

# **CLIENT REPORT:**

## **Disclosure and Use of Your Tax Return Information -- Our Obligations**

Dear Client:

With tax filing season in full swing and April 15 around the corner, 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 obtain from you or other sources in any form or manner that is used to prepare your income tax return or is obtained in connection with the preparation of your return. 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.

The rules allow us to make two types of disclosures:

- Certain disclosures *requiring* your consent, and
- Certain permissible disclosures *without* your consent.

### **Disclosures/Uses That Do Not Require Your Consent**

The only disclosures of your tax return information that we can make without your consent are to:

- Other U.S.-based tax return preparers assisting in the preparation of your return;
- The IRS and other taxing jurisdictions;
- Disclosures permitted under another provision of the Tax Code;

- The courts; and
- Disclosures for the purpose of obtaining legal advice.

### **Disclosures/Uses Requiring Your Consent**

We must obtain your consent to disclose or use your return information to any third-party who is not a U.S. return preparer assisting in the preparation of your return. For example, if your mortgage lender, attorney, or bank contacts our office for information about your return, or asks for information from it, we must obtain your written consent beforehand. Moreover, you can establish the time at which you would like the consent to expire in the form itself. If you do not provide a specific date, your consent will lapse one year after the day you signed the form. Consents to disclose or use your tax return information -- paper or electronic -- must contain certain specific information. Every consent form must include:

- Your name and the taxpayer's name;
- The nature of the disclosure(s);
- To whom the disclosures will be made;
- Details on the information being disclosed;
- The particular use authorized;
- The product or service for which the tax return information will be used.

If you have any questions about the rules regarding use and disclosure of your tax return information, please contact us as we'd be happy to address any concerns you may have.

Sincerely yours,

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