



Filing and Paying Your Business Taxes Electronically

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March 20, 2024



Overview

- Describe IRS e-File for Individual and Business Returns
- Describe electronic payment options for your business
- Describe the benefits of filing and paying your taxes electronically
- Provide tips for choosing a tax professional



Benefits of e-filing

- Convenient
- Accurate
- Safe
- Electronic Refund
- May be eligible to electronically file for free
- Electronic Signature using a PIN
- Tax preparation software usually contains all forms and schedules needed
- More information: [IRS.gov/Filing](https://www.irs.gov/Filing)



Sole Proprietor

- Complete a Schedule C to report your business income and expenses
 - Schedule C is included in the Form 1040 software package
 - Software does all of the math, including depreciation
 - A tax preparer's software can also calculate it
- More information:
 - Go to [IRS.gov/Filing](https://www.irs.gov/filing)
 - Select "Businesses and Self-Employed"



Partnership

- Large partnerships of over 100 partners are required to file electronically
- Other partnerships may choose to voluntarily e-file Form 1065
 - Listing of Form 1065 e-file providers on IRS.gov
 - Go to **IRS.gov** and click on "**File**" and go to the section for "**Business & Self-Employed**"
 - Provider will transmit Form 1065 and Schedule K-1 to IRS



Corporation

- Corporations can electronically file:
 - Form 1120 U.S., Form 1120-F U.S. and Form 1120-S U.S. and associated forms and schedules
- Corporations with \$10 million or more in total assets, and that file 250 or more returns a year:
 - Required to electronically file
- Total number of returns is determined by aggregating all types of returns required to be filed:
 - Income tax returns, returns required under IRS section 6033, information returns, excise tax returns and employment tax returns



Paying taxes electronically

- Electronic payment methods:
 - Electronic Funds Withdrawal — EFW
 - Electronic Federal Tax Payment System —EFTPS
- For more payment options and information:
 - Go to [IRS.gov/pay](https://www.irs.gov/pay)



Electronic Funds Withdrawal (EFW)

- Pay money you owe when you file your taxes
- Authorizes U.S. Dept. of Treasury to transfer money from your bank account to the Treasury account
- Need routing and bank account numbers
- Instantaneous, easy, safe and usually free
- Payment date is the same as balance due return filing
- e-file Payment Inquiry and Cancellation Service at 888-353-4537



Electronic Filing Tax Payment System (EFTPS)

- Safe, secure, private and available 24/7
- Schedule payments whenever you want
- Get immediate confirmation
- Check payment history
- Easily change or cancel scheduled payments
- Track your payments with email notifications
- Easy to deposit estimated tax, employee withholding and payroll taxes



Register for EFTPS

- Enroll online:
 - [EFTPS.gov](https://eftps.gov)
 - Receive PIN within 7 business days
- Enroll by mail:
 - Request enrollment form at 800-555-4477
- Begin scheduling payments as soon as you receive your PIN
- Receive a pre-enrollment letter from EFTPS activate registration by phone: 800-555-3453
- Schedule payments by phone: 800-555-3453



EFTPS Payment Methods

- EFTPS direct
 - Pay taxes directly by phone or online
 - Must have PIN and EIN or SSN
 - Immediate EFT acknowledgement number
 - Cancel payment at least 2 business days before scheduled date
 - Debit your bank account on scheduled date
 - Check the payment status and history at [EFTPS.gov](https://eftps.gov)



EFTPS Payment Methods (cont..)

- EFTPS through a financial institution
 - Transfer funds from your account to Treasury account
 - Check with your financial institution to see if they offer this service
- Payroll company makes payments for you
- Enroll separately to verify payments made for you
- Publication 966, *Electronic Federal Tax Payment System: A Guide to Getting Started*



Review

- E-file returns — Safe, accurate, complete, acknowledged by IRS, faster refunds and can direct deposit refund amount
- Software available to fill out forms needed and calculate tax
- E-pay with EFW or EFTPS-must enroll
- Safe, fast, instantaneously acknowledged by IRS
- Available 24/7
- More information:
 - [IRS.gov/Filing](https://www.irs.gov/Filing)
 - [IRS.gov/Pay](https://www.irs.gov/Pay)



Choosing a Tax Professional



Types of Paid Preparers

- Skills, education and expertise
- Ability to represent taxpayers before the IRS:
 - Two types of representation rights:
 - Unlimited
 - Limited



Credentialed Return Preparers

- Unlimited representation rights:
 - Attorneys
 - Certified Public Accountants (CPA)
 - Enrolled Agents (EA)
 - PTIN required



Non-credentialed Return Preparers

- Two types:
 - IRS issues Annual Filing Season Program (ASFP) Record of Completion
 - Limited representation rights
 - Continuing education requirement
 - PTIN required
 - Doesn't participate in the AFSP
 - May preparer and file tax returns
 - No representation rights before the IRS
 - PTIN required



Check the preparer's qualifications

Directory of Federal Tax Return Preparers with Credentials and Select Qualifications



Anyone with a Preparer Tax Identification Number (PTIN) can prepare a tax return for a client. However, tax return preparers have differing levels of skills, education and expertise. This searchable directory is intended to help you with your choice by providing a listing of preparers in your area who currently hold professional credentials recognized by the IRS or who hold an Annual Filing Season Program Record of Completion.

[Understanding Tax Return Preparer Credentials and Qualifications](#) can help you learn more about the different types of tax professionals.

For more guidance on making this important choice, see [Need someone to prepare your tax return?](#)

Search for Tax Return Preparers

Use this tool to research tax return preparers near you or to determine the type of credentials or qualifications held by a specific tax professional. All tax return preparers are not in this directory. This directory contains only those with a PTIN who hold a professional credential or have obtained an Annual Filing Season Program Record of Completion from the IRS.

Country

United States ▼

Zip Code

Distance

5 Miles ▼

Last Name (You may enter the first 3 letters of the last name for a search result.)

Credentials/Other (check all that apply or none if no preference)

More Information

Ensure you know and understand the different types of credentials and qualifications.

Credentials:

- › Attorney Credential
- › Certified Public Accountant Credential
- › Enrolled Agent Credential
- › Enrolled Actuary Credential
- › Enrolled Retirement Plan Agent Credential

Other Qualification:

- › Annual Filing Season Program Participant

Related Links

- › Directory User Guide
- › Directory Accessibility Guide



Tips for Choosing a Tax Preparer

- Check preparer's qualifications
- Check the preparer's history
- Ask about service fees
- Ask to e-file
- Make sure the preparer is available
- Provide records and receipts



Tips for Choosing a Tax Preparer (cont.)

- Never sign a blank return
- Review before signing
- Review details about your refund
- Ensure the preparer signs and includes their Preparer Tax Identification Number (PTIN)
- Avoid ghost preparers
- Report abusive tax preparers to the IRS



Resources

- IRS.gov - Search Keywords:
 - “Choose paid tax preparer”
 - “Ghost preparer”
 - “Need someone to prepare your tax return”
 - “Power of Attorney Information”
 - “Disclosure Authorizations”
 - “Report tax fraud”
- Form 14157, *Complaint: Tax Return Preparer*
- Form 14157-A, *Return Preparer Fraud or Misconduct Affidavit*



Questions??



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The [Small Businesses and Self-Employed Tax Center](#) is an excellent resource. Be sure to check it out!!