



# Processing Your Client's Tax Returns, Paper and Electronic

**BETTER**

**SERVICE**



# Processing Your Client's Individual Tax Returns, Paper and Electronic

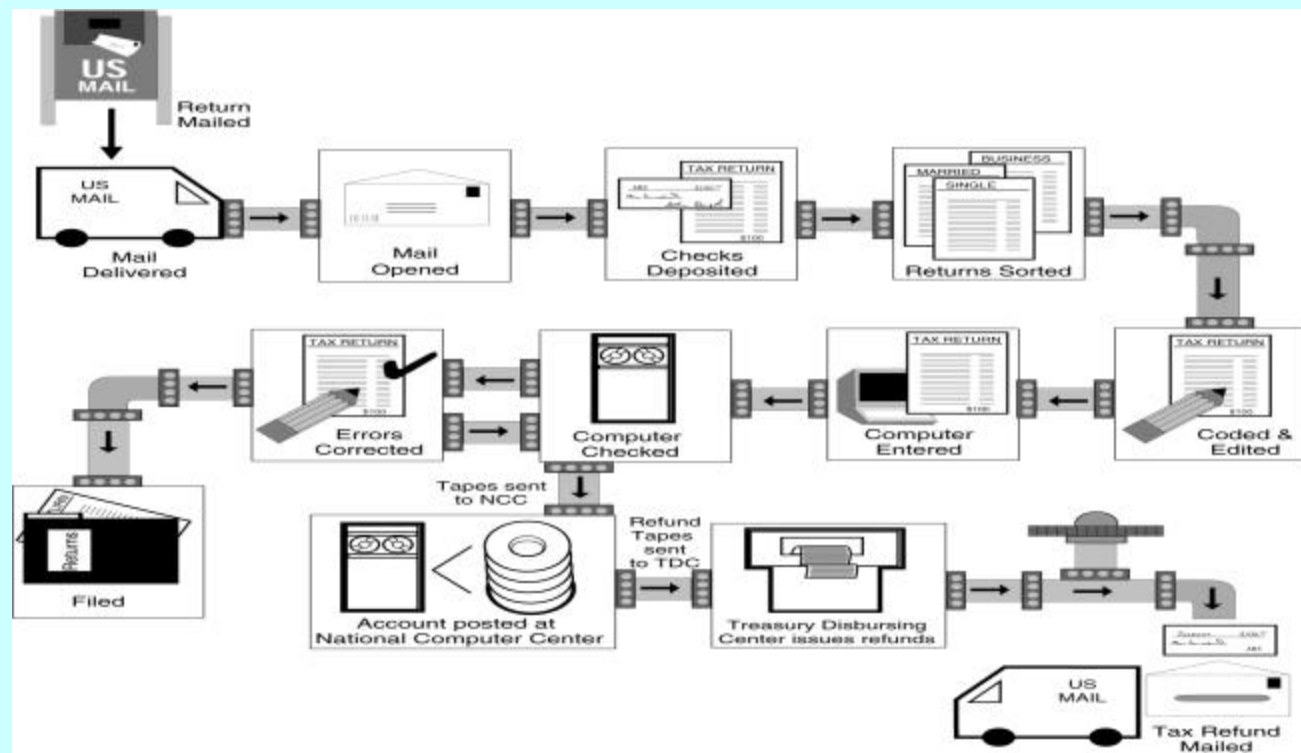
## ELECTRONIC FILING

- **Goal > 80% by 2007**
- **Social Security Administration (i.e. name, number, date of birth)**
- **Direct computer input to facilitate quicker processing**
- **Lower error rate**



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## THE 1040 PAPER PIPELINE





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## SUBMISSION PROCESSING

- Open and sort mail
- Computer input
- Control and prepare documents
- Resolve errors



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## **MOST COMMON ERRORS**

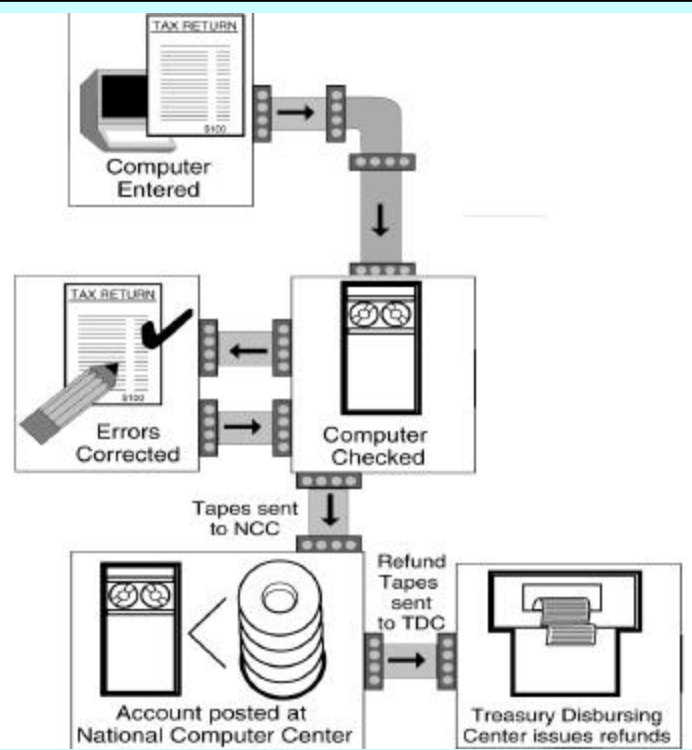
- **Mismatch SSN/Name (including dependents)**
- **Dependent on another return**
- **Earned Income Credit**
- **Child and Additional Child Tax Credit**
- **Signature**



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## E-FILE 1040 PIPELINE

Shorter than the Paper Pipeline





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## ELECTRONIC FILING

- E-File is the preferred method
- Proof of acceptance
- Faster refunds
- Accurate



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## Returns Processed

## Error Rates

- |  |                            |
|--|----------------------------|
| • <b>80 Million Paper Returns</b>        | <b>22 %</b> of total filed |
| • 56 Million V Coded Returns             |                            |
| • <b>52.8 Million Electronic Returns</b> | <b>&lt; 1%</b>             |
| • <b>IRS Internal Processing</b>         | <b>16.2%</b>               |
| • <b>Tax Practitioner Prepared</b>       | <b>3.3%</b>                |

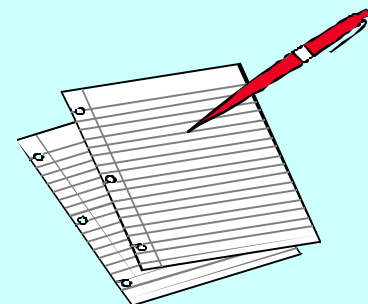
*Approximate Volumes*





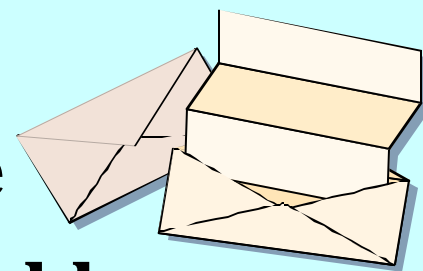
# What Can You Do To Help When Preparing the Return?

- **Ensure the return is signed.**
- **Have all schedules and forms in the correct order.**
- **Verify all SSN/EIN are correct.**
- **Verify eligibility and compute correct Earned Income Tax Credit**





# What You Can Do To Help When Mailing The Return?

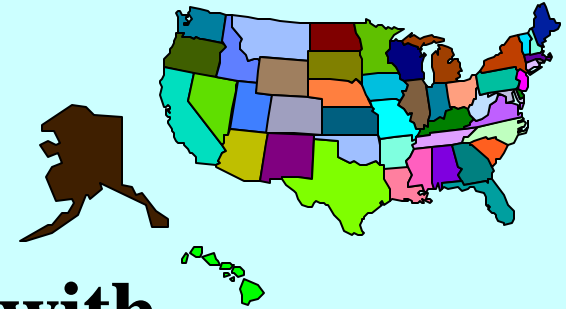


- **Only one tax return per envelope**
- **If no pre-printed labels are available – research the IRS web ([www.IRS.gov](http://www.IRS.gov)) site or use Package X or Publication 17**
- **File in the correct location**

# FILING AND PAYING IN THE CORRECT LOCATIONS



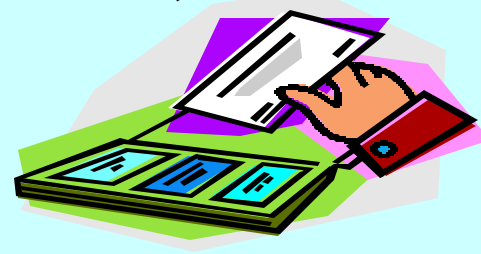
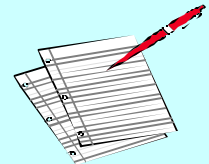
- **New realignment of the states**
- **New addresses**
- **Form 1040-V separate mail-out with IRS Tax Forms**
- **Encourage the use of IRS Tax Forms**





# What You Can Do To Help When Mailing Payments?

- **Use the pre-printed vouchers.**
- **Use a separate check for each transaction.**
- **Make checks and money orders payable to “United States Treasury”.**
- **Include SSN/EIN, tax period, and form type on check.**





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