Dear [Name]:

**Why we're sending you this letter**
A review of the [2018] returns you prepared shows you may not have met your due diligence requirements and may have prepared inaccurate returns for your clients, claiming at least one of the following:

- Earned Income Tax Credit (EITC)
- Child Tax Credit (CTC) / Additional Child Tax Credit (ACTC) / Credit for Other Dependents (ODC)
- American Opportunity Tax Credit (AOTC)
- Head of Household (HoH) filing status

This letter is to give you information and make you aware of the due diligence requirements that all paid preparers must follow. If you do not prepare accurate returns and comply with due diligence requirements under Internal Revenue Code Sections 6695(g) and 1.6695-2(b) of the Income Tax Regulations, you may be penalized. The penalty is $[530] per failure for tax returns filed in [2020]. The failure to exercise due diligence can also result in an audit, the suspension or termination of your e-filing privileges, or a referral to the IRS Criminal Investigation Division. We may also audit your clients which could prevent them from claiming the credits for a period of time in the future.

We can't supply information specific to the questionable returns, however, we found the following issues:

**What you need to do**

**Meet all four due diligence requirements**

- Complete and send Form 8867, Paid Preparer's Due Diligence Checklist, with every return you prepare which claims any of the benefits listed above.
- Complete all worksheets, or equivalents, showing how you computed the credits claimed on a return or amended return.
- Question the client if any information seems incorrect, inconsistent, or incomplete. Document your questions and the client's responses.
- Keep all required records, including copies of any documents you relied on to determine eligibility for the benefits listed above and to compute the amount of the credits.

**What happens next**
This letter is for your information only. You don't need to respond. We'll continue to check future returns you prepare that claim these benefits to ensure you're meeting your due diligence requirements.
Where you can find more information

- Publication 4687, Paid Preparer Due Diligence, available on our website at www.irs.gov/forms-pubs
- The preparer toolkit on our website at www.eitc.irs.gov/tax-preparer-toolkit/main
- Visite www.eitc.irs.gov e ingrese las palabras claves "Letter 5025(SP)" para leer esta carta en español

You can get any of the forms or publications mentioned in this letter by visiting our website at www.irs.gov/forms-pubs or by calling 800-TAX-FORM (800-829-3676).

If you have questions, you can contact us at the phone number or email address on the first page of this letter. For security purposes, don't include any personally identifiable information (PII) belonging to your clients. PII includes information used to distinguish or trace the identity of an individual.

Sincerely,

Gwen M. Garren

Gwen M. Garren
Director,
Refundable Credits Program Management