

## US IRS allows remote signing and submission of Forms 2848 and 8821

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The United States (US) Internal Revenue Service (IRS) has announced ([IR-2021-20](#)) that a new online option is now available for the submission of Form 2848, *Power of Attorney and Declaration of Representative*, and Form 8821, *Tax Information Authorization*. The new online tool, which is an interim solution in advance of the Tax Pro Account that is expected to be launched this summer, will allow tax professionals to submit authorization forms to the IRS electronically.

After creating a Secure Access account, tax professionals can access the new "[Submit Forms 2848 and 8821 Online](#)" option on the [IRS.gov/taxpro](#) page. If using the new online option, signatures on these forms can be handwritten or electronic. Tax professionals using the electronic signature option for a new client must first authenticate the client's identity. Records documenting the authentication of the taxpayer's identity "must be retained as long as their contents may become material in the administration of any Internal Revenue law," presumably for the life of the representation. Tax professionals may also use "[Submit Forms 2848 and 8821 Online](#)" to withdraw previous authorizations, but not to ask questions or address other issues.

The fax and mail options for submitting Forms 2848 and 8821 are still available, however signatures on such forms must be handwritten. Using the online option will not accelerate the time necessary for the IRS to process the authorizations, which is currently estimated to be five weeks. Further, tax professionals using the online option may only submit one authorization form at a time.

The "[Submit Forms 2848 and 8821 Online](#)" tool contains a list of Frequently Asked Questions about the process, including the detailed requirements for authenticating taxpayers' identities (which are also included in the revised instructions to the Forms 2848 and 8821), how to obtain a Secure Access account, and details about submitting the forms.

The project stems from the *Taxpayer First Act*, which required the IRS to provide digital signature options for Forms 2848 and 8821 by 1 January 2020. The IRS plans to launch the Tax Pro Account in the summer, allowing tax professionals to initiate a third-party authorization on IRS.gov and send it to a client's IRS online account. The IRS expects that the Tax Pro Account will dramatically speed processing and allow for almost immediate authorization.

## Implications

While the new online submission option represents a step in the right direction, its benefits are somewhat limited. Because using the system will not accelerate the current five-week timeline for processing authorizations through the IRS Central Authorization File, or "CAF" system, the only benefit over the traditional fax and mail options is the ability to use electronic signatures.

If a practitioner does not already have a "personal or business relationship" with a client, before accepting an electronic signature, the client will be subject to authentication procedures, which first require clients

to either submit a "selfie" with their government-issued photo ID, or use video-conferencing to allow the practitioner to inspect the ID and confirm the individual's identity. The practitioner must then verify the taxpayer's name, address and tax identification number (EIN, SSN or ITIN) through secondary documentation such as a tax return, IRS notice or utility statement. As noted, the practitioner must keep proof that these procedures were carried out. Before submitting a Form 2848 or 8821 via the online system, the practitioner must also attest that the authentication requirements have been satisfied.

The Tax Pro Account expected this summer promises to offer a more comprehensive online solution. Until then, practitioners who submit a Form 2848 or 8821 with an electronic signature will not be able to act for their clients until over a month after submission to the IRS – the current time needed for the authorization to be entered into the CAF system. In contrast, a Form 2848 or 8821 with a handwritten signature may be faxed to an individual IRS employee or an IRS representative at the Practitioner Priority Service to obtain immediate assistance. Practitioners will want to consider these timing elements when deciding whether to use the new online system or continue to use the more traditional methods until the Tax Pro Account is introduced.

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