

17 Q IS THERE A PAPERLESS METHOD FOR FILING AN EXTENSION?

A For your convenience, you can get an automatic extension of time to file your tax return by filing Form 4868 electronically. You can authorize an electronic funds withdrawal from your checking or savings account. To be considered timely, a payment should be scheduled to be withdrawn on or before April 17, 2006. Also, you can get an extension if you pay part, or all, of your estimate of income tax due by credit card.

18 Q DO I HAVE A GREATER CHANCE OF GETTING AUDITED BY THE IRS IF I USE IRS e-file?

A No. The chance of an audit of an e-filed return is no greater than with a paper return.

19 Q CAN MY STATE TAX RETURN BE E-FILED WITH MY FEDERAL RETURN AT THE SAME TIME?

A There are 37 States and the District of Columbia participating in the IRS e-file program. To see if your state participates, please visit www.irs.gov/efile or ask your ERO for additional information.

20 Q CAN MY STATE RETURN BE E-FILED WITHOUT MY FEDERAL RETURN?

A Yes, you can e-file your state return with a "dummy" State Only Form 1040 attached. Visit www.irs.gov/efile for the names of the states participating in State Only Filing.

21 Q WHERE CAN I GET ADDITIONAL INFORMATION ABOUT IRS e-file?

A Visit the IRS Web site at www.irs.gov/efile.

Questions and Answers for Taxpayers

www.irs.gov/efile

So easy,

NO WONDER

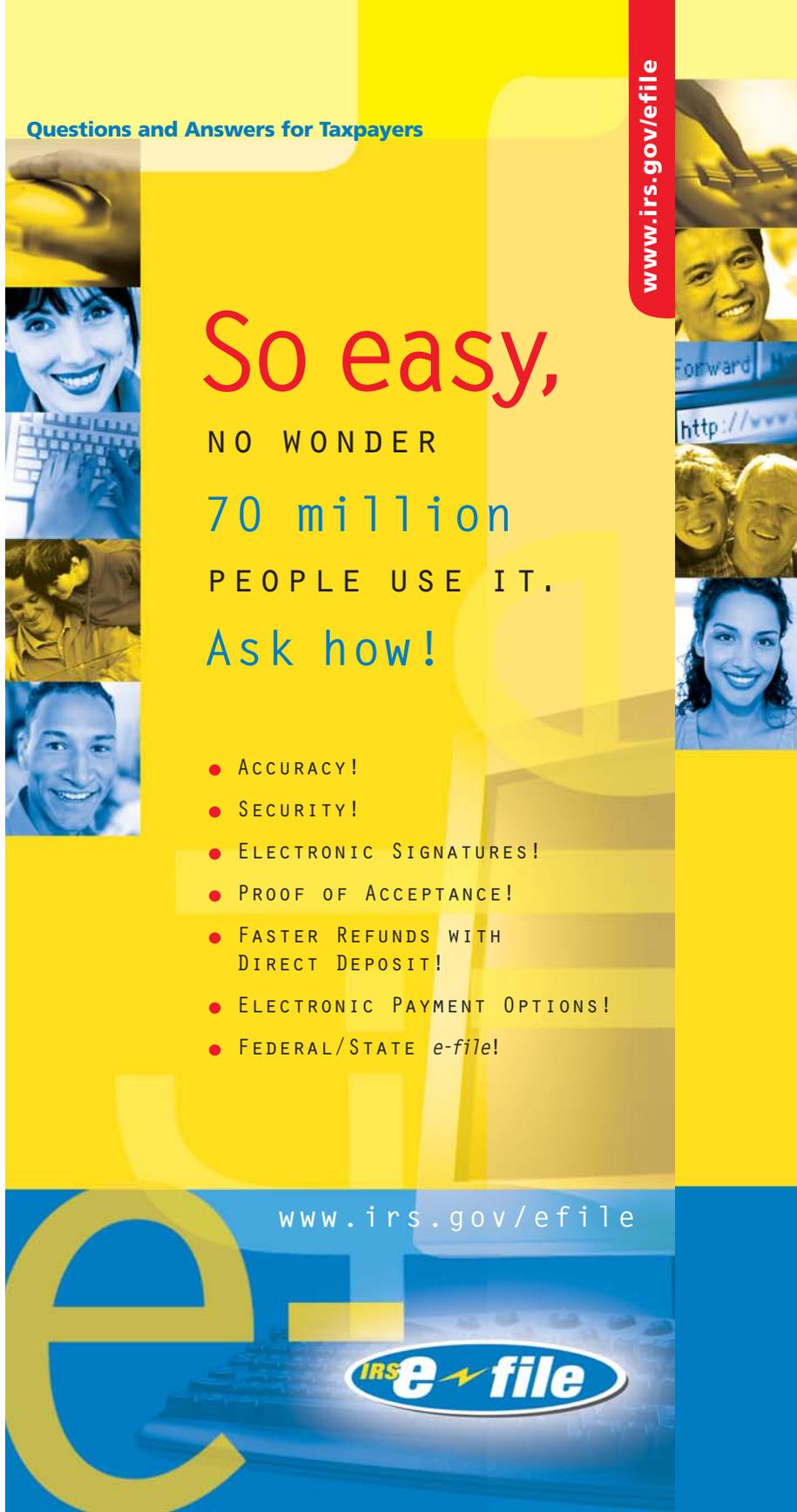
70 million

PEOPLE USE IT.

Ask how!

- ACCURACY!
- SECURITY!
- ELECTRONIC SIGNATURES!
- PROOF OF ACCEPTANCE!
- FASTER REFUNDS WITH DIRECT DEPOSIT!
- ELECTRONIC PAYMENT OPTIONS!
- FEDERAL/STATE e-file!

www.irs.gov/efile



IRS e-file is a fast, accurate, safe and paperless way to file a Federal Income Tax Return. Get your refund in half the time, even faster and safer with Direct Deposit. If you owe tax, you can e-file and electronically pay in a single step. Ask your Authorized IRS e-file Provider about e-file today!

1 Q WHAT IS AN AUTHORIZED IRS e-file PROVIDER?

A An Authorized IRS e-file Provider is a tax professional or firm accepted into the IRS electronic filing program. One type of Authorized IRS e-file Provider is an Electronic Return Originator (ERO). An ERO is a person or firm that taxpayers entrust with tax information for the purpose of filing income tax returns electronically to the IRS.

2 Q WHAT DO I GAIN BY USING IRS e-file?

A Accuracy! Security! Electronic Signatures! Proof of Acceptance! Fast Refunds with Direct Deposit! Electronic Payment Options! Federal/State e-file! Only IRS e-file offers these advantages.

3 Q DO I REALLY GET MY REFUND FASTER?

A With IRS e-file, you get it back in half the time. It's even faster and safer if you have your refund deposited directly to your bank account. Ask your ERO for the estimated date of deposit. For more information about Direct Deposit, go to the Financial Management Service (FMS) Web site, www.fms.treas.gov/left/.

4 Q IS THERE A FEE FOR IRS e-file?

A The IRS does not charge a fee for e-filing. Your ERO will be glad to explain their fees for tax preparation and e-filing. However, these fees are not based on any figures from your tax return.

5 Q IF I OWE, HOW DO I PAY MY TAXES ELECTRONICALLY?

A You can authorize an electronic funds withdrawal from your checking or savings account at the time your Tax Year 2005 Form 1040 series individual tax return is electronically prepared. You can also pay by credit card or use the Electronic Federal Tax Payment System.

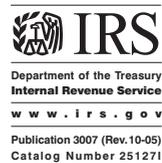
6 Q WHAT FEDERAL INDIVIDUAL INCOME TAXES CAN I PAY BY ELECTRONIC FUNDS WITHDRAWAL?

A Payment can be made for current year (1) Individual Income Tax Returns (1040 series), (2) Form 4868, *Application for Automatic Extension of Time to File U.S. Individual Income Tax Return*, (3) Form 2350, *Application for Extension of Time to File U.S. Individual Income Tax Return*, and (4) Tax Year 2006 Form 1040-ES, *Estimated Tax for Individuals*.

Electronic payment eliminates the need to mail a paper Form 1040-V, *Payment Voucher*, Form 4868, Form 2350 or Form 1040-ES. E-filing your balance due return with an electronic payment is a safe, secure and convenient way to be assured of on-time receipt of both the return and payment. This reduces the chance of errors.

7 Q HOW CAN I PAY BY ELECTRONIC FUNDS WITHDRAWAL AND WHAT ARE THE BENEFITS?

A Most tax preparation software allows you to e-file a balance due return and, at the same time, authorize an electronic funds withdrawal from your checking or savings account. The withdrawal cannot be authorized after the return is transmitted. A payment can be scheduled to be withdrawn on a future date beginning January 13, 2006. For a 1040 series payment to be considered timely, the payment should be scheduled for



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withdrawal on or before April 17, 2006. The software includes instructions on the information needed to complete the payment including your bank account number and the routing transit number of your financial institution. Check with your financial institution to be sure that electronic fund transfers can be authorized from your designated bank account (money management accounts, money market accounts, certificate of deposit accounts and some credit union savings accounts do not allow for such transactions). Your tax payment will be reflected as a "United States Treasury Tax Payment" on your bank statement as proof of payment. Additionally, you receive an electronic acknowledgement once your electronic return is received and accepted.

Note: There are no additional transaction charges for electronic funds withdrawals authorized to pay taxes.

Note: Only authorized withdrawals can be made. No other funds can legally be withdrawn.

8 WHAT TYPES OF FEDERAL INDIVIDUAL INCOME TAXES CAN I PAY BY CREDIT CARD?

Payments can be made for current year (1) Individual Tax Returns (1040 series), including Balance Due Notices, (2) Form 4868, *Application for Extension of Time to File U.S. Individual Tax Return*, (3) TY2006 Form 1040-ES, *Estimated Tax for Individuals*, (4) past due taxes including Installment Agreement and prior tax years payment, and (5) TY2003-2005 Form 1040 advanced payment of a determined deficiency.

Check with your software provider regarding the availability of a credit card payment option when you e-file.

Credit Card service providers charge a convenience fee for payment transactions. You are informed of the convenience fee amount before you authorize the payment.

Note: The IRS does not receive or store credit card numbers. The private credit card service providers verify the validity of the card and line of credit and forward the appropriate tax payment information to the IRS.

9 HOW CAN I PAY BY CREDIT CARD AND WHAT ARE THE BENEFITS?

Credit card payments must be made electronically. You can e-file and electronically pay by credit card if the tax software you use includes this option. You may also pay by calling a toll-free service (1-800-2PAY-TAX or 1-888-PAY-1040); or accessing the Internet (www.officialpayments.com or www.PAY1040.com). All major credit cards (MasterCard® card, Visa® card, American Express® Card and Discover® Card) are accepted. You can make partial payments by phone or Internet, but there is a limit to the number of payments for each type of tax.

If you pay by credit card, you delay out-of-pocket expenses and may earn miles, points, rewards or money back from your credit card issuer. You will be provided a confirmation number at the end of the payment transaction and your credit card statement will provide proof of your payment. The payment and return data are reconciled by the IRS based on the social security number entered and the type of tax selected during the transaction.

10 CAN I PAY MY BALANCE DUE BY PHONE OR INTERNET WITH A CREDIT CARD IF I'M A "MARRIED FILING JOINT" FILER?

Yes. Just be sure to enter the Social Security Number of the first taxpayer listed on the return's pre-printed mailing label, postcard or form.

11 WHAT IF I OWE AND CANNOT PAY THE FULL BALANCE DUE?

The tax preparation software used by your tax professional may allow you to make partial payments. If partial payments are allowed, you can make a payment for less than the balance due amount on your return. If you cannot pay in full by April 17, 2006, you can file Form 9465, *Installment Agreement*

Request. This form is available electronically. An approved Installment Agreement allows you to make a predetermined series of partial payments. Payments received after the tax due date will be subject to penalties and interest.

12 WHAT HAPPENS IF MY RETURN IS FILED ELECTRONICALLY, I AM RECEIVING A REFUND, AND I OWE TAXES FROM PREVIOUS YEARS?

The amount owed on back taxes is automatically deducted from your refund just as if you filed a paper return. If you go to a tax preparer to get a Refund Anticipation Loan (RAL), you must tell your tax preparer that you owe back taxes.

13 IF MY RETURN IS ELECTRONIC, HOW DO I SIGN IT?

The most convenient way for you to sign your electronic return is to use a self-selected Personal Identification Number (PIN). It's completely paperless! You have two methods of electronic signatures to choose from: Self-Select PIN method or Practitioner PIN method. With both methods you select the PIN. If you do not choose to use a PIN, you simply sign a signature document, Form 8453, *U.S. Individual Income Tax Declaration for an IRS e-file Return*. If your return contains an attachment required to be submitted to IRS, you must use Form 8453.

14 WHAT IS THE SELF-SELECT PIN METHOD?

The Self-Select PIN method allows you to personally sign your electronic tax return using a five-digit number. The Self-Select PIN method serves as your signature and takes the place of Form 8453. You can either sign your own return with your PIN electronically, authorize the ERO to sign the return with your PIN, allow the ERO to assign you a PIN, or allow the software to generate a PIN.

The Self-Select PIN process includes entering a five-digit PIN and your Adjusted Gross Income (AGI) from your prior year (TY2004) **originally** filed income tax return. (This amount is not the amount from an amended tax return Form 1040X, or a math error correction made by IRS.) The AGI is on Line 36 of Form 1040, Line 21 of Form 1040A, or Line 4 of Form 1040EZ. You should ensure your Date of Birth is accurate and matches the information in Social Security Administration's (SSA) files prior to e-filing by checking your SSA statement entitled, "Your Social Security Statement." Since tax preparation software packages may vary, consult your particular package for more details.

For additional information on qualifications and required taxpayer information on the Self-Select PIN Method or on IRS e-file, please visit the IRS Web site at www.irs.gov/efile.

15 WHAT IS THE PRACTITIONER PIN METHOD?

The Practitioner PIN method is an additional electronic signature option for taxpayers who use an Authorized IRS e-file Provider to file their taxes electronically. Taxpayers using the Practitioner PIN method must also select a five-digit PIN to sign their electronic tax return. Taxpayers choosing to use this method must complete Form 8879, *IRS e-file Signature Authorization*. Unlike the Self-Select PIN method, the Date of Birth and prior year's Adjusted Gross Income are not required with the Practitioner PIN method. Please visit the IRS Web site at www.irs.gov/efile for additional information.

16 HOW DO I KNOW THAT THE IRS REALLY HAS MY RETURN?

The IRS notifies your Authorized IRS e-file Provider within 48 hours of transmission that your return information was received. If the IRS detects any errors, it sends a message back to the Authorized IRS e-file Provider indicating the error. The error is corrected and the return is retransmitted to the IRS.