

PROPER ASSEMBLY OF RETURN PACKAGE

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(Ignore the sequence number on Form 2688.) Attach the remittance to the front of the return on top of Form W-2.

- Secure the return package with one staple in the top left corner. Use binder clips or large rubber bands for large documents. Do not use tape.
- Keep the upper right portion of the front page blank and free of staples. The Document Locator Number (DLN) is printed in that area. A staple can cause the DLN to be printed illegibly and can even damage the imprinting equipment. Some practitioners stamp or print a message such as "IRS File Copy" in that area in large letters which obscure the DLN.
- Do not use binders or plastic covers; these must be removed for processing and are discarded.
- Do not staple the envelope.

EITC ON THE WEB

Go directly to Earned Income Tax Credit information on the Digital Daily:
www.irs.gov/eitc

Earned Income Credit

New definition of eligible foster child

Congress has redefined *eligible foster child* for purposes of the **earned income credit (EIC)** and the **child tax credit (CTC)**. The new definition appears in section 412 of the *Ticket to Work and Work Incentives Improvement Act of 1999*. For tax years after 1999, a child is an eligible foster child if **all** the following apply:

1. The child is the taxpayer's brother, sister, stepbrother, stepsister (or a descendant of the taxpayer's brother, sister, stepbrother or stepsister), or a child placed with the taxpayer by an authorized placement agency. An authorized placement agency is an agency of a state, political subdivision or tax-exempt child placement agency licensed by the state.
2. The taxpayer cared for the child as the taxpayer would care for his or her own child.
3. The child lived with the taxpayer for the entire year, except for temporary absences. (A child who was born or died during the year is considered to have lived with the taxpayer for the entire year, if the child lived with the taxpayer for the entire time the child was alive during the year.)

Before tax year 2000, the child had to meet only the second and third requirements above to be the taxpayer's eligible foster child.

Note: The IRS has free *eligible foster child* posters for you to display in your office. They are available in English (Pub. 3709) and in Spanish (Pub. 3709SP) from the IRS forms distribution centers. To order, call toll free **1.800.829.3676**.

Some things have not changed

Rules for all taxpayers

To claim the EIC, the taxpayer (and spouse, if filing a joint return) must have a valid Social Security Number

(SSN) issued by the Social Security Administration (SSA). If the Social Security card says **Not Valid for Employment**, however, the taxpayer cannot claim the EIC if the number was issued so that the taxpayer could receive a federally funded benefit, such as Medicaid. If the taxpayer has a card with this legend and the taxpayer's immigration status has changed so that the taxpayer is now a U.S. citizen or permanent resident, the taxpayer should request that the SSA issue him or her a new Social Security card without the legend. Individual Taxpayer Identification Numbers (ITINs) issued by the IRS to aliens who cannot get an SSN cannot be used to claim the EIC.

To claim the EIC, the taxpayer must meet the following requirements:

- The taxpayer's filing status cannot be Married Filing Separately.
- The taxpayer must be a U.S. citizen or resident alien. An exception exists for a nonresident alien who (1) is married to a U.S. citizen or resident alien, and (2) chooses to be treated as a resident for the entire year by filing a joint return.
- The taxpayer cannot file Form 2555 or Form 2555-EZ, relating to foreign earned income.
- The taxpayer's investment income must be \$2,400 or less.
- The taxpayer (and spouse, if filing a joint return) cannot be the qualifying child of another person.

Requirements for a qualifying child.

To be a qualifying child, a child must meet three the following three tests:

- Age
- Residency
- Relationship

You can find specific details for these three tests in Publication 596, *Earned Income Credit*; the instructions for Forms 1040 and 1040A; and the Schedule EIC instructions.

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Earned Income Credit

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In addition, the child must have a valid Social Security Number. (See the first paragraph under rules for all taxpayers above.)

Basic rules for persons with a qualifying child:

- The taxpayer's earned income and modified adjusted gross income (AGI) must both be less than \$27,413 if the taxpayer has one qualifying child, and \$31,152 if the taxpayer has more than one qualifying child. For 2000, the maximum credit is \$2,353 if the taxpayer has one qualifying child, and \$3,888 if the taxpayer has more than one qualifying child.
- The taxpayer's qualifying child cannot be the qualifying child of another person with a higher modified AGI.

Basic rules for persons without a qualifying child:

- The taxpayer's earned income and modified adjusted gross income (AGI) must both be less than \$10,380. The maximum credit for 2000 is \$353.
- The taxpayer (or spouse, if filing a joint return) must be at least age 25, but under age 65 at the end of the year.
- The taxpayer (and spouse, if filing a joint return) cannot be eligible to be claimed as a dependent on anyone else's return.
- The taxpayer (and spouse, if filing a joint return) must have lived in the United States more than half of the year. Members of the military on extended active duty outside the United States are considered to live in the United States during that duty period.

Disallowance of the EIC

If the IRS disallowed or reduced the taxpayer's EIC for a year after 1996 for any reason other than a

mathematical or clerical error, the taxpayer may need to file Form 8862, Information To Claim Earned Income Credit After Disallowance, with his or her 2000 tax return. Form 8862 must be attached to the first return on which the taxpayer claims the EIC filed (either on paper or electronically) after the EIC was disallowed or reduced for the earlier year. If the taxpayer claims the EIC and a required Form 8862 is not attached, the EIC will be disallowed under the mathematical and clerical error procedures.

If, in addition to a denial or reduction of the taxpayer's EIC, it was determined that the taxpayer's EIC claim was due to reckless or intentional disregard of the EIC rules, the taxpayer would have been notified that he or she is ineligible to claim the EIC for the following 2 years (for a fraudulent claim, the period is 10 years). (See chapter 5 of Publication 596 for details.)

And last but not least, Due Diligence

On Oct. 17, 2000, the IRS issued TD 8905, which contains final regulations pertaining to due diligence requirements for paid preparers of EIC returns. The final regulations adopt the proposed regulations, TD 8798, which were issued on Dec. 21, 1998, along with temporary regulations.

EIC due diligence has applied to all returns prepared by paid preparers beginning with the 1997 tax year. For 1997, temporary rules appeared in Notice 97-65. As one of the four due diligence requirements, preparers were required to complete a checklist attached to Notice 97-65. For 1998, preparers were required to follow the rules in the temporary regulations and to complete either the

checklist in Notice 97-65 or the new Form 8867, *Paid Preparer's Earned Income Credit Checklist*. For 1999 and subsequent years, preparers are required to use Form 8867, not the checklist in Notice 97-65.

Due diligence requirements

To satisfy the due diligence requirements, you must:

- Complete Form 8867 (or your own checklist, which may be electronic, as long as it provides the same information as Form 8867).
- Complete the appropriate EIC worksheet in the Form 1040, 1040A or 1040EZ instructions or in Pub. 596 (or your own worksheet, which may be electronic, as long as it provides the same information as the appropriate worksheet). The worksheets in the instructions and the publication vary. For example, either of the worksheets in Pub. 596 can be used by taxpayers filing Form 1040A, but the worksheet in the instructions for Form 1040A cannot be used by taxpayers required to use Pub. 596.
- Have no knowledge that any of the information used to determine the taxpayer's eligibility for, or the amount of, the EIC is incorrect.
- Keep the following information, either on paper or electronically, for 3 years after the June 30th following the date you gave the return to the taxpayer for his or her signature:
 - Form 8867 (or your own checklist),
 - The EIC worksheet (or your own worksheet), and
 - A record of how, when and from whom you obtained the information used to prepare the checklist.

Taxpayer Advocate Service

The Taxpayer Advocate Service is an IRS program that provides an independent system to assure that tax problems that have not been resolved through normal channels are promptly and fairly handled. The program is headed by the national taxpayer advocate. Each state and service center has at least one local taxpayer advocate, who is independent of the local IRS office and reports directly to the national taxpayer advocate.

The goals of the Taxpayer Advocate Service are to protect individual taxpayer rights and to reduce taxpayer burden. The taxpayer advocate independently represents your interests and concerns within the IRS. This is accomplished in two ways:

- Ensuring that taxpayer problems that have not been resolved through normal channels are promptly and fairly handled.
- Identifying issues that increase burden or create problems for taxpayers: bringing those issues to the attention of IRS management and making legislative proposals where necessary.

Who may use the Taxpayer Advocate Program?

If you have an ongoing issue with the IRS that has not been resolved through normal processes, or you have suffered, or are about to suffer, a significant hardship as a result of the application of the tax laws, contact the taxpayer advocate.

Generally, the taxpayer advocate can help if, as a result of the application of the tax laws, you:

- Are suffering, or are about to suffer, a significant hardship;
- Are facing an immediate threat of adverse action;
- Will incur significant cost (includ-

ing fees for professional representation);

- Will suffer irreparable injury or long-term adverse impact;
- Have experienced a delay of more than 30 days to resolve the issue; or
- Have not received a response or resolution by the date promised.

Additionally, you may contact the taxpayer advocate if all established systems or procedures have failed to operate as intended to resolve the problem or dispute.

Hardship situations and other issues that are referred to the taxpayer advocate are reviewed on the individual merits of each case.

The Taxpayer Advocate Service is not a substitute for established IRS procedures or the formal Appeals process. The advocate cannot reverse legal or technical tax determinations.

How do I reach a Taxpayer Advocate?

- Call the telephone number listed for the office closest to you or the office with which you have been dealing. (*See next page.*)
 - Call the Taxpayer Advocate's toll-free telephone number: **1.877.777.4778**
 - Call the general IRS toll-free number (**1.800.829.1040**) and ask for Taxpayer Advocate assistance.
 - Write the office nearest you or the one you have been dealing with. (*See next page for addresses.*)
 - TTY/TTD help is available by calling: **1.800.829.4059**.
 - Check the Taxpayer Advocate Web site at **www.irs.gov/ind_info/advocate.html**
- or**
- File Form 911, *Application for a Taxpayer Assistance Order*,

- Send a written request for assistance (if Form 911 is not available), or
- Request that an IRS employee complete a Form 911 on your behalf (in person or over the phone).

You may fax a Form 911 (or written request) to your local taxpayer advocate. Form 911 is available by calling the IRS forms-only number, **1.800.829.3676** or at the IRS Web page: **www.irs.gov**. *An Application for a Taxpayer Assistance Order* requires the advocate to determine if significant hardship exists and to review the case to determine what action should be taken to relieve the hardship. In certain situations, enforcement action may be suspended while a case is being reviewed.

The majority of cases are resolved administratively by the taxpayer advocate. Even when hardship is not a factor, the advocate is often able to help resolve the taxpayer's problem.

What can I expect from the Taxpayer Advocate?

The taxpayer advocate will listen to your point of view and will work with you to address your concerns. You can expect the advocate to provide you with:

- A *fresh look* at your problem,
- Timely acknowledgment,
- The name and phone number of the individual assigned to your case,
- Updates on progress,
- Time frames for action,
- Speedy resolution, and
- Courteous service.

Taxpayer Advocate Contacts

Do you want assistance from a taxpayer advocate? This assistance is not a substitute for established IRS procedures, formal Appeals processes, etc., but the taxpayer advocate can give your tax matter proper and prompt

handling when you can't get a problem solved through normal channels. Call toll free **1.877.777.4778** or call the taxpayer advocate office nearest you listed below.

ALABAMA

Birmingham Office
801 Tom Martin Dr.
Room 150-PR
Birmingham, AL 35211
205.912.5631

ALASKA

Anchorage Office
949 East 36th Ave.
Stop A-405
Anchorage, AK 99508
907.271.6877

ARIZONA

Phoenix Office
210 E. Earll Drive
Stop 1005-PX
Phoenix, AZ 85012
602.207.8240

ARKANSAS

Little Rock Office
700 West Capitol St.
Stop 1005-LIT
Little Rock, AR 72201
501.324.6269

CALIFORNIA

Laguna Niguel Office
24000 Avila Road
Room 3362
Laguna Niguel, CA 92677
949.389.4804

Los Angeles Office

300 N. Los Angeles St.
Stop 1005-LA Room 5119
Los Angeles, CA 90012
213.576.3199

Oakland Office

1301 Clay St. # 1540S
Oakland, CA 94612
510.637.2703

Sacramento Office

4330 Watt Ave.
N. Highlands, CA 95660
916.974.5007

San Jose Office

55 S. Market St.
Stop HQ000-4
San Jose, CA 95113
408.817.6850

COLORADO

Denver Office
600 17th St.
Stop 1005-DEN
Denver, CO 80202.2490
303.446.1012

CONNECTICUT

Hartford Office
135 High St.
Stop 219
Hartford, CT 06103
860.756.4555

DELAWARE

Wilmington Office
409 Silverside Rd.
Wilmington, DE 19809
302.791.4502

DISTRICT OF COLUMBIA

Baltimore Office

31 Hopkins Plaza
Baltimore, MD 21201
410.962.2082

FLORIDA

Ft. Lauderdale Office
7850 SW 6th Court
Plantation, FL 33324
954.423.7677

Jacksonville Office

400 West Bay St., STE 35045
Stop TAS
Jacksonville, FL 32202
904.665.1000

GEORGIA

Atlanta Office
401 W. Peachtree St., NW,
Summit Building Stop 202-D
Atlanta, GA 30308
404.338.8099

HAWAII

Honolulu Office
300 Ala Moana Blvd., H-405
Honolulu, HI 96850
808.539.2870

IDAHO

Boise Office
550 West Fort St., Box 041
Boise, ID 83724
208.334.1324

ILLINOIS

Chicago Office
230 S. Dearborn St.
Stop 1005.CHI
Chicago, IL 60604
312.886.9183

Springfield Office

320 W. Washington St.
Stop 1005-SPD
Springfield, IL 62701
217.527.6382

INDIANA

Indianapolis Office
575 N. Pennsylvania St.
Stop TA 770
Indianapolis, IN 46204
317.226.6332

IOWA

Des Moines Office
210 Walnut St.
Stop 1005
Des Moines, IA 50309
515.284.4780

KANSAS

Wichita Office
271 W. 3rd St., North
Stop 1005-WIC
Wichita, KS 67202
316.352.7506

KENTUCKY

Louisville Office
600 Dr. MLK Jr. Place
Federal Building-Room 622
Louisville, KY 40202
502.582.6030

LOUISIANA

New Orleans Office
600 South Maestri Pl.
Stop 2
New Orleans, LA 70130
504.558.3001

MAINE

Augusta Office
68 Sewall St., Room 313
Augusta, ME 04330
207.622.8528

MARYLAND

Baltimore Office
31 Hopkins Plaza
Baltimore, MD 21201
410.962.2082

MASSACHUSETTS

Boston Office
25 New Sudbury St.
Boston, MA 02203
617.316.2690

MICHIGAN

Detroit Office
McNamara Federal Building
477 Michigan Ave. - Room 1745
Detroit, MI 48226
313.628.3670

MINNESOTA

St. Paul Office
316 North Robert St. S
Stop 1005-STP
St. Paul, MN 55101
651.312.7872

MISSISSIPPI

Jackson Office
100 W. Capitol St., Stop JK31
Jackson, MS 39269
601.292.4800

MISSOURI

St. Louis Office
Robert A. Young Building
1222 Spruce Street
Stop 1005-STL
St. Louis, MO 63103
314.612.4610

MONTANA

Helena Office
Federal Building
301 S. Park, Stop 1005-HEL
Helena, MT 59626.0023
406.441.1044

NEBRASKA

Omaha Office
1313 Farnam
Stop 1005-OMA
Omaha, NE 68102
402.221.4181

NEVADA

Las Vegas Office
4750 West Oakey Blvd.
Room 303
Las Vegas, NV 89102
702.455.1241

NEW HAMPSHIRE

Portsmouth Office
Federal Office Building
80 Daniel St.
Portsmouth, NH 03801
603.433.0571

NEW JERSEY

Springfield Office
955 S. Springfield Ave.
Springfield, NJ 07081
973.921.4043

NEW MEXICO

Albuquerque Office
5338 Montgomery Blvd. N.E.
Stop 1005-ALB
Albuquerque, NM 87109
505.837.5505

Taxpayer Advocate Contacts

NEW YORK

Albany Office
Leo O'Brien Federal Building
Clinton Ave. & N. Pearl St.
Albany, NY 12207
518.427.5413

Brooklyn Office
10 Metro Tech Center
625 Fulton St.
Brooklyn, NY 11201
718.488.2080

Buffalo Office
201 Como Park Blvd.
Buffalo, NY 14227
716.961.4850

Manhattan Office
290 Broadway 7th floor
New York, NY 10007
212.436.1011

**NORTH CAROLINA
Greensboro Office**
320 Federal Place Room 125
Greensboro, NC 27401
336.378.2180

**NORTH DAKOTA
Fargo Office**
657 2nd Ave. N.
Stop 1005-FAR
Fargo, ND 58102
701.239.5141

**OHIO
Cincinnati Office**
550 Main St. Room 3530
Cincinnati, OH 45202
513.263.3260

Cleveland Office
1240 E. Ninth St. Room 423
Cleveland, OH 44199
216.522.7134

**OKLAHOMA
Oklahoma City Office**
55 N. Robinson
Stop 1005-OKC
Oklahoma City, OK 73102
405.297.4055

**OREGON
Portland Office**
1220 S.W. 3rd Ave., Stop O-405
Portland, OR 97204
503.326.2333

**PENNSYLVANIA
Philadelphia Office**
600 Arch St. Room 1602
Philadelphia, PA 19106
215.861.1290

Pittsburgh Office
1000 Liberty Ave.
Pittsburgh, PA 15222
412.395.5987

RHODE ISLAND

Providence Office
380 Westminster St.
Providence, RI 02903
401.525.4200

**SOUTH CAROLINA
Columbia Office**
1835 Assembly St.
MDP 03
Columbia, SC 29201
803.253.3029

**SOUTH DAKOTA
Aberdeen Office**
115 4th Ave. Southeast
Stop 1005-ABE
Aberdeen, SD 57401
605.226.7248

**TENNESSEE
Nashville Office**
801 Broadway
Stop 22
Nashville, TN 37203
615.250.5000

**TEXAS
Austin Office**
300 E. 8th St.
Stop 1005-AUS
Austin, TX 78701
512.499.5875

Dallas Office
1100 Commerce St.,
MC1005DAL
Dallas, TX 75242
214.767.1289

Houston Office
1919 Smith St.
Stop 1005-HOU
Houston, TX 77002
713.209.3660

**UTAH
Salt Lake City Office**
50 South 200 East
Stop 1005-SLC
Salt Lake City, UT 84111
801.799.6958

VERMONT

Burlington Office
Courthouse Plaza
199 Main St.
Burlington, VT 05401
802.860.2008

**VIRGINIA
Richmond Office**
400 N. 8th St. Room 916
Richmond, VA 23240
804.916.3501

**WASHINGTON
Seattle Office**
915 2nd Ave.
Stop W-405
Seattle, WA 98174
206.220.6037

**WEST VIRGINIA
Parkersburg Office**
425 Juliana St.
Parkersburg, WV 26101
304.420.6616

**WISCONSIN
Milwaukee Office**
310 West Wisconsin Ave.
Stop 1005-MIL
Milwaukee, WI 53203
414.297.3046

**WYOMING
Cheyenne Office**
5353 Yellowstone Rd.
Stop 1005-CHE
Cheyenne, WY 82009
307.633.0800

**TAXPAYERS LIVING ABROAD
OR IN U.S. TERRITORIES
A/C International**

Mercantile Plaza Building
2 Ponce De Leon Ave.
Stop 27 1/2
Hato Rey, Puerto Rico 00918
787.622.8931
Spanish.787.622.8931
English.787.622.8940

CENTERS

Andover Center
P.O. Box 9055, Stop 121
Andover, MA 01810
978.474.5549

Atlanta Center
P.O. Box 48-549
Stop 29A
Doraville, GA 30362
770.936.4500

Austin Center
P.O. Box 934
Stop 1005-AUSC
Austin, TX 78767
512.460.8300

Brookhaven Center
P.O. Box 960
Stop 102
Holtsville, NY 11742
631.654.6686

Cincinnati Center
P.O. Box 1235, Stop 11
Cincinnati, OH 45201
859.292.5316

Fresno Center
P.O. Box 12161
Stop 01
Fresno, CA 93776
559.443.7590

Kansas City Center
P.O. Box 24551
Stop 1005-KCSC
Kansas City, MO 64131
816.926.2493

Memphis Center
P.O. Box 30309AMF
Stop 12
Memphis, TN 38130
901.395.1900

Ogden Center
P.O. Box 1640
Stop 1005
Ogden, UT 84402
801.620.7168

Philadelphia Center
P.O. Box 16053
DP #1300
Philadelphia, PA 19114
215.516.2499
215.516.2677



**SEND
COMPLETED
FORMS 2848**

Andover Centers

310 Lowell St. Stop 321
Andover, MA 01810
fax: 978.474.9701

Atlanta Centers

PO Box 47-421 Stop 98
Doraville, GA 30362
fax: 678.530.6392

Austin Centers

PO Box 1231 Stop 6737
Austin, TX 73301
fax: 512.460.0176

Brookhaven Centers

1040 Waverly Ave. Stop 534
Holtsville, NY 11742
fax: 631.654.6583

Fresno Centers

PO Box 12067 Stop 65103
Fresno, CA 93776
fax: 559.454.6334

Kansas City Centers

PO Box 24551 Stop 6800
Annex 1
Kansas City, MO 64131
fax: 816.823.7863

Philadelphia Centers

CAF Unit DP 6211
11601 Roosevelt Blvd.
Philadelphia, PA 19154
fax: 215.516.5994

Excise Tax

Cincinnati Centers

CAF Unit Stop 530
Cincinnati, OH 45999
fax: 606.292.5185

Employee Plans

Memphis Centers

CAF/FTD Unit, Stop 5324
5333 Getwell Road
Memphis, TN 38118
fax: 901.546.4115

Exempt Organizations

Ogden Centers

PO Box 9941 Stop 6737
Ogden, UT 84409
fax: 801.620.4249/4250/4251

**Power of Attorney processing
and CAF procedures**

Form 2848, *Power of Attorney and Declaration of Representation*, is the only form required to appoint a representative. It can be used by enrolled or unenrolled preparers and certain others.

Form 8821, *Tax Information Authorization (TIA)*, allows taxpayers to authorize individuals, corporations, firms, organizations or partnerships to inspect or receive confidential information. Unlike Form 2848, it does not give permission to act on behalf of the taxpayer.

You may mail or fax the forms to the appropriate center. Faxed Forms 2848 and 8821 will be added to the center's Centralized Authorization File (CAF) within 48 hours of receipt. All others will be processed within five calendar days. During the peak season, processing may take up to 21 calendar days.

Special request: If you fax a Form 2848, please don't mail a hard copy. Don't send a POA for each client as a standard operating procedure — send one only when it is really needed.

Form 2848 requirements

- Taxpayer's name, address, TIN and phone number.
- Representative's name and address.
- Type of taxes.
- Federal tax form numbers and years requested.
- Declaration of representative.
- Representative's signature, date and designation.
- Taxpayer's signature and date. (Both taxpayers' signatures if married filing jointly.)

Did you know?

If a taxpayer wants the representative to receive a refund check on their behalf, they must specifically authorize the representative to receive the refund by initialing Box 6. **Reminder:** Be sure to list the name of the representative who

should receive the refund check.

If you submit a Form 2848

- For a return, submit the form to the center where the return was filed.
- In response to a notice, submit the form to the center with collection responsibility.
- For excise tax issues, submit the form to the Cincinnati Submission Processing Center.
- For employee plan issues, submit the form to the Memphis Submission Processing Center.
- For exempt organization issues, fax the form to the Ogden Center.

Form 2848 common errors

Joint Returns

- Both taxpayers did not sign and date the Form 2848.
- Didn't indicate taxpayer's ex-spouse status from a joint return.

Business Returns

- Didn't indicate the title of authorizing signature. (Box 9)

Any Return

- Both representative and taxpayer have not signed and dated Form 2848, parts I and II. (Box 9)
- Didn't include correct name, address and SSN or EIN.
- Didn't specify tax years, tax periods

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When calling the toll-free number on notices (available 7 days a week, 24 hours a day):

- Have POA (CAF identification number) information ready.
- Have all IRS-related documents ready, especially the latest notice.
- For quicker service, call on Wednesday, Thursday or Friday between 7:30 a.m. and 7:30 p.m.

WHERE TO CALL FOR HELP

- **To order forms, instructions and publications:** Call **1.800.829.3676** to order current and prior year forms, instructions and publications.
- **To ask tax questions:** Call the IRS with your tax questions at **1.800.829.1040**.
- **To ask questions about a notice:** Call the IRS with questions about your balance due at **1.800.829.8815**.
- **TeleTax topics:** Call **1.800.829.4477** to listen to prerecorded messages covering various tax topics.
- **TTY/TDD equipment:** If you have access to TTY/TDD equipment, call **1.800.829.4059** to ask tax questions or to order forms and publications.

REMEMBER:

Treasury Department *Circular No. 230* contains the rules governing the practice of attorneys, CPAs, enrolled agents, enrolled actuaries, appraisers and other persons representing taxpayers before the IRS. It authorizes the Director of Practice to grant or deny enrollment and to institute disciplinary proceedings.

Power of Attorney cont'd.

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and tax forms you want covered by the authorization. (The IRS cannot process Forms 2848 with general references to *all years, all periods, all taxes* or *specific issues*. Example of correct reference: *Income Tax, Form 1040, for calendar years 2000 and 2001.*)

Form 8821 requirements

- Taxpayer's name, address, TIN and phone number.
- Appointee's name, address and phone number.
- Type of taxes, form number and starting and ending dates.
- Disclosure of Tax Information Authorization.
- Taxpayer's signature and date (only one spouse's signature is required).
- Must be received by the IRS within 60 days of taxpayer's signature.

Form 8821 common error

- Didn't answer item 4 correctly. If the box is checked, the authorization will not be entered on the CAF. If the authorization is not for a specific use, do not check this box.

Revocations

- When you no longer represent a taxpayer, the power of attorney must be revoked to avoid unauthorized disclosures. The only people who can revoke a power of attorney are the taxpayer or the representative. Until the power of attorney is revoked, the representative will continue to receive copies of notices and letters
- You can use a copy of a previously submitted Form 2848 or 8821 to revoke an authorization. Write **REVOKE** across the top of the copy in bold letters. It must also be signed and dated.

Facts about refund checks

A refund check will be returned to the IRS if the address on the check is not the most current. The refund will not be reissued until the center is notified of the new address. Complete and return Form 8822, *Change of Address*, to notify the IRS. If a refund check is lost or stolen, a completed Form 3911, *Taxpayer Statement Regarding Refund*, or a detailed letter must be sent to the Center.

Reminders:

- Allow for the normal processing time before you inquire about refunds:
 - Paper – 6 weeks
 - e-file/TeleFile – 3 weeks
 - 1040X – 8-12 weeks
 - Business Returns – 6 weeks
- If a check was issued for a joint return, both signatures must be present on the Form 3911.
- The IRS and Financial Management Service (FMS) determine if the check

has been cashed. If the original check has not been cashed, a replacement check will be issued. If the check has been cashed, a photocopy of the check will be mailed to the taxpayer with a claim Form 1133. The completed form should be returned to FMS at the address provided. The investigation of lost or stolen refund checks that have been cashed is a time-consuming process. Taxpayers can expect a delay of three months to a year before another check is issued.

- Refund checks that are not cashed within one year of the issuance date are automatically cancelled.
- Refund checks will not be split because of a family dispute, even though a divorce decree or other civil action may so direct.
- Overpayments will offset federal tax debts and nontax debts such as child support before the refund is issued.