

IRM PROCEDURAL UPDATE

DATE: 04/11/2013

NUMBER: WI-21-0413-0725

SUBJECT: Processing Third Party Authorizations Updates

AFFECTED IRM(S)/SUBSECTION(S): 21.3.7

CHANGE(S):

IRM 21.3.7.4.1(1) Added Caution after bullets addressing input when physical street address and PO Box are provided on authorizations.

1. A representative/appointee may submit Form 2848, Form 8821 or correspondence to update their information on the CAF database. Representative/Appointee name(s), address(es), telephone or fax number(s) can be updated in the following situations:
 - The "**Check if new**" box for address, telephone number or fax number is marked on Line 2 of Form 2848, Power of Attorney and Declaration of Representative, or Form 8821, Tax Information Authorization.
 - Line 2 on Form 2848 or Form 8821 clearly indicates that the third party's address, telephone number or fax number is different than current CAF data and does not check the "**Check if new**" box.
 - Signed and dated correspondence is received by fax or mail, specifically requesting a change to their third party information.

CAUTION: If the address contains a physical street address as well as a PO Box, only process the address using the PO Box information.

NOTE: If representative/appointee contacts the IRS Toll Free phone line, advise representative/appointee that written correspondence must be obtained to process the updated information request.

IRM 21.3.7.5.1(4)(b) Updated to include the CAF employee input of the state jurisdiction code and license, bar and/or enrollment number to the CAF database when applicable.

4. Essential elements are:

- a. **Essential element 1** The taxpayer's dated signature is required. An electronically signed, printed or stamped signature is **not** acceptable.
1. For IMF joint accounts, each spouse must execute his or her own power of attorney or tax information authorization on a separate Form 2848 or Form 8821, to designate a representative/appointee even if the same representative/appointee is being named on the authorization.
 2. For BMF accounts, a signature, date and title is required. ##
 3. A thumbprint or **X** with a witness signature is acceptable.
 4. A hand printed (not typed) signature is acceptable.
 5. When the taxpayer signs and dates the **Form 2848** before the representative, the signature dates of the taxpayer(s) and representative(s) **must be** within 45 days for domestic authorizations and **within 60** days for authorizations of taxpayers/representatives residing abroad. If the taxpayer's dated signature is more current than the representative's signature, the 45 and 60 day rule does not apply. As long as the signature dates meet this requirement, the Form 2848 may be submitted and processed at any time.
 6. Form 8821 must be received by the IRS within 120 days of the date it was signed and dated by the taxpayer only when the Form 8821 does not address tax matters.

NOTE: The only time a taxpayer signature is not required is when a faxed Form 8821 Oral Tax Information Authorization (OTIA) is received from an internal source in the CAF function and line 7 is notated that this is an "Oral Tax Information Authorization", "Oral TIA", or "OTIA". For BMF accounts, the name and title must be notated on the OTIA of the individual granting this authority.

7. If the Form 2848 is signed by a fiduciary, (e.g., executor/administrator/trustee of a bankruptcy, trustee of a trust/conservator/designee/guardian/receiver/personal representative/person in possession of property of a decedents estate, debtor in possession of assets in any bankruptcy proceeding by order of the court) research **CC ENMOD** or **CC INOLE** to verify that the person signing the form matches the second name line.

NOTE: The document with most recent taxpayer signature date, whether already processed to the CAF database or just received by fax or mail, is the document that has representational authority for the taxpayer.

- b. **Essential element 2** - Only applies to Form 2848. The representative's designation under which he or she is authorized to practice before the IRS must be present. Designation types (A - R) are listed below. In addition, the representative must list the Licensing jurisdiction (state) or other licensing authority and Bar, license, certification, registration, or

enrollment number, if applicable. The representative's signature and date are also required. For multiple representatives listed on the same form, only one signature date is required; however, all representatives must sign the Form 2848. ##

- **A** - Attorney - enter two-letter state abbreviation, i.e., "NY" for New York, for which they are admitted to practice and associated bar or license number, if any.
- **B** - Certified Public Accountant (CPA or LPA) - enter two-letter state abbreviation, i.e., "NY" for New York, in which they are licensed to practice and associated certification or license number, if any.
- **C** - Enrolled Agent - enter enrollment card number issued by Office of Professional Responsibility (OPR).
- **D** - Officer - enter title of the officer, i.e., President, Vice-President, Secretary, Treasurer, etc.
- **E** - Full-time Employee - enter title or position, i.e., Comptroller, Accountant, Bookkeeper, etc.
- **F** - Family member - enter relationship to taxpayer, i.e., spouse (husband or wife), parent (mother or father), child (son or daughter), sibling, (brother or sister).
- **G** - Enrolled Actuary - enter the enrollment card number issued by the Joint Board for the Enrollment of Actuaries.
- **H** - Unenrolled Return Preparer - Enter your PTIN.
- **I** - Registered Tax Return Preparer - Enter your PTIN
- **K** - Student - Enter **LITC** or **STCP** and attach copy of Authorization for Student Tax Practice letter from TAS.
- **R** - Enrolled Retirement Plan Agent - enter the enrollment card number issued by OPR.

NOTE: The Office of Professional Responsibility (OPR) may request designation level changes specific to a recorded authorization. Do not accept any CAF designation changes from any other functional areas, including Return Preparer Coordinator (RPC), Criminal Investigation (CI), and Treasury Inspector General for Tax Administration (TIGTA). Refer the requestor to OPR.

- c. **Essential element 3** - Specific tax matter(s), i.e., type of tax or tax form number, is required. Specific (or inclusive) Period(s) is/are required. Refer to IRM 11.3.3.1.1(3)(d), Disclosure to Designees and Practitioners. All tax periods listed on an authorization are input whether displayed on CC **IMFOL/BMFOL** or not.

NOTE: Use of the four digit year (i.e., 2008) generally is acceptable for both calendar year and fiscal year taxpayers. If the authorization does not

provide a calendar year or fiscal year ending month use the fiscal year month as established for the entity.

- d. **Essential element 4** - Clear identification of the taxpayer, i.e., name, address, taxpayer identification number is required. The presence of two of the three identifiers is sufficient. Research can be done to locate the third identifier.
- e. **Essential element 5** - Clear identification of the third party, i.e., name and address is required. A CAF number is not required.

NOTE: If a business entity is named as an appointee authorized to receive tax information, this will include all employees of the named business entity and a list is not required.

IRM 21.3.7.5.3 Added new paragraph (2) and Note to include procedures for rejecting Form(s) 8821 when the taxpayer and third party are the same and subsequent paragraphs renumbered.

- 2. The CAF processing sites will reject Form 8821 when line one, **Taxpayer information** and line two, **Appointee** are the same. Return all Forms 8821 to the taxpayer using Letter 861C and provide the taxpayer with the following reason for rejection:

You do not need to submit a Form 8821, Tax Information Authorization, to inspect or receive your confidential tax information. Additionally, please note that the IRS sends all original notices or written communications concerning your account to you (the taxpayer) at your last known address.

NOTE: In cases where there is a clear indication that the form was filed as a means of protection from identity theft or fraud, acknowledge by including Publication 4535, Identity Theft Protection and Victim Assistance, as an enclosure to your rejection letter.

IRM 21.3.7.5.6(2) Updated to include the PTIN number as a required entry to the CAF database for level (h) and (i) designations.

- 2. The October 2011 revision of the Form 2848 added the Level I designation for Registered Tax Return Preparer. Level H and Level I designations will co-exist until the full implementation of the Registered Tax Return Preparer is completed. The October 2011 and March 2012 revisions of the Form 2848 requests the representative to provide a PTIN. The inclusion of this information on the Form 2848 is an aid to agency personnel verifying certification status and is a required

element for processing to CAF. The CAF employee will enter the PTIN onto the CAF database. The PTIN is a required field when input is in conjunction with a level (h) or (i) designation authority.

IRM 21.3.7.8.4 Clarified required documentation needed and changed "Special Appearance" to "Authorization for Student Tax Practice".

1. A student who works in a Low Income Taxpayer Clinic (LITC) or Student Tax Clinic Program (STCP) and is supervised by a practitioner may request permission to represent a taxpayer before the IRS. Authorization requests must be made to the Taxpayer Advocate Service (TAS). Prior to December 8, 2012, Office of Professional Responsibility (OPR) issued the Special Appearance Authorization letter. TAS now issues an Authorization for Student Tax Practice letter. Students must attach a copy of the Authorization for Student Tax Practice letter authorizing practice before the IRS when submitting a Form 2848 to the CAF Function for processing.
2. The Designation Level to be used to process an authorization for students is Designation Level K.

NOTE: The Authorization for Student Tax Practice letter **must** be attached to the Form 2848. If the Authorization for Student Tax Practice letter **is not** attached to the Form 2848, **do not** process, return the Form 2848 to the representative requesting the missing Authorization for Student Tax Practice letter.

3. Student representations remain on the CAF for a total of 130 days. When student representatives require additional time beyond the 130 days, the Low Income Taxpayer Clinic (LITC) Director must request TAS to issue a new Authorization for Student Tax Practice letter extending the time for student authorizations by one or more students. Students must then submit a new Form 2848 along with the new Authorization for Student Tax Practice letter.
4. OPR has authorized clinics to substitute or add students after their Authorization for Student Tax Practice letter is granted. However, another student roster is not created. Therefore, the clinic should simply attach a copy of their letter from TAS to show the clinic is approved. This should be deemed satisfactory by CAF personnel.

NOTE: The taxpayer **is not required** to sign the second POA; however, the LITC Director **must sign** the second POA on behalf of the taxpayer and attach a copy of the original POA which authorizes the LITC Director to add or substitute a representative when the second POA is submitted. If the representative who is added to the POA is a student, the Director **must** also attach a copy of the clinic's original Authorization for Student Tax Practice letter from TAS.