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How Far Can You Go as your client's advocate and problem solver ?

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Representing Your Client before IRS

Prepare yourself to take on notices, letters, audits, and other advocacy needs for your clients

Representing your client before IRS requires that the client grant you the authority to do so

Representation requires that you understand the limits of authority granted to you as designee





Levels of Authority

Provide info to IRS

Anyone

Receive info from IRS

Anyone with
authorization

Represent t/p before
Exam

Legacy Cir 230
Practitioners and
RTRPs

Represent t/p before
Appeals, Collection;
sign consents, waivers,
and agreements

Legacy Cir 230
Practitioners: CPA,
EA, and Attorney





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Authorizing Methods for Levels of Authority

Provide Info to IRS	Forms 2848, 8821, OTIA, Form Checkbox
Receive Info From IRS	Forms 2848, 8821, OTIA, Form Checkbox
Represent t/p before Exam	Form 2848
Represent t/p before Appeals, Collection	Form 2848
Sign consents, waivers, and agreements	Form 2848



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Two Reasons for Granting a Third-Party Authorization

1. to allow a person to represent another in tax matters before the IRS:
 - use a Power of Attorney submitted using Form 2848
2. to allow another person, the appointee, to exchange information with the IRS:
 - use a Tax Information Authorization, Form 8821



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Third Party Designee Checkbox

Authorizes the IRS to call the designee to answer any questions that may arise during the processing of the return, and authorizes the designee to:

- give the IRS any information that is missing from the return,
- call the IRS for information about the processing of the return or the status of refunds or payment(s), and



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Third Party Designee Checkbox (cont.)

- respond to certain IRS notices that the taxpayer shares with the designee about math errors, offsets, and return preparation. The notices will not be sent to the designee.

The checkbox does not:

- authorize the designee to receive a refund check,
- bind the taxpayer to anything (including any additional tax liability), or
- authorize the designee to otherwise represent the taxpayer before the IRS



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Tax Information Authorization Oral or Form 8821

Authorizes any individual, corporation, firm, organization, or partnership you designate to inspect and/or receive your confidential information in any office of the IRS for the type of tax and the years or periods you list on Form 8821

Benefits & Limitations



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Oral Tax Information Authorization/Disclosure Consents

In certain circumstances, the IRS can accept oral authorization from taxpayers to discuss confidential tax return information with a third party

If a third party is present at an interview with IRS or if a third party is involved in a telephone conversation with IRS, IRS may disclose confidential tax return information to that third party after confirming the taxpayers' identity and the identity of the third party



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More about oral authorizations...

IRS will confirm the issue or matters to be discussed to enable the third party to assist and determine what confidential tax return information the IRS needs to disclose

In order to establish the oral disclosure consent, taxpayer must have received IRS notice and have open account issues

Submit by calling (800) 829-1040 or PHL



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Form 2848, Power of Attorney

The authorized individual may advocate, negotiate and/or sign on t/p behalf

The POA may argue facts and the application of tax law

POAs can receive copies of notices and transcripts of your account



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The Newest Version of Form 2848

A husband and wife each complete and submit a separate Form 2848

A taxpayer must specifically check a box on the form to authorize the IRS to send copies of all notices and communications

Representatives no longer may receive refund checks and/or other amounts payable to the taxpayer

A new designation has been added for RTRPs



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Centralization of POA & Other Authorizations

Authorizations regarding tax matters are recorded on the Centralized Authorization File (CAF)

CAF allows IRS assistors to verify your permission to speak to IRS about a taxpayer's private tax-related issue

Fax your Forms 2848 or 8821 to:

- Memphis, TN: 901-546-4115
- Ogden, UT: 801-620-4249
- Philadelphia, PA: 267-941-1017 (Int'l)

Use *e-services* Disclosure Authorization



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Why Does IRS Reject a Form 2848?

Missing taxpayer/representative identification information

Non-specific tax matter identification (“All Years” or “All future periods” are not acceptable)

Missing taxpayer initials for named representative to receive refund check

Missing prior Form 2848 to retain the previous representation



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Why Does IRS Reject a Form 2848?

Missing taxpayer signature and/or date or title of officer of the business/company, if applicable

Missing Designation, Jurisdiction, and/or Enrollment Number or rep. signature and/or date

Missing taxpayer/representative signature and/or date for revocation or withdrawal

Unenrolled Return Preparer (H designation) did not prepare the tax return and/or the return is not under examination.



Third Party Authorizations

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Features	Power of Attorney (POA)	Tax Information Authorization (TIA)			Limited Tax Information Authorization	
Purpose	Allows third party to represent taxpayer before the IRS	Allows a third party to receive or inspect written an/or oral tax account information, subject to product limitations				
How is authority granted	Form 2848, Power of Attorney and Declaration of Representative, Form 706, US Estate Tax Return, or written or electronic equivalent	Form 8821, Tax Information Authorization, or written or electronic equivalent	Oral Tax Information Authorization granted by taxpayer calling 1-800-829-1040 for Individuals or 1-800-829-4933 for Business Entities	Third Party Designee or Checkbox Authorization is granted directly on tax return (Forms in 1040 and 94X series, Forms 720, 1041, 1120, 2290 and CT-1	Oral Disclosure Consent granted by taxpayer calling 1-800-829-1040, BMF Number 1-800-829-4933, providing the name of the designee for specific notice issue	Form 8655, Reporting Agent Authorization
Who can exercise this authority	Attorneys, CPAs, enrolled agents/actuaries, immediate family, full-time employees, general partners, officer, unenrolled return preparer (limited practice) and certain others	Any individual or a business, e.g. legal, accounting, tax preparation firm. Authority extends to employees of a business appointee	Any individual or a business, e.g. legal, accounting, tax preparation firm. Authority extends to employees of a business appointee	Any individual or a business, e.g. legal, accounting, tax preparation firm. Authority extends to employees of a business appointee	Any individual	Companies (Reporting Agents, batch and bulk filers) approved under Revenue Procedure 2007-38 and 96-18. Authority extends to employees of agent
Entitled to written and oral information	Yes	Yes	Yes	Yes	No. Oral information only.	Yes, but only on returns filed and payments made by the agent
Can automatically receive notice copies	Yes	Yes	Yes	NO	NO	Yes





Third Party Authorizations

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Features	Power of Attorney (POA)	Tax Information Authorization (TIA)			Limited Tax Information Authorization	
		E-Services Disclosure Authorization-immediate All receipts are processed first in first out (FIFO) within 10 calendar days.	Telephonic Immediate	On Tax Return E filed - up to 3 weeks Paper submission - 4-6 weeks	Telephonic Immediate	Mail or Fax 10-30 days
Submission and processing time	E-Services Disclosure Authorization-immediate All receipts are processed first in first out (FIFO) within 10 calendar days.	E-Services Disclosure Authorization-immediate All receipts are processed first in first out (FIFO) within 10 calendar days.	Telephonic Immediate	On Tax Return E filed - up to 3 weeks Paper submission - 4-6 weeks	Telephonic Immediate	Mail or Fax 10-30 days
Where is record maintained and how is it retrieved?	Recorded on CAF Available on Master File and IDRS CFINK	Recorded on CAF Available on Master File and IDRS CFINK	Recorded on CAF Available on Master File and IDRS CFINK	Recorded on tax module Available on Master File IDRS TXMOD/IMFOLR and BMFOLR	Recorded on tax module Available on Master File IDRS TXMOD	Recorded on Reporting Agents File (RAF) Available on Master File IDRS RFINK
Must have CAF/RAF number	No. If CAF # not already established, one will be issued with first recorded submission	No. If CAF # not already established, one will be issued with first recorded submission	No. If CAF # not already established, one will be issued with first recorded submission	No. Must have shared secret PIN, recorded directly on account	No. Only name of authorized individual recorded directly on account	No. Reported on RAF under RA's EIN.
Expiration of authority	Taxpayer revokes or representative withdraws. New POA supersedes existing POA unless otherwise specified on Form 2848, Line 8. May co-exist with a TIA	Taxpayer revokes or appointee withdraws. New TIA supersedes existing TIA unless otherwise specified on Form 8821, Line 6. May co-exist with a POA	Taxpayer revokes or appointee withdraws. New TIA supersedes existing TIA unless otherwise specified. May co-exist with a POA	Checkbox authority will expire one year from the due date of the return regardless of any extension dates. Checkbox authority may co-exist with a POA	Expiration coincides with the resolution of the specific notice issue from which the authorization arose. May co-exist with a POA	Taxpayer revokes or agent withdraws. New F-8655 may coexist with existing F-8655 but only for non-overlapping periods covered by authorization. May co-exist with a POA or TIA





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