

IT 16-0005-GIL 09/27/2016 SIGNATURE

Income Tax Return Preparer must include PTIN on returns filed under the IITA as required by Department rules.

September 27, 2016

Re: Illinois Paid Preparer Requirements

Dear Xxxxx:

This is in response to your letter dated August 17, 2016 in which you request information regarding Public Act 99-641. The nature of your request and the information provided requires that we respond with a General Information Letter (GIL). A GIL is designed to provide general information, is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code § 1200.120(b) and (c), which may be accessed from the Department's web site at www.tax.illinois.gov.

Your letter states as follows:

I recently heard about Public Act 99-641 which is slated to go into effect on January 1, 2017. Further, I was provided written information regarding this Act. What I heard and what I read do not agree, so I am writing this for clarification regarding this Act.

My questions are:

- 1) Will the PTIN required on Illinois returns filed by paid preparers be the same PTIN that paid preparers use issued by the Internal Revenue Service or will it be a new PTIN issued by the Illinois Department of Revenue?
- 2) On what Illinois returns are the paid preparer PTINs required? Will the PTIN be only for income tax returns and claims for refunds? Will this be only for personal or for business tax returns as well? Will PTINs be required for payroll tax returns filed with the Illinois Department of Revenue and the Illinois Department of Employment Security? Will PTINs be required on sales and use tax returns?

RULING

Public Act 99-641 enacts the State Tax Preparer Oversight Act (the Act). Section 10(a) of the Act states:

For taxable years beginning on or after January 1, 2017, the Department shall, by rule, require any income tax return preparer, as defined in Section 1501 of the Illinois Income Tax Act, to include his or her PTIN on any tax return prepared by the income tax return preparer and

filed under the Illinois Income Tax Act or any claim for refund of tax imposed by the Illinois Income Tax Act.

Section 5 of the Act states that the term “PTIN” means a Preparer Tax Identification Number, as defined in Internal Revenue Service Notice 2011-6. Therefore, with respect to your first question, the PTIN required under the Act is the PTIN issued to a preparer by the Internal Revenue Service as the preparer’s identifying number for purposes of Internal Revenue Code Section 6109(a)(4). The Department of Revenue does not issue PTINs to income tax return preparers.

Regarding your second question, pursuant to rules promulgated by the Department, the PTIN is required to be included on returns and claims for refund filed under the Illinois Income Tax Act with respect to taxable years beginning on or after January 1, 2017. Therefore, the PTIN requirements apply to individual returns, business returns, and withholding returns. The Act does not apply to sales and use tax returns. The PTIN requirements become effective upon the adoption of Department rules as required under the Act.

As stated above, this is a GIL. A GIL does not constitute a statement of policy that applies, interprets or prescribes the tax laws, and it is not binding on the Department. If you have questions regarding this GIL you may contact Legal Services at (217) 782-2844. If you have further questions related to Illinois income tax laws, visit our website at www.tax.illinois.gov or contact the Department’s Taxpayer Information Division at (217) 782-3336.

Sincerely,

Brian L. Stocker
Staff Attorney (Income Tax)