



American Institute of CPAs  
1455 Pennsylvania Avenue, NW  
Washington, DC 20004-1081

July 15, 2013

Mr. Daniel Werfel  
Principal Deputy Commissioner  
Internal Revenue Service  
1111 Constitution Avenue, NW  
Washington, DC 20224

RE: Request for IRS to Reconsider the Retirement of the Disclosure Authorization and Electronic Account Resolution Option on E-Services

Dear Mr. Werfel:

The American Institute of Certified Public Accountants (AICPA) is writing in response to the announcement by the Internal Revenue Service (IRS) on June 7, 2013 regarding the planned retirement of the Disclosure Authorization (DA) and Electronic Account Resolution (EAR) e-services options effective on August 11, 2013. This letter was developed by the AICPA IRS Practice and Procedures Committee and approved by the Tax Executive Committee.

The AICPA is the world's largest member association representing the accounting profession, with nearly 386,000 members in 128 countries and a 125-year heritage of serving the public interest. Our members advise clients on federal, state and international tax matters and prepare income and other tax returns for millions of Americans. Our members provide services to individuals, not-for-profit organizations, small and medium-sized businesses, as well as America's largest businesses.

### **Background**

The AICPA strongly urges the IRS to reconsider the planned retirement of the DA and EAR e-services as they are valuable tools used by tax practitioners to submit disclosure authorizations such as Form 2848, *Power of Attorney*, as well as to address client account issues in a timely manner. While it was noted that the reason for the decision to discontinue both e-services is due to "low" usage, the IRS's 2012 Data Book reports that for fiscal year 2012, approximately 330,000 disclosure authorizations were requested electronically. We feel that this is not a "low" number, but rather it indicates how integral the DA service is to tax practitioners and therefore, believe it is important to continue to offer it as well as the EAR e-service to the many tax practitioners who have come to rely on these services.

Although it was announced that the number of IRS employees used to process authorizations will be increased once the e-services are discontinued, we are concerned that the increased demands on the IRS may impact these resource assignments in the

future. Additionally, if the IRS discontinues these valuable e-services, tax practitioners will be forced to call the Practitioner Priority Service (PPS) for assistance with client account issues on a more frequent basis. While PPS is highly valued by tax practitioners, wait times to speak to an IRS customer service representative regarding client account issues have increased over the last several years to thirty minutes or more.

### **AICPA Thoughts and Recommendations**

With the IRS facing resource constraints and our members facing longer wait times to process authorizations and resolve client issues if the DA and EAR e-services are discontinued, the AICPA would like to offer our thoughts and recommendations as follows:

1. The AICPA believes that while the number of users of the DA e-service may not be as substantial as the IRS would like at this time, it is still widely used by tax practitioners. Our belief is substantiated by the fact that the U.S. Treasury Inspector General for Tax Administration (TIGTA) report Reference Number 2012-40-071 issued on June 29, 2012, reported that since fiscal year 2004 more than 899,000 Forms 2848, *Power of Attorney*, were received by the DA service. Also, this service was listed as the fastest growing area of e-services with a steady increase in usage since its introduction.
2. The trend of other IRS initiatives encourages the use of e-filing and e-services. In fact, the Electronic Tax Administration Advisory Committee's June 2013 Annual Report to Congress recommends that the "IRS should make taxpayer information available using internet-based tools taxpayers can use real-time on an all-day every-day basis." The DA and EAR e-services fit squarely within this recommendation. Furthermore, the report states that a "key outcome" from the recommendations is "[g]iven appropriate consent from the taxpayer, increase taxpayer, tax return preparer, and third party access to information through real-time internet tools in order to mitigate fraud and to achieve more accurate and timely returns."
3. The AICPA is concerned that the elimination of the e-services will cause PPS to experience a substantial increase in the volume of calls resulting in a significant increase in wait times for tax practitioners and an increased burden on the IRS to respond. In 2009, the average wait time was five minutes but it has now increased to twenty-two minutes<sup>1</sup>.
4. Submission of Forms 2848, *Power of Attorney*, to the IRS Centralized Authorization File (CAF) unit is much more inefficient than through a DA request. The current processing time of Form 2848 through the CAF is ten days according to the recent

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<sup>1</sup> Source: GAO Report dated December 2012, GAO-13-156

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IRS announcement, versus a real-time turn-around on DA requests. In order to decrease this time, the IRS will have to assign additional personnel and significantly improve their manual processes.

5. We believe the use of e-services provides a cost savings to taxpayers. Typically, practitioners charge clients for time spent on a matter. By eliminating these real-time services, practitioners will need to expend additional time on tax matters, resulting in a higher charge to their client, the taxpayer.
6. Moving away from e-services in today's problematic tax-related identity theft environment seems counterintuitive. We believe that reverting to a manual processing system for these services will only increase the incidences of identity theft.
7. We recommend that rather than discontinuing the e-services, the IRS could better publicize them so that tax practitioners who currently do not use them are educated of their benefits. The AICPA is also willing to assist by publicizing and educating our members of the benefits of these e-services.
8. We feel that the goal should be to have e-services as the primary delivery mechanism for the types of services offered by the DA and EAR e-services.

### **Conclusion**

The AICPA strongly urges the IRS to reconsider the retirement of both the DA and EAR e-services currently being provided. Due to IRS constraints on resources and documented increases in wait times on IRS PPS lines, the AICPA believes continuing these valuable services will provide increasing efficiency in processing for the IRS as well as tax practitioners and their clients.

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We appreciate your consideration of our comments and recommendations, and we welcome further discussion. If you have any questions, please contact me at 304-522-2553 or [jporter@portercpa.com](mailto:jporter@portercpa.com); Kathy Petronchak, Chair, IRS Practice and Procedures Committee, at (202) 758-1480, or [kpetronchak@deloitte.com](mailto:kpetronchak@deloitte.com); or Kristin Esposito, AICPA Technical Manager, at (202) 434-9241, or [kesposito@aicpa.org](mailto:kesposito@aicpa.org).

Sincerely,



Jeffrey A. Porter, CPA  
Chair, Tax Executive Committee