

Tax Pro 360: Your License to File

Chapter 1: The PTIN, EFIN & The Legal Foundation of Your Practice

Tax Boot Camp by Dr. Geno Bradley | Liz Biz Academy



The Taxpayer

The IRS requires legal identity and technical authorization to cross this line.



The Tax Professional

- Must establish a legal identity with the IRS.
- Must be authorized to handle sensitive taxpayer data.
- Must be vetted for personal tax compliance.



Key 1: The PTIN

Your Professional Signature

Authorizes who you are.



Key 2: The EFIN

Your Digital Gateway

Authorizes how your business operates.



The Preparer Tax Identification Number (PTIN)

Your Personal License: Tied directly to your Social Security Number. It is yours and yours alone.

The Legal Mandate: Mandatory for any paid preparer compensated for all or substantially all of a federal tax return.

Maintenance: Must be renewed every fall through the IRS online portal.

Alert: Never share this number. It is the permanent link to your professional reputation.



The Business Authority

Belongs to the firm, not just the individual. You act as the Principal or Responsible Official.

The Function

Authorizes the software transmission of electronic returns directly to the IRS.

The Cost

Free to obtain, but requires a rigorous background vetting process.

The Vetting Process

Step 1: e-Services Account



Create a secure portal account to manage electronic filing credentials.

Step 2: Submit Application



Apply to become an Authorized IRS e-file Provider.

Step 3: Background Vetting



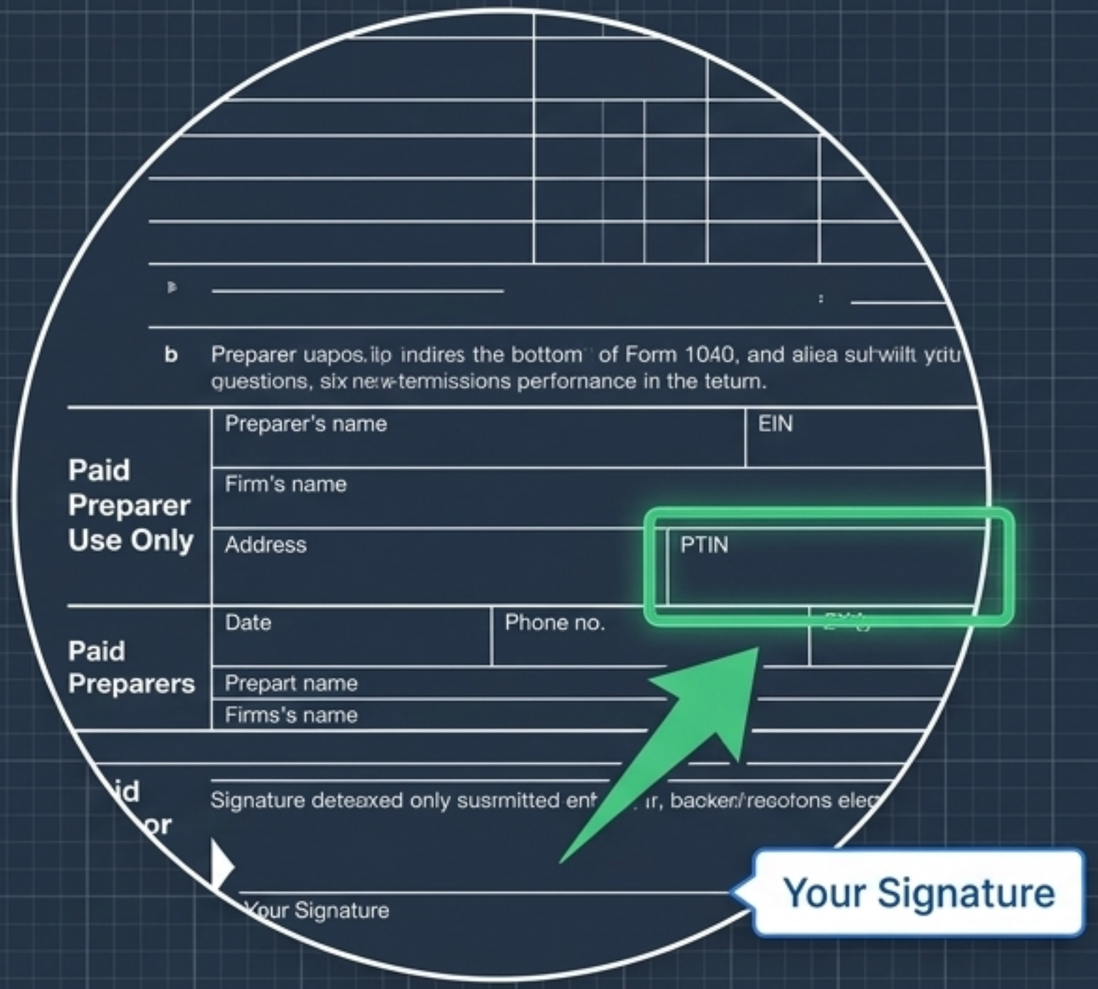
Submit fingerprints to prove reliability and trustworthiness.

Step 4: Suitability Check



The IRS verifies you are compliant with your own personal and business tax obligations.

Attribute	PTIN	EFIN
Belongs To	The Individual Preparer	The Business Entity
Cost	~$20 Annually	Free
Vetting Level	Basic Compliance	High (Fingerprints & Background)
Primary Function	Identifies the Preparer	Transmits the Return
Format	Starts with P	6-Digit Number

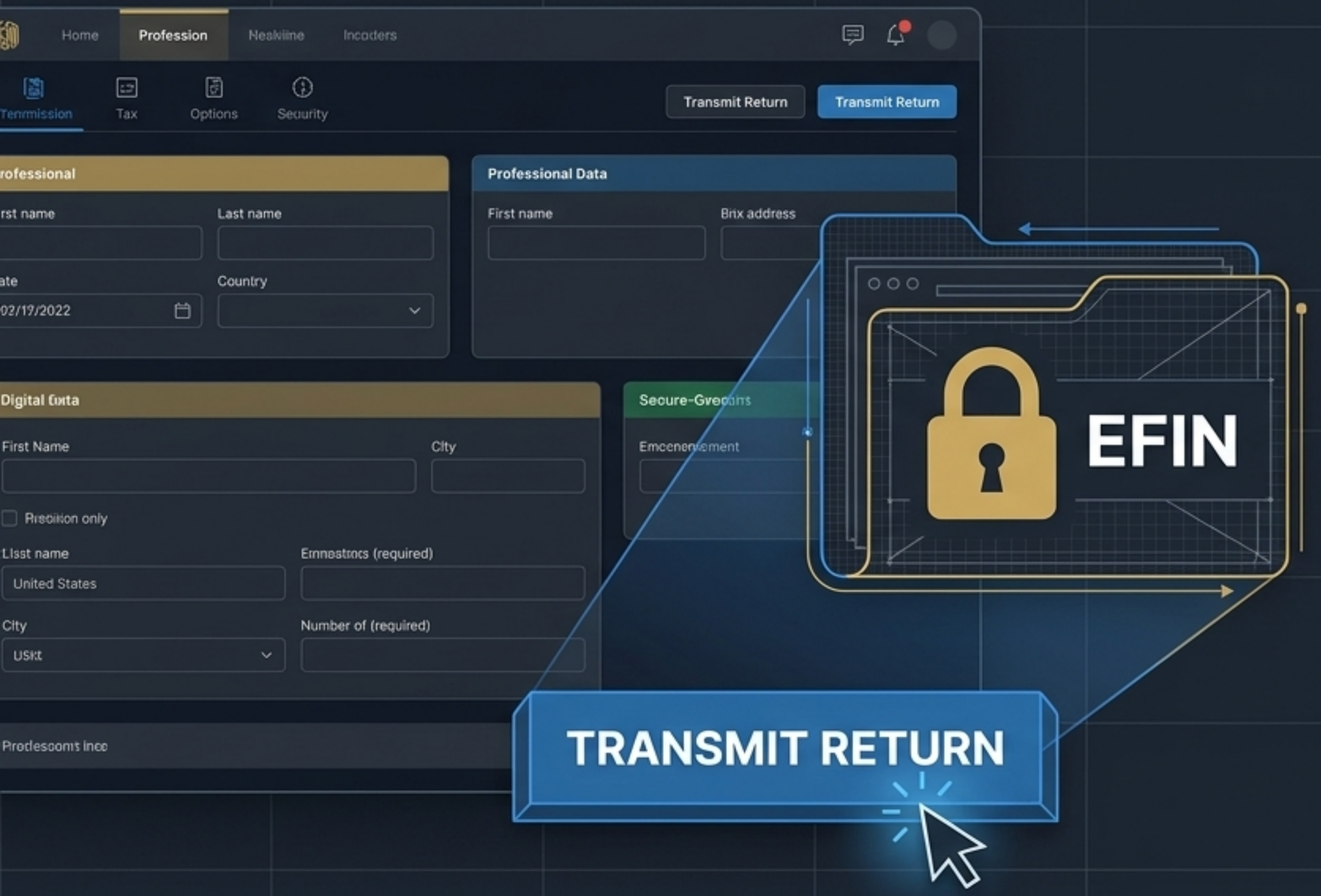


Anatomy of the Integration: The PTIN

Placement: Physically prints on the bottom of Form 1040.

Purpose: Accountability. This is the IRS tracking mechanism connecting the specific return to your professional identity.

Automation: Configured once in your tax software settings to automatically populate on every return you sign.

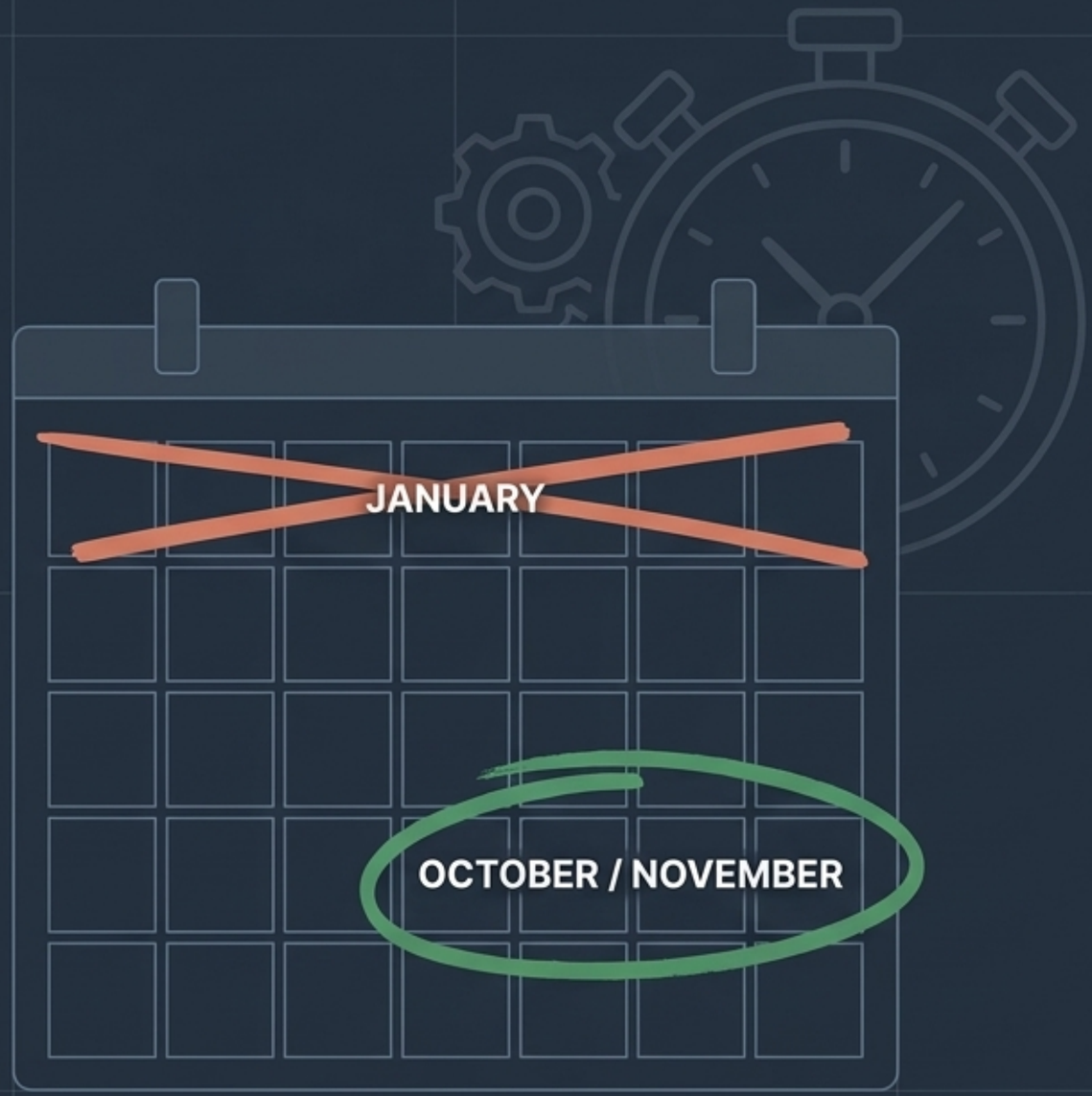


Anatomy of the Integration: The EFIN

Placement: Lives silently in the Tax Software Transmission Settings. Never seen by the client.

Purpose: The Digital Handshake. Links your specific software license to the IRS receiving servers.

Dependency: Without an EFIN correctly linked to your software, you cannot hit transmit.



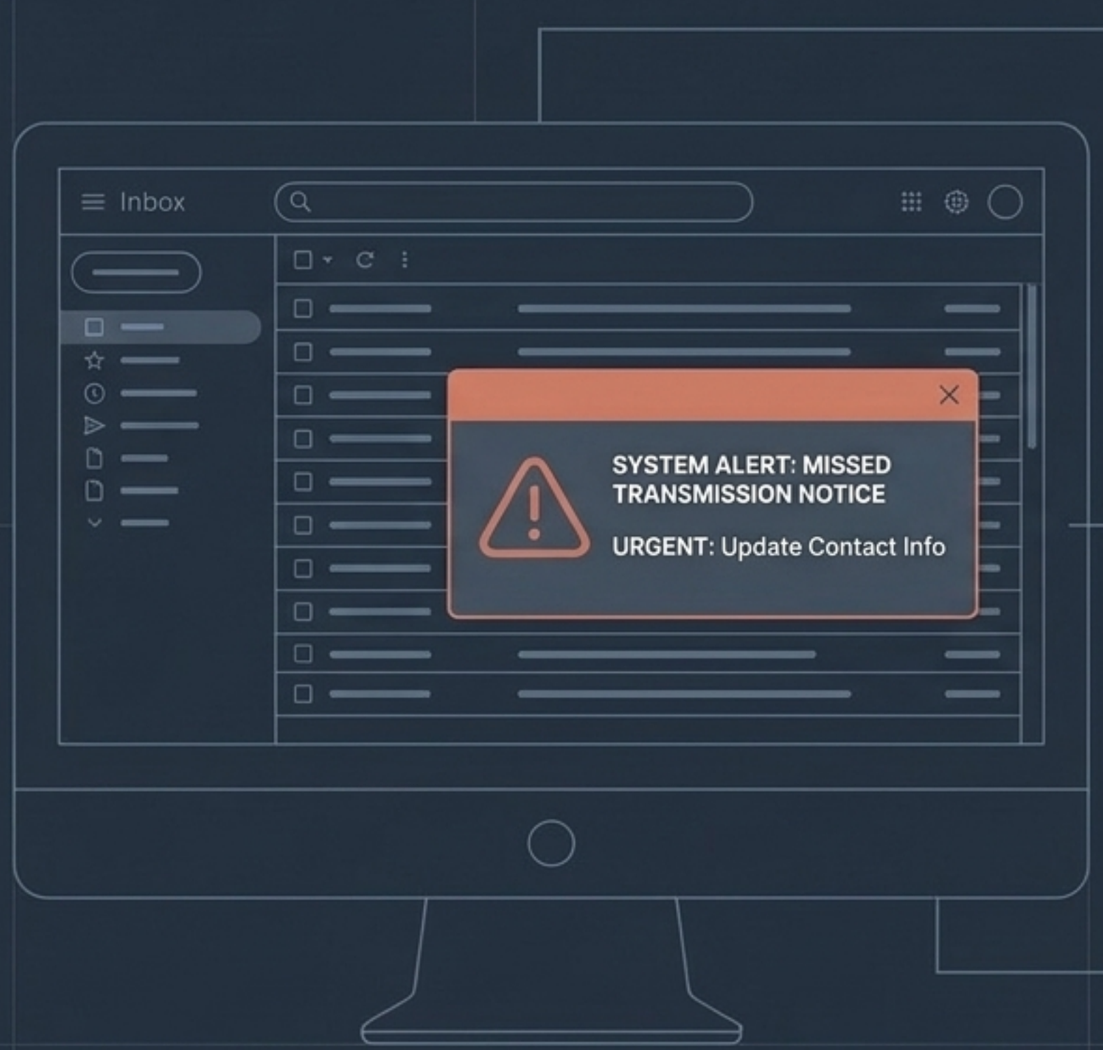
Common Pitfalls: The Timing Trap

The Trap: Waiting until the height of tax season (January) to apply for your EFIN.

The Reality: The IRS fingerprinting and suitability background checks can take several weeks to process.

The Fix: Apply immediately. Secure the credentials before the season begins so you can file on day one.

Common Pitfalls:
The Administrative Trap



The Trap: Allowing your contact info (email, address, phone) to become outdated in the e-Services portal.

The Reality: The IRS uses e-Services contact info to communicate transmission errors or compliance issues. Miss the email = Miss the notice.

The Fix: Update business addresses, emails, and responsible official records immediately upon any change.

Securing the Keys to the Kingdom



- ✓ Treat your PTIN and EFIN with the same security as your banking info.
- ✓ Cybercriminals actively target tax professionals to steal EFINs and file fraudulent returns.
- ✓ Never share your credentials in unencrypted emails.
- ✓ Never write passwords on sticky notes near your workstation.



Bridging the Gap: Safeguarding Taxpayer Data

A license to file is a legal obligation to protect.

Under the Gramm-Leach-Bliley Act (GLBA), professional tax preparers are classified as Financial Institutions.

Coming Up Next: You are legally mandated to implement a Written Information Security Plan (WISP) to build a digital fortress around your practice.

The Tax Pro 360 Blueprint: Chapter 1

- [x] **Verify PTIN Renewal:** Confirm your number is active for the current year.
- [ ] **Confirm EFIN Authorization:** Ensure your EFIN is properly linked in your tax software settings.
- [ ] **Maintain e-Services Info:** Update your firm's contact details in the IRS portal.
- [ ] **Secure Credential Storage:** Protect passwords using strong authentication to prevent unauthorized filing.



Your Professional Setup Awaits

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Up Next: Chapter 2 - Safeguarding Taxpayer Data and The WISP Requirement.