

IRC §7216
SUGGESTED – SAMPLE
CLIENT CORRESPONDENCE
AND
DISCLOSURE CONSENTS

Dear Client:

Memo Re: Disclosure and Use of Your Tax Return Information — Our Obligations

Many newspapers have of late been reporting on the confidentiality of taxpayer returns and privacy of taxpayer information. We want to reassure you that we hold all your tax and financial information in the strictest confidence.

Federal law requires us to obtain your consent before we use or disclose your tax return information for purposes other than preparing your return. We are well aware of the rules and restrictions involving the use and/or disclosure of your return information, and we take our obligations extremely seriously. This letter is to bring you up to date on the rules that we must follow when handling your tax return information.

Client Disclosure and Consent. The IRS has recently added provisions to the Tax Code designed to provide added safeguards regarding the transfer and use of your personal tax return information. The new rules reaffirm that you control your tax return information, not us or the IRS. The rules ensure that you know who your tax return information may be shared with, with and without your consent, and when it may be shared with and without your consent.

These new rules give you even greater control over the use of your tax return information. Unless the law allows us otherwise (in very limited circumstances), we can not disclose, without your signed permission, your tax return information to third parties for purposes other than for the purposes of preparing your tax return.

What is "Tax Return Information?" Tax return information is all the information we obtain from you or other sources in any form or manner that is used to prepare your income tax return or is obtained in connection with the preparation of your return. It also includes all computations, worksheets, and printouts preparers create; correspondence from IRS during the preparation, filing and correction of returns; statistical compilations of tax return information; and tax return preparation software registration information. The rules allow us to make two types of disclosures:

- (1) Certain disclosures *requiring* your consent; and
- (2) Certain permissible disclosures *without* your consent.

Disclosures/Uses That Do Not Require Your Consent. The only disclosures of your tax return information that we can make without your consent are to:

- The IRS and other taxing jurisdictions
- Disclosures permitted under another provision of the Tax Code

- The courts
- Disclosures for the purpose of obtaining legal advice
- In limited circumstances, other U.S.-based tax return preparers assisting in the preparation of your return

Disclosures/Uses Requiring Your Consent. We must obtain your consent to disclose or use your return information to any third-party who is not a U.S. return preparer assisting in the preparation of your return. For example, if your mortgage lender, attorney, or bank contacts our office for information about your return, or asks for information from it, we must obtain your written consent beforehand. Moreover, you can establish the time at which you would like the consent to expire in the form itself. If you do not provide a specific date, your consent will lapse one year after the day you signed the form.

Consents to disclose or use your tax return information — paper or electronic — must contain certain specific information. Every consent form must include:

- The tax preparer's name and the taxpayer's name
- The nature of the disclosure(s)
- To whom the disclosures will be made
- Details on the information being disclosed
- The particular use authorized
- The product or service for which the tax return information will be used

If you have any questions about the rules regarding use and disclosure of your tax return information, please contact us as we'd be happy to address any concerns you may have.

Sincerely,

Beneficiaries Consent to Disclose Tax Return Information

Name of Estate/Trust/Trust: _____

During the course of the administration of the above named Estate/Trust, you or your tax return preparer may request that our office provide directly to your tax preparer information (e.g. Schedule K-1s, etc.) regarding your allocable share of Estate/Trust income and expense. Accordingly, we request that you provide the information requested below, and sign and date your consent to the disclosure of your tax return information. Please list the name, address and contact information of your tax preparer that you authorize us to send tax information to:

Name: _____ Phone: _____
Address: _____ Fax: _____
_____ E-mail: _____

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

This consent authorizes the disclosure of a copy of all of your tax information with regard to the above named Estate/Trust. However, you may request that we provide a more limited disclosure of such tax return information to your tax preparer in accordance with your direction. Please be aware that 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.

Also note that you are not required to complete this form. If we obtain your signature on this form by conditioning our 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.

The undersigned hereby authorizes _____ to disclose to my above listed tax return preparer any of my tax information pertaining or relating to the above named Estate/Trust for the tax year(s) of _____ as requested by said tax preparer for the purpose of providing tax preparation services.

Optional: This consent shall be effective until _____.

Dated: _____

[Printed name]

Note: 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.

Client's Consent to Disclose Tax Return Information to Spouse's Attorney of Record

You have (or your spouse's Attorney of Record, _____, has) requested that we disclose your tax return information to them for the purpose of providing adequate financial disclosure in conjunction with your dissolution of marriage proceedings. Accordingly, we request that you provide the information requested below, and sign and date your consent to the disclosure of your tax return information.

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

This consent authorizes the disclosure of a copy of your entire tax return(s) or all information contained within your tax return(s) to your spouse's Attorney of Record. However, you may request that we provide a more limited disclosure of such tax return information to your spouse's Attorney of Record in accordance with your direction. Please be aware that 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.

Also note that you are not required to complete this form. If we obtain your signature on this form by conditioning our 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.

The undersigned hereby authorizes _____ to disclose to my spouse's Attorney of Record my tax return(s) or that portion of my tax return information for the tax year(s) of _____ as requested by said Attorney of Record for the purpose of providing adequate financial disclosure in conjunction with your dissolution of marriage proceedings.

Optional: This consent shall be effective until _____.

Dated: _____

[Printed name]

Note: 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.

Client's Consent to Disclose Tax Return Information to Spouse's Tax Return Preparer
(Married Filing Separately)

You have (or your spouse's tax return preparer, _____, has) requested that we disclose your tax return information to them for the purpose of current year tax preparation for your spouse on a married filing separately basis. Accordingly, we request that you provide the information requested below, and sign and date your consent to the disclosure of your tax return information.

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

This consent authorizes the disclosure of a copy of your entire tax return or all information contained within your tax return to your spouse's tax return preparer. However, you may request that we provide a more limited disclosure of such tax return information to your spouse's tax return preparer in accordance with your direction. Please be aware that 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.

Also note that you are not required to complete this form. If we obtain your signature on this form by conditioning our 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.

The undersigned hereby authorizes _____ to disclose to my spouse's tax return preparer my tax return information for the tax year(s) of _____ as requested by said tax return preparer for the purpose of completing my spouse's current year married filing separately tax return.

Optional: This consent shall be effective until _____.

Dated: _____

[Printed name]

Note: 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.

Client's Consent to Disclose Tax Return Information to a Bank

You have (or _____ Bank on your behalf has) requested that we disclose your tax return information to the Bank for the purpose of obtaining _____.

Accordingly, we request that you provide the information requested below, and sign and date your consent to the disclosure of your tax return information.

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

This consent authorizes the disclosure of a copy of your entire tax return or all information contained within your tax return to the Bank. However, you may request that we provide a more limited disclosure of such tax return information to the Bank in accordance with your direction. Please be aware that 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.

Also note that you are not required to complete this form. If we obtain your signature on this form by conditioning our 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.

The undersigned hereby authorizes _____ to disclose to Bank my tax return or that portion of my tax return information for the tax year(s) of _____ as requested by said Bank for the purpose of providing the services described above.

Optional: This consent shall be effective until _____.

Dated: _____

[Printed name]

Dated: _____

[Printed name]

Note: 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.

Client's Consent to Disclose Tax Return Information
(Brokerage Agency / Financial Services Firm)

You have (or _____ on your behalf has) requested that we disclose your tax return information to the brokerage or financial services firm for the purpose of assisting in advising you on the purchase or sale of investments, managed funds accounts, retirement plans (e.g. traditional IRA, Roth IRA or SEP), and other financial investments in general. Accordingly, we request that you provide the information requested below, and sign and date your consent to the disclosure of your tax return information.

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

This consent authorizes the disclosure of a copy of your entire tax return or all information contained within your tax return to the brokerage or financial services firm. However, you may request that we provide a more limited disclosure of such tax return information to the brokerage or financial services firm in accordance with your direction. Please be aware that 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.

Also note that you are not required to complete this form. If we obtain your signature on this form by conditioning our 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.

The undersigned hereby authorizes _____ to disclose to the brokerage or financial services firm my tax return or that portion of my tax return information for the tax year(s) of _____ as requested by said brokerage or financial services firm for the purpose of providing the services described above.

Optional: This consent shall be effective until _____.

Dated: _____

[Printed name]

Dated: _____

[Printed name]

Note: 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.

CONFIDENTIALITY STATEMENT/REQUIRED NOTIFICATION:

I understand that this office provides legal services, and that I have no authorization to obtain access to client information in any form.

If, in the course of my routine duties, I do see or hear any information about a current or former client in this office, I understand that this information is to be treated as private and confidential, including the fact that a person has visited this office or receives (or previously received) services through this office.

I understand that due to the nature of the services I provide to this office, namely providing services that are ultimately in connection with the preparation of tax returns, that I am subject to the disclosure rules of Internal Revenue Code §7216. I understand that disclosure of any information in connection with the preparation of tax returns is a criminal offense (as defined by the Internal Revenue Code) and may result in a fine not to exceed \$1,000, or imprisonment not to exceed one (1) year, or both, together with the costs of prosecution.

CONFIDENTIALITY AGREEMENT:

I hereby acknowledge, by my signature below, that I understand that any client information which I see or hear is considered private and confidential. I understand that confidentiality must be maintained whether the information is stored on paper or on a computer, or communicated orally or through any other means.

I also acknowledge that I have been provided with a copy of the Internal Revenue Code §7216 and that I have been advised that if I am uncertain about the terms or conditions contained herein that I should consult an attorney.

I understand that I am not authorized to seek or deliberately obtain access to client information.

I understand that unauthorized disclosure of client information, or any other confidential or proprietary information from this office, is unethical and/or illegal.

I understand that this duty of confidentiality and non-disclosure will continue to apply even after I am no longer working for this office.

Dated: _____

Business Name

By: _____

Printed Name

**IRC §7216 -- DISCLOSURE OR USE OF INFORMATION
BY PREPARERS OF RETURNS**

7216(a) GENERAL RULE. Any person who is engaged in the business of preparing, or providing services in connection with the preparation of, returns of the tax imposed by chapter 1, or any person who for compensation prepares any such return for any other person, and who knowingly or recklessly –

7216(a)(1) discloses any information furnished to him for, or in connection with, the preparation of any such return, or

7216(a)(2) uses any such information for any purpose other than to prepare, or assist in preparing, any such return, shall be guilty of a misdemeanor, and, upon conviction thereof,

Shall be fined not more than \$1,000, or imprisoned not more than 1 year, or both, together with the costs of prosecution.

7216(b) EXCEPTIONS.

7216(b)(1) DISCLOSURE. Subsection (a) shall not apply to a disclosure of information if such disclosure is made –

7216(b)(1)(A) pursuant to any other provision of this title, or

7216(b)(1)(B) pursuant to an order of a court.

7216(b)(2) USE. Subsection (a) shall not apply to the use of information in the preparation of, or in connection with the preparation of, State and local tax returns and declarations of estimated tax of the person to whom the information relates.

7216(b)(3) REGULATIONS. Subsection (a) shall not apply to a disclosure or use of information which is permitted by regulations prescribed by the Secretary under this section. Such regulations shall permit (subject to such conditions as such regulations shall provide) the disclosure or use of information for quality or peer reviews.