

Statement of
Procedural Rules

Conference and Practice Requirements

**Sections 601.501 through 601.509
of Subpart E of Part 601 of Title
26 Code of Federal Regulations**

Department
of the
Treasury
**Internal
Revenue
Service**

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Subchapter H - Internal Revenue Practice: Part 601 - Conference and Statement of Procedural Rules; Subpart E - Conference and practice Requirements

This Publication contains the revision of Sections 601.501 through 601.509 of Subpart E, Part 601, Title 26, Code of Federal Regulations appearing in 32 F. R. 13058, dated September 14, 1967, and includes the following amendments:

Amendment appearing in 33 F. R. 6825, dated May 4, 1968, which adds a new paragraph (b) (4) to Section 601.502 and revises paragraph (b) of Section 601.503.

Amendment appearing in 33 F. R. 17241, dated November 21, 1968, which revises paragraph (b) (4) and adds a new subdivision (iv) to paragraph (c) (3) of Section 601.502. This amendment also revises paragraph (b) of Section 601.505.

Amendment appearing in 34 F. R. 643 1, dated April 12, 1969, which revises so much of paragraph (c) (1) as precedes subdivision (i) thereof, and paragraph (c) (2) (i) adds new paragraph (c) (5) to Section 601.502. This amendment also revises paragraph (b) of Section 601.505.

Amendment appearing in 34 E R. 14603, dated September 19, 1969, which revises paragraph (a) of Section 601.501.

Amendment appearing in 37 F. R. 1016, dated January 21, 1972, which revises paragraph (a) of Section 601.501.

Amendment appearing in 41 F. R. 20883, dated May 21, 1976, which revises paragraph (b)(1)(ii) of section 601.504.

Amendment in 43 F. R. 53030, dated November 15, 1978, which revises paragraph (b) of section 601.505.

Amendment appearing in 45 F. R. 7257-7259 dated February 1, 1980, which revises Sections 601.501, 601.502, 601.503, 601.504, 601.505, 601.506, 601.507 and 601.509 by eliminating discriminatory language and bringing certain provisions of the Statement of Procedural Rules up to date.

Amendment appearing in 46 F. R. 26055 dated May 11, 1981, which revises paragraph (a) of Section 601.506.

Amendment appearing in 47 F. R. 39676 dated September 9, 1982, which adds a new subparagraph (b)(2) to Section 601.502. Existing subparagraphs (2), (3), and (4), are redesignated (3), (4), and (5) respectively.

Amendments appearing in 49 F. R. 19650-19651 dated May 9, 1984 which revises Sections 601.502, 601.503, 601.504, and 601.506.

Amendments appearing in 56 F. R. 24001-24009 dated May 28, 1991 which revises Sections 601.501 through 601.509.

TABLE OF CONTENTS
SUBPART E.-CONFERENCE AND PRACTICE REQUIREMENTS

- 601.501 Scope of Rules; definitions.
- 601.502 Recognized representative.
- 601.503 Requirements of power of attorney, signatures, fiduciaries and Commissioner's authority to substitute other requirements
- 601.504 Requirements for filing power of attorney.
- 601.505 Revocation, change in representation and substitution or delegation of representative.
- 601.506 Notices to be given to recognized representatives; direct contact with taxpayer; delivery of a check drawn on the United States Treasury to recognized representative.
- 601.507 Evidence required to substantiate facts alleged by a recognized representative.
- 601.508 Dispute between recognized representatives of a taxpayer.
- 601.509 Power of attorney not required in cases docketed in the Tax Court of the United States.

**Subpart E-Conference and Practice
Requirements**

§601.501 Scope of rules; definitions.

(a) *Scope of rules.* The rules prescribed in this subpart concern, among other things, the representation of taxpayers before the Internal Revenue Service under the authority of a power of attorney. These rules apply to all offices of the Internal Revenue Service in all matters under the jurisdiction of the Internal Revenue Service and apply to practice before the Internal Revenue Service (as defined in 31 CFR 10.2(a) and 10.7(a)(7)). For special provisions relating to alcohol, tobacco, and fire- arms activities, see §§601.521 through 601.527. These rules detail the means by which a recognized representative is authorized to act on behalf of a taxpayer. Such authority must be evidenced by a power of attorney and declaration of representative filed with the appropriate office of the Internal Revenue Service. In general, a power of attorney must contain certain information concerning the taxpayer, the recognized representative, and the specific tax matter(s) for which the recognized representative is authorized to act. (See §601.503(a).) A "declaration of representative" is a written statement made by a recognized representative that he/she is currently eligible to practice before the Internal Revenue Service and is authorized to represent the particular party on whose behalf he/she acts. (See §601.502(b).)

(b) *Definitions—(1) Attorney-in-fact.* An agent authorized by a principal under a power of attorney to perform certain specified act(s) or kinds of act(s) on behalf of the principal.

(2) *Centralized Authorization File (CAF) system.* An automated file containing information regarding the authority of an individual appointed under a power of attorney or a person designated under a tax information authorization.

(3) *Circular No. 230.* Treasury Department Circular No. 230 (codified at 31 CFR Part 10) which sets forth the regulations governing practice before the Internal Revenue Service.

(4) *Declaration of representative.* (See §601.502(b).)

(5) *Delegation of authority.* An act performed by a recognized representative whereby authority given under

a power of attorney is delegated to another recognized representative. After a delegation is made, both the original recognized representative and the recognized representative to whom a delegation is made will be recognized to represent the taxpayer. (See §601.505(b)(2).)

(6) *Form 2848, "Power of Attorney and Declaration of Representative."* The Internal Revenue Service power of attorney form which may be used by a taxpayer who wishes to appoint an individual to represent him/her before the Internal Revenue Service. (See §601.503(b)(1).)

(7) *Matter.* The application of each tax imposed by the Internal Revenue Code and the regulations thereunder for each taxable period constitutes a (separate) matter.

(8) *Office of the Internal Revenue Service.* The office of each district director, the office of each service center, the office of each compliance center, the office of each regional commissioner, and the National Office constitute separate offices of the Internal Revenue Service.

(9) *Power of attorney.* A document signed by the taxpayer, as principal, by which an individual is appointed as attorney-in-fact to perform certain specified act(s) or kinds of act(s) on behalf of the principal. Specific types of powers of attorney include the following-

(i) *General power of attorney.* The attorney-in-fact is authorized to perform any or all acts the taxpayer can perform.

(ii) *Durable power of attorney.* A power of attorney which specifies that the appointment of the attorney-in-fact will not end due to either the passage of time (i.e., the authority conveyed will continue until the death of the taxpayer) or the incompetency of the principal (e.g., the principal becomes unable or is adjudged incompetent to perform his/her business affairs).

(iii) *Limited power of attorney.* A power of attorney which is limited in any facet (i.e., a power of attorney authorizing the attorney -in -fact to perform only certain specified acts as contrasted to a general power of attorney authorizing the representative to perform any and all acts the taxpayer can perform).

(10) *Practice before the Internal Revenue Service.* Practice before the Internal Revenue Service encompasses all matters connected with presentation to the Internal Revenue Service or any of its personnel

relating to a taxpayer's rights, privileges, or liabilities under laws or regulations administered by the Internal Revenue Service. Such presentations include the preparation and filing of necessary documents, correspondence with and communications to the Internal Revenue Service, and the representation of a taxpayer at conferences, hearings, and meetings.

(See 31 CFR 10.2(a).)

(11) *Principal*. A person (i.e., taxpayer) who appoints an attorney-in-fact under a power of attorney.

(12) *Recognized representative*. An individual who is recognized to practice before the Internal Revenue Service under the provisions of §601.502.

(13) *Representation*. Acts performed on behalf of a taxpayer by a representative in practice before the Internal Revenue Service. (See §601.501(b)(10).) However, any person may prepare a tax return, may appear as a witness for the taxpayer before the Internal Revenue Service, or furnish information at the request of the Internal Revenue Service or any of its officers or employees. (See 31 CFR 10.7(c).)

(14) *Substitution of representative*. An act performed by an attorney-in-fact whereby authority given under a power of attorney is transferred to another recognized representative. After a substitution is made, only the newly recognized representative will be considered the taxpayer's representative. (See §601.505(b)(2).)

(15) *Tax information authorization*. A document signed by the taxpayer authorizing any individual or entity (e.g., corporation, partnership, trust or organization) designated by the taxpayer to receive and/or inspect confidential tax return information in a specified matter. (See section 6103 of the Internal Revenue Code and the regulations there-under.)

(c) *Conferences--(1) Scheduling*. The Internal Revenue Service encourages the discussion of any Federal tax matter affecting a taxpayer. Conferences may be offered only to taxpayers and/or their recognized representative(s) acting under a valid power of attorney. As a general rule, such conferences will not be held without previous arrangement. However, if a compelling reason is shown by the taxpayer that an immediate conference should be held, the Internal Revenue Service official(s) responsible for the matter has the discretion to make an exception to the general rule.

(2) *Submission of information*. Every written protest, brief, or other statement the taxpayer or recognized representative wishes to be considered at any conference should be submitted to or filed with the appropriate Internal Revenue Service official(s) at least five business days before the date of the conference. If the taxpayer or the representative is unable to meet this requirement, arrangement should be made with the appropriate Internal Revenue Service official for a postponement of the conference to a date mutually agreeable to the parties. The taxpayer or the representative remains free to submit additional or supporting facts or evidence within a reasonable time after the conference.

§601.502 Recognized representative.

A recognized representative is an individual who is appointed as an attorney-in-fact under a power of attor-

ney and is a member of one of the categories described in §601.502(a) and who files a declaration of representative, as described in §601.502(b).

(a) *Categories (1) Attorney*. Any individual who is a member in good standing of the bar of the highest court of any state, possession, territory, commonwealth, or the District of Columbia;

(2) *Certified public accountant*. Any individual who is duly qualified to practice as a certified public accountant in any state, possession, territory, commonwealth, or the District of Columbia;

(3) *Enrolled agent*. Any individual who is enrolled to practice before the Internal Revenue Service and is in active status pursuant to the requirements of Circular No. 230 (31 CFR Part 10);

(4) *Enrolled actuary*. Any individual who is enrolled as an actuary by and is in active status with the Joint Board for the Enrollment of Actuaries pursuant to 29 U.S.C. 1242.

(5) *Other individuals*. (i) *Temporary recognition*. Any individual who is granted temporary recognition as an enrolled agent by the Director of Practice (See 31 CFR 10.5(c).)

(ii) *Practice based on a relationship or special status with a taxpayer*. Any individual authorized to represent a taxpayer with whom/which a special relationship exists (31 CFR 10.7(a)(1) through (6)). (For example, an individual may represent another individual who is his/her regular full-time employer or a member of his/her immediate family; an individual who is a bona fide officer or regular full-time employee of a corporation or certain other organizations may represent that entity.)

(iii) *Unenrolled return preparer*. Any individual not otherwise eligible to practice before the Internal Revenue Service who signs a return as having prepared it for a taxpayer, or who prepared a return with respect to which the instructions or regulations do not require that the return be signed by the preparer. The acts which an unenrolled return preparer may perform are limited to representation of a taxpayer before revenue agents and examining officers of the Examination Division in the offices of District Director with respect to the tax liability of the taxpayer for the taxable year or period covered by a return prepared by the unenrolled return preparer (31 CFR 10.7(a)(7)).

(iv) *Special appearance*. Any individual who, upon written application, is authorized by the Director of Practice to represent a taxpayer in a particular matter (See 31CFR 10.7(b).)

(b) *Declaration of representative*. A recognized representative must attach to the power of attorney a written declaration (e.g., Part 11 of Form 2848) stating the following —

(1) I am not currently under suspension or disbarment from practice before the Internal Revenue Service;

(2) I am aware of the regulations contained in Treasury Department Circular No. 230, (31 CFR Part 10), concerning the practice of attorneys, certified public accountants, enrolled agents, enrolled actuaries, and others);

(3) I am authorized to represent the taxpayer(s) identified in the power of attorney; and

(4) I am an individual described in 26 CFR 601.502(a).

If an individual is unable to make such declaration, he/she may not engage in representation of a taxpayer before the Internal Revenue Service or perform the acts described in §601.504(a)(2) through (6).

§601.503 Requirements of power of attorney, signatures, fiduciaries and Commissioner's authority to substitute other requirements.

(a) *Requirements.* A power of attorney must contain the following information —

- (1) name and mailing address of the taxpayer;
- (2) identification number of the taxpayer (i.e., social security number and/or employer identification number);
- (3) employee plan number (if applicable);
- (4) name and mailing address of the recognized representative(s);
- (5) description of the matter(s) for which representation is authorized which, if applicable, must include —
 - (i) the type of tax involved;
 - (ii) the Federal tax form number;
 - (iii) the specific year(s)/period(s) involved; and
 - (iv) in estate matters, decedent's date of death; and
- (6) a clear expression of the taxpayer's intention concerning the scope of authority granted to the recognized representative(s).

(b) *Acceptable power of attorney documents—(1) Form 2848.* A properly completed Form 2848 satisfies the requirements for both a power of attorney (as described in §601.503(a)) and a declaration of representative (as described in §601.502(b)).

(2) *Other documents.* The Internal Revenue Service will accept a power of attorney other than Form 2848 provided such document satisfies the requirements of §601.503(a). However, for purposes of processing such documents onto the Centralized Authorization File (see §601.506(d)), a completed Form 2848 must be attached. (In such situations, Form 2848 is not the operative power of attorney and need not be signed by the taxpayer. However, the Declaration of Representative must be signed by the representative.)

(3) *Special provision.* The Internal Revenue Service will not accept a power of attorney which fails to include the information required by §601.503(a)(1) through (5). If a power of attorney fails to include some or all of the information required by such section, the attorney-in-fact can cure this defect by executing a Form 2848 (on behalf of the taxpayer) which includes the missing information. Attaching a Form 2848 to a copy of the original power of attorney will validate the original power of attorney (and will be treated in all circumstances as one signed and filed by the taxpayer) provided the following conditions are satisfied —

- (i) The original power of attorney contemplates authorization to handle, among other things, Federal tax matters, (e.g., the power of attorney includes language to the effect that the attorney-in-fact has the authority to perform any and all acts); and —
- (ii) The attorney-in-fact attaches a statement (signed under penalty of perjury) to the Form 2848 which states that the original power of attorney is valid under the laws of the governing jurisdiction.

(4) *Other categories of powers of attorney.* Categories of powers of attorney not addressed in these rules (e.g., durable powers of attorney) will be accepted by the Internal Revenue Service provided such documents satisfy the requirements of §601.503(b)(2) or (3).

(c) *Signatures.* Internal Revenue Service officials may require a taxpayer (or such individual(s) required or authorized to sign on behalf of a taxpayer) to submit appropriate identification or evidence of authority. Except when Form 2848 (or its equivalent) is executed by an attorney-in-fact under the provisions of §601.503(b)(3), the individual who must execute a Form 2848 depends on the type of taxpayer involved —

(1) *Individual taxpayer.* In matter(s) involving an individual taxpayer, a power of attorney must be signed by such individual.

(2) *Husband and wife.* In matters involving a joint return the following rules apply —

(i) *Joint representation.* In the case of any matter concerning a joint return in which both husband and wife are to be represented by the same representative(s), the power of attorney must be executed by both husband and wife.

(ii) *Individual representation.* In the case of any matter concerning a joint return in which both husband and wife are not to be represented by the same recognized representative(s), the power of attorney must be executed by the spouse who is to be represented. However, the recognized representative of such spouse cannot perform any act with respect to a tax matter that the spouse being represented cannot perform alone.

(3) *Corporation.* In the case of a corporation, a power of attorney must be executed by an officer of the corporation having authority to legally bind the corporation, who must certify that he/she has such authority.

(4) *Association.* In the case of an association, a power of attorney must be executed by an officer of the association having authority to legally bind the association, who must certify that he/she has such authority.

(5) *Partnership.* In the case of a partnership, a power of attorney must be executed by all partners, or if executed in the name of the partnership, by the partner or partners duly authorized to act for the partnership, who must certify that he/she has such authority.

(6) *Dissolved partnership.* In the case of a dissolved partnership, each of the former partners must execute a power of attorney. However, if one or more of the former partners is deceased, the following provisions apply

(i) The legal representative of each deceased partner(s) (or such person(s) having legal control over the disposition of partnership interest(s) and/or the share of partnership asset(s) of the deceased partner(s)) must execute a power of attorney in the place of such deceased partner(s). (See §601.503(c)(6)(ii).)

(ii) Notwithstanding §601.503(c)(6)(i), if the law of the governing jurisdiction provides that such partner(s) has exclusive right to control or possession of the firm's assets for the purpose of winding down its affairs, the signature(s) of the surviving partner(s) alone will be sufficient. (If the surviving partner(s) claims exclusive right to control or possession of the firm's assets for the purpose of winding down its affairs, Internal Revenue Ser-

vice officials may require the submission of a copy of or a citation to the pertinent provisions of the law of the governing jurisdiction upon which the surviving partner(s) relies.)

(d) *Fiduciaries*. In general, when a fiduciary is involved in a tax matter, a power of attorney is not required. Instead Form 56, "Notice Concerning Fiduciary Relationship" should be filed. Types of taxpayers for which fiduciaries act are —

(1) *Dissolved corporation (i) Appointed trustee*. In the case of a dissolved corporation, Form 56, "Notice Concerning Fiduciary Relationship," should be filed by the liquidating trustee(s), if one or more have been appointed, or by the trustee(s) deriving authority under a law of the jurisdiction in which the corporation was organized. If there is more than one trustee, all must join unless it is established that fewer than all have authority to act in the matter under consideration. Internal Revenue Service officials may require the submission of a properly authenticated copy of the instrument and/or citation to the law under which the trustee derives his/her authority. If the authority of the trustee is derived under the law of a jurisdiction, Internal Revenue Service officials may require a statement (signed under penalty of perjury) setting forth the facts required by the law as a condition precedent to the vesting of authority in said trustee and stating that the authority of the trustee has not been terminated.

(ii) *No appointed trustee*. If there is no appointed trustee, a Form 56, "Notice Concerning Fiduciary Relationship," should be filed by the stockholder(s) holding a majority of the voting stock of the corporation as of the date of dissolution. Internal Revenue Service officials may require submission of a statement showing the total number of outstanding shares of voting stock as of the date of dissolution, the number of shares held by each signatory to a power of attorney, the date of dissolution, and a representation that no trustee has been appointed.

(2) *Insolvent taxpayer* In the case of an insolvent taxpayer, Form 56, "Notice Concerning Fiduciary Relationship," should be filed by the trustee, receiver, or attorney appointed by the court. Internal Revenue Service officials may require the submission of a certified order or document from the court having jurisdiction over the insolvent taxpayer which shows the appointment and qualification of the trustee, receiver, or attorney and that his/her authority has not been terminated. In cases pending before a court of the United States (e.g., U.S. District Court or U.S. Bankruptcy Court), an authenticated copy of the order approving the bond of the trustee, receiver, or attorney will meet this requirement.

(3) *Deceased taxpayers* —(i) *Executor, personal representative- or administrator*. In the case of a deceased taxpayer, a Form 56, "Notice Concerning Fiduciary Relationship," should be filed by the executor, personal representative or administrator if one has been appointed and is responsible for disposition of the matter under consideration. Internal Revenue Service officials may require the submission of a short-form certificate (or authenticated copy of letters testamentary or letters of administration) showing that such authority is in full force

and effect at the time the Form 56, "Notice Concerning Fiduciary Relationship," is filed.

(ii) *Testamentary trustee(s)*. In the event that a trustee is acting under the provisions of a will, a Form 56, "Notice Concerning Fiduciary Relationship," should be filed by the trustee, unless the executor, personal representative or administrator has not been discharged and is responsible for disposition of the matter. Internal Revenue Service officials may require either the submission of evidence of the discharge of the executor and appointment of the trustee or other appropriate evidence of the authority of the trustee.

(iii) *Residuary legatee(s)*. If no executor, administrator, or trustee named under the will is acting or responsible for disposition of the matter and the estate has been distributed to the residuary legatee(s), a Form 56, "Notice Concerning Fiduciary Relationship," should be filed by the residuary legatee(s). Internal Revenue Service officials may require the submission of a statement from the court certifying that no executor, administrator, or trustee named under the will is acting or responsible for disposition of the matter, naming the residuary legatee(s), and indicating the proper share to which each is entitled.

(iv) *Distributee(s)*. In the event that the decedent died intestate and the administrator has been discharged and is not responsible for disposition of the matter (or none was ever appointed), a Form 56, "Notice Concerning Fiduciary Relationship," should be filed by the distributee(s). Internal Revenue Service officials may require the submission of evidence of the discharge of the administrator (if one had been appointed) and evidence that the administrator is not responsible for disposition of the matter. It also may require a statement(s) signed under penalty of perjury (and such other appropriate evidence as can be produced) to show the relationship of the individual(s) who sign the Form 56, "Notice Concerning Fiduciary Relationship," to the decedent and the right of each signer to the respective shares of the assets claimed under the law of the domicile of the decedent.

(4) *Taxpayer for whom a guardian or other fiduciary has been appointed*. In the case of a taxpayer for whom a guardian or other fiduciary has been appointed by a court of record, a Form 56, "Notice Concerning Fiduciary Relationship," should be filed by the fiduciary. Internal Revenue Service officials may require the submission of a court certificate or court order showing that the individual who executes the Form 56, "Notice Concerning Fiduciary Relationship," has been appointed and that his/her appointment has not been terminated.

(5) *Taxpayer who has appointed a trustee*. In the case of a taxpayer who has appointed a trustee, a Form 56, "Notice Concerning Fiduciary Relationship," should be filed by the trustee. Internal Revenue Service officials may require the submission of documentary evidence of the authority of the trustee to act. Such evidence may be either a copy of a properly executed trust instrument or a certified copy of extracts from the trust instrument, showing —

- (i) The date of the instrument;
- (ii) That it is or is not of record in any court;
- (iii) The names of the beneficiaries;

(iv) The appointment of the trustee, the authority granted, and other information as may be necessary to show that such authority extends to Federal tax matters; and

(v) That the trust has not been terminated and the trustee appointed therein is still legally acting as such. In the event that the trustee appointed in the original trust instrument has been replaced by another trustee, documentary evidence of the appointment of the new trustee must be submitted.

(e) *Commissioner's authority to substitute other requirements for power of attorney.* Upon application of a taxpayer or a recognized representative, the Commissioner of Internal Revenue may substitute a requirement(s) other than provided herein for a power of attorney as evidence of the authority of the representative.

§601.504 Requirements for filing power of attorney.

(a) *Situations in which a power of attorney is required.* Except as otherwise provided in §601.504(b), a power of attorney is required by the Internal Revenue Service when the taxpayer wishes to authorize a recognized representative to perform one or more of the following acts on behalf of the taxpayer

(1) *Representation.* (see §§601.501(b)(10) and 601.501 (b)(13).)

(2) *Waiver Offer and/or execution of either—*

(i) a waiver of restriction on assessment or collection of a deficiency in tax, or

(ii) a waiver of notice of disallowance of a claim for credit or refund.

(3) *Consent.* Execution of a consent to extend the statutory period for assessment or collection of a tax.

(4) *Closing agreement.* Execution of a closing agreement under the provisions of the Internal Revenue Code and the regulations thereunder.

(5) *Check drawn on the United States Treasury.* The authority to receive (but not endorse or collect) a check drawn on the United States Treasury must be specifically granted in a power of attorney. (The endorsement and payment of a check drawn on the United States Treasury are governed by Treasury Department Circular No. 21, as amended, 31 Part CFR 240.) Endorsement of such check by any person other than the payee must be made under one of the special types of powers of attorney prescribed by Circular No. 21, as amended, (31 CFR Part 240). For restrictions on the assignment of claims, see Revised Statute section 3477, as amended (31 U.S.C. 3727).)

(6) *Signing tax returns.* The filing of a power of attorney does not authorize the recognized representative to sign a tax return on behalf of the taxpayer unless such act is both —

(i) permitted under the Internal Revenue Code and the regulations thereunder (e.g., the authority to sign income tax returns is governed by the provisions of section 1.6012-1 (a)(5) of the Income Tax Regulations); and

(ii) specifically authorized in the power of attorney.

(b) *Situations in which a power of attorney is not required—(1) Disclosure of confidential tax return information.* The submission of a tax information authoriza-

tion to request the disclosure of confidential tax return information does not constitute practice before the Internal Revenue Service. (Such procedure is governed by the provisions of section 6103 of the Internal Revenue Code and the regulations thereunder.) Nevertheless, if a power of attorney is properly filed, the recognized representative also is authorized to receive and/or inspect confidential tax return information concerning the matter(s) specified in the power of attorney (provided the power of attorney places no limitations upon such disclosure).

(2) *Estate matter.* A power of attorney is not required at a conference concerning an estate tax matter if the individual seeking to act as a recognized representative presents satisfactory evidence to Internal Revenue Service officials that he/she is —

(i) an individual described in §601.502(a); and

(ii) the attorney of record for the executor, personal representative, or administrator before the court where the will is probated or the estate is administered

(3) *Bankruptcy matters.* A power of attorney is not required in the case of a trustee, receiver, or an attorney (designated to represent a trustee, receiver, or debtor in possession) appointed by a court having jurisdiction over a debtor. In such a case, Internal Revenue Service officials may require the submission of a certificate from the court having jurisdiction over the debtor showing the appointment and qualification of the trustee, receiver, or attorney and that his/her authority has not been terminated. In cases pending before a court of the United States (e.g., U.S. District Court or U.S. Bankruptcy Court), an authenticated copy of the order approving the bond of the trustee, receiver, or attorney will meet this requirement.

(c) *Administrative requirements of filing — (1) General.* Except as provided in this section, a power of attorney (including the declaration of representative and any other required statement(s)) must be filed in each office of the Internal Revenue Service in which the recognized representative desires to perform one or more of the acts described in §601.504(a).

(2) *Regional offices.* If a power of attorney (including the declaration of representative and any other required statement(s)) is filed with the office of a district director or with a service center which has the matter under consideration, it is not necessary to file a copy with the office of a regional commissioner which subsequently has the matter under consideration unless requested.

(3) *National Office.* In case of a request for a ruling or other matter to be considered in the National Office, a power of attorney, including the declaration of representative and any other required statement(s), must be submitted with each request or matter.

(4) *Copy of power of attorney.* The Internal Revenue Service will accept either the original or a copy of a power of attorney. A copy of a power of attorney received by facsimile transmission (FAX) also will be accepted.

(d) *Practice by correspondence.* If an individual desires to represent a taxpayer through correspondence with the Internal Revenue Service, such individual must submit a power of attorney, including the declaration of

representative and any other required statement(s), even though no personal appearance is contemplated.

§601.505 Revocation, change in representation and substitution or delegation of representative.

(a) *By the taxpayer—(1) New power of attorney filed.* A new power of attorney revokes a prior power of attorney if it is granted by the taxpayer to another recognized representative with respect to the same matter. However, a new power of attorney does not revoke a prior power of attorney if it contains a clause stating that it does not revoke such prior power of attorney and there is attached to the new power of attorney either —

(i) a copy of the unrevoked prior power of attorney; or
(ii) a statement signed by the taxpayer listing the name and address of each recognized representative authorized under the prior unrevoked power of attorney.

(2) *Statement of revocation filed.* A taxpayer may revoke a power of attorney without authorizing a new representative by filing a statement of revocation with those offices of the Internal Revenue Service where the taxpayer has filed the power of attorney to be revoked. The statement of revocation must indicate that the authority of the first power of attorney is revoked and must be signed by the taxpayer. Also, the name and address of each recognized representative whose authority is revoked must be listed (or a copy of the power of attorney to be revoked must be attached).

(b) *By the recognized representative — (1) Revocation of power of attorney.* A recognized representative may withdraw from representation in a matter in which a power of attorney has been filed by filing a statement with those offices of the Internal Revenue Service where the power of attorney to be revoked was filed. The statement must be signed by the representative and must identify the name and address of the taxpayer(s) and the matter(s) from which the representative is withdrawing.

(2) *Substitution or delegation of recognized representative.* Any recognized representative appointed in a power of attorney may substitute or delegate authority under the power of attorney to another recognized representative if substitution or delegation is specifically permitted under the power of attorney. Unless otherwise provided in the power of attorney, a recognized representative may make a substitution or delegation without the consent of any other recognized representative appointed to represent the taxpayer in the same matter. A substitution or delegation is effected by filing the following items with offices of the Internal Revenue Service where the power of attorney has been filed —

(i) *Notice of substitution or delegation.* A Notice of Substitution or Delegation is a statement signed by the recognized representative appointed under the power of attorney. The statement must contain the name and mailing address of the new recognized representative and, if more than one individual is to represent the taxpayer in the matter, a designation of which recognized representative is to receive notices and other written communications;

(ii) *Declaration of representative.* A written declaration which is made by the new representative as required by §601.502(b); and

(iii) *Power of attorney.* A power of attorney which specifically authorizes the substitution or delegation.

An employee of a recognized representative may not be substituted for his/her employer with respect to the representation of a taxpayer before the Internal Revenue Service unless the employee is a recognized representative in his/her own capacity under the provisions of §601.502(a). However, even if such employee is not a recognized representative in his/her own capacity under the provisions of §601.502(a), that individual may be authorized by the taxpayer under a tax information authorization to receive and/or inspect confidential tax return information under the provisions of section 6103 of the Internal Revenue Code and the regulations thereunder.

§601.506 Notices to be given to recognized representative; direct contact with taxpayer; delivery of a check drawn on the United States Treasury to recognized representative.

(a) *General.* Any notice or other written communication (or a copy thereof) required or permitted to be given to a taxpayer in any matter before the Internal Revenue Service must be given to the taxpayer and, unless restricted by the taxpayer, to the representative according to the following procedures —

(1) If the taxpayer designates more than one recognized representative to receive notices and other written communications, it will be the practice of the Internal Revenue Service to give copies of such to two (but not more than two) individuals so designated.

(2) In a case in which the taxpayer does not designate which recognized representative is to receive notices, it will be the practice of the Internal Revenue Service to give notices and other communications to the first recognized representative appointed on the power of attorney.

(3) Failure to give notice or other written communication to the recognized representative of a taxpayer will not affect the validity of any notice or other written communication delivered to a taxpayer.

Unless otherwise indicated in the document, a power of attorney other than Form 2848 will be presumed to grant the authority to receive notices or other written communication (or a copy thereof) required or permitted to be given to a taxpayer in any matter(s) before the Internal Revenue Service to which the power of attorney pertains.

(b) *Cases where taxpayer may be contacted directly.* Where a recognized representative has unreasonably delayed or hindered an examination, collection or investigation by failing to furnish, after repeated requests, nonprivileged information necessary to the examination, collection or investigation, the Internal Revenue Service employee conducting the examination, collection or investigation may request the permission of his/her immediate supervisor to contact the taxpayer directly for such information.

(1) *Procedure.* If such permission is granted, the case file will be documented with sufficient facts to show how the examination, collection or investigation was being delayed or hindered. Written notice of such permis-

sion, briefly stating the reason why it was granted, will be given to both the recognized representative and the taxpayer together with a request of the taxpayer to supply such nonprivileged information. (See section 7521(c) of the Internal Revenue Code and the regulations there-under.)

(2) *Effect of direct notification.* Permission to by-pass a recognized representative and contact a taxpayer directly does not automatically disqualify an individual to act as the recognized representative of a taxpayer in a matter. However, such information may be referred to the Director of Practice for possible disciplinary proceedings under Circular No. 230, (31 CFR Part 10).

(c) *Delivery of a check drawn on the United States Treasury-(I) General.* A check drawn on the United States Treasury (e.g., a check in payment of refund of internal revenue taxes, penalties, or interest, see §601.504(a)(5)) will be mailed to the recognized representative of a taxpayer provided that a power of attorney is filed containing specific authorization for this to be done.

(2) *Address of recognized representative.* The check will be mailed to the address of the recognized representative listed on the power of attorney unless such recognized representative notifies the Internal Revenue Service in writing that his/her mailing address has been changed.

(3) *Authorization of more than one recognized representative.* In the event a power of attorney authorizes more than one recognized representative to receive a check on the taxpayer's behalf, and such representatives have different addresses, the Internal Revenue Service will mail the check directly to the taxpayer, unless a statement (signed by all of the recognized representatives so authorized) is submitted which indicates the address to which the check is to be mailed.

(4) *Cases in litigation.* The provisions of §601.506(c) concerning the issuance of a tax refund do not apply to the issuance of a check in payment of claims which have been either reduced to judgment or settled in the course (or as a result) of litigation.

(d) *Centralized Authorization File (CAF) system-(I) Information recorded onto the CAF system.* Information from both powers of attorney and tax information authorizations is recorded onto the CAF system. Such information enables Internal Revenue Service personnel who do not have access to the actual power of attorney or tax information authorization to-

(i) determine whether a recognized representative or a designee is authorized by a taxpayer to receive and/or inspect confidential tax return information;

(ii) determine, in the case of a recognized representative, whether that representative is authorized to perform the acts set forth in §601.504(a); and

(iii) send copies of computer generated notices and communications to a recognized representative or a designee so authorized by the taxpayer.

(2) *CAF number.* A Centralized Authorization File (CAF) number generally will be issued to-

(i) a recognized representative who files a power of attorney and a written declaration of representative; or

(ii) a designee authorized under a tax information authorization.

The issuance of a CAF number does not indicate that a person is either recognized or authorized to practice before the Internal Revenue Service. Such determination is made under the provisions of Circular No. 230, (31 CFR Part 10). The purpose of the CAF number is to facilitate the processing of a power of attorney or a tax information authorization submitted by a recognized representative or a designee. A recognized representative or a designee should include the same CAF number on every power of attorney or tax information authorization filed. However, because the CAF number is not a substantive requirement (i.e., as listed in §601.503(a)), a tax information authorization or power of attorney which does not include such number will not be rejected based on the absence of a CAF number.

(3) *Tax matters recorded on CAF* Although a power of attorney or tax information authorization may be filed in all matters under the jurisdiction of the Internal Revenue Service, only those documents which meet each of the following criteria will be recorded onto the CAF system-

(i) *Specific tax period.* Only documents which concern a matter(s) relating to a specific tax period will be recorded onto the CAF system. A power of attorney or tax information authorization filed in a matter unrelated to a specific period (e.g., the 100% penalty for failure to pay over withholding taxes imposed by section 6672 of the Internal Revenue Code, applications for an employer identification number, and requests for a private letter ruling pertaining to a proposed transaction) cannot be recorded onto the CAF system.

(ii) *Future three-year limitation.* Only documents which concern a tax period that ends no later than three years after the date a power of attorney is received by the Internal Revenue Service will be recorded onto the CAF system. For example, a power of attorney received by the Internal Revenue Service on August 1, 1990, which indicates that the authorization applies to Forms 941 for the quarters ended December 31, 1990 through December 31, 2000, will be recorded onto the CAF system for the applicable tax periods which end no later than July 31, 1993 (i.e., three years after the date of receipt by the Internal Revenue Service).

(iii) *Documents for prior tax periods.* Documents which concern any tax period which has ended prior to the date on which a power of attorney is received by the Internal Revenue Service will be recorded onto the CAF system provided that matters concerning such years are under consideration by the Internal Revenue Service.

(iv) *Limitation on the number of representatives recorded onto the CAF system.* No more than three representatives appointed under a power of attorney or three persons designated under a tax information authorization will be recorded onto the CAF system. If more than three representatives are appointed under a power of attorney or more than three persons are designated under a tax information authorization, only the first three names will be recorded onto the CAF system.

The fact that a power of attorney or tax information authorization cannot be recorded onto the CAF system is not determinative of the (current or future) validity of such document. For example, a power of attorney or tax

information authorization which concerns tax periods that end more than three years from the date of receipt by the Internal Revenue Service is not invalid for the period(s) not recorded onto the CAF system. Such power of attorney or tax information authorization may be resubmitted at a later date.

§601.507 Evidence required to substantiate facts alleged by a recognized representative.

The Internal Revenue Service may require a recognized representative to submit all documentary evidence required to substantiate alleged facts (except that of a supplementary or incidental character) over a declaration (signed under penalty of perjury) that the recognized representative prepared or reviewed such documentary evidence and that to the best of his/her knowledge or belief the facts contained therein are true. In any case in which a recognized representative is unable or unwilling to declare his/her own knowledge that the facts are true and correct, the Internal Revenue Service may require the taxpayer to make such a declaration under penalty of perjury.

§601.508 Dispute between recognized representatives of a taxpayer.

Where there is a dispute between two or more recognized representatives concerning who is entitled to rep-

resent a taxpayer in a matter pending before the Internal Revenue Service (or to receive a check drawn on the United States Treasury), the Internal Revenue Service will not recognize any of the disputing representatives. However, if the contesting recognized representatives designate one or more of their number under the terms of an agreement signed by all, the Internal Revenue Service will recognize such designated recognized representative(s) upon receipt of a copy of such agreement according to the terms of the power of attorney.

§601.509 Power of attorney not required in cases docketed in the Tax Court of the United States.

The petitioner and the Commissioner of Internal Revenue stand in the position of parties litigant before a judicial body in a case docketed in the Tax Court of the United States. The Tax Court has its own rules of practice and procedure and its own rules respecting admission to practice before it. Accordingly, a power of attorney is not required to be submitted by an attorney of record in a case which is docketed in the Tax Court. Correspondence in connection with cases docketed in the Tax Court will be addressed to the attorney of record before the Court. However, a power of attorney is required to be submitted by an individual other than the attorney of record in any matter before the Internal Revenue Service concerning a docketed case.

(Section 7805 of the Internal Revenue Code of 1986 (68A Stat. 917; 26 U.S.C. 7805) and 5 U.S.C. 301)

(SEAL)

FRED T. GOLDBERG, JR.
Commissioner of Internal Revenue

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