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Update from the Return Preparer Office

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Impact of Paid Preparers on Tax Administration

93 million individual and business income tax returns were prepared by paid preparers in 2016

\$7.4 trillion

Total income

\$1.3 trillion

Total tax

\$312 billion

Total refunds



Return Preparer Office Programs

- ❖ What programs does RPO administer?
 - Preparer Tax Identification Numbers (PTINs)
 - Enrollment to Practice
 - Annual Filing Season Program
 - Public Directory of Preparers
 - Forms 14157, Complaint: Tax Return Preparer
 - IRS-Approved CE Providers



Are You The Next Target?

- ❖ Identity Theft
- ❖ Stolen Refund Fraud
- ❖ System Intrusions



It *CAN* happen to you!

- ❖ Cybercriminals are targeting tax professionals
 - January-May 2017 – 177 tax professionals reported data breaches
 - IRS receiving reports from 3 to 5 tax pros each week
 - ❖ Simple steps can help protect your clients and your business
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Review Pub. 4557

- ❖ Publication 4557, Safeguarding Taxpayer Data
 - Checklist to review current security practices
 - Identify your risks
 - Create a security plan
 - Review your plan annually
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Use Best Security Practices

- ❖ Learn to recognize and avoid phishing emails and phishing scams
 - ❖ Use strong security software to protect against malware and viruses
 - ❖ Use security functions on your tax prep software
 - ❖ Encrypt taxpayer data
 - ❖ Use strong, unique passwords
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Lose data? Call IRS immediately

- ❖ Contact your local Stakeholder Liaison
 - www.irs.gov keyword search “stakeholder liaison” to find contact for your state
 - IRS may be able to help protect your clients if notified quickly
 - ❖ Review “Data Loss Information for Tax Professionals” at IRS.gov/identitytheft for additional steps
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Maintain, monitor & protect EFIN

- ❖ Keep e-File Application up-to-date with names, addresses and phone numbers
 - ❖ Monitor use of your EFIN weekly via your e-File application
 - Monitor PTIN filings as well from PTIN account
 - ❖ Protect EFIN from theft; avoid e-Services scams
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Educate Clients and Staff

- ❖ Ongoing education public education campaign: Taxes. Security. Together.
 - ❖ Share Publication 4524, Security Awareness for Taxpayers, with clients
 - ❖ Ensure all staff are aware of and maintain security protocols
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Spread the Word on W-2 Scam

- ❖ Poses as company executive, asks payroll employee for list of all employees W2s
 - 50 victims last year; 200 this year
 - Hundreds of thousands of new IDT victims
 - ❖ Targets: businesses, public schools, universities, tribes
 - ❖ Employer/victims should email dataloss@irs.gov and provide POC
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For additional information

- [IRS.gov/ptin](https://www.irs.gov/ptin)
- [IRS.gov/taxpros](https://www.irs.gov/taxpros)
- [IRS.gov/identitytheft](https://www.irs.gov/identitytheft)
- [Facebook.com/irstaxpros](https://www.facebook.com/irstaxpros)
- [Twitter.com/irstaxpros](https://twitter.com/irstaxpros)
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