Section 7216 sample consent forms

The following pages contain templates to use to comply with Sec. 7216, *Disclosure or use of information by preparers of returns*. These templates should be used when tax return information is shared with outside parties including entities related to a tax practitioner's firm, such as an affiliated investment advisory or wealth management firm or with another tax practitioner who is assisting with the preparation of the return if that practitioner is not part of or employed by the firm that is preparing the return.

Form 1040 taxpayers – Consent to disclosure of tax return information (page 2)
This is a general consent form that can be used to disclose a client's tax return information to a third party (e.g., a client's banker, lawyer, investment adviser or mortgage broker). If the consent to disclose tax return information is in a tax return preparation or auxiliary services context, consult Rev. Proc. 2013-14 for necessary required language.

Form 1040 taxpayers – Consent to foreign disclosure of tax return information (page 3)
This consent form permits a U.S. preparer to disclose tax return information (including the taxpayer's Social Security number) to a foreign-based preparer if adequate data protection safeguards are in place. If the recipient does not have adequate data protection safeguards in place, or the consent to disclose tax return information is in a tax return preparation or auxiliary services context, consult Rev. Proc. 2013-14 for necessary required language.

Form 1040 taxpayers – Consent to use of tax return information (page 4)
This consent form covers the use of tax return information by the preparer to disseminate items such as firm newsletters, press releases, webcasts and hiring announcements to individual clients. This consent form could be used when the preparer plans to use an individual client's tax return information for non-tax purposes.

Non-1040 taxpayers – Consent to disclosure of tax return information (page 5)
This is a general consent form that can be used to disclose a client's tax return information to a third party. For non-1040 taxpayers, this consent language can be included in an engagement letter. This does not need to be a separate, stand-alone document.

Non-1040 taxpayers – Consent to use of tax return information (page 6)
This consent form covers the use of tax return information by the preparer for non-tax purposes. For non-1040 taxpayers, this consent language can be included in an engagement letter. This does not need to be a separate, stand-alone document.

Related Tax Section and Personal Financial Planning Section resources

- Tax Practice Quality Control Guide
- Practical Retirement Planning Guide

Terms and conditions for readers
Each tax preparer should read Regs. Sec. 301.7216, Rev. Proc. 2013-14 and Rev. Proc. 2013-19 very closely to draft the appropriate consent forms necessary to meet the unique facts and circumstances of his or her firm's needs. These templates are designed to provide illustrative information with respect to the subject matter covered. They do not establish standards or preferred practices. The laws, regulations and policies of each state should be verified for application to specific cases. These templates are neither authoritative nor all-inclusive and should not be relied upon for a specific taxpayer.

Form 1040 taxpayers – Consent to disclosure of tax return information

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

You are not required to complete this form to engage our tax return preparation services. If we obtain your signature on this form by conditioning our tax return preparation 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 from the date of signature.

Purpose for disclosing information: [to be completed by taxpayer]

Name, and email of recipient: [to be completed by taxpayer]

The duration of this consent will continue as indicated below, unless [name of accounting firm/preparer] is notified in writing to no longer disclose your tax return information to this recipient.
___ Remain effective to the extent [name of accounting firm/preparer] is engaged
___ Other: ____

If you approve the disclosure of your tax return information to [name of recipient] for the duration indicated above, please sign below.

If married, both spouses must sign the consent.

Name: _________________________ Name: _______________________________

Signature: ______________________ Signature: ____________________________

Date: __________________________ Date: ________________________________

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.

Form 1040 taxpayers – Consent to foreign disclosure of tax return information

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

You are not required to complete this form to engage our tax return preparation services. If we obtain your signature on this form by conditioning our tax return preparation 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 from the date of signature.

This consent to disclose may result in your tax return information being disclosed to a tax return preparer located outside the United States, <u>including your personally identifiable information such as your Social Security number (SSN)</u>. Both the tax return preparer in the United States that will disclose your SSN and the tax return preparer located outside the United States that will receive your SSN maintain an adequate data protection safeguard (as required by the regulations under 26 U.S.C. section 7216) to protect privacy and prevent unauthorized access of tax return information. If you consent to the disclosure of your tax return information, federal agencies may not be able to enforce United States laws that protect the privacy of your tax return information against a tax return preparer located outside of the United States to whom the information is disclosed.

The duration of this consent will continue as indicated below, unless [name of accounting firm/preparer] is notified in writing to no longer disclose your tax return information to this recipient:
___ Remain effective to the extent [name of accounting firm/preparer] is engaged
___ Other: ____

If you approve the disclosure of your tax return information, including your SSN(s), to [name of foreign recipient] for purposes of assisting in providing tax return preparation services for the duration indicated above, please sign below.

If married, both spouses must sign the consent.

Name: ________________________ Name: ______________________________

Signature: _____________________ Signature: ___________________________

Date: _________________________ Date: _______________________________

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.

Form 1040 taxpayers – Consent to use of tax return information

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

You are not required to complete this form to engage our tax return preparation services. If we obtain your signature on this form by conditioning our tax return preparation services on your consent, your consent will not be valid. Your consent is valid for the time that you specify. If you do not specify the duration of your consent, your consent is valid for one year from the date of signature.

You hereby consent to the use by [name of accounting firm/preparer] of all tax return information contained in your federal income tax returns (Forms 1040, 1040NR, etc., and supporting schedules) for the purpose of mailing, including electronic transmission, of information pertaining to:
____ Newsletters of [accounting firm/preparer]
____ Newsletters of an affiliated financial planning firm to [accounting firm/preparer]
____ Press releases and published articles of [accounting firm/preparer]
____ Upcoming seminars, webinars and webcasts
____ [Accounting firm/preparer] promotion or hire announcements
____ Other: ____

The tax information may not be disclosed or used by [name of accounting firm/preparer] for any purpose other than that permitted by this consent document.

The duration of this consent will continue as indicated below, unless [name of accounting firm/preparer] is notified in writing to no longer use your tax return information for purposes identified above.
___ Remain effective to the extent [name of accounting firm/preparer] is engaged
___ Other: ___________________________________

If you approve the use of your tax return information by [name of accounting firm/preparer] for the duration indicated above, please sign below.

If married, both spouses must sign the consent.

Name: _________________________ Name: _______________________________

Signature: ______________________ Signature: ____________________________

Date: __________________________ Date: _______________________________

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.

Non-1040 taxpayers – Consent to disclosure of tax return information

General disclosure engagement letter insert

The taxpayer authorizes that any and all information furnished to us for or in connection with the preparation of tax returns under this engagement letter may, for a period of up to [insert number of years] years from the date of this engagement letter, be disclosed to [insert name], engaged directly or indirectly in providing tax planning or preparation of tax returns. Disclosures under this paragraph may consist of all information contained in tax returns. If the taxpayer wishes to request a limited disclosure of tax return information, the taxpayer must inform us.

Foreign disclosure engagement letter insert

The taxpayer authorizes that any and all information furnished to us for or in connection with the preparation of tax returns under this engagement letter may, for a period of up to [insert number of years] years from the date of this engagement letter, be disclosed to [insert name], located outside the United States, engaged directly or indirectly in providing tax planning or preparation of tax returns. Disclosures under this paragraph may consist of all information contained in tax returns. If the taxpayer wishes to request a limited disclosure of tax return information, the taxpayer must inform us. The taxpayer acknowledges that their tax return information may be disclosed to our affiliates, related entities or subcontractors located outside the United States.

Non-1040 taxpayers – Consent to use of tax return information

General use engagement letter insert

The taxpayer authorizes that all information furnished to us for, or in connection with, the preparation of the taxpayer's tax returns, may, for a period of up to [insert number of years] years from the date of this engagement letter, be disclosed to and used by [insert name], for the sole purpose [insert purpose]. Disclosures under this paragraph may consist of all information contained in the taxpayer's tax returns for the tax year(s) noted in the engagement letter.

Foreign use engagement letter insert

The taxpayer authorizes that all information furnished to us for, or in connection with, the preparation of the taxpayer's tax returns, may, for a period of up to [insert number of years] years from the date of this engagement letter, be disclosed to and used by [insert name], for the sole purpose [insert purpose]. Disclosures under this paragraph may consist of all information contained in the taxpayer's tax returns for the tax year(s) noted in the engagement letter. The taxpayer acknowledges that their tax return information may be disclosed to an entity located outside the United States.