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**Understanding the Puzzle of Varying IRS Authorizations**

When working with a tax professional or other professionals that want access to your IRS information, you might be asked to sign IRS forms that serve as legal authorization documents. There are a few different forms that grant varying powers to the people requesting them. This article will help you understand the differences among the forms you might be asked to sign.

**IRS Form 8879: e-File Signature Authorization**

The most common one is authorization to file your tax return. This is done on Form 8879, IRS e-file Signature Authorization. A tax professional will ask you to sign this form before e-filing your return for you. It is only good for the year you are filing the tax return; it has to be redone each year. The tax professional keeps this form in their records.

This form does not allow your tax preparer to speak to the IRS for you in any way; it only allows the e-file process to be complete.

**IRS Form 2848: Power of Attorney**

Only three kinds of people can legally represent you in front of the IRS: attorneys, CPAs, and Enrolled Agents (EAs). If you have hired a person with one of these credentials to answer an IRS letter on your behalf, represent you in an IRS audit, or speak to the IRS for you in any other way, they will ask you to sign a Power of Attorney (POA).

By definition, a Power of Attorney (POA) allows a taxpayer to designate an individual to discuss items listed on the POA with the IRS and represent them before the IRS. A Power of Attorney is good for six years, but can be extended by submitting a new POA. Additionally, a POA can be updated to *revoke* access to representing a taxpayer.

When completing a Power of Attorney, the following information will be required on the document:

1. Taxpayer information (name, address, taxpayer identification number, daytime phone number)
2. Representative(s) name, address, contact information, and/or CAF (centralized authorization file) number or PTIN (preparer tax identification number)
3. Items the representative is allowed to discuss with the IRS, the tax form in question, and the year(s) (this is where the taxpayer can control the scope of the POA)
4. Although less common, the taxpayer can authorize their representative to perform additional acts, such as signing a return on the taxpayer’s behalf or disclosing information to a third party
5. Taxpayer’s signature and date
6. Representative’s signature, date, and licensing information

**Form 8821: Tax Information Authorization**

If you are applying for a loan, the company granting the loan needs to verify your income, and they will typically do that by accessing your tax returns in the IRS records. This is where the Tax Information Authorization is used.

A Tax Information Authorization gives a person the legal right to review some confidential taxpayer information. It does not allow the representative to act on a taxpayer’s behalf to resolve tax issues.

Completing a Tax Information Authorization allows *any* individual, corporation, firm, organization, or partnership you designate to receive your confidential IRS information (verbally or in writing) for the type of tax and year(s) you agree to.

When completing a Tax Information Authorization, the following information will be required on the document:

1. Taxpayer information (name, address, taxpayer identification number, daytime phone number)
2. Designee(s) name, address, contact information, and/or CAF (centralized authorization file) number or PTIN (preparer tax identification number), if applicable
3. Tax information the designee is allowed to receive from the IRS, the tax form in question, and the year(s)
4. Taxpayer’s signature and date

**Other Ways to Grant IRS Authorization**

*Third Party Designee*

There is a check box in the signature area on certain tax forms where you can appoint a person that the IRS can contact if they have questions about the return. This person can also provide the IRS with any missing information as well as check on refund or return status. The scope of their authority is specific to that one return and issues related to processing the return. It is good for one year.

A third-party designee does not have to be a tax professional; it can be a relative or friend who you trust with your financial information. We advise you to be very careful using this option; it’s a simple checkbox with a lot of power.

*Verbal Approval*

If you are in a phone conversation with the IRS, you can bring into the call someone who can speak for you. This authorization is only good for the one phone call.

**Granting IRS Authorization**

While these forms may appear similar, they each allow for different levels of access to a taxpayer’s confidential income tax information. Understanding the difference and being careful with whom you authorize can help you avoid complications in the future.

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While IRS tax authorization forms may appear similar, they each allow for different levels of access to a taxpayer’s confidential income tax information. Understanding the difference and being careful with whom you authorize can help you avoid complications in the future. Learn more in our latest blog article: [link]

Do you know the differences between IRS tax authorization forms? Sign up for our newsletter to access our full article explaining these differences: [link]