

7216 Compliance Master Checklist



This master checklist may be used to help the practitioner to comply with all aspects of the new law:

- Create and maintain a database for different types of consents to use and consents to disclose.
- Ensure that each consent form includes the mandatory language and warnings set forth in Rev. Proc. 2008-35 and Reg. §301.7216. Each consent form must include the following, which is mandatory:
 - The name of the tax return preparer and the name of the taxpayer;
 - The intended purpose of the disclosure and the specific recipient(s) of the tax return information; and
 - A specific description of the tax return information to be disclosed or used by the preparer.
 - Any applicable mandatory language set forth in section 4.04(a)-(c) of Rev. Proc. 2008-35 that informs the client that he or she is not required to sign the consent form and that if he or she signs the consent, he or she can set a time period for the duration of the consent;
 - Any mandatory language set forth in section 4.04(d) of Rev. Proc. 2008-35 that refers the client to the Treasury Inspector General for Tax Administration (TIGTA) if he or she believes that his or her tax return information has been disclosed or used improperly.
 - If in paper form, it must be in 12 point type font, on 8 ½ x 11 inch paper.
 - Make sure electronic consents are in the same type as the website's standard text.
- Ensure that forms for multiple consents to use are not included on the same form as multiple consents to disclose, and vice versa.
- Make sure clients sign and date forms before you receive any tax return information.
- Make sure that disclosure authorization forms for other services such as financing planning, insurance, investment advising, etc., are signed by the client before receiving any tax return information.
- Make sure all tax return information is not disclosed outside the U.S. without the proper advance consent from the taxpayer and redaction or other masking of the taxpayer's Social Security number (SSN).
- Ensure sure that lists for solicitation of tax return business are compiled and maintained separately; and that they only contain the names, addresses, email addresses, and phone numbers of taxpayers whose return you have prepared or processed.
- Create and maintain a database to manage when consents expire and need to be re-signed by clients. Under the law, unless a client has explicitly established on the signed consent form a different time for the consent to expire, consents lapse one year after the day after the client signs the form.