.
2. Information systems.
3. Detecting and managing system failures.

Understanding post-breach responsibilities is important in creating a WISP. A good resource is the **FTC's Data Breach Response Guide**.

As a part of the plan, the FTC requires each firm to:

- Designate one or more employees to coordinate its information security program.
- Identify and assess the risks to customer information in each relevant area of the company's operation and evaluate the effectiveness of the current safeguards for controlling those risks.
- Design and implement a safeguards program, and regularly monitor and test it.
- Select service providers that can maintain appropriate safeguards.
- Evaluate and adjust the program considering relevant circumstances, including changes in the firm's business or operations, or the results of security testing and monitoring.

Maintaining a WISP

A good security plan requires regular maintenance and upkeep. Here are tips to keep a WISP effective:

- Once completed, tax professionals should keep their WISP in a format that others can easily read, such as PDF or Word. Making the WISP available to employees for training purposes is also encouraged. Storing a copy offsite or in the cloud is a recommended best practice in the event of a physical disaster.
- It is important to understand that a WISP is intended to be an evergreen document. It is important to regularly review and update any security plan, along with adjusting the plan to accommodate changes to the size, scope and complexity of a tax professional's business.
- As part of a security plan, the IRS also recommends tax professionals create a data theft response plan, which includes contacting their **IRS Stakeholder Liaison** to report a theft. Also see the **FTC data breach response requirements** listed above.



This document provides an overview of IRS Publication 5708.

39 For more detailed information scan the QR code.

National Cybersecurity Awareness Month reminder: IRS and Security Summit supply online safety tips

IR-2024-283, Oct. 28, 2024

WASHINGTON – As National Cybersecurity Awareness Month concludes and preparation for next tax season begins, the Internal Revenue Service and its [Security Summit](#) partners today reminded taxpayers to be wary of online threats like identity theft and fraud.

Whether shopping online or browsing social media, people unfamiliar with online security could be putting themselves at risk. Lax online behavior can open the door to swindlers eager to swipe people's personal information and leave themselves vulnerable to tax-related identity theft.

The IRS and Security Summit alert taxpayers to remain vigilant and to teach children and teens how to recognize and avoid online scams to minimize their chances of falling prey or unwittingly exposing their families to identity theft and tax fraud.

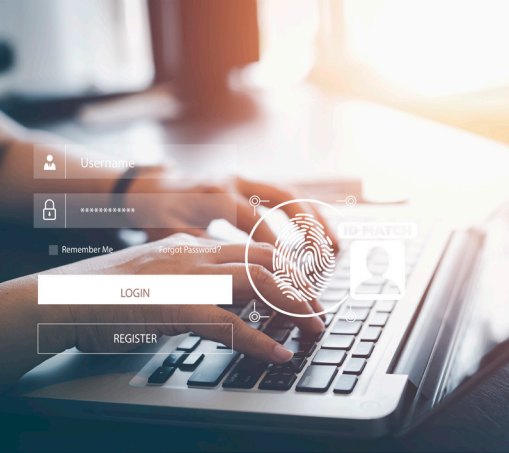
The public-private sector partnership encourages everyone to be aware of the many security vulnerabilities they face online and to review a wide range of resources available to them as [October's National Cybersecurity Awareness Month](#) draws to a close.

Members of the Security Summit – a coalition that includes tax software and financial companies, tax professionals, state tax administrators and the IRS – also offer multiple online safety recommendations to protect taxpayers from tax-related identity theft.

Online safety tips

Options to help protect against cybersecurity attacks include:

- **Recognize scams and report phishing.** It's important to remember that the IRS does not use unsolicited email and social media to discuss personal tax issues, such as those involving tax refunds, payments or tax bills. Don't reply, open any attachments or click any links. [To report phishing](#), send the full email headers or forward the email as is to phishing@irs.gov; do not forward screenshots or scanned images of emails because this removes valuable information. Then delete the email.
- **Protect personal information.** Refrain from revealing too much personal information online. Birthdates, addresses, age and financial information, such as bank accounts and Social Security numbers, are among things that should not be shared freely. Encrypt sensitive files such as tax records stored on computers.
- **Use strong passwords.** Consider using a password manager to store passwords.
- **Enable multi-factor authentication (MFA).** Use this for extra security on online accounts.
- **Use and update computer and phone software.** Enable automatic updates to install critical security updates, including anti-virus and firewall protections.
- **Use a VPN.** Criminals can intercept personal information on insecure public Wi-Fi networks. Individuals are encouraged to always use a virtual private network (VPN) when connecting to public Wi-Fi.



Tax Security Awareness Tips & Resources



Online Safety

The Security Summit partners – representing the IRS, state tax agencies and the nation’s tax community – remind people to take these basic steps when shopping online:

- Use anti-virus software with anti-malware; ensure it includes a firewall to prevent intrusions.
- Use strong and unique passwords for all accounts.
- Use multi-factor authentication whenever possible.
- Shop only secure websites with the padlock icon and “https” in the web address.
- Don’t shop on unsecured or public Wi-Fi.

Tax Pros: Protect Your Clients

As identity thieves continue targeting tax professionals, the IRS and the Summit partners urge practitioners to review the “[Taxes-Security-Together](#)” Checklist, including:

- Use multi-factor authentication to protect tax software accounts and clients; this is a new safeguards requirement for tax pros from the Federal Trade Commission.
- Use a Virtual Private Network if working remotely.
- Create a [Written Information Security Plan \(WISP\)](#) as required by federal law.
- Know about phishing and phone scams.
- Create data security and data theft recovery plans.

Identity Theft & IRS IP PIN program

Taxpayers who can verify their identities online may opt into the IRS IP PIN program – a tool taxpayers can use to protect themselves and their tax refund from identity thieves. Here’s what taxpayers need to know:

- The Identity Protection PIN or IP PIN is a six-digit code known only to the individual and the IRS. It provides another layer of protection for taxpayers’ Social Security numbers on tax returns.
- Use the Get an Identity Protection PIN tool at [IRS.gov/ippin](https://www.irs.gov/ippin) to immediately get an IP PIN.
- Never share the IP PIN with anyone but a trusted tax provider.

Help for tax pros, small businesses

Most cyberattacks are aimed at small businesses with less than 100 employees. To help this important group, the Security Summit offers important information:

- Learn about best security practices for small businesses.
- A Business Identity Theft Affidavit, Form 14039-B, is available for businesses to report theft to the IRS.
- Beware of various scams, especially the W-2 scam that attempts to steal employee income information and “spearphishing” attacks where scammers approach tax pros as new, potential clients.
- Check out the “Business” section on IRS’s [Identity Theft Central](#).

For additional resources, visit [IRS.gov/security](https://www.irs.gov/security) and follow the IRS social media pages below.



[IRS.gov/security](https://www.irs.gov/security)

Follow the IRS on social media for more information.

YouTube

[@IRSVideos](#)

[@IRSVideosASL](#)

[@IRSmultilingual](#)

LinkedIn

[Internal Revenue Service](#)

Instagram

[@IRSnews](#)

Facebook

[IRS](#)

[IRS en Español](#)

[IRS Tax Pros](#)

X

[@IRSnews](#)

[@IRStaxpros](#)

[@IRSenEspañol](#)

[@IRStaxsecurity](#)

[@IRSsmallbiz](#)



IRS: International Fraud Awareness Week highlights how to report fraud; taxpayer protection against scams, schemes

IR-2024-291, Nov. 18, 2024

WASHINGTON – As part of [International Fraud Awareness Week](#), the Internal Revenue Service reminds taxpayers how to report tax-related fraud in their community to protect personal and financial information from scam artists and tax schemes.

During International Fraud Awareness Week, Nov. 17-23, the IRS Office of Fraud Enforcement and IRS Criminal Investigation aim to raise awareness of fraud, scams and schemes affecting taxpayers across the country.

The IRS also encourages individuals, businesses and tax professionals to take time now to learn to recognize [red flags](#) and to ensure defenses are in place to stop scammers and those who promote unscrupulous tax schemes.

The [Security Summit](#), a public-private partnership between the IRS, state tax agencies and the nation's tax industry, also works to protect taxpayers, businesses and the tax system from identity thieves and warn people to watch out for [common scams and schemes](#).

Reporting tax fraud

Tax fraud can come in many forms, including scams targeting individuals, tax-related schemes pitched by unscrupulous promoters and fraud committed by taxpayers who knowingly file incomplete or inaccurate information with the IRS.

The public can assist the IRS in identifying and investigating possible fraud of individuals and businesses by filing [Form 3949-A, Information Report Referral](#). Form 3949-A is a tax-related public use form submitted voluntarily by individuals to report alleged violations of tax law by individuals and businesses. A Form 3949-A submission remains confidential.

Individuals can report suspected tax law violations such as:

- False exemptions and deductions.
- Multiple tax filings.
- Organized crime, public/political corruption and kickbacks.
- Unsubstantiated and unreported income.
- Narcotics income.
- Wagering/gambling income.
- Failures to pay tax, withhold tax and file returns.

These are only some of the suspected violations individuals can report. The IRS will review submissions and determine the appropriate action to take based on the information provided. These actions may include a referral for audit or a referral for criminal prosecution.

The IRS Office of Fraud Enforcement promotes compliance with tax laws by strengthening the IRS response to [fraud](#) and mitigating emerging threats. This includes improving fraud detection, identifying areas of high risk, enhancing enforcement and helping develop and submit fraud referrals to IRS Criminal Investigation where appropriate.



Tax-exempt organizations

If an individual suspects a tax-exempt organization is not complying with tax laws, they can submit [Form 13909, Tax-Exempt Organization Complaint](#). These organizations may include exempt organizations, employee plans, Indian tribal governments and other governmental units.

The details and information provided can help hold tax-exempt entities and organizations accountable for following tax law.

Possible monetary award

Information submitted by individuals regarding fraudulent tax-related activity can sometimes lead to a possible monetary award. Individuals requesting consideration for an award should submit [Form 211, Application for Award of Original Information](#).

The Form 211 and any attachments must include specific and credible information concerning the person that the whistleblower believes will lead to the collection of proceeds. The IRS [Whistleblower Office](#) evaluates Form 211 submissions.

Fraudulent schemes, promoters or preparers

Each year, the IRS compiles a [Dirty Dozen list](#) that brings public awareness to a variety of common scams that taxpayers may encounter. This year's list included phishing and smishing scams, questionable Employee Retention Credits, Fuel Tax Credit claims, Offer in Compromise mills and fake charities exploiting taxpayer generosity.

Anyone experiencing these scams, or taxpayers encountering promoters or tax preparers peddling these schemes, are encouraged to submit [Form 14242, Report Suspected Abusive Tax Promotions or Preparers](#).

People should mail or fax a completed Form 14242 and any supporting materials to the IRS Lead Development Center:

Internal Revenue Service
Lead Development Center MS7900
1973 N. Rulon White Blvd
Ogden, UT 84404

Fax: 877-477-9135

The Lead Development Center within the Office of Promoter Investigations follows up on each referral and ensures cases involving abusive tax schemes and improper tax return preparation are appropriately sent for further action to the IRS. Referrals may lead to injunctions against preparers or promoters, monetary penalties or referrals to criminal enforcement action.



IRS takes steps to help prevent refund delays by accepting duplicate dependent returns with an IP PIN for 2025 filing season; taxpayers encouraged to sign up soon for IP PIN, Online Account

IR-2024-294, Nov. 21, 2024

WASHINGTON — The Internal Revenue Service is making it easier for taxpayers to protect their information and avoid refund delays by accepting certain e-filed tax returns that claim dependents who have already been claimed on another taxpayer's return. This change will benefit filers claiming important tax credits like the [Earned Income Tax Credit](#) and Child Tax Credit.

Beginning in the 2025 filing season, the IRS will accept Forms 1040, 1040-NR and 1040-SS even if a dependent has already been claimed on a previously filed return as long as the primary taxpayer on the second return includes a valid Identity Protection Personal Identification Number (IP PIN). This change will reduce the time for the agency to receive the tax return and accelerate the issuance of tax refunds for those with duplicate dependent returns. In previous years, the second tax return had to be filed by paper.

Using an IP PIN is a way for taxpayers to help protect themselves against identity theft. With the new changes being made by the IRS, the IP PIN will also help protect taxpayers when someone fraudulently claims a taxpayer's dependent. The IRS encourages taxpayers who plan to file early in 2025 to [sign up for an IP PIN before Nov. 23, 2024](#). After that date, the IP PIN system will be offline for annual maintenance until early January 2025.

Signing up now ensures taxpayers are ready to file electronically at the start of the 2025 tax season with an additional safeguard against identity theft and helps avoid issues involving dependents being claimed on multiple tax returns.

While the IP PIN system will be down for scheduled maintenance later this month, the IRS reminds taxpayers they can still sign up for an [IRS Online Account](#). An Online Account, which is the first step to get an IP PIN, also allows taxpayers to securely access their tax return and account information from previous years, including information from their forms W-2 and 1099. The regularly adding new digital tools and features to the Online Account as part of the agency's transformation work.

Information about IP PINs; Online Account

An IP PIN is a six-digit number that prevents someone else from filing a federal tax return using a taxpayer's Social Security number or Individual Taxpayer Identification Number. It's a vital tool for ensuring the safety of taxpayers' personal and financial information.

The IP PIN, known only to an individual and the IRS, confirms their identity when they electronically file their tax return, making it much more difficult for thieves to use their information fraudulently.

The best way to sign up for an IP PIN is through IRS Online Account. The process requires identity verification. Spouses and dependents can also obtain an IP PIN if they complete the required verification steps. Once an IP PIN is issued, it must be on both electronic and paper returns.

To get an IP PIN, taxpayers should create or log into their Online Account at IRS.gov and follow the steps for identity verification. Once verified, taxpayers need to click on the profile tab to request their IP PIN. IP PIN users must use this number when filing their federal tax returns for the current calendar year and any previous years filed during that same period.



For those unable to create an Online Account, alternative methods are available, such as in-person authentication at a Taxpayer Assistance Center. More information is available on how to sign up at [Get an identity protection PIN \(IP PIN\)](#).

Claiming duplicate dependents with IP PIN

The IP PIN will have greater value during the upcoming filing season. That's because the IRS will continue to reject e-filed returns claiming dependents who appear on a previously filed tax return unless a valid IP PIN is provided.

In this scenario where the dependent has already been claimed on another tax return, the IP PIN provides an important new option. The taxpayer listed first on an e-filed tax return claiming dependents can provide their current year IP PIN when they file. If they do, the return will still be accepted. The spouse (if married filing jointly) and the dependents on the tax return **don't** need to provide an IP PIN if they don't have one.

Taxpayers who do not have IP PINs will have their e-filed returns rejected if one of their dependents has already been claimed by another taxpayer. However, if the taxpayer obtains an IP PIN and e-files again with the IP PIN entered on the return, the IRS will accept the return assuming there are no other issues with it. Taxpayers will also still have the option to paper file returns with duplicate claims for dependents. An IP PIN will be required when claiming duplicate dependents or children on Forms 1040, 1040-NR and 1040-SS. It will also be required on Forms 2441, 8863 and Schedule EIC that are attached to Tax Type Form 1040.

Tax returns claiming duplicate dependents for prior years (Tax Years 2023 and 2022) must still be filed by mail if the dependents have been claimed on another return.



IRS encourages taxpayers to prepare for 2025 filing season with online tools and key reminders

IR-2024-297, Nov. 22, 2024

WASHINGTON — As the nation's tax season approaches, the Internal Revenue Service is reminding people of [simple steps](#) they can take now to prepare to file their 2024 federal tax returns.

This reminder is part of the IRS's "Get Ready" campaign to help everyone prepare for the upcoming filing season in early 2025.

"Our focus at the IRS continues to be on making tax filing easier and more accessible for everyone," said IRS Commissioner Danny Werfel. "We've added more digital tools to help taxpayers. But as tax season quickly approaches, the IRS reminds taxpayers there are important steps they can take now to get ready for 2025. From reviewing withholding to signing up for an IRS Online Account, there are multiple ways for people to help make the 2025 filing season easier."

As the IRS continues its historic transformation work, the agency continues introducing new online tools as well as expanding and updating other [digital tools](#). These are designed to help taxpayers and make tax filing easier.

Access IRS Online Account for helpful information

Taxpayers can create or access their [IRS Online Account](#), where they can find all their tax related information for the 2025 filing season. New users will need to have a photo ID ready to verify their identity. Through their IRS Online Account, taxpayers can:

- View key details from their most recent tax return, such as adjusted gross income.
- Request an Identity Protection PIN.
- Get account transcripts to include wage and income records.
- Sign tax forms like powers of attorney or tax information authorizations.
- View and edit language preferences and alternative media (such as braille, large print, etc.).
- Receive and view over 200 IRS electronic notices.
- View, make and cancel payments.
- Set up or change payment plans and check their balance.

Gather and organize tax documents

Having well-organized tax records can make filing a complete and accurate return easier and help avoid errors that can delay refunds. This may also help identify deductions or credits that may have been overlooked.

Most income is taxable, including [unemployment compensation](#), refund interest and income from the [gig economy](#) and [digital assets](#). Taxpayers should watch for and gather essential forms, such as [Forms W-2, Wage and Tax Statement](#), and other income documents.

It's also important to notify the IRS of any [address changes](#) and the [Social Security Administration](#) of any legal name changes.

Check withholding before the end of 2024

The IRS [Tax Withholding Estimator](#) on IRS.gov can help taxpayers make sure the correct amount of tax is withheld from their paychecks. This tool is especially useful for individuals who owed taxes or received large refunds last year, or those who have experienced [life changes](#) such as marriage, [divorce](#), or the welcoming of a



child. Taxpayers who need to adjust their withholding can update their information with their employer using [Form W-4, Employee's Withholding Allowance Certificate](#).

Time is running out to make changes for 2024, as only a few pay periods remain in the year. Taxpayers need to act quickly to make any adjustments.

Get refunds faster with direct deposit

The fastest and most secure way to receive a tax refund is through [direct deposit](#). Taxpayers can direct their refund to a bank account, banking app or reloadable debit card by providing their routing and account numbers. If the routing and account number cannot be located, taxpayers should contact their bank, financial institution or app provider.

According to Treasury's Bureau of the Fiscal Service, paper refund checks are 16 times more likely to be lost, misdirected, stolen or uncashed compared to those paid using direct deposit.

Individuals without a bank account can explore options for opening one through [FDIC-insured banks](#) or a credit union using the [National Credit Union Locator tool](#). Veterans can use the [Veterans Benefits Banking Program](#) to find participating financial institutions.

Volunteer to help others with their taxes

The IRS and its community partners are seeking volunteers from around the country to join the [Volunteer Income Tax Assistance \(VITA\)](#) and [Tax Counseling for the Elderly \(TCE\)](#) programs. These programs offer free tax preparation services to eligible taxpayers. Interested individuals can learn more and sign up by visiting IRS.gov.

Helpful IRS resources and online tools

IRS.gov is a valuable resource for taxpayers, offering a variety of [online tools](#) like the Individual Online Account available 24/7. These tools help individuals file and pay taxes, track refunds, access account information and get answers to tax questions. Taxpayers are encouraged to bookmark these resources for easy access.

Choosing a tax professional

Tax professionals play an essential role in the U.S. tax system. Certified public accountants, Enrolled Agents, attorneys and others without formal credentials are just a few of the professionals who help taxpayers file their returns accurately. It is important to [choose a professional](#) who is skilled and trustworthy.

Most tax return professionals provide great service but picking the wrong one can hurt taxpayers financially. The IRS offers [tips for choosing a tax preparer](#).

People can use the [IRS Directory of Federal Tax Return Preparers with Credentials and Select Qualifications](#) to find qualified professionals.



2024 Annual Federal Tax Refresher (AFTR) Course

This Publication guides Continuing Education (CE) providers in developing the AFTR Course and Test to support the voluntary 2025 IRS Annual Filing Season Program; including links to the following:

1. [Updated AFTR Course Outline](#)
2. [Updated AFTR Course Outline Reconciliation Form](#)
3. [Word Count Formula](#)
4. [Updated AFTR Comprehension Test Parameters](#)
5. [Updated AFTR Test Reconciliation Form](#)
6. [Annual Filing Season Program CE Requirements-AFTR Exemption Chart \(Pub 5646\)](#)

Note: Please review our [CE provider FAQs](#) for developing your course material and test.

What's New

AFTR Review by the IRS section

What You Need to Know

Annual Filing Season Program (AFSP):

The AFSP is voluntary and open to all tax return preparers who seek to enhance their knowledge of current tax law for individual income tax filing and improve their competency through CE.

Non-credentialed AFSP participants will have limited representation rights and are included with enrolled agents (EAs), enrolled retirement plan agents (ERPAs), enrolled actuaries, certified public accountants (CPAs) and attorneys in a public database of tax return preparers on IRS.gov.

The 6-CE hour 2024 AFTR Course and Test, along with 12 additional IRS CE hours, are required CE for non-exempt 2025 AFSP participants.

AFSP participants who are exempt from the AFTR Course and Test must complete 15 IRS CE hours including: 3 CE hours Updates, 2 CE hours Ethics and 10 CE hours Tax Law. See: [Exempt requirements](#)

AFSP participants, whether exempt or non-exempt from the AFTR Course and Test, must have their required CE hours uploaded into their preparer tax identification number (PTIN) accounts so the IRS can verify the CE requirements have been met. Timely issuance of Certificates of Completion and uploads of CE credit by providers are essential. Therefore, CE credits in the last quarter (October 1–December 31) are required to be uploaded within 10 business days of program completion dates.

AFSP participants must:

- Have an active PTIN for the upcoming year,
- Be in good standing with the IRS and
- Meet all other requirements outlined in their PTIN accounts.

After meeting all requirements and signing their application, the tax return preparer receives an AFSP Record of Completion from the IRS. The signature requirement is met for the following with the:

- Consent to the [Circular 230](#) for non-credentialed preparers
- Election to Participate for credentialed preparers:
 - EAs,
 - ERPAs,
 - Enrolled actuaries,
 - CPAs and
 - Attorneys.

For detailed information about the AFSP, visit [IRS.gov/afsp](https://www.irs.gov/afsp).

AFTR Course:

- The AFTR Course is a high-level, **basic 1040 “refresher” course focusing on current tax law and the preparation of 2024 individual tax returns.** Please visit [IRS.gov/newsroom/irs-guidance](https://www.irs.gov/newsroom/irs-guidance) for the latest in 1040 guidance.
- The [AFTR Course Outline](#) reflects the flow of the Form 1040 and Schedules 1-3, listing the topics you must cover. An [AFTR Course Outline Reconciliation Form](#) should be used to substantiate all topics are covered in your course material.
- General topics (line 2.15) should be kept at a high level of understanding.
- You must provide detailed written material to aid students in preparing for and taking the AFTR Test, regardless of the delivery method. Course material should only include the subject areas on the [AFTR Course Outline](#). New legislation enacted after the February 21, 2024 revision date of the [AFTR Course Outline](#) may be voluntarily incorporated into the course. If the [AFTR Course Outline](#) requires coverage of a topic, you must cover it and test on the material you presented during the course.

- The AFTR Course must be exactly 6 CE hours based on a 50-minute hour in accordance with the standards set forth in [Circular 230 section 10.6](#). You should use the [Word Count Formula](#) to verify credit hour calculations for a self-study delivery method.
- The AFTR Course material must cover a preparer's requirement to consent to the [Circular 230](#) duties and restrictions to receive the AFSP Record of Completion from the IRS.

AFTR Comprehension Test:

- We've updated the [AFTR Test Parameters](#). Review each section of the AFTR Test requirements carefully.
- In addition to the 6-CE hour (300 minutes) AFTR Course, there must be a timed continuous test that is a maximum of 3-hours (180 minutes). CE providers must have a clock displaying the test time remaining.
- Each AFTR Test must contain at least one question for each topic on the AFTR Course Outline. A [Test Reconciliation](#) is required to ensure all topics are tested and there are test bank requirements for every third test attempt.
- Review questions aren't required in the AFTR Course. If you use review questions, you can include no more than 18 review questions in the course. You can't reuse those same review questions as test questions.

AFSP Exempt/Non-exempt CE Chart:

- Communicate which participants are exempt or non-exempt from the AFTR Course and Test.
- You must add a link to the [AFSP CE chart](#) to your advertisements for AFTR or an appropriate location on your website, so your students are completely aware of the program CE requirements before they purchase.
- You and your students must be aware that if an EA elects to take an AFTR Course, they won't receive credit toward their EA CE requirements.

AFTR Start and End Dates:

Activity	Start Date	End Date
Get the AFTR Course number in the CE Provider system	April 1, 2024	October 1, 2024
Offer AFTR Course to students	June 1, 2024	December 31, 2024
Upload AFTR PTIN Course/Test completion records	June 1, 2024	December 31, 2024 (Within 10 business days Oct-Dec)
Student's timeframe to complete AFSP CE requirement	January 1, 2024	December 31, 2024

AFTR Review by the IRS:

The CE team will call everyone who gets an AFTR program number to discuss a review of your course, test and advertising. AFTR programs must be reviewed before being offered to participants. The review process can take several weeks. We require and verify all the following:

- Items in advertisements directed to those considering the program including:
 - Syllabus with verification the AFTR Course meets the 6-CE hour (300 minutes) requirement.
 - Course description or link to the AFTR Course Outline on [IRS.gov/taxpros/ce](https://irs.gov/taxpros/ce).
 - Program completion (AFTR Course & Test) is required by December 31, 2024.
 - Testing requirements
 - 70% passing score,
 - Only three hours to complete the test in one sitting allowed,
 - State the number of test attempts allowed and,
 - Advise how the test will be given.
 - Reminder that EAs can't receive credit for the AFTR Course.
 - Reminder that AFSP participants must consent to the [Circular 230](#) duties and restrictions to receive the AFSP Record of Completion from the IRS.
 - Other required CE for AFSP participation with link to the [Annual Filing Season Program CE Requirements-AFTR Exemption Chart \(Pub 5646\)](#).
 - Information about limited representation can be found at [IRS.gov](https://irs.gov).
 - Explain browser requirements, course policies and other pertinent information.
- All AFTR documentation (course material, test, reconciliation, etc.) must be submitted in Word or PDF format, even if the material is web-based.
- The [AFTR Test Reconciliation](#) is required to identify the comprehension test domain, tax topic number and page number in the course material where the IRS can find the answer.
- AFTR providers should follow the CE Provider Standards for any areas not covered in this Publication, including issuing a Certificate of Completion and program evaluation to attendees completing the AFTR Course.

Additional Information:

We welcome you to participate as an AFTR Course provider in 2024. We hope you find this packet helpful, but should you have any questions, send them to the CE mailbox at rpo.ce@irs.gov.

You'll receive an invitation in your CE provider secure mailbox to participate in a call to learn more about the current AFTR Course/Test and AFSP requirements.



Follow IRS social media and sign up for e-news

Scan the QR codes below to visit IRS social media accounts.
For a full list of social media accounts, visit [IRS.gov/socialmedia](https://www.irs.gov/socialmedia).



Facebook

Tax news and information available in several languages.

English



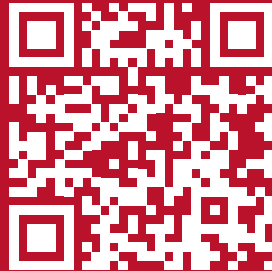
Spanish



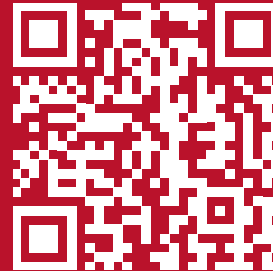
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Tax news and information available in several languages.

English

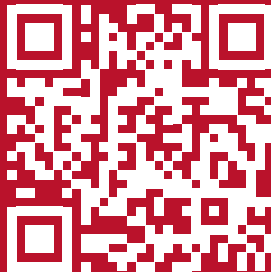


Spanish



Instagram

The IRS Instagram account shares taxpayer-friendly information.



YouTube

The IRS also has videos in American Sign Language.

English



Multilingual



LinkedIn

The IRS shares key agency information and job opportunities.



e-News Subscriptions

The IRS currently has 20 registration-based e-News options to provide useful tax updates.

