PTIN MODULE 1

Homework Worksheet + Answer Key

Foundations Of Professional Tax Preparation

Choose the best answer for each question. Complete the worksheet before reviewing the answer key.

Student Information

Name: ________________________________ Date: ____________________

1. What is the professional preparer's primary goal?

A. Make the refund as large as possible

B. Prepare the return supported by the taxpayer's facts and the law

C. Match last year's refund

D. Use whatever entries the software suggests

2. What is a tax refund generally?

A. A prize for filing taxes

B. A guaranteed payment

C. An overpayment returned to the taxpayer

D. Proof the return is correct

3. Who remains responsible for understanding what was entered on the return?

A. The software company

B. The taxpayer only

C. The preparer

D. The bank

4. What should a preparer do when information appears inconsistent or unreasonable?

A. Ignore it if the software accepts it

B. Ask questions and resolve the issue

C. Delete the information

D. Promise a larger refund

5. Which action is appropriate for a professional preparer?

A. Hide fees

B. Invent missing numbers

C. Keep useful notes about questions and resolutions

D. Ignore contradictory information

6. What does PTIN stand for?

A. Professional Taxpayer Identification Number

B. Preparer Tax Identification Number

C. Paid Tax Information Number

D. Preparer Tax Internet Number

7. Who generally needs a valid PTIN?

A. Only attorneys

B. Anyone paid to prepare or substantially assist with a federal return or refund claim, unless an exception applies

C. Only firm owners

D. Every taxpayer

8. How often must a PTIN be renewed?

A. Every month

B. Every five years

C. Every calendar year

D. Only once

9. What does an EFIN identify?

A. An individual taxpayer

B. An individual paid preparer

C. A firm approved as an authorized e-file provider

D. An IRS auditor

10. What is an ERO?

A. An Electronic Return Originator

B. An Electronic Refund Officer

C. An Enrolled Return Operator

D. An Electronic Revenue Organization

11. Is a PTIN a substitute for an EFIN?

A. Yes

B. Only during filing season

C. No

D. Only for enrolled agents

12. Which professionals generally have unlimited representation rights before the IRS?

A. All PTIN holders

B. Attorneys, CPAs, and enrolled agents

C. All tax software users

D. Only EROs

13. Does obtaining a PTIN automatically give an unenrolled preparer unlimited representation rights?

A. Yes

B. No

C. Only after one year

D. Only if the preparer owns a firm

14. Which statement is accurate?

A. A PTIN makes a preparer IRS licensed

B. A PTIN is an identifying number, not a professional license

C. An AFSP record means IRS endorsement

D. An EFIN makes an individual IRS certified

15. What should generally be used first when researching a tax question?

A. Social media posts

B. Last year's software settings

C. Current form instructions and applicable IRS publications

D. A client's memory

16. Why should research notes include the tax year?

A. To make the note longer

B. To help prevent applying a rule from the wrong year

C. To calculate the refund

D. To replace source citations

17. A taxpayer pressures a preparer to enter an unsupported number. What should the preparer do?

A. Enter it if it increases the refund

B. Refuse to file the unsupported position

C. Let the taxpayer choose the number

D. Hide the entry in the notes

18. Which item should never be improperly shared, sold, rented, or used?

A. A public IRS publication

B. A blank tax form

C. A PTIN, EFIN, software login, or e-services account

D. A study guide

Answer Key

Check your work after completing all questions.

1.	B. Prepare the return supported by the taxpayer's facts and the law
2.	C. An overpayment returned to the taxpayer
3.	C. The preparer
4.	B. Ask questions and resolve the issue
5.	C. Keep useful notes about questions and resolutions
6.	B. Preparer Tax Identification Number
7.	B. Anyone paid to prepare or substantially assist with a federal return or refund claim, unless an exception applies
8.	C. Every calendar year
9.	C. A firm approved as an authorized e-file provider
10.	A. An Electronic Return Originator
11.	C. No
12.	B. Attorneys, CPAs, and enrolled agents
13.	B. No
14.	B. A PTIN is an identifying number, not a professional license
15.	C. Current form instructions and applicable IRS publications
16.	B. To help prevent applying a rule from the wrong year
17.	B. Refuse to file the unsupported position
18.	C. A PTIN, EFIN, software login, or e-services account