

# Internal Revenue Service – SPEC Cincinnati Territory FILING SEASON UPDATE

## Preparing for the Final Week of Filing Season

Late in the filing season, VITA/TCE sites often see taxpayers who have more complex tax situations.

This is a great time to encourage volunteers to certify at higher levels to be ready for more challenging tax returns. This is also a good time to become more familiar with IRS resources. For example, recent [tax tips](#) included [Tax Facts about Medical and Dental Expenses](#) and [Tips on Making Estimated Tax Payments](#).

And remember that [the IRS is now accepting all 2012 returns!](#)

April 5, 2013  
2013 Issue 06

## Volunteer Lists

Please ensure that everyone who worked at your site(s) was reported to your IRS-SPEC relationship manager on a *Volunteer Assistance Summary Report (Form 13206)* or similar list.

Also, please remember that the Form 13206 and the guidelines for submitting it have changed for this filing season. Per the [Publication 1084](#), "Volunteer certification can be provided at the partner level by completing Form 13206 and submitting to your local relationship manager. Site level submission of Form 13206 is no longer required."

IRS-SPEC uses these lists to create appreciation certificates. We want to ensure that everyone is recognized for their contribution!

## First Time Homebuyer Credit Look-up Tool

Taxpayers who bought a home in 2008 and need to repay the First Time Homebuyer Credit can look up their total amount of credit and repayment amount using the [First Time Homebuyer Credit Account Look-up](#).

## IRC Section 7216 Regulations

Internal Revenue Code, Section 7216 interim guidance regarding (1) the disclosure or use of statistical compilations of tax return information and (2) lists for solicitation of tax return preparation services was finalized and effective on December 28, 2012. There were no substantive changes to the regulations. This is good news, because the finalized regulations do not change the way volunteer sites do business.

Revenue Procedure 2013-14 was issued simultaneously to update the mandatory consent language to use or disclose taxpayer information. The revenue procedure is effective for consents obtained on or after January 1, 2014.

The Fact Sheet, found beginning [on the third page](#) of this newsletter, is designed to ensure you know the mandatory consent language required in Rev. Proc. 2013-14.

## Tax Forum Discount

Registration is now open for the [2013 IRS Nationwide Tax Forums](#).

SPEC partners can receive a discount by using the following discount code:

**CodeVITA=2013\*10**

## TaxWise Update

TaxWise recently [posted](#) the following on their "Latest News" page:

April 15 is fast approaching! Before the hectic home stretch begins, take a moment to learn about some new tools that will help your business.

### 1. Stay informed on-the-go with TaxWise Companion mobile app

Our new mobile app, **TaxWise Companion**, is now available for iPhone users. You can download the app at the Apple App Store. This handy (and free) app puts industry news, software alerts, TaxWise TV videos and our extensive Knowledge Library at your fingertips, literally. A version for **Android phones** will be available soon at Google Play.

### 2. Understand IRS reject codes

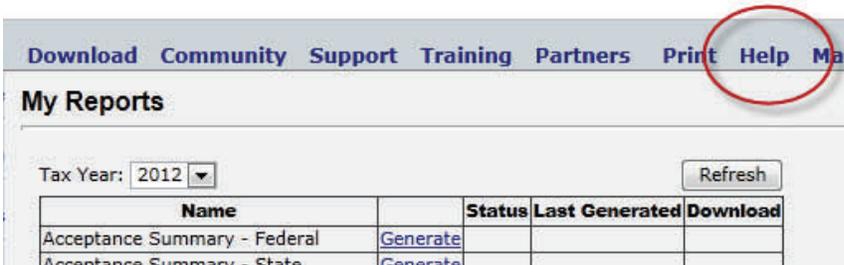
You now have 24/7 access to an **automated voice tool** to help you understand and fix IRS rejects. You simply say the reject code out loud and the automated "agent" explains it. You'll be asked if you need more information and if you say "Yes," the automated agent gives you more specific information on how to correct the error. To use the new tool, call Customer Care at **866-641-9473** and after entering your Client ID, **press 1** at the first prompt and **press 2** at the second prompt. From that point, say your answers to the questions out loud.

The tool is programmed to handle the 85 most common IRS reject codes.

### 3. Evaluate tax season with Management Reports

Now is a good time to run **management reports** and evaluate your tax season, if you are not already doing so on a regular basis. You can run reports on your local tax return database using **Reports List** on the **Reports** menu in TaxWise.

Also, on the [TaxWise Solution Center](#) you can run reports using the SFS Electronic Filing Center database. To access the reports, log in as any user, click **My Information** and then click **Reports** in the navigation bar on the left side of the screen. For report descriptions and instructions for generating and downloading reports, click **Help**. In the Help window, use the **Search** feature to search for "reports".



Download Community Support Training Partners Print **Help** Man

### My Reports

Tax Year: 2012

Name	Status	Last Generated	Download
Acceptance Summary - Federal	<a href="#">Generate</a>		
Acceptance Summary - State	<a href="#">Generate</a>		

# FACT SHEET

## IRC Section 7216 Final Guidance and Rev. Proc 2013-14

March 2013



### Key Messages

- Temporary [Section 7216](#) regulations are finalized without substantive modifications.
- [Rev. Proc. 2013-14](#) updates the mandatory language that must be used in consents to use or disclose signed on or after January 1, 2014.
- Consents may be secured by paper or electronically.
- Paper and electronic consents must meet the requirement outlined in Rev. Proc. 2013-14.

[Section 7216](#) temporary regulations were finalized without substantive modifications. The finalized regulations do not change any of the use or disclosure activities permitted under the temporary regulations. The finalized regulations were effective on December 28, 2012.

### Background

The regulations provide limited circumstances when, without first obtaining consent from the taxpayer, a tax return preparer may disclose or use a taxpayer's tax return information other than to prepare a tax return. These circumstances include:

- Compiling and using a list to solicit tax return preparation business.
- Disclosing or using certain limited statistical compilations.
- Performing legal or ethical conflict reviews.

**Note:** Under the regulations, disclosure of a statistical compilation must be anonymous as to taxpayer identities, meaning the compilation:

- Does not include any personally identifiable information, such as the taxpayer's name, SSN/ITIN, address or other personal information.
- Does not disclose cells containing data from fewer than ten tax returns.

As under the temporary regulations, the finalized regulations continue to require consent for the use or disclosure of tax return information in marketing or advertising of statistical compilations containing or reflecting dollar amounts of refund, credit, rebate, or percentages relating thereto. For information about how the final regulations apply to services and education related to the Affordable Care Act (ACA), see the [ACA Section 7216 questions and answers](#).

### Mandatory Consent Language

[Rev. Proc. 2013-14](#) updates the language that must be included in a consent to disclose or a consent to use tax return information with respect to a Form 1040 series income tax return. The revised language clarifies that a taxpayer need not sign a consent if the preparer does not plan to disclose or use the taxpayer's tax return information for any purpose other than preparing a return.

For calendar year 2013, tax return preparers may use either the mandatory language in section 4.04 of [Rev. Proc. 2008-35](#) or the mandatory language in section 5.04 of [Rev. Proc. 2013-14](#) for consents under Section 7216 from taxpayers filing a return in the Form 1040 series. Starting January 1, 2014, tax return preparers

Fact Sheet  
IRC Section 7216 Final Guidance and Rev. Proc 2013-14

must use the mandatory language in [Rev. Proc. 2013-14](#). See [Rev. Proc. 2013-19](#).

### **Mandatory Consent Statements**

The following statements must be included in consent, except that a tax return preparer may substitute the preparer's name where "we" or "our" is used.

### **Consent to Disclose Tax Return Information in a Context Other Than Tax Return Preparation or Auxiliary Services, Such as Financial Institutions and Family Assistance Programs**

All consent to disclose tax return information must contain the following statements in the following sequence:

Federal law requires this consent form be provided to you. Unless authorized by law, we cannot disclose your tax return information to third parties for purposes other than the preparation and filing of your tax return without your consent. If you consent to the disclosure of your tax return information, Federal law may not protect your tax return information from further use or distribution.

You are not required to complete this form to engage our tax return preparation services. If we obtain your signature on this form by conditioning our tax return preparation services on your consent, your consent will not be valid. If you agree to the disclosure of your tax return information, your consent is valid for the amount of time that you specify. If you do not specify the duration of your consent, your consent is valid for one year from the date of signature.

### **Consent to Use**

All consents to use tax return information must contain the following statements in the following sequence:

Federal law requires this consent form be provided to you. Unless authorized by law, we cannot use your tax return information for purposes other than the preparation and filing of your tax return without your consent.

You are not required to complete this form to engage our tax return preparation services. If we obtain your signature on this form by conditioning our tax return preparation services on your consent, your consent will not be valid. Your consent is valid for the amount of time that you specify. If you do not specify the duration of your consent, your consent is valid for one year from the date of signature.

### **All consents must contain the following statement:**

If you believe your tax return information has been disclosed or used improperly in a manner unauthorized by law or without your permission, you may contact the Treasury Inspector General for Tax Administration (TIGTA) by telephone at 1-800-366-4484, or by email at [complaints@tigta.treas.gov](mailto:complaints@tigta.treas.gov).

Fact Sheet  
IRC Section 7216 Final Guidance and Rev. Proc 2013-14

### **Multiple Disclosures or Uses Within a Single Consent Form**

Treasury Regulations section 301.7216-3(c) (1) provides that a taxpayer may consent to multiple uses within the same written document or multiple disclosures within the same written document.

- Disclosure consents and use consents must be provided in separate documents.
- Multiple disclosure consents and multiple use consents must provide the taxpayer with the opportunity, within the separate written document, to affirmatively select each separate disclosure or use.
- The taxpayer must be provided the mandatory consent language for each separate disclosure or use.
- The mandatory statements need only be stated once in a multiple disclosure or multiple use consent.

### **Disclosure of Entire Return**

If consent authorizes the disclosure of a copy of the taxpayer's entire tax return or all information contained within a return, the consent must provide the taxpayer the ability to limit what tax return information is disclosed.

### **Rev. Proc. 2013-14 Provides Electronic Signature Requirements**

Rev. Proc. 2013-14 provides specific requirements applicable to a taxpayer's electronic signature to consent to disclose or use the taxpayer's tax return information. All consents to disclose or use tax return information must be signed by the taxpayer through an affirmative action.

- For consents on paper, the taxpayer's consent must contain the taxpayer's handwritten signature.
- For electronic consents, a tax return preparer must obtain a taxpayer's signature on the consent by one of the following methods:
  - Assign a personal identification number (PIN) that is at least 5 characters long to the taxpayer. To authorize the consent, the taxpayer may type in the pre-assigned PIN as the taxpayer's signature authorizing the disclosure or use. The taxpayer must affirmatively enter the PIN for the electronic signature to be valid.
  - Have the taxpayer type in the taxpayer's name and then hit "enter" to authorize the consent. The taxpayer must affirmatively type the taxpayer's name for the electronic consent to be valid.
  - Any other manner in which the taxpayer affirmatively enters 5 or more characters unique to the taxpayer that the tax return preparer uses to verify the taxpayer's identity. For example, entry of a response to a question regarding a shared secret could be the type of information by which the taxpayer authorizes disclosure or use of tax return information.

The information in this document is a highlight of changes in the Section 7216 regulations and Rev. Proc. 2013-14. This document does not cover all Section 7216 requirements. Please take a moment to review the regulations and revenue procedures in their entirety.