



# Improve Your Filing Season

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# Improve Filing Season By

- Reducing Rejects
  - What causes Rejects
  - How to Read; Resolve and Avoid
- Splitting Refunds
- *e*-filing ITINs
- Form 8453 as we knew it
- Using the Practitioner PIN

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# IRS *Validity Checks*

Up-front checks on every *e-file* return may cause the return to reject:

- Validation of Forms/Schedules
- Verification Checks: SSN, EIN, Year of Birth, Date of Death
- Duplicates – Return Filing and TINs
- Verify AGI or Prior Year PIN for Self-Select PIN
- Check for Debt Offsets to IRS or FMS

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**IRS Resources**

- [Compliance & Enforcement](#)
- [Contact My Local Office](#)
- [e-file](#)
- [Forms and Publications](#)
- [Frequently Asked Questions](#)
- [News](#)
- [Taxpayer Advocacy](#)
- [Where To File](#)

**2006 Tax Year IRS e-file of Individual Income Tax Returns**

[Accepted Forms and Schedules](#)



[Country Codes for Forms 2350, 1555/2555-EZ, and Foreign Employer Compensation Record \(FEC Record\)](#)

[Error Reject Code Explanations for Individual Income Tax Returns](#)  
(Updated 02/07/2007)



[Error Reject Code Explanations for Electronically Transmitted Documents](#)  
(Updated 02/01/2007)

[Form Field References for Individual Income Tax Returns](#)



[Form Field References for Electronically Transmitted Documents](#)

[Form 8453](#)

[Form 8453-OL](#)

[Form 8878](#)

[Form 8879](#)

[Form 9325](#)

[IRS e-file Calendar for Tax Year 2006](#)  
(Updated 01/29/2007)



[IRS e-file Updates for Tax Year 2006](#)  
(Updated 1/18/2007)



[IRS e-file Telephone and Web Directory](#)

[www.irs.gov/efile/article/0,,id=166050,00.html](http://www.irs.gov/efile/article/0,,id=166050,00.html)

# GENERIC IRS ACKNOWLEDGEMENT REPORT

1.            2.            3.            4.            5.            6.            7.            8.            9.

TIN	NAME	Refund	STATUS Date of ACK	e-file STATE	Sig Doc	Debt Ind	ACH Debit	SVC CTR
111-11-1111	CABLE	\$2,946	Accepted 4/15	NY	PIN	N		AND
111-11-1112	LEO	\$3,256	Accepted 4/15	GA	PIN	I		PHI
111-11-1113	BELL		Rejected					
111-11-1114	MCCOY	\$4,500	Exception 4/15	HI	PIN	B		FRESNO
111-11-1115	ROGERS	(\$256)	Accepted 4/15	IL	PIN		Y	KC

Returns (s)

Accepted:        4

Rejected:        1

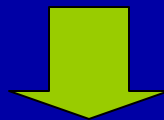
Total            5

PIN Returns Accepted 3

# Reject Report #1

111-11-1113

BELL



Form Reference: Form 1040/A Copy number 01,

Sequence number 185

Error Code: 504

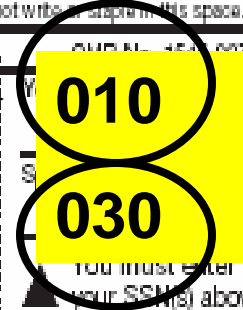
Dependent's SSN (SEQ 175,185,195,205) and corresponding Dependent Name Control (SEQ 172,182,192,202) must match data from the IRS Master File

Form **1040** Department of the Treasury—Internal Revenue Service **U.S. Individual Income Tax Return 2005**

(99) IRS Use Only—Do not write or stamp in this space.

**Label**  
(See instructions on page 16.)  
Use the IRS label. Otherwise, please print or type.

LABEL HERE	For the year Jan. 1–Dec. 31, 2005, or other tax year beginning _____, 2005, ending _____, 20		010	
	Your first name and initial 060	Last name 050	020	
	If a joint return, spouse's first name and initial 070	Last name 055	040	
	Home address (number and street). If you have a P.O. box, see page 16. 062 080		Apt. no. 040	
	City, town or post office, state, and ZIP code. If you have a foreign address, see page 16. 064 066 083 087 095 097 098		100	



Presidential Election Campaign  Check here if you, or your spouse if filing jointly, want \$3 to go to this fund (see page 16)  You  Spouse

**Filing Status** 130  
Check only one box.

1  Single  
2  Married filing jointly (even if only one had income)  
3  Married filing separately. Enter spouse's SSN above and full name here. ▶ 140  
4  Head of household (with qualifying person). (See page 17.) If the qualifying person is a child but not your dependent, enter this child's name here. ▶ 150 153  
5  Qualifying widow(er) with dependent child (see page 17)

**Exemptions**

6a  Yourself. If someone can claim you as a dependent, do not check box 6a . . . . . } Boxes checked on 6a and 6b 167

6b  Spouse . . . 164 . . . 165 . . . . . } No. of children on 6c who:  
• lived with you 240  
• did not live with you due to divorce or separation (see page 20) 247

**c Dependents:**

(1) First name	Last name	(2) Dependent's number	(3) Dependent's relationship to you	(4) If qualifying child for child tax credit (see page 19)
*170	+171	+172	+177	<input checked="" type="checkbox"/> +178
180	181	182	187	<input type="checkbox"/> 188
190	191	192	197	<input type="checkbox"/> 198
200	201	202	207	<input type="checkbox"/> 208

**d Total number of exemptions claimed** . . . . . } Add numbers on lines above ▶ 355

**Income**

357 358 362 364 7 Wages, salaries, tips, etc. Attach Form(s) W-2 . . . 373 @374 "STM nn" 375 7 378 379

8a Taxable interest. Attach Schedule B if required . . . . . 8a 380

b Tax-exempt interest. Do not include on line 8a . . . . . 8b 385 390 "P8814"

9a Ordinary dividends. Attach Schedule B if required . . . . . 9a 391 394

b Qualified dividends (see page 23) . . . . . 392 "P8814" 9b 396

**10. 600** - Form 8862 is missing from the tax return and it is required

**9. 535** - Qualifying SSN on Schedule EIC and Year of Birth mismatch

**8. 510** - Primary-Secondary or Dependent SSN used on another return

**7. 503** - Secondary SSN and Name Control on Form must match data from the Master File

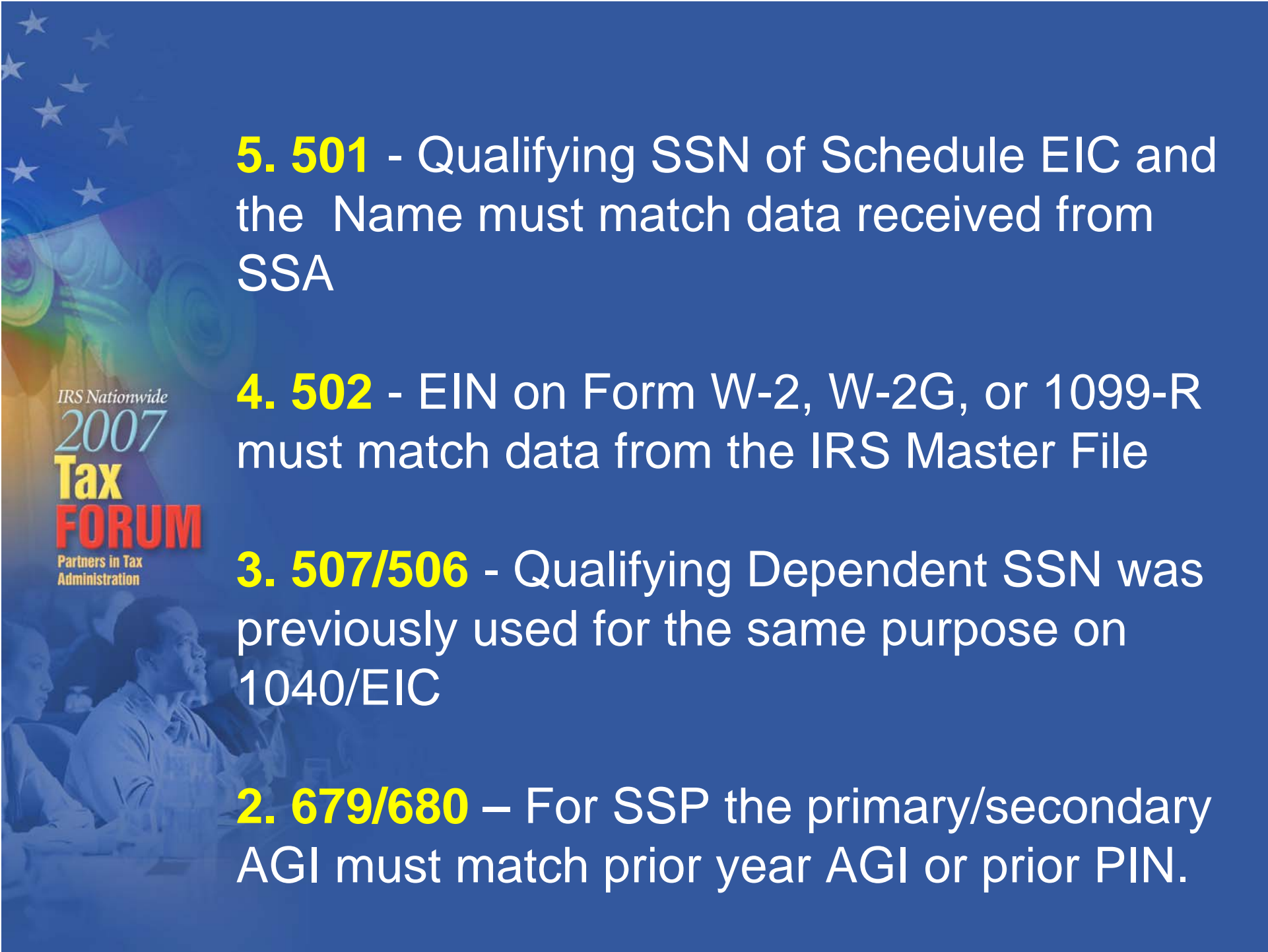
**6. 500** - Primary SSN and Name Control on Tax Form must match data from the IRS Master File

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**5. 501** - Qualifying SSN of Schedule EIC and the Name must match data received from SSA

**4. 502** - EIN on Form W-2, W-2G, or 1099-R must match data from the IRS Master File

**3. 507/506** - Qualifying Dependent SSN was previously used for the same purpose on 1040/EIC

**2. 679/680** – For SSP the primary/secondary AGI must match prior year AGI or prior PIN.



And for at least the 3<sup>rd</sup> Year in a Row  
the #1 e-file Reject Code is:

**504** - Dependent's SSN must match data  
from the IRS Master File

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# Enhancements

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# Splitting Refunds

- Money Magazine's Single Best Idea for 2007: Divide refunds in up to 3 financial accounts using Form 8888, *Direct Deposit of Refund to More Than One Account*

*"Invest your tax refund for retirement – automatically. Starting with your 2006 tax return, you'll be able to*

*directly deposit your refund in an IRA. Yield not to the temptation of*

*spending your refund-just get yield."*

*80,000 requested as of 4/17/07 for tax year 2006,*

*If the amount of the refund changes a bottom-up rule takes effect*

*rule takes effect*

*rule takes effect*

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Form **8888**

# Direct Deposit of Refund to More Than One Account

OMB No. 1545-0074

Department of the Treasury  
Internal Revenue Service

▶ See instructions below and on back.  
▶ Attach to Form 1040, Form 1040A, Form 1040EZ, Form 1040NR, Form 1040NR-EZ,  
Form 1040-SS, or Form 1040-PR.

**2006**

Attachment  
Sequence No. 56

Name(s) shown on return

Your social security number

**1**

to be deposited in first account

Number

d Account number

▶  Checking  Savings

1a

**2**

to be deposited in second account

Number

d Account number

▶  Checking  Savings

2a

**3**

to be deposited in third account

Number

d Account number

▶  Checking  Savings

3a

**4**

Total amount to be directly deposited to all accounts shown on lines 1a, 2a, and 3a. The total must equal the amount of the refund shown on Form 1040, line 74a; Form 1040A, line 43a; Form 1040EZ, line 12a; Form 1040NR, line 72a; Form 1040NR-EZ, line 24a; Form 1040-SS, line 12a; or Form 1040-PR, line 12a

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# *e*-filing ITINs

- Use ITIN on top of tax form as identifying number
- Enter SSN as shown on W-2
- Levels the playing field
- Reduces adverse effect on SSN holders
- 680,000 returns filed with ITINs as primary taxpayer

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# Self-Select PIN

- *Beginning with the 2008 filing season, EROs can e-file individual income tax returns only if the returns are signed electronically using either the Self-Select or the Practitioner PIN method:*
  - *Paperless signature by taxpayer via Self-Select PIN or*
  - *Electronic signature by authorization to third party via Form 8879 retained by the ERO*

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# Practitioner PIN vs. Self-Select PIN

- Practitioner PIN eliminates the need to provide the Adjusted Gross Income from the prior year or PIN from the prior year.
- In many cases eliminates a state signature document
- Requires a Form 8879 be signed and retained for 3 years by ERO –electronic media or paper

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# Assistance & Resources

- e-Help - 866-255-0654
- Quick Alerts **Questions?**
- [www.irs.gov](http://www.irs.gov) and [www.ssa.gov](http://www.ssa.gov)
- Treasury Offsets – 800-304-3107

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