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PRODUCT & SERVICE GUIDE

IRS Sets PTIN Renewal and Application Fee at \$36

Anyone who prepares or substantially helps prepare any federal tax return or claim for refund for compensation must have a valid PTIN from the IRS. The PTIN must be used as the identifying number on returns prepared. Failure to have and use a valid PTIN m

Jul. 17, 2020

Form W-12 (Rev. October 2019) Department of the Treasury Internal Revenue Service	IRS Paid Preparer Tax Identification Number (PTIN) Application and Renewal ▶ Go to www.irs.gov/FormW12 for instructions and the latest information.	OMB No. 1545-2190
1 Name and PTIN (Print in ink or Type)	First name Middle name Last name	
	<input type="checkbox"/> Initial application	
	<input type="checkbox"/> Renewal application (Enter PTIN: P)	
11 Data Security Responsibilities	As a paid tax return preparer, I am aware of my legal obligation to have a data security plan and to provide data and system security protections for all taxpayer information. Check the box to confirm you are aware of this responsibility. <input type="checkbox"/>	
Form W-12 (Rev. 10-2019)		

The Internal Revenue Service has implemented an annual fee of \$21 for tax return preparers to apply for or renew their Preparer Tax Identification Number (PTIN). Applicants and renewals also are charged a \$14.95 fee payable to a contractor.

The final regulations have been published in the [federal register](#).

Anyone who prepares or substantially helps prepare any federal tax return or claim for refund for compensation must have a valid PTIN from the IRS. The PTIN must be used as the identifying number on returns prepared. Failure to have and use a valid PTIN may result in penalties. The IRS estimates that more than 800,000 tax return preparers will apply for or renew a PTIN this year.

The United States Court of Appeals for the District of Columbia Circuit has ruled that the IRS is authorized to charge a PTIN user fee because providing a PTIN (and the “associated functions”) is a service that provides a specific benefit to identifiable recipients.

The annual renewal of PTINs ensures the IRS has up-to-date identifying information about each return preparer, which is essential for timely communication of important information. The program helps protect both return preparers and taxpayers and prevent the unauthorized use of PTINs.

The IRS is **required** to conduct a biennial **review** of the PTIN user fee. The agency determined that the full cost to administer the PTIN program going forward is \$21 per application or renewal. This amount includes costs relating to PTIN misuse and maintaining the integrity of PTINs. The third-party contractor fee, \$14.95, pays for several functions including processing applications, renewals and operating a call center.

PTINs expire on Dec. 31 of the year for which they are issued. PTINs generally can be renewed beginning in mid-October and are valid for the following calendar year. A tax return preparer can renew online at www.irs.gov/ptin by logging into the preparer’s PTIN account or by submitting a paper **Form W-12** with the “Renewal” box checked.

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