

February 2, 2018

The Honorable David Kautter
Acting Commissioner
Internal Revenue Service
1111 Constitution Avenue, Northwest
Washington, DC 20224

Re: Procedural Changes to Practitioner Priority Service (PPS) Identity Verification for Practitioners with Powers of Attorney (POA) on File with the Centralized Authorization Filing (CAF) Unit

Dear Acting Commissioner Kautter:

The National Association of Enrolled Agents (NAEA) is the sole membership organization representing the interests of more than 53,000 enrolled agents (EAs) who are tax experts authorized to practice before the Internal Revenue Service (IRS). NAEA is committed to maintaining the integrity of the EA profession while defending the representation rights of taxpayers and increasing the integrity of the nation's tax administration system.

On January 9, 2018, IRS informed tax practitioners and tax industry partners of a January 3 policy change to Internal Revenue Manual (IRM) Section 21.1.3.3, "Third Party (POA/TIA/F706) Authentication." The stated purpose of this section of the IRM is to provide appropriate research and procedural instructions for IRS customer service representatives (CSRs) to verify the identities of taxpayer representatives who indicate they have a third-party authorization for a taxpayer on file with the IRS.ⁱ In practice, the IRM update requires CSRs to ask practitioners holding valid POAs who contact the agency via the PPS phone line—or any toll-free IRS telephone number—to provide their Social Security number (SSN) and date of birth (DOB) in addition to their name and their CAF number. Practitioners must also provide this information to IRS so the agency can verify the identity of the person to whom IRS would be releasing taxpayer information. IRS's correspondence on the matter indicated that these new procedural updates are being implemented to better protect sensitive taxpayer data.

Since this policy has been in place,ⁱⁱ a number of NAEA members have voiced their concerns, indicating that PPS line CSRs have been asking members with taxpayer POAs on file to provide an unknown assortment of the following items for verification before the CSR will help authenticate them:

- the practitioner's SSN;
- the practitioner's DOB;
- the practitioner's CAF number;
- the greatest source of income from the practitioner's last filed 1040;
- the address and filing status from the practitioner's last filed 1040;
- the SSN of someone on the practitioner's last filed 1040 who is not the practitioner; and potentially,
- some variation of information related to the practitioner's family members or spouse (e.g., spouse's last name).

NAEA offers the following alternative solutions for IRS to consider to authenticate practitioners when they contact the IRS PPS line to indicate they have a third-party authorization for a taxpayer on file with the IRS:

NAEA Comments on New Verification Requirements for Authentication of Practitioners with POAs on File
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- IRS should provide IRS CSRs with a desktop version of the IRS2Go app so they may pull up a Circular 230 practitioner's account information. CSRs would then immediately send the practitioner a verification pin code to the practitioner's registered cell phone on file with e-Services and Secure Access so the practitioner can be authenticated by IRS.
- Instruct IRS CSRs to ask practitioners up to three security questions which the practitioner would have entered in advance from a selected series of available questions through their Paid Preparer Tax Identification Number (PTIN) account or e-Services account.
- Establish a special class of Circular 230 practitioner users who have been verified by IRS and assign these users a unique identification number to identify them as this special user class.

NAEA appreciates your time and consideration of these suggested alternative solutions to improve the agency's current procedures when authenticating practitioners who have a POA on file with the CAF unit. Should you have any concerns or questions relating to these suggested alternative solutions, please contact Justin Edwards, NAEA's Associate Director of Government Relations, by e-mail (jedwards@naea.org) or by phone at (202) 822-6232, ext. 102.

Sincerely,



James R. Adelman, EA
President
National Association of Enrolled Agents

Encl.: (3)

cc: Kiersten Wielobob, Deputy Commissioner for Services and Enforcement
Jeff Tribiano, Deputy Commissioner for Operations Support
Carol Campbell, Director, Return Preparer Office

ⁱ More specifically, a Form 2848, *Power of Attorney and Declaration of Representative*, or Form 8821, *Tax Information Authorization*.

ⁱⁱ N.B., the IRM does not currently reflect these changes.