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Verifying Taxpayer Identification Numbers

To safeguard IRS *e-file* from fraud and abuse an ERO should confirm identities and TINs of taxpayers, spouses, and dependents listed on returns prepared by its firm. TINs include SSNs, EINs, Adopted Taxpayer Identification Numbers (ATIN), and Individual Taxpayer Identification Numbers (ITIN). To confirm identities an ERO might ask taxpayers not known to them to provide two forms of identification (picture IDs are preferable) that include the taxpayer's name and current address. Also, seeing Social Security cards and other documents will avoid including incorrect TINs for taxpayers, spouses, and dependents on returns. Care should be taken to ensure that all TINs are transcribed correctly. The TIN entered in the Form W-2 of the electronic return record must be identical to the TIN on the version provided by the taxpayer. The TIN on the Form W-2 should be identical to the TIN on the electronic return unless otherwise allowed by the IRS. Incorrect TINs, using the same TIN on more than one return or associating the wrong name with a TIN cause the largest number of returns to reject (see Acknowledgments of Transmitted Return Data in this chapter).

Additionally, the TINs for taxpayers, spouses, and dependents are identified by a Name Control. A Name Control is the first four significant letters of an individual taxpayer's last name as recorded by the Social Security Administration (SSA) or the first four letters/numbers of a business name. Having the wrong Name Control associated with a taxpayer's TIN contributes to a large portion of TIN-related rejects. The most common example for a return rejecting due to a mismatch between a taxpayer's TIN and Name Control involves newly married taxpayers. Typically, the taxpayer may file using a correct SSN along with the name used in the marriage, but the taxpayer has failed to update the records with the SSA to reflect a name change. To minimize TIN-related rejects, it is important to verify taxpayer TINs and Name Control information prior to submitting electronic return data to the IRS.