

Part III

Administrative, Procedural, and Miscellaneous

26 CFR 601.602: Tax forms and instructions.
(Also Part 1, §§ 3504, 6011, 6061, 6302;
31.3504-1, 31.6011(a)-7, 31.6061-1, 31.6302-1

Rev. Proc. 2003-69

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SECTION 1. PURPOSE

.01 This revenue procedure provides the requirements for completing and submitting Form 8655, Reporting Agent Authorization for Magnetic Tape/Electronic Filers (“Authorization”). An Authorization allows a taxpayer to designate a Reporting Agent (“Agent”) to perform the following acts on behalf of the taxpayer:

(1) Sign and file on magnetic tape or electronically Form 940, Employer’s Annual Federal Unemployment (FUTA) Tax Return; and Form 941, Employer’s Quarterly Federal Tax Return.

(2) Sign and file on paper Form 940-PR, Planilla Para La Declaración Anual Del Patrono - La Contribución Federal Para El Desempleo (FUTA); Form 941-PR, Planilla Para La Declaración Trimestral Del Patrono - La Contribución Federal Al Seguro Social Y Al Seguro Medicare; Form 941SS, Employer’s Quarterly Federal Tax Return (American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, and the U.S. Virgin Islands); Form 943, Employer’s Annual Tax Return for Agricultural Employees; Form 943-PR, Planilla Para La Declaración Anual De La Contribución Del Patrono De Empleados Agrícolas; Form 945, Federal Return of Withheld Federal Income Tax; Form 1042, Annual Withholding Tax Return For U.S. Source Income of

Foreign Persons; and Form CT-1, Employer's Annual Railroad Retirement Tax Return.

(3) Make federal tax deposits ("FTDs") and other federal tax payments ("FTP's") and submit FTD information and FTP information electronically for the taxes deposited and payments reported on Form 720, Quarterly Federal Excise Tax Return; Form 940, Employer's Annual Federal Unemployment (FUTA) Tax Return; Form 941, Employer's Quarterly Federal Tax Return; Form 943, Employer's Annual Tax Return for Agricultural Employees; Form 945, Annual Return of Withheld Federal Income Tax; Form 990-C, Farmers' Cooperative Association Income Tax Return; Form 990-PF, Return of Private Foundation; Form 990-T, Exempt Organization Business Income Tax Return; Form 1041, U.S. Income Tax Return for Estates and Trusts; Form 1042, Annual Withholding Tax Return For U.S. Source Income of Foreign Persons; Form 1120, U.S. Corporation Income Tax Return; and Form CT-1, Employer's Annual Railroad Retirement Tax Return.

(4) Receive duplicate copies of official notices, correspondence, deposit requirements, tax rates, transcripts, or other information with respect to the tax returns described in section 1.01(1) or (2) of this revenue procedure.

(5) Receive duplicate copies of official notices, correspondence, deposit requirements, tax rates, transcripts, or other information with respect to FTDs and FTPs.

.02 The technical specifications for filing Authorization information are published separately in Publication 1474, Technical Specification Guide for Reporting Agent Authorization for Magnetic Tape/Electronic Filers and Federal Tax Depositors.

SECTION 2. BACKGROUND

.01 Section 1.6011-1 of the Income Tax Regulations and section 31.6011(a)-7 of the Employment Taxes and Collection of Income Tax at Source Regulations ("Employment Tax Regulations") provide that each return required under the regulations, together with any prescribed copies or supporting data, must be filled in and disposed of in accordance with the applicable forms, instructions, and regulations. Section 31.6011(a)-7 provides that the return may be made by an agent authorized by the person required to make the return.

.02 Section 31.6061-1 of the Employment Tax Regulations provides that a return may be signed for the taxpayer by an agent who is duly authorized in accordance with section 31.6011(a)-7 to make the return. Section 1.6061-1 provides that a return may be signed by an agent who is duly authorized under section 1.6012-1(a)(5) or (b) to make the return.

.03 Section 31.6302-1 of the Employment Tax Regulations provides the rules for depositing employment taxes. Section 31.6302-1(h) implements section 6302(h) of the Internal Revenue Code, which requires the use of an electronic fund transfer system for the collection of federal depository taxes. The Electronic Federal Tax Payment System ("EFTPS") is the electronic fund transfer system developed to collect these taxes. Rev. Proc. 97-33, 1997-2 C.B. 371, provides general information about EFTPS, and Rev.

Proc. 98-32, 1998-1 C.B. 935, provides information about EFTPS programs for Agents making FTDs and FTPs on behalf of multiple taxpayers.

.04 The Service has prescribed Form 8655 as the appropriate authorization form for a taxpayer to use to designate an Agent to perform the following acts on behalf of the taxpayer:

- (1) Sign and file Form 940 and Form 941 on magnetic tape or electronically.
- (2) Sign and file certain tax returns on paper.
- (3) Make FTDs and FTPs and submit FTD information and FTP information electronically for certain tax returns.
- (4) Receive duplicate copies of official notices, correspondence, deposit requirements, tax rates, transcripts, or other information with respect to the returns filed by the Agent.
- (5) Receive duplicate copies of official notices, correspondence, deposit requirements, tax rates, transcripts, or other information with respect to FTDs and FTPs submitted or to be submitted by the Agent.

SECTION 3. SIGNIFICANT CHANGES TO REV. PROC. 96-17

.01 This revenue procedure modifies and supersedes Rev. Proc. 96-17, 1996-1 C.B. 633, by making the following changes to Rev. Proc. 96-17:

- (1) Form 945, Annual Return of Withheld Federal Income Tax, can no longer be filed on magnetic tape or electronically.
- (2) An Authorization may now be used to allow an Agent to sign and file on paper Form 940-PR, Form 941-PR, Form 941-SS, Form 943, Form 943-PR, Form 945, Form 1042, and Form CT-1.
- (3) An Authorization may now be used to allow an Agent to make FTDs and FTPs for the taxes reported on Form 720, Form 940, Form 941, Form 943, Form 945, Form 990-C, Form 990-PF, Form 990-T, Form 1041, Form 1042, Form 1120, and Form CT-1.
- (4) All references to submitting FTD information on magnetic tape are removed because the magnetic tape FTD program was terminated by Notice 99-42, 1999-2 C.B. 325.
- (5) The procedures in section 2.05 of Rev. Proc. 96-17 are removed to eliminate the references to an election box that is no longer on Form 8655.
- (6) Sections 5.01 and 5.02 clarify that an Agent may provide information that will assist the Service in determining whether it is appropriate to grant relief from penalties that may arise from returns filed and FTDs and FTPs made by the Agent.
- (7) Section 5.04 clarifies the effect of submitting a new Authorization.
- (8) Section 6.05 updates the information regarding the requirement to replace a previously submitted Authorization.
- (9) Section 7.02 adds a requirement that an Agent must submit an Agent's List on magnetic tape if the number of taxpayer/clients exceeds 100.
- (10) Section 8 updates the contact information.
- (11) Section 9 updates the list of other related documents.

SECTION 4. DEFINITIONS

.01 Reporting Agent. A Reporting Agent (“Agent”) is an accounting service, franchiser, bank, service bureau, or other entity authorized to perform one or more of the following acts on behalf of a taxpayer:

- (1) Sign and file on magnetic tape or electronically Form 940 and Form 941.
- (2) Sign and file on paper Form 940-PR, Form 941-PR, Form 941-SS, Form 943, Form 943-PR, Form 945, Form 1042, and Form CT-1.
- (3) Make FTDs and FTPs and submit FTD information and FTP information electronically for the taxes reported on Form 720, Form 940, Form 941, Form 943, Form 945, Form 990-C, Form 990-PF, Form 990-T, Form 1041, Form 1042, Form 1120, and Form CT-1.

.02 Reporting Agent Authorization. A Reporting Agent Authorization (“Authorization”) allows a taxpayer to designate an Agent to sign and to file on magnetic tape or electronically Form 940 and Form 941; to sign and file on paper Form 940-PR, Form 941-PR, Form 941-SS, Form 943, Form 943-PR, Form 945, Form 1042, and Form CT-1; and to make FTDs and FTPs and submit FTD information and FTP information electronically for the taxes deposited and reported on the forms listed in section 1.01 of this revenue procedure. The Authorization may also permit the Agent to receive duplicate copies of official notices, correspondence, deposit requirements, tax rates, transcripts, or other information with respect to these tax returns. In addition, an Authorization may permit the Agent to receive duplicate copies of official notices, correspondence, deposit requirements, tax rates, transcripts, or other information with respect to FTDs and FTPs. The Service has prescribed Form 8655 as the appropriate authorization form for a taxpayer to use to designate an Agent.

.03 Reporting Agent’s List. A Reporting Agent’s List (“Agent’s List”) identifies all taxpayers for whom an Agent will file tax returns, make FTDs and FTPs, or submit FTD information and FTP information electronically. A separate Authorization must be submitted for each taxpayer on the Agent’s List.

SECTION 5. SCOPE OF REPORTING AGENT AUTHORIZATION

.01 The scope of an Authorization for the filing of forms listed on Form 8655 is as follows:

- (1) A taxpayer may authorize an Agent to sign and file on the taxpayer's behalf all or any of the forms listed on Form 8655.
- (2) A taxpayer may authorize an Agent to receive duplicate copies of notices, correspondence, deposit requirements, tax rates, transcripts or other information with respect to the returns filed by the Agent.
- (3) An Authorization that permits an Agent to make returns also permits an Agent to request information or submit information on the returns filed by the Agent, including any information concerning penalties that may arise from the returns. It further permits

the Agent to provide information that will assist the Service in determining whether it would be appropriate to grant relief from any penalties that may arise from the returns.

(4) An Authorization does not permit the Agent to request the abatement of any penalties that may arise from the returns filed by the Agent or in any other way to perform any acts that constitute representation of the taxpayer as set forth in section 601.501(b)(13) of the Statement of Procedural Rules.

.02 The scope of an Authorization for making FTDs and FTPs and submitting FTD information and FTP information electronically is as follows:

(1) A taxpayer may authorize an Agent to prepare and make FTDs and FTPs for any taxes reported on any of the forms listed on Form 8655 and submit FTD information and FTP information electronically on the taxpayer's behalf.

(2) Regardless of the taxpayer's designated method, an Agent must make FTD payments and submit payment information through the EFTPS system for a taxpayer that is required to make FTD payments and submit FTD information through the EFTPS system pursuant to section 6302(h) of the Code.

(3) A taxpayer may authorize an Agent to receive duplicate copies of notices and correspondence for FTDs and FTPs made by the Agent for the taxpayer.

(4) An Authorization that permits an Agent to make FTDs and FTPs also permits the Agent to request information or submit information on the FTDs and FTPs submitted by the Agent, including any information concerning penalties that may arise from the FTDs and FTPs. It further permits the Agent to provide information that will assist the Service in determining whether it would be appropriate to grant relief from any penalties that may arise from the FTDs or FTPs.

(5) An Authorization does not permit the Agent to request the abatement of any penalties that may arise from the FTDs or FTPs submitted by the Agent or in any other way to perform any acts that constitute representation of the taxpayer as set forth in section 601.501(b)(13) of the Statement of Procedural Rules.

.03 An Authorization becomes effective for the tax period designated by the Agent and taxpayer and remains in effect for subsequent periods until revoked by the taxpayer, terminated by the Agent, or terminated by the Service, subject to the following:

(1) In the case of an Agent filing a return on behalf of a taxpayer, the Service must accept the Authorization and Agent's List before the Agent may file the return.

(2) In the case of an Agent using EFTPS to make a FTD or FTP on behalf of a taxpayer, the Agent must comply with the requirements of Rev. Proc. 98-32, 1998-1 C.B. 935, before the Agent may make the FTD or FTP and submit the FTD information or FTP information electronically.

(3) See section 9 of this revenue procedure for a list of other applicable revenue procedures.

.04 A new Authorization must be submitted for any increase or decrease in the scope of the authority of an Agent to act on behalf of the taxpayer, or if the taxpayer appoints a new Agent. Receipt by the Service of a new Authorization terminates the

authority of the prior Agent to file tax returns and make FTDs or FTPs for tax periods beginning on or after the effective date of the new Authorization. A new Authorization also terminates the authority of the prior Agent to receive duplicate copies of notices. The prior Agent, however, may present information regarding taxpayer accounts for the tax periods beginning before the effective date of the new Authorization, and the Service may disclose otherwise confidential tax information relating to the returns filed by the Agent or relating to FTDs and FTPs made by the Agent, unless the taxpayer specifically revokes the prior Agent's authorization to present information and receive otherwise confidential tax information relating to the returns filed by the Agent or relating to the FTDs and FTPs made by the Agent.

.05 An Authorization filed under this revenue procedure does not constitute the appointment of a recognized representative as described in section 601.502 of the Statement of Procedural Rules.

.06 An Authorization does not relieve the taxpayer of the responsibility to ensure that all tax returns are filed timely; all FTPs are made timely; and any taxes, required to be deposited, are deposited timely.

.07 An Agent may use an Authorization to file paper forms listed on Form 8655 on behalf of a taxpayer only if--

- (1) The late receipt of payroll information from a taxpayer has jeopardized the timely submission of the taxpayer's return;
- (2) The paper forms amend returns filed under the magnetic tape or electronic filing programs referenced in section 9 of this revenue procedure;
- (3) The rejection of a magnetic tape/electronic filing has jeopardized the timely submission of the taxpayer's return;
- (4) The forms are listed in section 4.01(2) of this revenue procedure; or
- (5) The magnetic tape/electronic filing coordinator for an Agent participating in a magnetic tape/electronic filing program referenced in section 9 of this revenue procedure has requested paper returns.

.08 An Agent covered by Form 8655 may prepare a paper tax return for the taxpayer's signature. A taxpayer's authorized representative that is not an Agent covered by Form 8655 must have a valid power of attorney in accordance with section 601.504(6) of the Statement of Procedural Rules (usually Form 2848, Power of Attorney and Declaration of Representative) to sign and file a paper tax return on behalf of the taxpayer.

.09 Each paper tax return must be signed by the taxpayer, by the taxpayer's authorized representative, or by an Agent permitted in section 5.07 of this revenue procedure to file returns on behalf of the taxpayer.

.10 The Agent must keep a copy of each Authorization at the Agent's principal place of business for examination by the Service until the period of limitations for assessment for the last return filed under that Authorization expires.

SECTION 6. COMPLETING A REPORTING AGENT AUTHORIZATION

.01 An Authorization may be submitted on Form 8655 or any other document that clearly contains the same information required to be provided on Form 8655. The taxpayer may strike out the nonapplicable portions of the Form 8655. An Agent may fax the Authorization to the Service.

.02 An Authorization must be signed by the taxpayer, an authorized representative holding a power of attorney that specifically authorizes the representative to sign returns on behalf of the taxpayer, or a person who is duly authorized in accordance with section 31.6011(a)-7 of the Employment Tax Regulations. If the Authorization provides that the Agent is authorized to receive tax return notices, correspondence, deposit requirements, tax rates and transcripts from the Service, or discuss taxpayer account information with Service representatives and is signed by a person other than the taxpayer, the authorized representative or other duly authorized person signing the Authorization must be authorized both to receive, and to designate others to receive, tax return information (as defined in section 6103(b)(2)) of the taxpayer.

.03 An Authorization executed after December 31, 2001, must be made on Form 8655 (with a revision date of July 2000 or later) or its equivalent.

.04 Except to the extent provided in section 6.05 of this revenue procedure, an Authorization will remain in effect until the Service receives a new Authorization.

.05 A revised Authorization is not required to replace an Authorization made on Form 8655 with a revision date before October 1995 (or its equivalent) that was previously submitted to the Service by an Agent if the Authorization places no restriction on the medium for filing Forms 941 and 940, and the Agent advises the taxpayer/client that its Forms 941 and/or 940 may be filed electronically and that the taxpayer/client has the option to reject electronic filing for Forms 941 and 940. An Agent may use the most efficient and timely method of clearly providing this notification to the taxpayer/client. A taxpayer/client's rejection of electronic filing for Form 941 or 940 must be submitted in writing to the Agent, and the Agent must immediately remove any taxpayer/client that rejects electronic filing for Form 941 or 940 from its electronic filing taxpayer/client base.

SECTION 7. SUBMITTING A REPORTING AGENT AUTHORIZATION

.01 An Agent that wishes to use an Authorization to file on magnetic tape or electronically Form 940 and Form 941, or make FTDs or FTPs, and submit FTD information or FTP information electronically, must formally apply to the Service for these privileges. Currently, the required information for the applications for magnetic tape or electronic filing of Form 940 and Form 941 and participation in EFTPS are contained in the documents listed in section 9 of this revenue procedure. The applications covered in these documents must be accompanied by the individual

Authorizations, signed as provided in section 6.02 of this revenue procedure, and an Agent's List (if required by the applicable revenue procedure).

.02 The Agent's List must contain each taxpayer's employer identification number. Agent's Lists may be filed on magnetic tape or electronically, if appropriate, but if the number of taxpayer/clients exceeds 100, the Agent's List must be filed on magnetic tape. For specific information concerning the requirements for submitting and updating Agent's Lists, see Publication 1474, the Service contacts listed in section 8 of this revenue procedure, and the documents listed in section 9 of this revenue procedure.

SECTION 8. INTERNAL REVENUE SERVICE CONTACTS

.01 Publication 1474 may be obtained electronically via the Internal Revenue Service Internet Web Site (IRS Web Site) at <http://www.irs.gov>. In addition, requests for Publication 1474 and questions regarding this revenue procedure may be addressed to the Service at the following address:

Internal Revenue Service
Accounts Management Service Center
MS 6748 RAF Team
1973 N Rulon White Blvd
Ogden, UT 84201

.02 The principal author of this revenue procedure is Michael Hara if the Office of Associate Chief Counsel (Procedure and Administration), Administrative Provisions and Judicial Practice Division. Mr. Hara may be contacted at (202) 622-4910 (not a toll-free number).

SECTION 9. OTHER RELATED DOCUMENTS

The programs requiring an Authorization as a prerequisite to participation are described in the following documents:

- (1) For magnetic tape filing of Forms 940 and/or 941, see Rev. Proc. 96-18, 1996-1 C.B. 637.
- (2) For electronic filing of Form 941, see Rev. Proc. 99-39, 1999-2 C.B. 532.
- (3) For electronic filing of Form 940, see Rev. Proc. 2001-9, 2001-1 C.B. 320.
- (4) For participation in EFTPS, see Rev. Proc. 98-32, 1998-1 C.B. 935.

SECTION 10. EFFECT ON OTHER DOCUMENTS

This revenue procedure modifies and supersedes Rev. Proc. 96-17, 1996-1 C.B. 633.

SECTION 11. EFFECTIVE DATE

This revenue procedure is effective August 25, 2003.