

Hello my name is Annmarie Tracey, and I'm from the New York State Department of Taxation and Finance and I work in the taxpayer contact center. Today we are going to discuss required tax preparer information and permissions.

First I am going to discuss information about identification numbers you may need. These are the EIN, the employer identification number, the PTIN, the preparer tax identification number, the EFIN, the electronic filing identification number, and the NYPRIN, the New York tax preparer identification number. There are also different types of permissions that may be granted by your clients. Power of attorney, TR-2000 E-Z rep and the third party designee.

Employer identification numbers are issued by the IRS, you can apply for an EIN right online, there's no need to file a paper form, the SS4. The IRS asks you the questions, you give the answers and your EIN is issued upon completion. You can download; print your EIN right away.

Who needs an EIN? There's a list right on the IRS website entitled, "Do You Need an EIN?", this includes new businesses, employers, trust, pensions, state and local agencies, federal governments, partnerships and corporations. The number is permanent and will never be used for any other entity. If you're not sure whether you need an EIN, just visit the IRS website.

The Employer Identification Number is used for a business and entities that are required to have an EIN for governmental reasons and IRS requirements

A tax preparer that who has an EIN must state their EIN on any tax forms that they prepare. If you do not have an EIN, you just leave that line blank.

Now the PTIN, the preparer tax identification number.

The PTIN is also issued by the IRS. Anyone who prepares, or assists in preparing tax returns, is required to have a PTIN. Applicants must be at least 18 years old. PTIN information is public. A PTIN must be placed in the paid preparer section on all returns prepared for compensation. The IRS charges an initial fee of \$64.24 and a renewal fee of \$63. Each individual in an office who gets paid to prepare returns must have their own PTIN. A PTIN cannot be shared. A PTIN may be issued by the IRS in association with an EIN or a social security number.

Everyone preparing tax returns is required to have a PTIN but there are some exceptions; volunteer tax preparers, professional attorneys, public accountants, certified agents and CPAs and employees of a professional attorney's public accounting firm, enrolled agents or CPA firms who prepare under the direct supervision of an attorney, CPA or enrolled agents. The supervision must be direct and onsite.

You are required to file returns electronically and you will be required to enter your PTIN on all your electronic transmissions. Here is an example of the bottom page of a 1040 as well as IT201 and IT203. The lines for the PTIN are circled in red

Check out the IRS website for all your PTIN questions.

Now the EFIN, the electronic filing identification number.

You must have an EFIN issued by the IRS to be an authorized efile provider. In other words, you, or the firm that you work for, must have an efin to file returns electronically. All tax preparers in New York State are mandated to file returns electronically. EFINs are issued to individuals or firms, if you work for a firm that has an efin, you would not necessarily need your own EFIN. Most preparers may need both, an EFIN and a PTIN.

Now we'll discuss the NYPRIN, the New York tax preparer identification number.

Your NYPRIN will be issued upon completion of the New York State tax preparer registration process. Everyone who prepares New York State returns for clients must have a NYPRIN; see New York State publication 58 for more info on the NYPRIN.

Each tax preparer and facilitator must enter his or her own NYPRIN on all New York State returns requiring a tax preparer signature.

New York State taxpayer's information is protected under the secrecy laws. You will not be able to access any confidential information regarding your clients without permission. We will take a look at the 3 authorization methods, the power of attorney, the TR2000 E-Z rep and the third party designee.

The power of attorney form allows the taxpayer to designate another person as their agent. Sometimes the industry refers to the agent as the power of attorney. You can access the power of attorney form right from our website. The power of attorney form allows you the most complete access and allows you to act on behalf of the taxpayer as their agent. An agent allows you to make legally binding decisions on behalf of the taxpayer. This would include audits, conciliated conferences, individual payment arrangements and other confidential information. An agent allows you to act on behalf of the taxpayer, this includes changing the clients address and documents may be mailed directly to you, as the agent.

Let's take a look at the power of attorney form. Part 1 you would enter the taxpayer's information. Name and address. Part 2, enter each representative's name, mailing address, including any firm name, telephone number, the NYPRIN, if applicable, and email addresses. Only individuals may be named as power of attorneys, you may not appoint a firm as power of attorney.

And part 3, you'd enter the tax type, personal income tax, corporation tax, sales. You may enter more than one tax type. Enter the tax year or tax periods or transactions covered by the power of attorney. If you designate only a specific tax and no tax year or period, the power of attorney will cover all tax years and periods. If you designate only a specific tax or period and not a specific tax type, the power of attorney will apply to all tax types for that designated tax year or period. If you do not designate either a tax type or a tax period, the power of attorney will apply to all taxes and all periods.

The power of attorney form authorizes you as the representative appointed to act on behalf of your client for tax matters, with the exception of signing or delegating authority. If the permissions of signing and delegating are to be given, the client must sign and date in this area. Section 5 pertains to who notices may be sent to.

Part 6 is the taxpayer signature. The power of attorney must be signed by the taxpayer or by an individual who is authorized to execute the power of attorney on behalf of the taxpayer. The taxpayer or the taxpayer's representative may be required to provide identification and evidence of authority to sign the POA. If not signed and dated, the power of attorney will be returned. Part 7, this power of attorney must be acknowledged by the taxpayer before notary public or two disinterested parties unless the appointed representative is licensed to practice in New York State as an attorney at law, certified public accountant, public accountant or as New York State resident enrolled as an agent to practice before the internal revenue service.

In this designation area, you would indicate the number shown above describing your profession or capacity to represent the taxpayer as listed on page 1. Each representative must sign and date the declaration and include his or her federal preparer identification number, PTIN, social security number or EIN. It is very important to follow the instructions on the power of attorney form very carefully. A common problem is the forms are not filled out correctly and until a correct power of attorney form is submitted you will not be able to access information regarding your clients' information. The TR2000 is the client authorization for tax professionals. This is required to access info about their business or individual clients through a New York online service account. If you will be using a tax professional online services account and you want to add your clients with authorizations to view their online service accounts, you must have your client complete the TR2000 E-Z rep. You must keep a copy of the authorization in your records for the duration of the authorization plus three years. Do not mail the TR2000 E-Z rep to the department. Please go to the New York State OLS page for more information on the TR2000 E-Z rep.

Just going to go over the form, it's very easy to fill out. You would enter in part 1, the taxpayer information; the taxpayer enters the tax preparer information. Part 3 you would check the tax matters to be discussed, taxpayers account information and to perform transactions online through the tax department's online services account. Again, EZ rep form is filled out by the taxpayer and given to the tax preparer. As a tax preparer, you would then enter the information in the tax professional online service account. The third party designee is limited. It gives someone other than the taxpayer permission to discuss a particular return. Unlike the POA 1 which gives a much broader permission. Third party designee cannot act on behalf of a taxpayer, it gives authorization to ask questions about the return, the refund and any adjustments made. It allows the designee to request certain kinds of information or correspondence to be sent to the taxpayer's current address. It does not give authority to change an address. For any filing period, tax year 2013, due in 2014, the third party designee will not expire. For 2013 and beyond, it will last indefinitely.

Here's an example from the bottom of the last page of an IT201 showing the third party designee section. Keep in mind a firm may not be a third party designee. You would fill in the designee's name,

phone number and select a pin number as a shared secret between you, the designee, and the tax department's representative. The yes box in the third party designee section of the return must be checked. The authorization is specific to a particular return. For example, a third party designee is not authorized to discuss an amended return for a taxpayer if the designee is only listed on the original return. The authorization is specific to the person listed as the third party designee so a different person calling from the same firm as the designee is not authorized to discuss the taxpayers return. A third party designee cannot authorize someone else to discuss the return. The designee cannot change the taxpayer's information, again, such as their address, phone number or where refund is supposed to be sent.

So let's summarize the information. The IRS issues some id numbers. You may need an EIN, you must have a PTIN and some of you will need an EFIN. New York State issues a NYPRIN and allows different types of access to your client's information under the POA1, the TR2000, and the third party designee.

This concludes the presentation on tax preparer identification numbers and permissions. I hope that this information is useful for you.