MODULE 1

Master Study Guide

Foundations Of Professional Tax Preparation

Review these notes before taking the Module 1 quiz. Focus on responsibilities, identifiers, credentials, and research habits.

LESSONS COVERED
1.1 What A Tax Professional Actually Does
1.2 PTIN, EFIN, And ERO Are Different
1.3 Credentials And Representation Rights
1.4 The Research Habit

Lesson 1.1 - What A Tax Professional Actually Does

Core Role

A tax preparer gathers facts, applies federal and state tax rules, prepares an accurate return, explains the result, obtains required signatures, and maintains required records.

Software vs. Preparer

Software performs calculations, but the preparer remains responsible for understanding what was entered and why.

Correct Mindset

The goal is not to make the refund as large as possible. The correct question is what return is supported by the taxpayer's facts and the law.

Refund Reminder

A refund is generally an overpayment returned to the taxpayer. It is not a prize, guarantee, or proof that a return was prepared correctly.

Professional Responsibilities

Ask enough questions; review for inconsistencies, omissions, and unreasonable amounts; explain filing positions; keep useful notes; sign when required; use a valid PTIN; provide a complete copy; and protect taxpayer information.

Do Not

Do not invent numbers, ignore contradictory information, promise refunds, hide fees, give legal advice outside your competence, or file unsupported positions.

Lesson 1.2 - PTIN, EFIN, And ERO Are Different

PTIN

Preparer Tax Identification Number. It identifies an individual paid preparer. In general, paid preparers or those substantially assisting with federal returns need a valid PTIN unless an exception applies. It is renewed annually.

2026 PTIN Fee

The lesson states the IRS fee to obtain or renew a PTIN for 2026 is $18.75.

EFIN

Electronic Filing Identification Number. It identifies a firm approved by the IRS as an authorized e-file provider. It is not a substitute for a PTIN.

ERO

Electronic Return Originator. An authorized e-file provider that originates electronic submissions.

Provider Application

A firm applies through IRS e-services, identifies principals and responsible officials, selects a provider role, and passes a suitability review. Approval can take up to 45 days.

Security Rule

Never share, sell, rent, or improperly use a PTIN, EFIN, software login, or e-services account.

Lesson 1.3 - Credentials And Representation Rights

Unlimited Representation

Attorneys, CPAs, and enrolled agents generally have unlimited representation rights before the IRS, subject to applicable practice rules.

PTIN Limitation

An unenrolled preparer does not gain unlimited representation rights merely by obtaining a PTIN.

AFSP

An eligible Annual Filing Season Program participant has limited representation rights for certain returns the participant prepared and signed, subject to applicable program-year rules.

Credential Accuracy

Do not claim to be 'IRS certified,' 'IRS licensed,' or 'IRS endorsed' merely because you have a PTIN or AFSP Record of Completion. A PTIN is an identifying number, not a professional license.

Lesson 1.4 - The Research Habit

Primary Authority

Do not rely on social media posts, memory, or last year's software settings as primary authority.

Where To Begin

Start with current form instructions and the applicable IRS publication.

When More Is Needed

Review the Internal Revenue Code, Treasury regulations, revenue procedures, notices, or other authority when necessary.

Tax-Year Label

Every research note should identify the applicable tax year.

Why It Matters

Tax-year labeling helps prevent applying a rule from the wrong year.

Strong Research Note

Document the question, tax year, sources checked, and relevant facts confirmed.

Module 1 Quick Review

Know these distinctions before taking the quiz.

TERM / IDEA	REMEMBER THIS
PTIN	Identifies the individual paid preparer.
EFIN	Identifies the approved electronic filing firm.
ERO	Authorized e-file provider that originates electronic submissions.
Refund	Generally an overpayment returned to the taxpayer - not a prize or guarantee.
PTIN Credential	An identifying number, not a professional license.
Research	Use current authoritative sources and label notes with the applicable tax year.
Documentation	Record what was asked, what was provided, sources checked, and how questions were resolved.
Professional Standard	Prepare the return supported by the taxpayer's facts and the law.