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

Presented by
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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
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
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
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
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
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
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.
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.
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
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
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
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
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

<table>
<thead>
<tr>
<th>Features</th>
<th>Power of Attorney (POA)</th>
<th>Tax Information Authorization (TIA)</th>
<th>Limited Tax Information Authorization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purpose</td>
<td>Allows third party to represent taxpayer before the IRS</td>
<td>Allows a third party to receive or inspect written and/or oral tax account information, subject to product limitations</td>
<td></td>
</tr>
<tr>
<td>How is authority granted</td>
<td>Form 2848, Power of Attorney and Declaration of Representative, Form 706, US Estate Tax Return, or written or electronic equivalent</td>
<td>Form 8821, Tax Information Authorization, or written or electronic equivalent</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Oral Tax Information Authorization granted by taxpayer calling 1-800-829-1040 for Individuals or 1-800-829-4933 for Business Entities</td>
<td>Third Party Designee or Checkee. Authorization is granted directly on tax return (Forms in 1040 and 94K series, Forms 720, 1041, 1120, 2290 and CT-1)</td>
<td></td>
</tr>
<tr>
<td>Who can exercise this authority</td>
<td>Attorneys, CPAs, enrolled agents/fiduciaries, immediate family, full-time employees, general partners, officers, unenrolled return preparer (limited practice) and certain others</td>
<td>Any individual or a business, e.g. legal, accounting, tax preparation firm. Authority extends to employees of a business appointee</td>
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<tr>
<td>Entitled to written and oral information</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Can automatically receive notice copies</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
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**NAEA** POWERING AMERICA’S TAX EXPERTS
# Third Party Authorizations

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<td>Submission and processing time</td>
<td>E-services Disclosure Authorization Immediate All receipts are processed first in first out (FIFO) within 10 calendar days.</td>
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<td>On Tax Return E-filed - up to 3 weeks Paper submission - 4-8 weeks</td>
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<td>Where is record maintained and how is it retrieved?</td>
<td>Recorded on CAF Available on Master File and IDRS CFINK</td>
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<td>Telephonic Immediate</td>
</tr>
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<td>Must have CAF/RAF number</td>
<td>No. If CAF # not already established, one will be issued with first recorded submission</td>
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<td>On Tax Return E-filed - up to 3 weeks Paper submission - 4-8 weeks</td>
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<td>Expiration of authority</td>
<td>Taxpayer revokes or representative withdraws. New POA supersedes existing POA unless otherwise specified on Form 2848, Line 8. May co-exist with a TIA</td>
<td>Taxpayer revokes or appointee withdraws. New TIA supersedes existing TIA unless otherwise specified on Form 8821, Line 9. May co-exist with a POA</td>
<td>Telephonic Immediate</td>
</tr>
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<td></td>
<td></td>
<td>Taxpayer revokes or appointee withdraws. New TIA supersedes existing TIA regardless of any extension dates. Check box authority may co-exist with a POA</td>
<td>Mail or Fax 10-30 days</td>
</tr>
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<td>Taxpayer revokes or appointee withdraws. New TIA supersedes existing TIA unless otherwise specified. May co-exist with a POA</td>
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This Session Sponsored by the National Association of Enrolled Agents

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