



Frequently Asked Questions: E-file Requirements for Specified Tax Return Preparers (sometimes referred to as the e-file mandate)

1. How do I become an Authorized e-file Provider?

There are three steps:

- Create an IRS e-Services Account,
- Submit your application, and
- Pass a suitability check.

There is no fee and the process takes up to 45 days. Refer to the [Become an Authorized e-file Provider](#) page for more guidance.

Electronic Filing Identification Numbers (EFINs) are issued on a firm basis. All tax return preparers in the firm are covered by the one EFIN.

2. What is the e-file requirement for tax return preparers?

Section 6011(e)(3) of the Internal Revenue Code requires specified tax return preparers to electronically file certain federal income tax returns that they prepare and file for individuals, trusts, or estates after December 31, 2010. Final regulations provide further guidance on this requirement. See [T.D. 9518](#). The following related guidance also has been issued: a revenue procedure on hardship waiver requests and taxpayer choice statements ([Rev. Proc. 2011-25](#)), a notice on administrative exemptions to the electronic filing requirement ([Notice 2011-26](#)).

3. Who is a specified tax return preparer?

A specified tax return preparer is a preparer of covered returns (see below) who reasonably expects to file 11 or more covered returns in a calendar year. If you are a member of a firm, see below. The requirement does not apply to individuals who do not meet the definition of “tax return preparer” under the Internal Revenue Code and related regulations, such as an individual who provides tax assistance under a Volunteer Income Tax Assistance (VITA) program, a person who merely prepares a return of the employer (or of an officer or employee of the employer) by whom the person is regularly and continuously employed, or a person who prepares a return as a fiduciary for any person.

4. Are financial institutions that file Forms 1041 as a trustee or fiduciary required to e-file?

No. Fiduciaries, as contemplated by section 7701(a)(36)(B)(iii) of the Internal Revenue Code, that file returns in their fiduciary capacity are not considered tax return preparers and are therefore not covered by the e-file requirement.

5. What tax returns are covered by the requirement?

The requirement applies to any return of income tax imposed by subtitle A of the Internal Revenue Code on individuals, trusts, or estates, such as Forms 1040, 1040A, 1040EZ, and 1041. Forms 1041QFT and 990T (when the exempt organization is a trust subject to tax on unrelated business taxable income under section 511(b)) also meet the definition of a return of income tax, but because these forms cannot be electronically filed at this time they are exempt from the requirement, and do not count towards the 11-return threshold. See also FAQ 19 for other returns that cannot be e- filed at this time.

6. What does reasonably expect to file mean?

When computing this number, estimate the number of covered returns you reasonably expect to prepare and file (or if you are a member of a firm, the firm reasonably expects to prepare and file) in the calendar year. See FAQ 7 for “When an income tax return is considered filed by a tax return preparer.” Do not include in this estimate the number of returns that you reasonably expect your clients (or the firm reasonably expects its clients) will choose to have completed in paper format and will submit (e.g., mail or otherwise deliver) to the IRS themselves. Also, do not include in this estimate the number of returns that you expect not to be able to electronically file for various reasons, e.g., a form not accepted in IRS e-file. See [FAQ 19](#). This estimate is your reasonable filing expectation.

7. When is an income tax return considered filed by a tax return preparer?

For purposes of this electronic filing requirement, a return is considered filed by a tax return preparer or specified tax return preparer if the preparer or any member, employee, or agent of the preparer or the preparer's firm submits the tax return to the IRS on the taxpayer's behalf, either electronically or in non-electronic (paper) form. For example, the act of submission includes the preparer or a member of the preparer's firm dropping the return in the mailbox for the taxpayer. Acts such as providing filing or delivery instructions, an addressed envelope, postage estimates, stamps, or similar acts designed to assist the taxpayer in the taxpayer's efforts to correctly mail or otherwise deliver an individual income tax return to the IRS do not constitute filing by the tax return preparer or specified tax return preparer as long as the taxpayer actually mails or otherwise delivers the paper individual income tax return to the IRS.

8. I am a member of a firm. How do the rules apply?

The rules require firms to compute the number of covered returns, in the aggregate, they reasonably expect to file as a firm. If that number is 11 or more in a calendar year, then all members of the firm must e-file the returns they prepare and file. This is true even if a member prepares and files fewer than the threshold on an individual basis.

9. In a firm, does each preparer need an EFIN?

No. Electronic Filing Identification Numbers are currently issued on a firm basis. All preparers in the firm are covered by one EFIN. Note that a sole proprietorship is considered a firm for EFIN purposes. In the future, IRS expects to enable individual preparers who are not eligible for social security numbers and live and work abroad to apply for EFINs under certain circumstances. (See [FAQ 22](#).)

10. If I reasonably expect to prepare and file ten Form 1040 tax returns while working for a firm, and I also expect to prepare and file ten Form 1040 tax returns individually as a preparer, am I subject to the e-file requirement?

Yes, you meet the definition of a specified tax return preparer and are subject to the e-file requirement because you expect to file 11 or more returns. Your PTIN would be on all of these returns.

11. If I expect to file both Forms 1040 and 1041, do I need to add the two types of returns together when determining if I expect to file 11 or more returns?

Yes.

12. Does the requirement for 11 or more returns mean that every return must be e-filed?

Tax return preparers who reasonably expect to file, or whose firm reasonably expects to file, in the aggregate, 11 or more covered returns (see [FAQ 5](#)) in a calendar year are specified tax return preparers and are required to submit electronically any return that the preparer files with the IRS. However, some returns may be filed on paper.

First, clients may choose to file on paper and preparers can honor that choice. See [FAQs 16 and 17](#). Second, a specified tax return preparer may request a waiver by submitting [Form 8944, Preparer e-file Hardship Waiver Request](#) [PDF](#), if the specified tax return preparer believes complying with the requirement would cause an undue hardship. See [FAQ 18](#). And third, some returns are impossible to e-file for various reasons and are therefore exempt from the e-file requirement, or the preparer belongs to a certain class of specified tax return preparer that qualifies for an administrative exemption. See [FAQs 19-23](#).

Specified tax return preparers should identify the paper returns they prepare for any of the above reasons by completing [Form 8948, Preparer Explanation for Not Filing Electronically](#) [PDF](#), and attaching it to the paper returns. However, preparers do not have to complete Form 8948 and attach it to any paper return IRS does not accept electronically. See [FAQ 19](#) for a list of returns and filing situations where IRS does not accept returns electronically.

13. If I reasonably expect to file over 11 Forms 1040, 1040-A and 1040-EZ and only a couple of Forms 1041, am I required to e-file the few Forms 1041 that I file?

Yes. Because you expect to file over 11 income tax returns for individuals, trusts, or estates, you are a specified tax return preparer and subject to the electronic filing rules.

14. Does this electronic filing requirement include payroll tax returns?

No, the electronic filing requirement for specified tax return preparers does not apply to payroll tax returns.

15. How do taxpayers learn of this requirement and how it applies to tax return preparers?

Many taxpayers may not be aware of this requirement that applies to tax return preparers. If a taxpayer wants to file on paper, tax return preparers should explain the law to the client. Tax return preparers also are encouraged to explain the benefits of electronic filing. See below if a preparer's client chooses to have the return prepared and filed on paper.

16. Can my clients choose not to e-file?

Yes. Even if you are a specified tax return preparer, your clients may independently choose to file on paper. Preparers should document each client's choice to file in paper format and keep a signed copy of the statement on file. See FAQ 17 below for the statement. Do not send the statement to the IRS or attach it to the client's tax return. Instead, specified tax return preparers should attach [Form 8948, Preparer Explanation for Not Filing Electronically](#) [PDF](#), to your client's paper return and check box 1. Include your PTIN on each tax return where requested. If your clients are filing a joint return, only one spouse's signature is necessary on the choice statement.

17. What is the recommended language for documenting a taxpayer's choice to file on paper?

My tax return preparer [INSERT PREPARER'S NAME] has informed me that [INSERT s/he] may be required to electronically file my [INSERT TAX YEAR] individual income tax return [INSERT TYPE OF RETURN: Form 1040, Form 1040-A, Form 1040-EZ, Form 1041, Form 990-T] if [INSERT s/he] files it with the IRS on my behalf (e.g., submits it by mail to the IRS). I understand that electronic filing may provide a number of benefits to taxpayers, including an acknowledgment that the IRS received the returns, a reduced chance of errors in processing the returns, and faster refunds. I do not want to have my return electronically filed, and I choose to file my return on paper forms. I will mail or otherwise submit my paper return to the IRS myself. My preparer will not file or otherwise mail or submit my paper return to the IRS.

18. Can a specified tax return preparer request a waiver from the e-file requirement?

Yes, in certain situations. Submit [Form 8944, Preparer e-file Hardship Waiver Request](#) [PDF](#), to request a waiver. Waivers are reviewed and approved in cases where the preparer demonstrates that complying would be an undue hardship. Approved waivers are valid for one calendar year. Form 8944 generally must be submitted to the IRS no later than February 15 of the year for which a waiver is being requested.

Do not attach the approved waiver letter to clients' returns. Instead, attach [Form 8948, Preparer Explanation for Not Filing Electronically](#) [PDF](#), to your clients' returns, check box 2 and enter the requested information. Include your PTIN on each tax return where requested. See [Revenue Procedure 2011-25](#).

19. Some tax forms cannot be e-filed. What do we do about that? Also, what about attachments such as basis statements?

Forms 1041-QFT and 990-T (when the exempt organization is a trust subject to tax on unrelated business taxable income under section 511(b)) meet the definition of a return of income tax, but because these forms cannot be electronically filed at this time they are exempt from the e-file requirement, and do not count towards the 11-

return threshold. This also includes amended income tax returns, such as Form 1040-X, fiscal year returns for Form 1040, and fiscal year returns for Form 1041 for certain periods (i.e., fiscal year Form 1041 returns ending during any month after June 30 of the current processing year). See [Notice 2011-26](#). In addition, some Forms 1040, 1040-A, 1040-EZ, and 1041 cannot be e-filed if they have attached forms, schedules, or documents that IRS does not accept electronically. However, if the form, schedule or document can be sent to the IRS separately using Form 8453 or 8453-F as a transmittal document, the rest of the return must be e-filed. Only the returns that cannot be e-filed are exempt from the requirement. See the instructions for Forms 8453 and 8453-F to identify which forms, schedules and documents apply. See Notice 2011-26. Finally, IRS is beginning to offer some capability to e-file returns for years other than the current tax year. Because this capability is limited for now, prior year returns are exempt from the electronic filing requirement at this time. There are some additional rare circumstances that can be found in Notice 2011-26, sections C1 and C2. For all of these returns, you do not have to request a waiver on Form 8944 or attach Form 8948 to the paper return.

20. I am already an Authorized IRS e-file Provider. Do I need to take any action?

You may. Since you are already enrolled to e-file you do not have to do that again. If you do not e-file all of the returns you prepare and file, you must first determine whether you are a specified tax return preparer. If you are a specified tax return preparer, you are required to e-file the covered returns you prepare and file. There are certain exceptions. (See [FAQ 12](#)). In those situations, you should attach [Form 8948, Preparer Explanation for Not Filing Electronically](#) [PDF](#), to those paper returns.

21. I am a tax return preparer and a member of a recognized religious group that is conscientiously opposed to filing electronically. How do I comply with the law?

Specified tax return preparer members of recognized religious groups are exempt from the requirement to e-file if the religious group is conscientiously opposed to its members using electronic technology, including for the filing of income tax returns electronically, and the religious group has existed continuously since December 31, 1950. Attach [Form 8948, Preparer Explanation for Not Filing Electronically](#) [PDF](#), to your clients' paper returns and check box 3. You are not required to apply for a waiver using Form 8944. Include your PTIN on each tax return where requested.

22. I am a specified tax return preparer living and working abroad. I am not eligible for a social security number and cannot apply for IRS e-file. How do I comply with the law?

Specified tax return preparers without social security numbers who are foreign persons living and working abroad are exempt from the requirement to e-file if they are not members of a firm that is eligible to e-file. To qualify for this exemption you must also have applied for a PTIN and submitted [Form 8946, PTIN Supplemental](#)

[Application For Foreign Persons Without a Social Security Number](#) [PDF](#).

Attach [Form 8948, Preparer Explanation for Not Filing Electronically](#) [PDF](#), to your clients' returns and check box 6a. Do not attach Form 8946 to the tax return or Form 8948. If you have received your PTIN, include it on each tax return where requested.

23. I am a specified tax return preparer who has been sanctioned by IRS and am not currently eligible to e-file. However, I have not been enjoined or otherwise restricted from preparing tax returns. How do I comply with the law?

A specified tax return preparer who is currently ineligible for the IRS e-file program due to an IRS e-file sanction is exempt from the requirement to e-file. To qualify for this exemption, you must have received a letter from the IRS enforcing the sanction and the sanction is in effect for some or all of the calendar year in which the tax returns are being filed. This exemption ends on the date the sanction period ends or the date the IRS accepts the tax return preparer into the IRS e-file program, whichever date occurs first. If, however, you have a pending application for the IRS e-file program filed with the IRS at the time the sanction period ends, the exemption will continue until the date the IRS renders a decision on your application. See [Notice 2011-26](#). Attach [Form 8948, Preparer Explanation for Not Filing Electronically](#) [PDF](#), to your clients' returns and check box 6b. Do not attach the sanction letter to the tax return or Form 8948. Include your PTIN on each tax return where requested.

24. Does the specified tax return preparer need an EFIN to submit a Form 8944, Preparer e-file Hardship Waiver Request?

No. An EFIN is not required to file Form 8944, Preparer e-file Hardship Waiver Request. However, Form 8944 does require preparers to include a Preparer Tax Identification Number (PTIN).

25. What should I do if I am a specified tax return preparer and a return I e-file is rejected?

E-file rejects identify problems that usually lead to IRS correspondence and slow down processing of tax returns. This unique feature of e-file enables preparers and taxpayers to fix mistakes before returns are processed, decreasing overall processing time and shortening the time it takes to receive a refund. If the reject is for a simple mistake, correct the error and resubmit the return electronically. This usually solves the problem.

However, you may not be able to correct some rejects. For example, if the return rejects because an exemption has been claimed on another taxpayer's return, check that the social security number of the exemption was entered correctly on the return. If the SSN is correct, you will not be able to file this return electronically unless the exemption is removed from the return. If you believe the taxpayer is entitled to claim the exemption, it is not necessary to remove the exemption, but the return must be filed on paper. Attach Form 8948, Preparer Explanation for Not Filing Electronically, to the paper return; check box 4 and enter the reject code number. The number of attempts to resolve is zero.

There are other situations where the reject may or may not be corrected but it takes one or more tries to resolve. For example, some rejects are based on information on file with the Social Security Administration (SSA). Tax returns often require that both the name and date of birth associated with an SSN match SSA records. Taxpayers sometimes forget to update their records with SSA when they marry or divorce and this can cause their tax returns to reject. The reject can be resolved by matching SSA records, but if there is some other problem at SSA like a problem with the date of birth, the reject sometimes cannot be resolved. When this happens the return must be filed on paper. Attach Form 8948 to the paper return and check box 4; enter the reject code number and the number of attempts you made to resolve the reject before deciding that the error could not be fixed. Preparers generally learn from experience when trying to resolve an error is no longer productive.

Some reject conditions permit returns to be e-filed without correcting the error. If you encounter a reject that you try to resolve but cannot and this option is available, submit the return electronically.

[Return to e-file Mandate Information](#)

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