Special Enrollment Examination
Frequently Asked Questions

Note – this document will be updated on a regular basis

Exam Content/Scoring

Items that require mileage calculations will have sufficient information in them to determine the rate to use, e.g., date of activity, purpose (e.g., business, charitable). See the summary provided by the IRS below for 2008 filing. (posted 2/25/09)

Mileage Rate Changes

Purpose	Rates 1/1 through 6/30/08	Rates 7/1 through 12/31/08
Business	50.5	58.5
Medical/Moving	19	27
Charitable	14	14

The "more likely than not" standard was imposed on paid preparers beginning with the 2007 tax returns for all positions taken on any tax return they prepared. If the preparer took a position that was not "more likely than not" then they had to make a disclosure on Form 8275 or risk preparer penalties for taking a frivolous position on an issue. The Economic Stimulus Act of 2008 relaxed that standard back to the previous standard of "substantial authority" retroactive to 5/27/2007. My question is with regard to possible questions on Part III - which standard is going to be considered the correct answer on the exam. (posted 12/8/08)

With respect to any examinations administered between May 1, 2008 - February 28, 2009, all references on the examination are to the Internal Revenue Code, as amended through December 31, 2007. Any changes in tax law subsequent to December 31, 2007, which are retroactive to the 2007 tax year should not be considered because the examination has not been updated to consider these changes.

Can you provide more information on Section 1 Preliminary work and Tax Payer Data - What is to determine if individual and/or business entity involved - Method of determination. (posted 5/16/08)

The method of determination may vary. If it is a new client they should examine the previous returns. They can and should interview the client.

Can you provide more information on Section 4 Taxation and advice?
Estate Planning
Charitable giving
LTC
(posted 5/16/08)

All three of these are ways to reduce tax liability. What would you tell clients about each of these to save money on taxes?

Will you be providing any more detail as to the weighting of the content specifications? Many of the topics, such as tax planning, have never appeared on the exam before and are not included in any IRS Publications. (posted 7/17/06)

Diagnostic categories will be created for candidates who fail. The topics that belong to each of these categories will be identified.

The old Part IV only took 2 hours. The new Part 3, which now excludes all the retirement plan questions, is supposed to take 3 1/2 hours. Are the content specifications correct? (posted 7/17/06)

The job analysis resulted in an increase in the weight associated with Representing Before the IRS and Practices. For that reason, Part 3 has increased to 100 items and will require more time.

What is the weight of each question? (posted 7/17/06)

Each item is weighted equally.

How many Enrolled Agents responded that the knowledge of the Freedom of Information Act information is needed to be an effective EA? (Part 3) (Posted 11/22/06)

The job analysis processed involved more than 1000 Enrolled Agents as Task Force members and survey respondents. The topics that were included in the final test content outline or blueprint were those that were deemed important, if not very important, by the 1000 survey respondents. The decision to include topics such as the knowledge of the Freedom of Information Act was made by Enrolled Agents. Following the job analysis and test specification meeting, the IRS agreed to the recommendation of the Enrolled Agents to have three Parts, not four. Enrolled Agents were involved in the decisions as to which topics belong on part 1, which topics should be covered in part 2, and which topics are in part 3.

I have the following comments. Part 3 asked for types of installment agreements and I checked with irs.gov and all pubs and there is no reference to types of installment agreements. (Posted 11/22/06)

Take a look at Form 656 and Form 9465. Pub 556 refers to installment agreements on page 6. And offers in compromise is on page 7. See the web link. http://www.irs.gov/pub/irs-pdf/p556.pdf

I noted that in part 1 one of the question in the 2004 test was repeated. (Posted 11/22/06)

There was no intention to use an item that was used previously. All of the items were written by subject matter experts during various workshops in 2006. However, it is possible that an item similar to a previously written item would be created especially if the content has not changed.

When will the questions switch from tax year 2005 info to tax year 2006? (Posted 11/22/06)

For Examinations administered from May 2007 to February 2008, the 2006 tax year will be tested. There will be no testing available in March or April and the new year will be introduced each May.

The scope of Part 2 is huge. Will you work on reducing this a bit? (Posted 11/22/06)

The results of the job analysis dictated the content in each module. Changes in the content outline will not occur until a new job analysis is conducted.

When will you be releasing questions, especially the new questions we have not seen before. (Posted 11/22/06)

We will be using the questions on future exams so we are not able to release the questions following testing.

IRS has typically thrown out questions or allowed multiple answers for (sometimes) about 5 question per exam, per part. What challenge procedures will exist now?

Candidates have the opportunity to comment on items during the survey portion of the exam. In addition, our process of examining the test question statistically after each administration will serve as a psychometrically sound alternative. The item analysis includes examining the performance of each item in terms of difficulty and discrimination. All items that are not answered by more than 20 percent of the candidate population will be reviewed by subject matter experts and the IRS prior to the release of scores. In addition, items that show that able candidates are selecting an option other than the correct answer will also be examined. Final decisions about the correctness and usability of a test question will be the IRS' to make; we will provide them all of the data available to make the decision.

Is each exam the same within any Part, or are you rotating the question base for each candidate? If so, are they weighted differently based upon your post-exam review? (Posted 11/22/06)
If you don't grade on a curve and there is no predetermined pass rate, how do you determine if they pass or fail? Do you have a predetermined passing score? (Posted 11/22/06)

Each item is worth one point. The passing score will be determined by the IRS following the cut score study. The cutscore study will follow a modified Angoff method for establishing the cut score. A panel of subject matter experts composed of Enrolled Agents and IRS representatives will develop a definition of the minimally qualified candidate. Using this definition, they will consider each item on the base form and estimate the difficulty of the item for the minimally qualified or borderline candidate. The results of these estimates will be analyzed and presented to the IRS for final decision. Once the passing score is determined for the base form, Thomson Prometric will use a statistical equating process to ensure comparability of scores on all forms. Scaled scores will be used to report the scores. The tests have been developed to identify the passing candidate from the failing candidate. We will not be using either normal distribution or a preconceived pass rate to establish the passing score.

How can I determine what the passing percentage is? Is it 60%, 70%, 80% or something different? (Posted 11/22/06)

The purpose of a scaled score is to provide a standardized way of reporting test scores to failing candidates when multiple test forms are used. Passing candidates will receive notification of having passed because the test has been designed to identify those who should pass not to rank order the test takers. Scaled scores are determined by calculating the number of questions answered correctly from the total number of questions in the examination and converting to a scale that ranges from 40 to 130. The IRS has set the scaled passing score at 105, which corresponds to a minimum level of knowledge deemed acceptable by those persons who will be practicing before the IRS. Failing candidates are provided a scaled score value so that they may see how close they are to being successful. Candidates that receive a scaled score of 104 are very close to passing. Candidates with a scaled score of 45 are far from being successful.

Exam Structure

How many questions will be on each part of the examination? (posted 7/17/06)

We anticipate that the exam will be 100 questions per part.

How long is each part of the examination? (posted 7/17/06)

Each exam is 3.5 hours long. The actual seat time is 4 hours to allow for a tutorial and survey.

From reviewing the exams to date, how long does it take the average person to complete the test? (Posted 11/22/06)

Analysis of this data will be conducted when this window is closed. We will be examining candidate data to confirm that there is no speededness associated with the tests. Speededness is identified when the following two conditions are present: Less than 80 percent of the candidates complete the test and less than 100 percent of the candidates complete 80 percent of the test.

Exam Availability/Scheduling

Will the new exam be open to the public after each testing period? (posted 7/17/06)

Computer delivery requires expansion of the item pool. For that reason, examinations will no longer be published.

How far in advance must a candidate register before the testing date? (posted 7/17/06)

It is beneficial for candidates to register and schedule as far in advance as possible. Allowing a longer lead time between scheduling and testing will enable you to choose a test date and time that is convenient for you. If space permits, you may register and schedule up to 2 days prior to your test date.

I previously passed parts of the exam and read the candidate bulletin and it is still not clear to me whether I can carryover the passing scores from the 2005 exam. How can I find out if I can carryover scores from the 2005 exam? (Posted 8/9/06)

Candidates may carryover scores for the parts passed in 2003, 2004 and 2005, as long as the the exam results letter did not state that the candidate failed to meet the minimum retention scores on the parts failed. The IRS will be mailing letters by September 15, 2006, to candidates who met the retention standard to carry over. IRS policy regarding carryover is set forth in a June 7, 2006, press release, available on this website. If you still have questions, you may contact the IRS at (313) 234-1280.

Test Center Environment

Why can't we have food or water in the testing room? (Posted 11/22/06)

Prometric's policy is to prohibit bringing in anything to the test center to minimize the opportunities for cheating. A second reason for prohibiting water specifically is the opportunity for the computer to be inadvertently damaged, making it difficult for other test-takers to test when they are scheduled. It can also be distracting to other test takers.