

Policy & Preparation: Power of Attorney

A Power of Attorney (POA) is a document that allows someone (“the grantor”) to appoint a person or organization to manage their property, financial, or medical affairs on their behalf. All POAs are not created equal. Each type can give your representative or “agent”—the person who will be making decisions on your behalf—a different level of control.

A client may present:

- a generic Power of Attorney that is in effect as long as the grantor named is not incapacitated (unable to make informed decisions independently or care for themselves)
- a *durable* Power of Attorney which remains in effect even when the grantor is incapacitated
- **IRS Form 2848**, *Power of Attorney and Declaration of Representative*, which allows an individual to represent the grantor in matters involving the IRS

Regardless of type, no Power of Attorney remains in effect after the grantor is deceased.

How to Assist the Taxpayer

The agent named in the Power of Attorney must present the following at Intake:

- a copy of the POA or **Form 2848**
Important: Be sure that the Power of Attorney or **Form 2848** names the client as the representative and includes control over financial matters including taxes for the year in question.
- the ID and proof of SSN for the taxpayer whose tax return will be prepared, as well as proof of SSN for any dependents to be claimed
- an ID for the agent

If the personal agent is representing one spouse in a joint tax return that will be MFJ, the agent and the other spouse must both be present at the Tax Center and the spouse must also present an ID and proof of SSN.

1. Start a new return in TaxSlayer.
2. Prepare the tax return as usual.
3. To determine the **Return Type**, see below.

Can the Return be E-Filed?

► The tax return can be **e-filed** if **all** of these conditions are met:

- the taxpayer is not deceased (or if deceased, the date of death is not greater than 6 months prior to return preparation and e-file date); **and**
- there is a refund due to the taxpayer; **and**
- there is no other circumstance that prevents e-filing.

If any of these conditions are not met, the return must be **Paper**.

► For e-filing, follow these steps:

- Leave a **Note** in TaxSlayer that the return was prepared using a POA and will be e-filed.
- Ask the agent named in the Power of Attorney to sign **Form 8879** for the absent taxpayer as follows: *(Taxpayer name) by (POA holder name) under authority of a Power of Attorney*
- Print and complete [Form 8453, U.S. Individual Income Tax Transmittal for an IRS e-file Return](#) and attach a copy of the POA to it.
- Instruct the client to mail to the IRS **Form 8453** and the copy of the POA.
- Prepare one printed copy of the complete tax return for the client's records.
- Place a copy of the POA in the Processing Envelope.
Note: If the POA is lengthy, keep only copies of the most relevant pages, including *at least* the first page and the signatory page.

► For a Paper return, follow these steps:

- Leave a **Note** in TaxSlayer that the return was prepared using a POA and is a Paper return to be mailed to the IRS.
- Prepare two (2) printed copies of the complete tax return:
 - one copy that is ready to mail with all required tax documents attached (including a copy of the Power of Attorney); and
 - one copy for the client's records.

- Ask the agent named in the Power of Attorney to sign the tax return as follows:
(Taxpayer name) by (POA holder name) under authority of the attached power of attorney
- Instruct the client to mail the packet to the IRS.
- Place a copy of the POA in the Processing Envelope.
Note: If the POA is lengthy, keep only copies of the most relevant pages, including *at least* the first page and the signatory page.