

# Ethics Part 1 – Exploring Our Disclosure Responsibilities - Proposed Changes to § 10.33 and § 10.21 of Circular 230 and §§ 7216 and 6103 Guidance

PRESENTER - *Kristy Maitre*

Basics+Beyond™  
income tax webinars



1

## Agenda and Objectives

- Overview of the proposed changes to Circular 230 § 10.33
- § 10.21 - changes to our disclosure responsibilities
- Understanding the impact of Circular 230 proposed changes
- Understanding our responsibilities to have a security data plan implemented
- Overview of the rules of disclosure under §§ 7216 and 6103
- Defining our responsibilities under each disclosure rule
- Introduction to IRS Disclosure Program



Basics+Beyond™  
income tax webinars

2

## Circular 230 Proposed Regulations - §10.33 Update



- 31 CFR Part 10, [REG-116610-20](#)
- Current § 10.33 provides best practices for practitioners related to client representation
- Proposed § 10.33 would replace references to “tax advisors” with “tax practitioners” to better align § 10.33 with descriptions used elsewhere in Circular 230
- Proposed § 10.33(a)(4) would provide that it is a best practice for practitioners to create a data security policy to maintain safeguards with respect to client information and establish a plan and procedures for responding to data breaches

Basics+Beyond™  
income tax webinars

3

## Circular 230 Proposed Regulations - §10.33 Update



- Practitioners who also prepare returns have a legal obligation to comply with the Federal Trade Commission's Safeguards Rule under the Gramm-Leach Bliley Act, which requires businesses to implement safeguards, including a written information security plan, to protect the security, confidentiality and integrity of customer information
  - [16 CFR part 314](#) (2002)

Basics+Beyond™  
income tax webinars

4

## Circular 230 Proposed Regulations - §10.33 Update



- This proposed change acknowledges this duty and complements the newly proposed duty to maintain technological competence under proposed § 10.35 and better aligns Circular 230 with other professional standards
  - Review American Bar Association Formal Ethics Opinion 18-483
  - IRS Publication 4557, *Safeguarding Taxpayer Data*
  - IRS Publication 5708, *Creating a Written Information Security Plan for Your Tax & Accounting Practice*

Basics+Beyond™  
income tax webinars

5

## ABA Ethics Opinion Offers Guidance on Data Breaches



- The opinion is geared to lawyer's but is worth mentioning
- The ethics opinion implicates [Model Rule 1.1](#) (competence), [Model Rule 1.4](#) (communications), [Model Rule 1.6](#) (confidentiality of information), [Model Rule 1.15](#) (safekeeping property), [Model Rule 5.1](#) (responsibilities of a partner or supervisory lawyer) and [Model Rule 5.3](#) (responsibilities regarding nonlawyer assistance)
- Like many ethics' opinions regarding technology, this opinion does not endorse particular hardware or software, but rather presents “reasonable” steps a lawyer could take“

Basics+Beyond™  
income tax webinars

6

## ABA Ethics Opinion Offers Guidance on Data Breaches

---



- “As a matter of preparation and best practices, however, lawyers should consider proactively developing an incident response plan with specific plans and procedures for responding to a data breach,”
- “The decision whether to adopt a plan, the content of any plan and actions taken to train and prepare for implementation of the plan should be made before a lawyer is swept up in an actual breach”
- These recommendations are to be tailored to a lawyer’s particular needs and potential threats

Basics+Beyond<sup>™</sup>  
income tax webinars

7

## ABA Ethics Opinion Offers Guidance on Data Breaches

---



- The opinion states that these efforts may include restoring or implementing technology systems where it is practical but also declining a technology solution if a task does not require it
- The idea here being that internet-enabled services increase a firm’s vulnerabilities
- The opinion also recommends, in a footnote, that firms should have data retention policies that limit their possession of personally identifiable information
- Thoughts taken from the ABA Journal, dated October 17, 2018, written by Jason Tashea – though 7 years old the opinion is right on point in 2025

Basics+Beyond<sup>™</sup>  
income tax webinars

8

# Proposed Circular 230 §10.21(b) Guidance – Our Disclosure Responsibilities

Presenter: Kristy Maitre

Basics+Beyond™  
income tax webinars



9

## Disclosure – Circular 230 Proposed Regulations



- § 10.21(b) *Disclosure and continued representation*
- If a practitioner is representing a client in a matter before the Internal Revenue Service, **the practitioner should request the client's agreement to disclose the noncompliance, error, or omission to the Internal Revenue Service**
- The practitioner must also take reasonable steps to ensure that the noncompliance, error, or omission is not repeated in subsequent submissions to the Internal Revenue Service
- **If the client does not agree to disclose the noncompliance, error, or omission, the practitioner should consider whether the practitioner can continue to represent the client before the Internal Revenue Service and meet the obligation to ensure diligence as to accuracy under § 10.22**

10

## Disclosure – Circular 230

---

- § 10.21(b) is an addition to the Circular 230 under the proposed regulation
- Original text:
  - A practitioner who, having been retained by a client with respect to a matter administered by the Internal Revenue Service, knows that the client has not complied with the revenue laws of the United States or has made an error in or omission from any return, document, affidavit, or other paper which the client submitted or executed under the revenue laws of the United States, **must advise the client promptly of the fact of such noncompliance, error, or omission**
  - The practitioner must advise the client of the consequences as provided under the Code and regulations of such noncompliance, error, or omission

Basics+Beyond™  
income tax webinars

11

## Effects of this Change

---

- Exhibits a significant change in IRS stance
- Not only must we advise the client of the error, but we must seek permission to disclose
- This places the practitioner in a new position – how will IRS govern this area ??????
- Does this place us in a precarious position when we do not disclose ???????
- Does this now make us auditors ????????
- Must we now amend returns ??????

Basics+Beyond™  
income tax webinars

12

# § 7216 Guidance – Our Disclosure Responsibilities

Presenter: *Kristy Maitre*

Basics+Beyond™  
income tax webinars



13

## What is § 7216?

- [IRC §7216](#) is a criminal provision enacted by the U.S. Congress in 1971 that prohibits preparers of tax returns from knowingly or recklessly disclosing or using tax return information
- A convicted preparer may be fined not more than \$1,000 or imprisoned not more than one year or both, for each violation
- The monetary penalty increases to up to \$100,000 if the disclosure or use is in connection with a crime involving identity theft
- In addition to potential criminal penalties § 7216 infractions can expose tax preparers to a referral to the IRS's Office of Professional Responsibility, which oversees professional conduct
- The Secretary of Treasury is permitted to grant exceptions to this general prohibition by issuing regulations

Basics+Beyond™  
income tax webinars



14

## What is § 7216?



- Treas. Reg. §301.7216 had been substantially unchanged for over 30 years and did not address the modern return preparation marketplace, particularly electronic filing and the cross-marketing of financial and commercial products and services during the return preparation experience
- After a long process that included many public suggestions and comments, updated regulations were published on [January 7](#) and [July 2, 2008](#) and apply to uses and disclosures beginning on January 1, 2009

Basics+Beyond™  
income tax webinars

15

## What is Tax Return Information?



- Tax return information is all the information tax return preparers obtain from taxpayers or other sources in any form or manner that is used to prepare tax returns or is obtained in connection with the preparation of returns
- 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
- All tax return information is protected by §7216 and the regulations

Basics+Beyond™  
income tax webinars

16

## Polling Question #1

Basics+Beyond™  
income tax webinars



17

## What Information is Protected under § 7216?

- § 7216 protects any information “furnished in any form or manner for, or in connection with, the preparation of a tax return of the taxpayer” (Regs. § 301.7216-1(b)(3))
- This covers even basic information, including but not limited to:
  - Personal identifying information — name, address, Social Security number, etc.
  - Financial information
  - Employment information
  - Business information
  - Investment information



Basics+Beyond™  
income tax webinars

18

## What Information is Protected under § 7216?

---



- If any of the above information was first obtained while providing services other than tax return preparation, it is unlikely to be subject to § 7216
- However, such information is still subject to the confidentiality requirements provided for by the AICPA, the various state boards of accountancy, other professional organizations, U.S. federal and state privacy laws, the General Data Protection Regulation of the EU, and any confidentiality provisions contained within engagement letters or other types of contractual arrangements with clients

Basics+Beyond™  
income tax webinars

19

## What Are Disclosures of Tax Return Information?

---



- Disclosure of tax return information is the act of making tax return information known to any person in any manner whatsoever
- The regulations authorize two types of disclosures:
  - **Certain permissible disclosures without taxpayer consent**
  - **Disclosures requiring taxpayer consent**

Basics+Beyond™  
income tax webinars

20

## What Are Disclosures of Tax Return Information?

---



- The regulations provide exceptions allowing tax return preparers to disclose tax return information without a taxpayer's prior written consent under certain circumstances: e.g., disclosures to the IRS, other taxing jurisdictions or the courts; disclosures to other U.S.-based tax return preparers that assist in preparing the return; and disclosures for the purpose of obtaining legal advice
- These and other exceptions can be found in Treas. Reg. §301.7216-2
- All other disclosures not specifically authorized require tax return preparers to secure from taxpayers advance signed consents authorizing the disclosures

Basics+Beyond™  
income tax webinars

21

## What are "Consents to Disclose Tax Return Information"?

---



- Consents to disclose tax return information are paper or electronic documents that contain certain specific information including the names of the tax return preparer and the taxpayer and that specify the nature of the disclosure(s), to whom the disclosures will be made, and details on the data to be disclosed
- Consents are valid only if they are a made by the taxpayer knowingly and voluntarily and are signed and dated by the taxpayer in pen-and-ink or electronically
- Consent forms must include certain language and warnings
- Review Treas. Reg. §301.7216-3(a)(3) and Revenue Procedures 2013-14 and 2013-19 for complete information

22

## Sample Consent Forms

<https://www.cpeholders.com/wp-content/uploads/2025/04/Sample-Client-Ltrs.-Disclosure-Consents.pdf>

23

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

## How and When to Obtain Consent

- A taxpayer must provide written consent before a tax return preparer discloses the taxpayer's tax return information
- Additionally, a tax return preparer may not request a taxpayer's consent to disclosure tax return information for purposes of solicitation of business unrelated to tax return preparation after the tax return preparer provides a completed tax return to the taxpayer for signature
- The rules for obtaining consents to disclose tax return information are found in Treas. Reg. 301.7216-3 and Revenue Procedures 2013-14 and 2013-19



24

## Do Consents to Disclosure or Use Tax Information Have Expiration Dates?




- Yes
- The taxpayer and tax return preparer may agree to specify the period of time the consent will be effective and include the period in the consent form
- If no period is specified, the regulations state that the consent will be effective for a period of one year from the date the taxpayer signed the consent
- Review Treas. Reg. 301.7216-3(b)(5)

Basics+Beyond™  
income tax webinars

25

## How do Revenue Procedures 2013-14 and 2013-19 Change the Rules for Obtaining Consents to Disclose or Use Tax Return Information?



- Revenue Procedure 2013-14 modifies and supersedes Revenue Procedure 2008-35, which provided guidance to tax return preparers regarding the format and content of consents to use and consents to disclose tax return information
- Revenue Procedure 2013-14 modifies the mandatory language required on each consent to disclose or consent to use tax return information
- The revenue procedure also explains the difference between tax return preparation services (or auxiliary services) and other financial accounting services
- Revenue Procedure 2013-19 extended the effective date of Revenue Procedure 2013-14. Under Revenue Procedure 2013-19, any consent to disclose or use tax return information obtained on or after January 1, 2014, must contain the mandatory language in Rev. Proc. 2013-14
- Refer to Revenue Procedures 2013-14 and 2013-19 for complete information

Basics+Beyond™  
income tax webinars

26

## Are Individuals Who Prepare Medicaid Applications Deemed Subject to the Regulations Because They Use Tax Return Data in Preparing Medicaid Applications?



- No
- They are ordinarily not covered because they ordinarily are not preparing a taxpayer's return, providing auxiliary services in connection with the preparation of tax returns, being compensated for preparing tax returns, or employed by a tax return preparer

Basics+Beyond™  
income tax webinars

27

## May a Tax Return Preparer Use Tax Return Information to Identify a Suspicious or Potentially Fraudulent Tax Return or Suspicious Patterns of Conduct?



- Yes
- A tax return preparer may use tax return information for the purpose of identifying a suspicious or potentially fraudulent return from or related to a taxpayer, as that purpose is part of tax return preparation
  - I.R.C. § 7216(a)(2)
- Tax return preparers may also analyze tax return information to produce statistical compilations that identify potentially fraudulent behavior or patterns of conduct because that use of tax return information is authorized as part of the internal management or support of the tax return preparer's tax return preparation business
  - Treas. Reg. § 301.7216-2(o)

Basics+Beyond™  
income tax webinars

28

## If a Tax Return Preparer Identifies a Suspicious or Potentially Fraudulent Tax Return or Suspicious Patterns of Conduct, Can the Preparer Provide Information about the Return or the Suspicious Conduct to the IRS and to State Tax Authorities?

- Yes
- Tax return preparers may disclose any tax return information to an officer or employee of the IRS
  - Treas. Reg. § 301.7216-2(b)
- There are no conditions that a preparer is required to satisfy before making a disclosure to the IRS
- In addition, a tax return preparer may disclose tax return information to a Federal, State or local official to inform the official of activities that may constitute a violation of any criminal law or to assist the official in investigating a violation of criminal law
  - Treas. Reg. § 301.7216-2(q)

Basics+Beyond™  
income tax webinars

29

## Form 3949-A

Form <b>3949-A</b> (October 2020)	Department of the Treasury - Internal Revenue Service <b>Information Referral</b> <small>(See instructions on reverse)</small>	OMB Number 1545-1960
Use this form to report suspected tax law violations by a person or a business.		
<b>CAUTION: READ THE INSTRUCTIONS BEFORE COMPLETING THIS FORM. There may be other more appropriate forms specific to your complaint. (For example, if you suspect your identity was stolen, use Form 14039.)</b>		
<b>Section A – Information About the Person or Business You Are Reporting</b>		
Complete 1, if you are reporting an Individual. Complete 2, if you are reporting a business only. Complete 1 and 2 if you are reporting a business and its owner. (Leave blank any lines you do not know.)		
1a. Name of individual	b. Social Security Number/TIN	c. Date of birth
d. Street address	e. City	f. State <input type="text"/> g. ZIP code
h. Occupation	i. Email address	
j. Marital status (check one, if known) <input type="checkbox"/> Married <input type="checkbox"/> Single <input type="checkbox"/> Head of Household <input type="checkbox"/> Divorced <input type="checkbox"/> Separated		k. Name of spouse
2a. Name of business	b. Employer Tax ID number (EIN)	c. Telephone number
d. Street address	e. City	f. State <input type="text"/> g. ZIP code
h. Email address	i. Website	
<b>Section B – Describe the Alleged Violation of Income Tax Law</b>		
3. Alleged violation of income tax law. (Check all that apply.)		
<input type="checkbox"/> False Exemption	<input type="checkbox"/> Unsubstantiated Income	<input type="checkbox"/> Unreported Income
<input type="checkbox"/> False Deductions	<input type="checkbox"/> Earned Income Credit	<input type="checkbox"/> Narcotics Income
<input type="checkbox"/> Multiple Filings	<input type="checkbox"/> Public/Political Corruption	<input type="checkbox"/> Kickback
<input type="checkbox"/> Organized Crime	<input type="checkbox"/> False/Altered Documents	<input type="checkbox"/> Wagering/Gambling
		<input type="checkbox"/> Failure to Withhold Tax
		<input type="checkbox"/> Failure to File Return
		<input type="checkbox"/> Failure to Pay Tax
		<input type="checkbox"/> Other (describe in 5)

30

## Disclosure § 7216

---



- Final [Treasury Regulations](#) on rules and consent requirements relating to the disclosure or use of tax return information by tax return preparers became effective December 28, 2012
- These final and temporary regulations provide:
  - Updated guidance regarding the disclosure and use of tax return information by tax return preparers without taxpayer consent
  - Expand the information tax return preparers may compile, maintain, and use in lists for solicitation of tax return business under §301.7216-2(n) to include taxpayer entity classification or type and tax return form number
  - Clarify that the § 301.7216-2(n) lists may not be used to solicit non-tax return preparation services
  - Clarify the phrase “tax information” in § 301.7216-2(n) by replacing that phrase with “tax information and general business or economic analysis for educational purposes

31

## Disclosure § 7216

---



- Clarify that due diligence performed in contemplation of a sale or other disposition of a tax return preparation business is “in connection with” the sale or other disposition of the § 301.7216-2(n) list compiler’s tax return business” and that tax return information made available for due diligence purposes is a disclosure of that information, not a transfer of that information
- Adoption of the guidance provided in Notice 2009-13 related to § 301.7216-2(p) allowing certain expanded disclosures and uses of statistical compilations, subject to specific prohibitions, provided that the statistical compilations are anonymous as to taxpayer identity and contain data from at least 10 tax returns

32

## Disclosure § 7216

---



- Finally, the regulations allow the disclosure of tax return information to the extent necessary to accomplish required legal or ethical conflict reviews to avoid client conflicts of interest
- These regulations also include specific restrictions and prohibitions applicable to the expanded uses and disclosures that are designed to appropriately balance taxpayer rights provided by § 7216 and its regulations without compromising those rights

Basics+Beyond™  
income tax webinars

33

## Revenue Ruling 2010-04

---



- Provides guidance on whether a tax return preparer is liable for criminal and civil penalties under Internal Revenue Code §§ 7216 and 6713 when the tax return preparer uses tax return information to contact taxpayers to inform them of changes in tax law that could affect the taxpayers' income tax liability
- These tax changes could have an impact on tax returns previously prepared or processed by the tax return preparer
- The ruling addresses uses of tax return information to determine which taxpayers' future income tax return filing obligations may be affected by a prospective change in tax rule or regulation and to contact such taxpayers to notify them of the changed rule or regulation

Basics+Beyond™  
income tax webinars

34

## Polling Question #2



Basics+Beyond™  
income tax webinars

35

## Revenue Ruling 2010-04



- It also allows the practitioner to explain how the change may affect them, and advise them with regard to actions they may take in response to the change
- It allows the disclosure of tax return information contained in the list permitted to be maintained by the tax return preparer under § 301.7216-2(n) to a third-party service provider that creates, publishes, or distributes, by mail or e-mail, tax information and general business and economic information or analysis for educational purposes or for purposes of soliciting additional tax return preparation services for the tax return preparer, for the purpose of obtaining the 'newsletter' creation, publication, and or distribution services offered by the third-party service provider

Basics+Beyond™  
income tax webinars

36

## Impact



- The regulations and related revenue rulings under § 7216 enable tax return preparers to more effectively provide a range of services that taxpayers would ordinarily expect from tax return preparers
- Generally, these services benefit taxpayers, increase voluntary compliance and improve tax administration
- The proposed and temporary regulations enable tax return preparers to use or disclose tax return information without explicit taxpayer consent in certain limited circumstances
- Tax preparers can contact their clients regarding tax law developments that may affect the clients
- They can also disclose information in connection with the potential sale or purchase of a tax return preparer's business and during the process of conducting client conflict-of-interest checks

Basics+Beyond<sup>™</sup>  
income tax webinars

37

## Revenue Ruling 2010-5



- Provides guidance on whether a tax return preparer is liable for criminal and civil penalties under IRC §§ 7216 and 6713 when the tax return preparer discloses
- (1) to a professional liability insurance carrier tax return information required by the insurance carrier to obtain or maintain professional liability insurance coverage
- (2) to a professional liability insurance carrier tax return information required by the insurance carrier to promptly and accurately report a claim or a potential claim against the tax return preparer, or to aid in the investigation of a claim or potential claim against the tax return preparer
- (3) to a professional liability insurance carrier tax return information to the preparer's professional liability insurance carrier in order to obtain legal representation under the terms of the insurance policy
- (4) tax return information to an unrelated attorney for the purpose of evaluating a claim or potential claim against the tax return preparer

38

# § 6103 Guidance – Our Disclosure Responsibilities

Presenter: *Kristy Maitre*

Basics+Beyond™  
income tax webinars



39

## What Is § 6103?



- You are probably aware the law protects your tax return information from disclosure to other parties by the Internal Revenue Service
- [IRC § 6103](#) generally prohibits the release of tax information by an IRS employee
- However, there are important exceptions that you should be aware of.
- **IRC § 6103(d)** provides that return information may be shared with state agencies responsible for tax administration
  - The state agency must request this information in writing, and the request must be signed by an official designated to request tax information
- **IRC § 6103(i)(1)** provides that, pursuant to court order, return information may be shared with law enforcement agencies for investigation and prosecution of non-tax criminal laws

40

## What Is § 6103?



- **IRC § 6103(k)(6)** allows the IRS to make limited disclosures of return information in the course of official tax administration investigations to third parties if necessary to obtain information that is not otherwise reasonably available
- **IRC § 6103(l)(1)** provides that return information related to taxes imposed under chapters 2, 21, and 24 may be disclosed to the Social Security Administration (SSA) as needed to carry out its responsibilities under the Social Security Act
  - Chapter 2 relates to self-employment income and does not normally concern employers
  - Chapter 21 concerns Social Security and Medicare (FICA) tax, and Chapter 24 deals with income tax withholding

41

## More § 6103



- The IRS may therefore share information with SSA about Social Security and Medicare tax liability if necessary to establish the taxpayer's liability
- This provision does not allow the IRS to disclose tax information to SSA for any other reason
- SSA employees who receive this information are bound by the same confidentiality rules as IRS employees
- Therefore, they generally cannot disclose the information to a state Social Security Administrator (SSSA), state officials or other federal agencies

42

## More § 6103



- **IRC § 6103(e)(6) and (c)** provide for disclosures to powers of attorney and other designees
- When notified of an audit by the IRS, the client may want to have someone other than the authorized officer of your entity represent or participate in the meeting
- The client may bring any individual they wish into the discussion, in person or by telephone
- The client may give oral consent to speak with a third party if necessary to resolve a Federal tax matter
- However, oral consent does not substitute for a power of attorney or a legal designation, and the discussion is limited to the issue for which the consent is given
- To officially establish a legal representative, you must provide consent using one of the following forms:

43

## Form 2848 – Power of Attorney



- Use this form if the client wants someone to represent them before the IRS
- An individual named on a Form 2848 is authorized to take actions on the client's behalf, including signing returns and making agreements with the IRS
- Form 2848 may be used to designate only those admitted to practice before the Service

44

## Form 8821 Tax Information Authorization

---



- Use this if the client wants someone to inspect or receive their confidential tax information
- It can be sent to an accounts management center that handles the client's return, or directly to the office handling a matter
- The client can designate any periods or types of tax for the appointee to receive return information about them

Basics+Beyond™  
income tax webinars

45

## Both Forms

---



- Forms allow disclosure of information to the third party only for the tax years listed on them
- The client or representative may send either of these forms to the IRS service center indicated on the form instructions, or, for handling a specific tax matter
- The forms can be mailed or fax it directly to the office the client is working with
- The representative should bring a copy to any meeting with the IRS to discuss the return
- The powers granted by these forms can be revoked at any time

46

## § 218 Agreement

- If the client has a § 218 Agreement to provide social security coverage for employees, the client may wish to have the SSSA consulted or otherwise involved in the examination or discussion
- The SSSA is not considered an official responsible for the administration of state or Federal tax laws under § 6103; therefore, there is no provision in the law allowing the IRS to disclose tax information to the SSSA
- If the client wants the IRS to be able to communicate directly with the SSSA, they should complete one of the forms discussed

Basics+Beyond™  
income tax webinars

47

## IRS Disclosure Program – Introduction

Presenter: Kristy Maitre

Basics+Beyond™  
income tax webinars

48

## IRS Disclosure Program – IRM 11.3.1.1

---



1. The Disclosure program provides oversight of Servicewide Disclosure policy, including guidance in administering the Freedom of Information Act (FOIA), Privacy Act (PA), and Internal Revenue Code (IRC) § 6103
2. **Purpose:** This IRM provides an introduction to the Disclosure program and provides a general overview of every IRS employee's responsibility to protect confidentiality of records and information entrusted to the IRS
3. **Audience:** These procedures apply to all IRS employees and contractors

## IRS Disclosure Program – IRM 11.3.1.1

---



4. **Policy Owner:** The Director of Governmental Liaison, Disclosure and Safeguards (GLDS) is responsible for oversight of Disclosure policy
5. **Program Owner:** The Disclosure office, under GLDS, is responsible for the Disclosure program and guidance.
  - Each IRS organization is responsible for ensuring its employees are aware of and follow Servicewide Disclosure policy
6. **Primary Stakeholders:** All IRS business units and functions, state tax agencies and federal agencies that receive tax returns and return information, external individuals and organizations that request IRS records, the Treasury Inspector General for Tax Administration (TIGTA), contractors and Congress

## IRM 11.3.1.1.1

7. Every IRS employee, contractor and stakeholder who has access to Federal Tax Information (FTI) , Privacy Act information or Bank Secrecy Act (BSA) information is responsible to protect it from unauthorized access, use or disclosure
8. Likewise, every person has a responsibility to know when a disclosure is authorized. This is a basic tenant of tax administration. This IRM section provides an overview and basic introduction to disclosure with a focus on FTI.
9. For additional guidance on disclosures involving other sensitive information refer to the following resources:
  - Privacy Act - IRM 10.5.6, Privacy Act
  - Bank Secrecy Act - IRM 4.26, Bank Secrecy Act

Basics+Beyond<sup>™</sup>  
income tax webinars

51

## Summary

- Be aware of the proposed change to Circular 230 - § 10.21(b)
- Make sure you have a security plan in place due to the proposed change to Circular 230 - § 10.33
- § 7216 and § 6103 have direct impact on the tax practitioner community
- Ensure you are, in compliance with Disclosure Forms
- Become more aware of the IRS Disclosure Program under IRM 11.3.11

Basics+Beyond<sup>™</sup>  
income tax webinars

52

## Summary

- Disclosure incorporates;
  - Trust and Transparency
  - Informed decision making
  - Fairness and Equity
  - Legal and Regulatory Compliance
  - Holding Organization Accountable
- But make sure you are in compliance with IRS rules and regulations

Basics+Beyond™  
income tax webinars

53

## Polling Question #3

Basics+Beyond™  
income tax webinars

54



Questions?



Basics+Beyond™  
income tax webinars

55

## Upcoming Webinars:

- Ethics: Part 2 (8/7) – 2:30pm – 3:30pm ET – Maitre
- There is a Form for That (8/12) – 2-3pm ET – Maitre
- Tax-Exempt Organizations (8/13) – 2-3pm ET - Adams



Monthly Newsletter: [cpehours.com/about/blog](http://cpehours.com/about/blog)

Basics+Beyond™  
income tax webinars

56

BASICS & BEYOND, INC.  
P.O. Box 1031  
Pinellas Park, FL 33781  
Toll Free: (800) 664-8297  
fax: (866) 579-0796  
email: support@cpehours.com



Basics+Beyond™  
income tax webinars