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## ARIZONA INDIVIDUAL INCOME TAX RULING ITR 14-4

(Supersedes Arizona General Tax Ruling GTR 01-1)

This substantive policy statement is advisory only. A substantive policy statement does not include internal procedural documents that only affect the internal procedures of the agency and does not impose additional requirements or penalties on regulated parties or include confidential information or rules made in accordance with the Arizona administrative procedure act. If you believe that this substantive policy statement does impose additional requirements or penalties on regulated parties you may petition the agency under Arizona Revised Statutes § 41-1033 for a review of the statement.

### **ISSUE:**

When a paid electronic return preparer has prepared a tax return that will be filed with the Department of Revenue, what method must that paid electronic return preparer use to sign the return?

### **RULING:**

For Arizona purposes, the electronic return preparer signature requirements for Arizona e-file of individual income tax returns are fulfilled through IRS e-file procedures. The signing of the federal return is accepted for the state return.

### **DISCUSSION:**

Under Arizona law, every tax return that is filed with the department and prepared by a paid electronic return preparer must be signed by the electronic return preparer in accordance with the department's administrative rules or tax rulings. For Arizona income tax purposes, an "electronic return preparer" is defined, in part, to mean a person who, for compensation, prepares an electronic return, or transforms a paper version of a completed return to an electronic version of the same return, for filing with the department. The term "electronic return preparer" does not include a person, who for compensation, provides only computational and informational software used to prepare and file taxes.

The Arizona Department of Revenue in partnership with the Internal Revenue Service (IRS) provides for the electronic filing of Arizona individual income tax returns. The Fed/State e-file Program allows taxpayers to file their federal and state returns through their tax preparer in one electronic transmission. In order for an individual to elect to electronically file his or her Arizona income tax return, that individual must electronically file his or her federal income tax return.

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Page 2

For federal income tax purposes, e-file is a method of submitting tax returns prepared by using an approved software product to the IRS electronically through the internet. An Electronic Return Originator (ERO) is a person authorized by the IRS to prepare and transmit tax return information of individuals and other entities to the IRS electronically. When an individual income tax return has been prepared by a paid ERO, the return preparer must sign the electronically transmitted return. For federal income tax purposes, an ERO must sign with a personal identification number (PIN). The ERO may manually input or the software can generate the PIN in the electronic record in the location designated for the ERO Electronic Filing Identification Number (EFIN/PIN). The ERO is declaring under the penalties of perjury that he or she has reviewed the return and it is true, correct and complete.

### **APPLICABLE LAW:**

Arizona Revised Statutes (A.R.S.) § 42-1101.01(1) defines the term “electronic return preparer”.

A.R.S. § 42 1105.01 requires that every tax return that is filed with the department and prepared by a return preparer or electronic return preparer must be signed by the return preparer or electronic return preparer in accordance with the department’s administrative rules or tax rulings.

David Raber, Director

Signed: October 20, 2014

### **Explanatory Notice**

The purpose of a tax ruling is to provide interpretive guidance to the general public and to department personnel. A tax ruling is intended to encompass issues of law that are not adequately covered in statute, case law or administrative rules. A tax ruling is a position statement that provides interpretation, detail, or supplementary information concerning application of the law. Relevant statute, case law, or administrative rules, as well as a subsequent ruling, may modify or negate any or all of the provisions of any tax ruling. See GTP 96-1 for more detailed information regarding documents issued by the Department of Revenue.