

Preparer's Paper-Filing Fee

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Income Tax Fact Sheet 17

Minnesota forms you may need: PV50

Fact Sheet

State law (M.S. 289A.08, subd. 16) requires tax preparers who are required to electronically file Minnesota individual income tax returns to pay a \$5 fee for each original Form M1 that is filed on paper that could have been e-filed.

Preparers required to pay

If you—as a business or an individual—are required to e-file your clients' Minnesota individual income tax returns, you are subject to the paper-filing fee.

E-file requirements. You are required to e-file all Minnesota individual income tax returns if you are in the business of preparing tax returns and you reasonably expect to prepare more than 10 Minnesota income tax returns *this* year. This requirement also applies to preparers located in other states who expect to prepare more than 10 Minnesota individual income tax returns for the *current* year.

Do not include in the 10-return threshold returns you prepare for businesses, property tax refund returns, amended income tax returns or returns filed with other states.

For purposes of this law, the business entity, as a whole, is the “preparer.” If the business employs individuals to prepare returns, the total number of returns prepared by all employees in the business count toward the 10-return threshold. Likewise, if the business operates from multiple locations, the total of returns prepared by all locations count toward the threshold.

If you are required to e-file Minnesota returns or wish to become an authorized e-file provider, see *How to become an authorized e-file provider* on page 2.

Determining the fee

For each original Minnesota Form M1 you prepare, keep a tally of how many are filed on paper or are e-filed. Keep the total number of paper and e-filed returns with your records.

The fee is \$5 for each original Form M1 that is filed on paper that could have been filed electronically.

The paper-filing fee also applies to returns filed on paper because:

- your client elected not to e-file.
- your software does not support electronic filing. (To avoid substantial fees, you should select another package that allows for Minnesota e-filing. A list of available software programs is available on our website. Click on “Quick start for tax preparers.”)

- your software does not support one or more of the required forms. (We recognize there may be exceptions to filing specific returns due to software or other limitations, and these will be evaluated on a case-by-case basis. However, the paper-filing fee will apply if the return was otherwise eligible for e-filing.)
- the taxpayer is a nonresident or a part-year resident of Minnesota.

The paper-filing fee does not apply to:

- property tax refund returns (Form M1PR),
- amended Minnesota income tax returns (Form M1X),
- business tax returns, or
- tax returns filed with other states.

To determine the fee you are required to pay, multiply \$5 by the number of eligible returns you prepared that were filed on paper.

There is no form for you to complete.

Exceptions. The fee will be waived only if the IRS or the department requires the federal or Minnesota return to be filed on paper. If a return was ineligible to e-file, you must document the reason and keep it with your records.

Example: When John tried to transmit his client's federal return, the IRS rejected the Social Security number so now he's unable to e-file the Minnesota return. In this case, because the IRS requires John's client to file a paper federal return, we will waive the fee for filing a paper Minnesota return. However, John must document the reason why the federal return was rejected and make his records available to the department, if requested.

Due dates

Fees are due in two installments for each year. The payments are due by:

- **June 15** based on the number of paper returns filed between January 1 and April 15 of the year, and
- **January 15** of the following year based on paper returns filed between April 16 and December 31.

If the due date falls on a weekend or holiday, payments electronically made or postmarked the next business day are considered timely.

You can pay your fees electronically (over the Internet or by phone) or by check.

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If no paper returns are filed, you do not owe a fee, and there's nothing for you to do for that installment period.

How to pay

There are no returns or schedules for you to file. Simply remit your payment electronically or by check based on your cumulative total of paper returns filed during the period. (See *Determining the fee* on page 1.)

Do not remit the fee with the return.

Pay electronically

When you pay electronically using e-File Minnesota, there is no paper voucher or form to send with your payment, there's no registration and it's free.

The information you'll be prompted to enter are:

- your identifying number (Minnesota tax ID or Social Security number) that you provide in the preparer information area on the returns you prepare. If you provide your Preparer Tax Identification Number (PTIN) on the returns, you must use your Social Security number to pay your paper-filing fees.
- the four-digit calendar year—not the tax year—for which you are making the payment, and
- your payment and banking information (routing and account numbers). You must use an account not associated with any foreign banks.

To pay over the Internet. Go to www.taxes.state.mn.us and click "Login to e-File Minnesota" from the e-Services menu. Enter your identifying number.

- **If you use your Minnesota tax ID number**, enter your password and select "make a payment only." Then, under the unregistered drop-down box, select "preparer paper-filing fee." (If you're using the system for the first time and you need a temporary password, call 651-282-5225 or 1-800-657-3605.)
- **If you use your Social Security number**, select "preparer paper-filing fee."

Enter the requested information when prompted. When your transaction is successfully completed, you will be given a confirmation number and a date/time stamp. Be sure to print and save the confirmation page and keep it with your records.

To pay by phone. If you don't have access to the Internet, call 1-800-570-3329 and enter your identifying number.

- **If you use your Minnesota tax ID number**, enter your password and select "make a payment only." Then select "preparer paper-filing fee." (If you're using the system for the first time and you need a temporary password, call 651-282-5225 or 1-800-657-3605.)
- **If you use your Social Security number**, select "preparer paper-filing fee."

Enter the requested information when prompted. When your transaction is successfully completed, you will be given a confirmation number and a date/time stamp. Be sure to record this information and keep it with your records.

Pay by check

Complete the payment voucher Form PV50, *Preparer's Paper-Filing Fee Payment* (see page 3).

Use your identifying number (Minnesota tax ID or Social Security number) that you provide in the preparer information area on the returns you prepare. If you provide your PTIN on the returns, you must use your Social Security number to pay your paper-filing fees.

Detach the voucher, and mail it with your check or money order to the address provided on the voucher.

Your check authorizes us to make a one-time electronic fund transfer from your account. You may not receive your cancelled check.

How to become an authorized e-file provider

To e-file returns, you must become an authorized IRS e-file provider. Go to the IRS website at www.irs.gov and click "Tax Professionals".

Preparers outside Minnesota must send information. Fax a copy of the IRS's acceptance letter for the current tax year and a completed Form 8633 to 651-556-3130.

Minnesota will enroll out-of-state preparers generally within one business day. If your account is not active within two business days, send us an email to efile.prepsupport@state.mn.us.

Recordkeeping

For each return you prepare, you must keep track of how it was filed—on paper or e-filed. For each return that is ineligible to e-file, you must also document the reason why it was ineligible. You will need to substantiate why you did not assess a fee if the return was filed on paper. Your records must be available if requested by the department.

Need more information?

If you have questions, send an email to indinctax@state.mn.us or call us at 651-296-3781 or 1-800-652-9094.

Preparer's Paper-filing Fee Payment

When you pay the preparer's paper-filing fee, use your identifying number (Minnesota tax ID or Social Security number) that you provide in the preparer information area on the returns you prepare. If you provide your PTIN on the returns, you must use your Social Security number to pay your paper-filing fees.

Pay by check

Complete the voucher below and mail it with your check to the address provided on the voucher.

Pay electronically

If you pay electronically, do not use the voucher below.

- To pay over the Internet, go to **www.taxes.state.mn.us**, and login to e-File Minnesota.
- To pay by phone, call 1-800-570-3329.

If you use your **Minnesota tax ID number**, enter your password and select "make a payment only." Then, select "preparer paper-filing fee." (If you're using the system for the first time and you need a temporary password, call 651-282-5225.)

If you use your **Social Security number**, select "preparer paper-filing fee."

Enter the requested information when prompted. When your transaction is successfully completed, you will be given a confirmation number and a date/time stamp. Be sure to print or record this information and keep it with your records.

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Detach here before mailing.

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Preparer's Paper-Filing Fee Payment

Minnesota tax ID or Soc. Sec. number

Preparer's first name and initial	Last name	
Business name (if applicable)		
Address		
City	State	Zip code

Calendar year

Make check payable to Minnesota Revenue and mail to:
Minnesota Revenue, Mail Station 0090, St. Paul, MN 55146-0090

AMOUNT OF CHECK

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