



# NPL Meeting

**Office of Professional Responsibility (OPR)**

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## THE LEGISLATION

The Taxpayer First Act (TFA) was signed into law on July 1, 2019. TFA includes 45 legislative provisions with a goal to modernize and improve the IRS. The provisions represent a substantial change to IRS organizationally, operationally, and technologically. The focus for this project is Provision 2302.



## THE PROVISION

The Act requires IRS to publish guidance to establish uniform standards and procedures for the acceptance of taxpayers' electronic signatures, which are meant to authorize disclosure to a practitioner or for any power of attorney granted by a taxpayer to a practitioner.



## THE GOAL

Lead the implementation of the Taxpayer Digital Communications (TDC) solution (to be released in January 2021) to allow for the submission of digital signatures on Forms 2848 and 8821 while monitoring the longer-term Tax Professional Account solution (first release in July of 2021) to allow for online authorizations.

- TFA, Section 2302, states, *“Not later than 6 months after the date of the enactment of this subparagraph, the Secretary shall publish guidance to establish uniform standards and procedures for the acceptance of taxpayers’ signatures appearing in electronic form with respect to any request for disclosure of a taxpayer’s return or return information under section 6103(c) to a practitioner or any power of attorney granted by a taxpayer to a practitioner.”*
- On December 3, 2019, IRS published an overarching e-Signature policy (IRM 10.10.1) addressing electronic signature policy for all IRS forms (unless explicitly excluded).
  - Forms 2848 (Power of Attorney) and 8821 (Tax Information Authorization) not specifically addressed in IRM as electronic signatures are not currently accepted on either form.

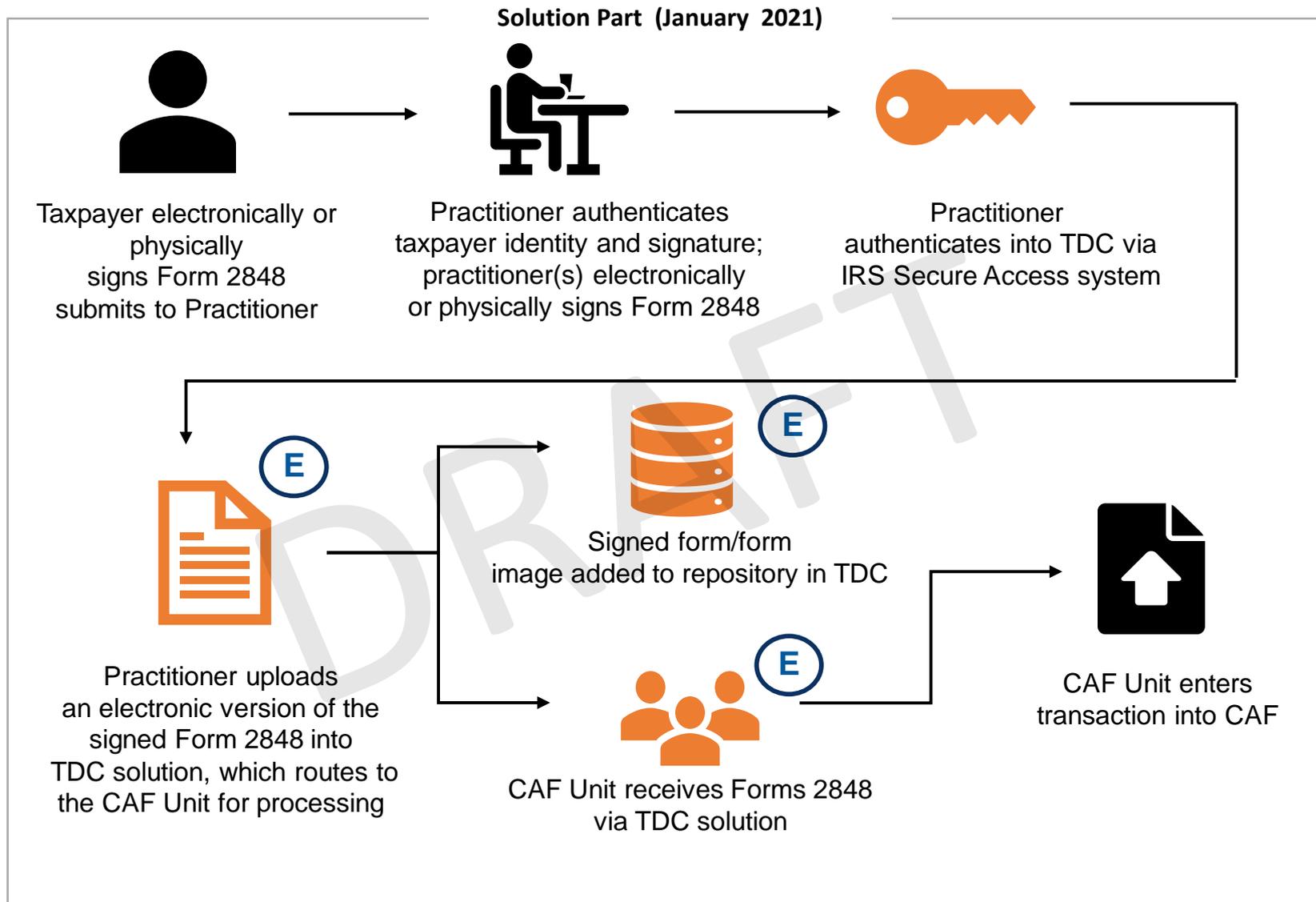
- Long-term solution to TFA 2302--Tax Pro Account--will provide for creation of online authorizations where taxpayer and tax professional authenticate their identities and electronically sign authorizations.
- Interim solution offered pending launch of Tax Pro Account
  - Submission of authorization forms thru Taxpayer Digital Communication (TDC) platform
  - Designed around applicable security and authentication requirements and standards, including certain risk-mitigation measures.
    - Use submitting practitioner's existing Secure Access account, in which he or she has passed the requisite ID authentication to create the account.
- Practitioners will continue to be able to fax/mail Forms 2848 and 8821 bearing wet signatures to CAF.

# Form 2848 Interim Taxpayer Digital Communications (TDC) Notional Process Flow

## Uniform eSignature Standards for Power of Attorney



The process flow for the Interim TDC solution is outlined below.



**E** = TDC capabilities

**Orange Icons** = IT/OLS Work

**Black Icon** = No changes required

# Form 2848 Interim TDC Matrix

## Uniform eSignature Standards for Power of Attorney



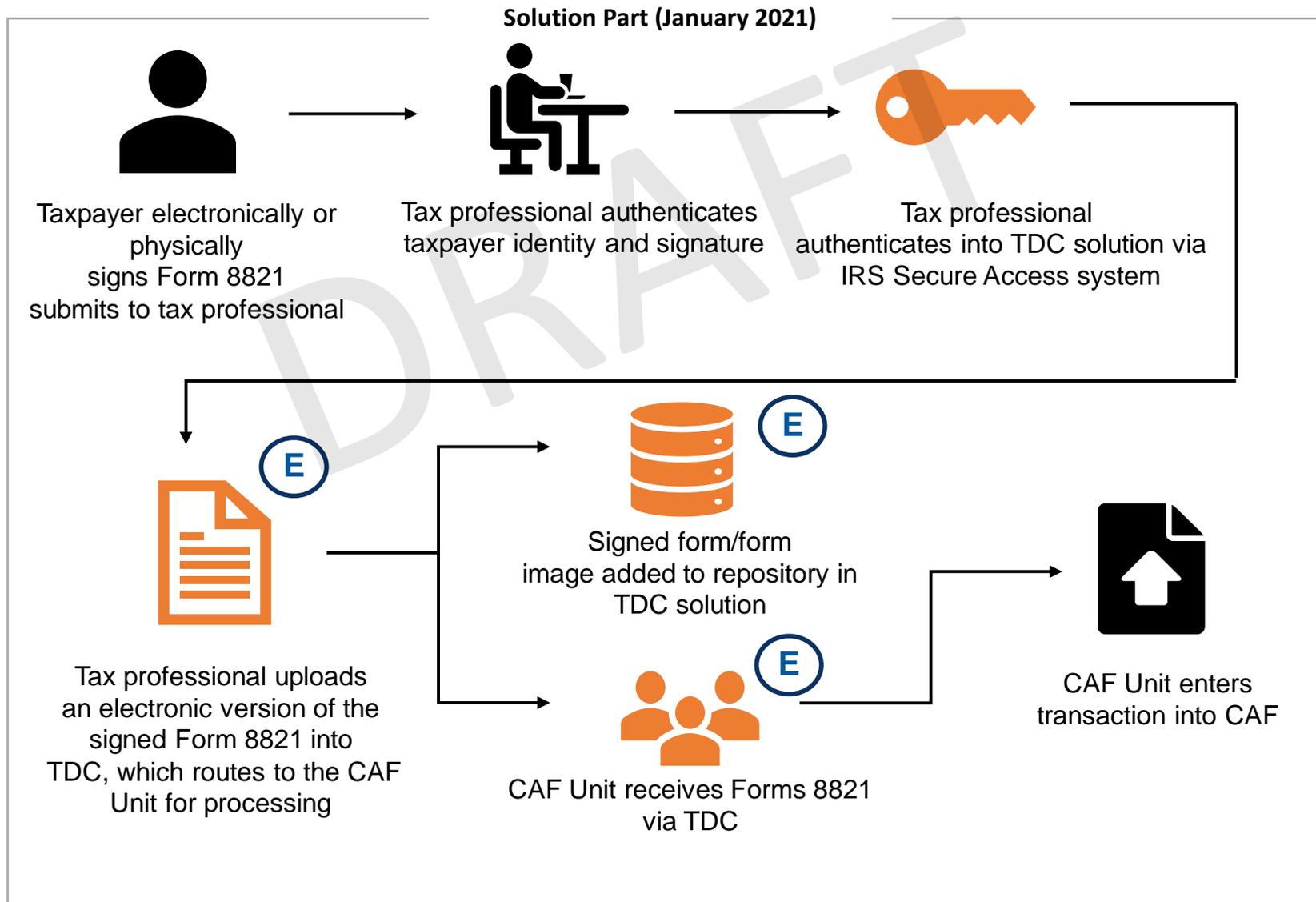
	Mail/ eFax/Fax to PPS Signature Req	TDC Signature Req	TDC Access Form Submission	Tax Pro Account Access
<b>Taxpayer</b>	<ul style="list-style-type: none"> <li>Wet Signature Only</li> </ul>	<ul style="list-style-type: none"> <li>Wet Signature</li> <li>Image of a Digital Signature</li> </ul>	<ul style="list-style-type: none"> <li>N/A – send form to Tax Practitioner/ Representative</li> </ul>	<ul style="list-style-type: none"> <li>Enter IRS Online Account through IRS Secure Access</li> </ul>
<b>Tax Practitioner/ Representative</b>	<ul style="list-style-type: none"> <li>Wet Signature Only</li> </ul>	<ul style="list-style-type: none"> <li>Wet Signature</li> <li>Image of a Digital Signature</li> </ul>	<ul style="list-style-type: none"> <li>Register for IRS Secure Access</li> <li>Upload image &amp; enter TDC through IRS Secure Access</li> <li><i>Note: Only ONE tax practitioner can submit form</i></li> </ul>	<ul style="list-style-type: none"> <li>Enter Tax Pro Account through IRS Secure Access</li> </ul>

# Form 8821 Interim Taxpayer Digital Communications (TDC) Notional Process Flow

## Uniform eSignature Standards for Disclosure Authorizations to Practitioners



The process flow for the Interim TDC solution is outlined below.



**E** = TDC capabilities

**Orange Icons** = IT/OLS Work

**Black Icon** = No changes required

# Form 8821 Interim TDC Matrix

## Uniform eSignature Standards for Disclosure Authorizations to Practitioners



	Mail/ eFax/Fax to PPS Signature Req	TDC Signature Req	TDC Access Form Submission	Tax Pro Account Access
<b>Taxpayer</b>	<ul style="list-style-type: none"> <li>Wet Signature Only</li> </ul>	<ul style="list-style-type: none"> <li>Wet Signature</li> <li>Image of a Digital Signature</li> </ul>	<ul style="list-style-type: none"> <li>N/A – send form to Tax Practitioner/ Representative</li> </ul>	<ul style="list-style-type: none"> <li>Enter IRS Online Account through IRS Secure Access</li> </ul>
<b>Tax Professional</b>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	<ul style="list-style-type: none"> <li>Register for IRS Secure Access</li> <li>Upload image &amp; enter TDC solution through IRS Secure Access</li> <li><i>Note: Only ONE tax practitioner can submit form</i></li> </ul>	<ul style="list-style-type: none"> <li>Enter Tax Pro Account through IRS Secure Access</li> </ul>

DRAFT

- What does it mean to “authenticate” taxpayer and taxpayer’s signature?
  - Look to Pub. 1345, *Handbook for Authorized IRS e-file Providers of Individual Income Tax Returns* (pg 17-23) for guidance.
    - **Electronic Signature Via In-Person Transaction**
      - Validate taxpayer’s identity unless there is a multi-year business relationship.
        - Valid government picture identification; compare picture to applicant; and record the name, social security number, address and date of birth.
        - Verify the name, social security number, address, date of birth and other personal information on record are consistent with the information provided through record checks with the applicable agency or institution or through credit bureaus or similar databases. For in-person transactions, the identity verification through a record check is optional.
    - **Electronic Signature Via Remote Transaction**
      - Record the name, social security number, address and date of birth.
      - Verify the name, social security number, address, date of birth and other personal information on record are consistent with the information provided through record checks with the applicable agency or institution or through credit bureaus or similar databases.

- Authentication requirement consistent with responsibilities under Circular 230
  - Sec. 10.22 Diligence as to accuracy
    - Preparing or assisting in the preparation of, approving, and filing . . . documents . . . relating to IRS matters
    - In determining the correctness of oral or written representations made by practitioner to Dept. of Treas.
  - Sec. 10.34 Standards with respect to . . . documents and other papers submitted to the IRS
    - 10.34(b) “not frivolous”

- To use the TDC platform, an individual must register for Secure Access
  - Individuals already registered for secure access, including e-Services Online Tools for Tax Professionals or other TDC platform communications (e.g. LB&I), can use the TDC platform to submit Forms 2848 and 8821
- To register for Secure Access, you will need:
  - Your personal information and mailing address from your most recently filed tax return
  - Your financial account number
  - Your mobile phone to receive a one-time activation code
    - You can also opt to receive the activation code through mail if you do not have a mobile phone

**Make sure you have the following information available when you register for Secure Access:**

- Email address
- Social Security Number (SSN) or Individual Tax Identification Number (ITIN)
- Tax filing status and mailing address
- One financial account number linked to your name (credit card, student loan, mortgage or home equity loan, home equity line of credit, or auto loan)
- Mobile phone linked to your name

**Note:** For more information on Secure Access, access the [irs.gov](https://www.irs.gov) web page [here](#).