

IRM PROCEDURAL UPDATE

DATE: 01/08/2015

NUMBER: WI-21-0115-0070

SUBJECT: Affordable Care Act MFTs Added for CAF Processing

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

CHANGE(s):

IRM 21.3.7.1.3(5)(a) Corrected the Memphis Campus physical mailing address.

5. CAF Unit addresses and fax numbers are:

a. **Memphis Address:**

Internal Revenue Service
5333 Getwell Rd. Stop 8423
Memphis, TN 38118
Fax number 855-214-7519

b. **Ogden Address:**

Internal Revenue Service
1973 N Rulon White Blvd. MS 6737
Ogden, UT 84404
Fax number 855-214-7522

c. **Philadelphia Address:**

Internal Revenue Service
International CAF MS 3-E08.123
2970 Market St.
Philadelphia, PA 19104
Fax number 855-772-3156
Fax number 267-941-1017 outside United States

IRM 21.3.7.5.1(4)(a)(2) Added the title listed with the signature and date shall be consistent with the business entity type;

IRM 21.3.7.5.1(4)(e) Added to the note to clarify when a Form 8821 is submitted with a list of additional appointees.

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.

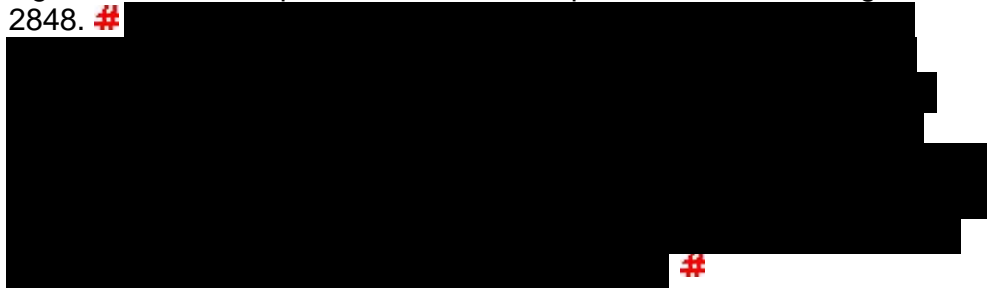
1. For IMF joint accounts, each spouse must execute his or her own power of attorney or tax information authorization on a separate Form 2848 or Form 8821, to designate a representative/appointee even if the same representative/appointee is being named on the authorization.
2. For BMF accounts, a signature, date and title is required. The title shall be consistent with the business entity type. # [REDACTED] #
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 an individual's 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, with the same tax matters listed 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 their Bar, license, certification, registration, or enrollment number, if applicable. The representative's signature and date are also required. An electronically signed, printed or stamped signature is **not** acceptable. 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, in which they are admitted to practice in the Licensing jurisdiction column and list their associated bar or license number on Form 2848, if any.

NOTE: Do not reject solely for the missing bar or license number if the state abbreviation or Licensing jurisdiction (state) or other licensing authority information is provided.

- **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 in the Licensing jurisdiction column and their associated certification or license number in the Bar, license etc. column on Form 2848, if any.

NOTE: Do not reject solely for the missing bar or license number if the state abbreviation or Licensing jurisdiction (state) or other licensing authority information is provided.

- **C - Enrolled Agent** - enter Internal Revenue Service (IRS) as the licensing jurisdiction and the enrollment card number in the Bar, license etc. column.
- **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.
- **K** - Student Attorney or CPA - 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 IRS.

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), General Requirements for Disclosure to Designee. 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. However, when a Form 8821 is submitted with a list of additional appointees attached and line 2 is annotated "**see attached list**" then each appointee on the attached listing shall be entered to the CAF database as requested.

IRM 21.3.7.8.3 Added entire new subsection describing Affordable Care Act (ACA) and MFT processing to the CAF database. All other subsections following this subsection have been renumbered.

1. The Affordable Care Act (ACA), also known as the Health Care Law legislation, was signed into law on March 23, 2010. It contains comprehensive health insurance reforms for both individuals and employers. The legislation mandates that individuals have minimum essential coverage, an exemption, or make a shared responsibility payment (SRP).
2. Three new MFTs were added to accommodate ACA processing. This allows for the posting to the CAF database when indicated on a third party authorization.
 - MFT 35 - Individual Shared Responsibility Payment, valid for SSN, 201401-12 and greater
 - MFT 43 - Employer Shared Responsibility Payment, valid for EIN, 201512 only and greater
 - MFT 79 - Insurance Provider Fee, Form 8963, valid for EIN, 201409 only and greater
3. For MFT 35, use the table below to determine if the Individual Shared Responsibility Payment (SRP) should be entered to the CAF database.

If	And	Then
POA/TIA indicates Form 1040	MFT 35 module exists	Process POA/TIA to MFT 35
POA/TIA indicates Form 1040	MFT 35 module does not exist	Do not process POA/TIA to MFT 35
POA/TIA indicates Shared Responsibility Payment	MFT 35 module exists	Process POA/TIA to MFT 35
POA/TIA indicates Shared Responsibility Payment	MFT 35 module does not exist	Process POA/TIA to MFT 35
POA/TIA indicates Form 1040 and Shared Responsibility Payment	MFT 35 module exists	Process POA/TIA to MFT 35
POA/TIA indicates Form 1040 and Shared Responsibility Payment	MFT 35 module does not exist	Process POA/TIA to MFT 35

4. For MFT 43, use the table below to determine if the Employer Shared Responsibility Payment should be entered to the CAF database.

If	And	Then
POA/TIA indicates shared responsibility payment	MFT 43 module exists	Process POA/TIA to MFT 43
POA/TIA indicates shared responsibility payment	MFT 43 module does not exist	Process POA/TIA to MFT 43
POA/TIA does not indicate shared responsibility payment		Do not process POA/TIA to MFT 43

5. For MFT 79, use the table below to determine if the Form 8963, Insurance Provider Fee, should be entered to the CAF database.

If	And	Then
POA/TIA indicates Form 8963 and/or Insurance Provider Fee	MFT 79 module exists	Process POA/TIA to MFT 79
POA/TIA indicates Form 8963 and/or Insurance Provider Fee	MFT 79 module does not exist	Process POA/TIA to MFT 79
POA/TIA does not indicate Form 8963 and/or Insurance Provider Fee		Do not process POA/TIA to MFT 79

Exhibit 21.3.7-2 Added MFTs 35, 43 and edited 79.

FORM	MFT	TITLE	TIN	FILING PERIOD
Civil Penalty - Valid after 1981	13	Civil Penalty, 8278, 2749, CVPN, TFRP	EIN	Any
Civil Penalty - Valid after 1981	55	Civil Penalty, 8278, 2749, CVPN, TFRP	SSN	Any
CT 1	09	Railroad Retirement	EIN	CY
11-C	63	Occupational Tax & Registration for Wagering	EIN	CY/FY
706 Series (filed only once)	52	U.S. Estate Tax	SSN (V)	000000
706 GSD	78	Generation Skipping Transfer Tax Return for Distribution	EIN, SSN (V, W)	CY
706 GST	77	Generation Skipping Transfer Tax Return for Termination	EIN	CY
709 Series	51	Gift Tax Return	SSN	CY
720	03	Excise Tax	EIN	Quarterly
730	64	Wagering	EIN	Monthly
940 Series	10	Unemployment Tax	EIN	CY
941 Series	01	Withheld Income/FICA	EIN	Quarterly
942 Valid 1994 and Prior	04	Household Employees	EIN	Quarterly
943 Series	11	Agriculture/FICA	EIN	CY
944 Valid after 2006	14	Employer's Annual Tax Return	EIN	CY
945 Valid after 1994	16	Payer's Annual Tax Return	EIN	CY
990	67	Exempt Tax Return	EIN	CY/FY

990-C - Valid 2005 and prior	33	Farmers Co-op Tax Return	EIN	CY/FY
990-EZ	67	Short Form Return of Organization Exempt from Income Tax	EIN	CY/FY
990-PF	44	Return of Private Foundation	EIN	CY/FY
990-T	34	Exempt Organization Business Income Tax Return	EIN	CY/FY
1023/1024/1028 (EO. Applications)		See IRM 21.3.7.8.8		
1040	30	Individual Income Tax Return	SSN	CY/FY
1040	35	Individual Shared Responsibility Payment	SSN	CY/FY 2014 and greater
1040NR (Non Resident)*	30	Non Resident Alien Income Tax Return	SSN	CY/FY
1040PR (Puerto Rico) **	30	Self Employment Tax Return - Puerto Rico	SSN	CY/FY
1041 Series	05	U.S. Tax Return for Estates & Trusts	EIN	CY/FY
1041-A	36	U.S. Information Return-Trust Accumulation of Charitable Amounts	EIN	CY/FY
1042 Valid after 1985	12	Annual Withholding Return for U.S. Source Income for Foreign Persons	EIN	CY
1065	06	Partnership	EIN	CY/FY
1066	07	Real Estate Mortgage Investment Conduit Income Tax Return	EIN	CY/FY
1120 Series	02	Corporate Tax Return	EIN	CY/FY
2290	60	Highway Use Tax	EIN	Any
4720 (Process one year at a time)	50	Return of Certain Excise Tax on Charities & Other Persons	EIN	CY/FY
5227	37	Split Interest Trust Information Return	EIN	CY

5300/5307/5310 (EP Applications)		See IRM 21.3.7.8.7		
5330 (Process one year at a time)	76	Return of Excise Taxes Related to Employee Benefits Plan	EIN/SSN (V)	CY/FY
5500 Series	74	Employment Benefit Plan	EIN(P)	CY/FY
6406 (EP Application)		See IRM 21.3.7.8.7		
8804/8805 - Valid after 2004	08	Partnership Withholding Tax	EIN	CY/FY
8038/8038– CP/8038–G/8038– GC/ 8038– R/8038–T	46	Misc. Tax Exempt Bond Issues	EIN	CY/FY
8038–B	85	Information Return for Build America Bonds and Recovery Zone Economic Development Bonds	EIN	CY/FY
8038-TC	86	Information Return for Tax Credit Bonds and Specified Tax Credit Bonds	EIN	CY/FY
8752 - Valid after 1991	15	Required Payment or Return	EIN	CY
8857	31	Innocent Spouse, Separation of Liability or Equitable Relief	SSN	CY/FY
8963	79	Insurance Provider Fee	EIN	FY/09 only 2014 and greater
	43	Employer Shared Responsibility Payment	EIN	CY/12 only 2015 and greater

* Return information only - Send to ASPC - only if the taxpayer is a non-resident, not just filed a non-resident return.

**Return information only - Send to PSC - only if the taxpayer or representative have a foreign address.

CY = Calendar Year and FY = Fiscal Year