



ARIZONA GENERAL TAX PROCEDURE GTP 18-1

Procedure for Submitting an Authorization for Disclosure of Confidential Information and Powers of Attorney.

(This Procedure supersedes and rescinds GTP 15-2)

This tax procedure is released to provide guidance with respect to an authorization to disclose confidential taxpayer information and for authorization to represent a taxpayer acceptable by the Department of Revenue (the "Department").

APPLICABLE LAW:

Arizona Revised Statutes ("A.R.S.") § 42-2003 provides for the disclosure of confidential information.

A.R.S. § 42-2054 provides for the disclosure of taxpayer information upon written request of the taxpayer provided such disclosure does not violate A.R.S. § 42-2001 *et seq.*

DISCUSSION:

In the process of conducting its duties, the Department receives confidential information from taxpayers and other sources. Such confidential information includes returns and reports filed with the Department for income tax, withholding tax, transaction privilege tax, luxury tax, use tax, property tax and severance tax purposes, among others.¹ In addition, in the course of conducting its duties, the Department may require action by a taxpayer to resolve issues. Such action may be performed by the taxpayer or someone acting on its behalf.

Under A.R.S. § 42-2002 a person, including a former agent or employee of the Department who has received confidential information, is prohibited from disclosing that information unless a specific exception under A.R.S. § 42-2003 applies.

A.R.S. § 42-2003 details specific exceptions and circumstances under which confidential information may be disclosed. In addition, A.R.S. § 42-2003(A)(6) provides that confidential information relating to any taxpayer may be disclosed if the taxpayer has waived rights to confidentiality either in writing or on the record in any administrative or judicial proceeding. A.R.S. § 42-2054 authorizes disclosure on the written request of a taxpayer provided the disclosure does not violate A.R.S. §§ 42-2001 to 42-2004.

Description of Available Disclosure/Authorization Forms and Their Uses

¹ See A.R.S. § 42-2001(1) for a more comprehensive definition of "confidential information."

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The Department has a series of Forms 285 from which a taxpayer may select to authorize the disclosure of confidential tax information to an appointee or multiple appointees. The forms may also be used to authorize a taxpayer representative to perform acts on their behalf. Each form is intended to be used in specific situations and some forms authorize only the disclosure of information while others also authorize an appointee to take action on behalf of a taxpayer.

Form 285 generally authorizes the disclosure of taxpayer information and could authorize the appointed person to perform any additional acts on behalf of the taxpayer. Form 285**B** is the Department's general disclosure form. A taxpayer may use Form 285**B** to authorize the Department to disclose information to an appointee. However, this form does not authorize a representative to perform any acts on behalf of a taxpayer. Form 285**I** is for use by individual taxpayers in relation to income tax matters. It allows an individual taxpayer to authorize the disclosure of his/her confidential information to an appointee or to appoint a person to represent him² before the Department where acts in addition to disclosure are required.

Form 285**C** is a unique form in the series because it does not actually authorize disclosure or authorize any acts to be performed on behalf of a taxpayer. Rather, it enables an individual to certify to the Department that he is authorized by a taxpayer to receive confidential information or to certify that he is an authorized representative of a taxpayer.

Pursuant to A.R.S. § 42-2003(A)(2), any corporate officer not specifically identified as a principal corporate officer, but who signs a Form 285**C** or a certification, is presumed to be authorized as principal corporate officer of a corporation. Similarly, a Form 285**C** can be used to verify the person is authorized under A.R.S. § 42-2003 to receive information for a partnership, LLC or government entity.

Example A:

An auditor at the Department sent out an audit notice to Company A. Charles, Company A's vice president of operations, calls the Department to speak with the auditor. The auditor has never spoken to Charles but has had conversations with Dennis, Company A's president. Charles is not one of the specific officers listed in the statutory definition. However, Charles may sign Form 285**C** certifying that he is a principal corporate officer and the auditor may disclose confidential information about Company A to Charles.

Example B:

² Male gender pronouns are used for simplicity, but are meant to refer to any individual, either male or female.

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A Form 285 is received by the Department for ABC LLC. The form is signed by the taxpayer's assistant corporate secretary and the certification box is checked. The Department will accept the authorization. The LLC has a corporate structure and the certification confirms the assistant corporate secretary is a principal corporate officer.

Forms 285**P** and 285**UP** allow a taxpayer to authorize the disclosure of confidential information and to authorize additional acts if any representation is needed. However, Form 285**P** is only used in centrally valued property tax matters,³ while Form 285**UP** is only used unclaimed property matters. These areas are governed by different statutes and rules and, therefore, require separate, special forms.

Distinction between Disclosure and Authorization

Some forms in the Form 285 series only authorize the disclosure of confidential tax information. Form 284**B** is included in this category. Other forms, however, authorize the disclosure of confidential tax information and permit a taxpayer to authorize an appointee to perform additional acts on his behalf. Forms in this category include Forms 285, 285**I**, 285**P** and 285**UP**. Despite the fact that these forms authorize both disclosure and representation, a taxpayer need not do both; he has the option of authorizing only disclosure, if he so desires.

Example C:

A Form 285 is received by the Department. None of the boxes in either the section authorizing additional acts (section 4) or the section authorizing a power of attorney (section 5) is checked. As a result, the appointee will only be able to receive confidential information from the Department, nothing more.

Example D:

Same facts as in example 2, except that the box allowing the appointee to protest a deficiency is checked. As a result, the appointee will only be able to protest an assessment and receive confidential information, nothing more.

Example E:

Same facts as in example 2, except that the power of

³ Centrally Valued Property Tax is a tax on large property. Examples include mills, mines, pipelines, flight property owned by airline companies, operating property of railroad companies, and property owned by telecommunication companies

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attorney box (section 5) is checked. As a result, the appointee will be able to do any act the taxpayer could do without any limitation.

Example F:

Same facts as in example 2 except that the taxpayer checked three boxes in the additional authorization section (section 4) and also checked the power of attorney box (section 5). Because the power of attorney box overrides all the boxes in the additional authorization section, the appointee will be able to perform any act the taxpayer could do without any limitation.

Example G:

Same facts as in example 2 except that the taxpayer checked the power of attorney box (section 5) and entered a limitation. Because the power of attorney box is checked, the appointee will be able to perform any act the taxpayer could do, except the specified limitation(s).

Where only the disclosure of confidential information is required, the taxpayer need not complete the sections of the Form 285 labeled additional authorization or power of attorney and the person appointed need *not* sign the declaration of appointee.

Where the taxpayer authorizes an appointee to perform additional acts, the taxpayer must indicate those specific acts authorized in the additional authorization section by checking the appropriate box(es).⁴

A quick note should be made of A.R.S. § 42-2003(A)(10). This provision authorizes the disclosure of confidential information during a meeting or telephone call where the taxpayer is present.

Example H:

An auditor who sent out a notice to a taxpayer received a call from the taxpayer. During the conversation, the taxpayer wants to have his CPA join in. The auditor is permitted to have the conference call with the CPA and the taxpayer without receiving any documentation as long as the taxpayer orally consents and remains on the conference call.

Example I:

A taxpayer who received a notice from an auditor is at the Department for a meeting. He brings along certain family

⁴ Examples include the power to request a formal hearing on the taxpayer's behalf or to represent the taxpayer in an administrative tax proceeding.

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members. The auditor may meet with and discuss confidential issues related to the taxpayer in the presence of the family members as long as the taxpayer consents. No additional documentation is necessary.

As a general matter, A.R.S. § 42-2003 only provides information about the parties to whom the Department may disclose taxpayer information. It does not specify which parties may *sign* an authorization permitting persons to *act* on behalf of a taxpayer. However, the persons to whom confidential information may be disclosed by and large are authorized to act on behalf of a taxpayer and may sign an authorization. Moreover, there are some instances where statutes specify that certain individuals may bind a taxpayer. In those instances, the persons to whom confidential taxpayer information may be disclosed and those who may sign an authorization on behalf of a taxpayer may vary.

Persons Authorized to Represent a Taxpayer

The signature of an appointee in the declaration of appointee section serves as an acknowledgement by that person that he complies with Rule 31 of the Arizona Supreme Court (“Rule 31”). Rule 31 deals with the unauthorized practice of law and prohibits actions performed by any non-attorney which it deems to be the practice of law. The definition includes preparing documents for filing in any court or administrative agency on behalf of a person as well as representing another person in an administrative proceeding.⁵ Under this broad definition then, an appointee not licensed to practice law in Arizona could potentially be subject to sanctions for the unauthorized practice of law

Rule 31(d),⁶ however, provides for exceptions to the rule. Under Rule 31(d)(13), an exception is granted from the general rule for the following persons to represent taxpayers before the Department:

- An Arizona certified public accountant (C.P.A.)
- A federally authorized tax practitioner (as defined in the Treasury Department’s Circular No. 230), or
- Any duly appointed person where the amount in dispute is less than \$5,000.
- If the taxpayer is a legal entity, a full-time officer, partner, member or manager of a limited liability company, or employee, provided the representation is not the appointee’s primary duty and he is not receiving separate or additional compensation for it.

A.R.S. § 42-2069(D)(1) permits a person to represent a taxpayer before the Department even if that person is not a C.P.A., attorney or federally authorized practitioner, as long as the person is working under the control of a federally authorized practitioner and is

⁵ See also Arizona State Bar issued an Unauthorized Practice of Law Advisory Opinion (UPL 05-01) which concluded that even the preparation of a request to the Department for a private taxpayer ruling or an information letter on behalf of another person constitutes the practice of law as defined under Rule 31.

⁶ See Ariz. Rule Sup. Ct. Rule 31(d) for the entire list of exceptions.

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subject to the same standards. The declaration of appointee section on the Arizona Form 285 allows the appointee to disclose this information by requiring him to disclose the name of the federally authorized practitioner he is working with as well as that person's CAF number.

Generally speaking, only individuals may be designated as a taxpayer's appointee for purposes of obtaining tax information or representing the taxpayer before the Department.⁷

The Department's requirements for authorizing an appointee are as follows:

PROCEDURE:

1. Information required. An authorization must contain the following information:

- a) Taxpayer(s) full name(s), address, telephone number, taxpayer identification number (e.g. employer identification number, and/or social security number, TPT license number);
- b) Appointee's(s') full name(s), address, telephone number and an identification number (e.g. bar license number, C.P.A. license number, enrolled agent number, social security number, or other unique ID);
- c) The type of tax must be specified by category (e.g., individual income tax, transaction privilege tax, etc.); the taxpayer type should also be included (e.g., corporation, partnership, limited liability company, etc.);
- d) The specific tax period to which the authorization refers; taxpayers are advised to be as specific as possible. See examples below;
- e) A statement indicating whether any prior authorization is being revoked;
- f) A clear statement indicating the scope or specific authority being given to the appointee or whether a full power of attorney is being granted;
- g) A signature by or on behalf of the taxpayer and the date of execution of the authorization. In addition, the authorization must include a statement by the person signing the authorization certifying that he is authorized to release confidential information; it must also include the name and title of the person signing the authorization in legible writing or type-written form;

⁷ However, please see the instructions to Form 821-PSC which authorizes certain entities to make withholding tax payments and file withholding tax returns on behalf of taxpayers.

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- h) A declaration signed by the appointee (if acts in addition to disclosure are authorized) indicating he is qualified to act before the Department and that the requirements of Rule 31 are satisfied.

Example 1.1:

A Form 285 is received by the Department. It applies to Arizona individual income tax for periods from 2010 through 2013. The form is valid for the specified periods and remains valid until revoked.

Example 1.2:

A Form 285 is received by the Department. It applies to Arizona individual income tax for “**all open years.**” The taxpayer did not file any income tax returns for the 2010 to 2012 tax years. However, the taxpayer filed an income tax return for the tax year 2013 on April 15, 2014. The form is valid for all open tax periods for which the statute of limitations remains open as of the date the form is signed, including the dates specified on the form. The form remains valid until revoked.

Example 1.3:

On April 5, 2017, the appointee in Example 1.2 sends a request to the Department for more 2013 information using the same Form 285 that was executed in 2014. The appointee may receive any further information for that year or any other open year.

Example 1.4:

A Form 285 is received by the Department on August 1, 2014, which indicates that the authorization applies to Arizona individual income tax for “**all years being audited.**” The Department is auditing taxpayer’s returns for the years 2008 to 2012. The form is valid for the years on the form and remains valid until revoked.

Example 1.5:

A Form 285 is received by the Department on August 1, 2014, which indicates that the authorization applies to Arizona individual income tax for “**all years.**” “All years”

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means all tax years whether open or closed and includes future years. However, the availability of the documents requested is subject to the Department's records retention schedule.

A note should be made here of Form 285P, which relates to centrally valued property. Where Form 285P is completed by a taxpayer appointing a property tax agent registered with the Arizona State Board of Appraisal⁸ as its appointee, A.R.S. § 42-16001 limits the period of representation to one year.

2. Acceptable authorization documents. The Department will accept the following documents as authorizing the disclosure of confidential taxpayer information:

- a) A properly completed form from the Form 285 series;
- b) A federal power of attorney form (federal Form 2848) if the federal form has been modified to address Arizona taxes, and contains all of the required information specified above;
- c) A general or durable power of attorney or a limited power of attorney if such document contains all of the information specified above;⁹
- d) A federal tax information authorization form (federal Form 8821) if the federal form has been modified to address Arizona taxes, and contains all of the required information specified above.
- e) Other forms that provide substantially the same information as a Form 285.

Example 2.1:

An IRS Form 8821, *Tax Information Authorization*, is received by the Department. It is completed and signed by the taxpayer. Under section 3 dealing with tax information, taxpayer details that the authorization is in relation to TPT returns for the years 2014 to 2017. In addition taxpayer removes any reference to the IRS and inserts AZDOR, as appropriate. The Department accepts the Form 8821 as authorization for the matters described.

⁸ Such registration is pursuant to A.R.S. § 32-3652.

⁹ A general power of attorney grants the representative the power to act in all matters except those specifically excluded. A durable power of attorney is similar to a general power of attorney, except that it remains valid if the person giving the power becomes incapacitated. A limited power of attorney grants the power to act only in those instances or only with respect to those matters or periods specifically stated

Example 2.2:

An IRS Form 2848, *Power of Attorney and Declaration of Representative*, is received by the Department. It is completed and signed by the taxpayer and its representative. Under section 3 dealing with acts authorized, taxpayer details that the representation is in relation to TPT returns for the years 2014 to 2017. In addition in section 5a, taxpayer checks the “other acts authorized” box and writes in the line “taxpayer grants appointee a power of attorney to perform any and all acts that taxpayer can perform with regard to the above-mentioned tax matters and years.” Taxpayer also removes any reference to the IRS and inserts AZDOR, as appropriate. The Department accepts the Form 2848 as authorization for the matters described.

3. Acceptable Corrections to Form 285 or other Authorization Document

If a form from the Form 285 series fails to include all of the required information, the appointee may be able to supply the missing information in certain circumstances. Whether the appointee can do this depends on what is missing from the form.

If the form is missing the taxpayer’s (or his authorized agent’s) signature, the form is invalid and a new form must be submitted. However, if the form is signed by the taxpayer or his authorized agent showing that confidential tax information can be disclosed or representation authorized, other defects on the form may be rectified by the appointee by changing, initialing and dating that change. Missing information relating to the appointee may be supplied and resubmitted by the appointee. Missing information relating to the scope of authority of the appointee will render the authorization sufficient to facilitate the disclosure of confidential information, nothing more.

Example 3.1:

A Form 285 is received by the Department. The taxpayer has not signed the form. Because the form is not signed, it is not valid and a new form must be submitted. The form cannot be rectified by initialing and resubmitting.

Example 3.2:

A Form 285 is received by the Department on. The taxpayer or someone on his behalf signed the form, but the taxpayer’s name is missing. Because the taxpayer signed indicating his intent to disclose confidential information, the appointee may include the taxpayer’s name, have the taxpayer initial and date the change and resubmit the form.

Example 3.3:

Same as in example 3.2 except that the **appointee** identification number is missing. The appointee may include the number, initial and date the change and resubmit the form.

Example 3.4:

Same as in example 3.2 except that the tax type information is missing. Because the taxpayer signed indicating his intent to disclose confidential information, the appointee may include the tax type information, have the taxpayer initial and date the change and resubmit the form

4. Signatures. The following persons are permitted to sign an authorization on behalf of the following taxpayers:

Individuals

Under A.R.S. § 42-2003(A)(1), information relating to a taxpayer may be disclosed to the taxpayer or to a designee of the taxpayer who is authorized in writing by the taxpayer. Where an individual is the taxpayer, that individual must sign the disclosure or authorization. For joint returns where only disclosure is requested, either taxpayer may sign. In the case where the representation of joint taxpayers is at issue and both taxpayers authorize the same appointee, both taxpayers must sign. Where joint taxpayers each have a separate appointee, each taxpayer must sign a separate document authorizing his appointee.

Corporations

A.R.S. § 42-2003(A)(2) provides that confidential information relating to a corporate taxpayer may be disclosed to any principal officer, his designee or any person designated by resolution by the board of directors or other similar governing body. In relation to persons authorized to act on behalf of a corporation, A.R.S. § 10-801(B) provides that “all corporate powers shall be exercised” by or under the authority of the board of directors. Since all principal corporate officers are appointed by the board, principal corporate officers are authorized to act on behalf of a corporation and may sign an authorization giving that authorization to a third party.

A.R.S. § 42-2003(A)(2) defines a principal officer as including a chief executive officer (“CEO”), president, secretary,¹⁰ treasurer, vice president of tax, chief financial officer (“CFO”), chief operating officer (“COO”) or chief tax officer. In addition, it includes any other corporate officer who has the authority to bind taxpayer on matters related to state

¹⁰ Secretary in this context means a corporate secretary and not an administrative secretary.

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taxes. A.R.S. § 42-2003(A)(2) also provides that any corporate officer that executes a statement indicating that he is a principal officer is assumed to be a principal corporate officer. A checked certification box on a Form 285 or a properly executed Form 285C satisfies this requirement. However, taxpayers are cautioned that knowingly submitting a false statement or certification could result in criminal prosecution for perjury.

Partnerships

A.R.S. § 42-2003(A)(3) provides that confidential information relating to a partnership may be disclosed to any partner. However, whether a partner may act on behalf of and bind a partnership is determined by state law. In other words, while any partner may receive confidential information relating to a partnership, only those partners that may bind the partnership may sign an authorization permitting third party actions in addition to disclosure.

Under A.R.S. § 29-1021(1) of the Arizona Uniform Partnership Act, each general partner is an agent of the partnership for the purpose of its ordinary business. Under A.R.S. § 29-319 of the Arizona Limited Partnership Act, a limited partner is not permitted to control the business of the partnership the way a general partner may. Therefore, for purposes of signing an authorization, only general partners are authorized. By signing an authorization the person signing certifies they have the authority to bind the partnership. Persons are cautioned that knowingly signing an authorization certifying they may bind a partnership could result in criminal prosecution for perjury if the certification is false.

Limited Liability Companies

A.R.S. § 42-2003 provides that confidential information in relation to an L.L.C. may be disclosed to any member of the company or, if the company is manager-managed, to any manager. However, for authorization purposes, whether a member or manager may bind the L.L.C. is determined by the Arizona L.L.C. laws.

The Arizona Limited Liability Companies Act¹¹ permits an L.L.C. to be member-managed or manager-managed. A.R.S. § 29-654(A) provides that unless the articles of organization of an L.L.C. provide that management is vested in one or more managers, each member is an agent of the L.L.C. for the purpose of carrying on its business in the usual way. Additionally, A.R.S. § 29-654(B)(1) provides that where the L.L.C. is manager-managed, a member is **not** an agent of the L.L.C. unless that authority has been delegated to the member by the manager(s) or by the provisions of an operating agreement. Therefore, for authorization purposes, any member may sign an authorization on behalf of the L.L.C. where the L.L.C. is member managed and a manager may sign an authorization on behalf of the L.L.C. where the L.L.C. is manager managed. By signing an authorization each person signing certifies they have the authority to bind the L.L.C. Persons are cautioned that knowingly signing an authorization certifying they may bind an L.L.C could result in criminal prosecution for perjury if the certification is false.

¹¹ A.R.S. § 29-601 *et. seq.*

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Some L.L.C.s may adopt a different management structure other than the traditional member-managed or manager-managed structure. For example, it may have a management structure with a president or CEO and no L.L.C. manager. In those situations, only those authorized to bind the specific entity type may sign on behalf of the L.L.C.

Example 4.1:

DEF, L.L.C. ("DEF") has multiple members (Don, Ed, and Fred) DEF further elects to be managed by its managers Greg and Harry. Either Greg or Harry is authorized to receive confidential information or sign an authorization.

Example 4.2:

Same facts as in example 4.1, except that DEF elects to be member- managed. Don, Ed and Fred are authorized to receive confidential information or sign an authorization.

Example 4.3:

Same facts as in example 4.1, except that DEF's management structure consists of one general partner, Don, and limited partners, Ed and Fred. Any partner may receive confidential information. However, only Don is authorized to sign an authorization.

Example 4.4:

Same facts as in example 4.1, except that DEF has a corporate structure with a president, Don, and CEO, Ed. As principal officers, Don and Ed are authorized to receive confidential information or sign an authorization on behalf of the L.L.C.

Trustees and Receivers

Under A.R.S. § 42-2003(A)(4) confidential information relating to an estate may be disclosed to the personal representative of the estate. It may also be disclosed to any heir, next of kin or beneficiary under the will of the decedent if the Department finds that the heir, next of kin or beneficiary has a material interest which will be affected by the confidential information.

Under A.R.S. § 42-2003(A)(5) confidential information relating to a trust may be disclosed to the trustee or trustees, jointly or separately, and to the grantor. It may also be disclosed to any beneficiary of the trust if the Department finds that the grantor or beneficiary has a material interest that will be affected by the confidential information.

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From the above provisions then, a personal representative may sign an authorization on behalf of the estate; in relation to a trust, a trustee may sign. Interestingly, in both A.R.S. §§ 42-2003(A)(4) and (A)(5) there is reference to a “material interest” of a beneficiary, next of kin or grantor in relation to estates and trusts for the purposes of disclosure of confidential information, but no definition is provided. Nonetheless, a material interest is taken to mean that the interested person (*i.e.* next of kin, heir, beneficiary or grantor) has more than a ten percent (10%) financial interest in the income or principal of the estate or trust. Where that is the case, those interested persons are authorized to receive confidential information. However, for authorization purposes, since only a trustee or personal representative may bind the trust or estate, only the trustee or personal representative may sign an authorization on behalf of the trust or estate. Those persons with a material interest in the estate or trust may sign an authorization. However, that authorization will only be effective with respect to the person’s interest in the estate or trust. Persons with a material interest may not sign an authorization with respect to the entire trust or estate.

A.R.S. § 42-2003 does not specifically address bankruptcies or receiverships. However, bankruptcy trustees and receivers are under the full control of the court. Thus, for the purpose of determining whether a receiver or bankruptcy trustee is authorized to receive confidential information, reference should be made to the court document appointing them to determine the scope of their responsibility and any limitations thereon. If properly authorized, a trustee may receive confidential information or sign an authorization authorizing an appointee to act on behalf of the debtor’s estate. That authorization is applicable only to the bankruptcy/receivership years.

Government Agencies

A.R.S. § 42-2003(B) *et. seq.* outlines the circumstances under which confidential information may be disclosed to governmental agencies, and to other state and federal tax officials. Those circumstances do not require the authorization of a taxpayer. Generally speaking, any request to the Department for confidential information must be in writing and indicate the purposes for which the information will be used. Any release of information will be limited to the information reasonably required to comply with the request.

In addition to requests made to the Department by other governmental agencies and officials for taxpayer information, there may be circumstances where a governmental agency requests information in relation to its own tax account (for example, where an agency remits withholding taxes to the Department). A.R.S. § 42-2003(A)(7) provides that confidential information relating to a government agency may be disclosed to the head of the entity or a member of the governing board of the entity or any employee of the entity who has been delegated the authorization in writing by the head of the entity or the governing board of the entity. Such authorization remains valid until revoked.

5. Completion and Validity of Form 285

To be effective, a Form 285¹² must be properly completed. Section 1, dealing with taxpayer information, Section 2 detailing the appointee information and the tax matters information included in Section 3 must *always* be completed on Form 285. The sections dealing with additional acts that may be performed on behalf of a taxpayer (Section 4) and the power of attorney section (Section 5) should be completed only if authorization or additional acts are required by the taxpayer. Section 6 (dealing with revocation of prior authorizations) must be completed where a prior authorization is being revoked; and Section 7 should be completed only where the taxpayer corporation has controlled subsidiaries.

To be valid, every Form 285 must be signed by a taxpayer or by a person authorized by the taxpayer. Where an appointee is authorized to perform additional acts or is granted a power of attorney, that appointee must sign Section 9 declaring that he complies with Rule 31. Without that signature, an appointee will only be able to receive confidential information, nothing more. Of course, Section 9 need not be signed where a taxpayer only wants information to be disclosed to an appointed person.

6. Copy or Facsimile Transmission

The Department will accept either the original or a copy of a Form 285. A copy of a Form 285 received by facsimile transmission (FAX) also will be accepted (see "Procedure for Public/Practitioner Use of Department of Revenue Facsimile Machines", GTP 94-4).

7. Notices and Communications

Any notice or other written communication required or permitted to be given to a taxpayer in any matter before the Department will be given to the taxpayer. Copies of such notices or written communications may also be given to the appointee designated in the authorization, unless restricted by the taxpayer.

8. Delegation of Powers under Authorization

An appointee may delegate some or all of his authority to represent the taxpayer to one or more appointees. An appointee may do this by checking the appropriate box under the additional authorization section or by giving the appointee a full power of attorney (if he has one). Those appointee(s) must be qualified to act under Rule 31 or meet one of its exceptions. Additionally, the appointee(s) to whom such power is delegated may only perform those acts specifically granted and those acts cannot, in any event, be greater than the powers granted by the taxpayer to the original appointee. An appointee to whom power was delegated by the original appointee is only authorized to act as long as the original powers remain unrevoked.

¹² Not all forms in the Form 285 series have the same information requirement. Please consult the specific form instructions for more information

9. Revocation or Withdrawal of Appointee

(a) By the Taxpayer

(1) If the revocation of earlier authorizations box is checked when the taxpayer is appointing a new appointee, all prior authorizations are revoked for all previous forms. Any exceptions to this blanket revocation must be specifically noted on the form.

(2) A taxpayer may revoke a power of attorney without authorizing a new appointee by filing a statement of revocation with the Department or by submitting a copy of the original form with the word REVOKED written across the top and by signing and dating it.

Example 9.1:

A Form 285 is received by the Department in 2014. The taxpayer appoints John Smith to represent him and gives him a full power of attorney. As a result of an audit, the taxpayer files a new Form 285 in 2016. Taxpayer appoints Joan Samuel to represent him for all open periods. The revocation box is not checked on the new form. Both forms are valid; both appointees may act on behalf of the taxpayer.

Example 9.2:

A Form 285 is received by the Department in 2014. It applies to Arizona corporate income tax for periods from January 1, 2010 through December 31, 2030. The taxpayer appoints Jamal Smith to represent it and gives him a full power of attorney. The form remains valid until December 31, 2030 unless revoked. As a result of an audit, taxpayer files another Form 285 on January 31, 2016, appointing Annika Samuel to represent it for the 2011 to 2013 audit years. The revocation box is checked on the new form. Only Annika Samuel may represent the taxpayer.

Example 9.3:

A taxpayer is being audited by the Department and a Form 285 is received by the Department on November 1, 2014. It applies to Arizona corporate income tax for tax years 2010 to 2013 and appoints John Smith as its representative. Prior to November 1, 2014, the taxpayer

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had filed Form 285 and Form 285**UP** for some other matters with other persons before the Department. The November 2014 Form 285 checked the revocation box, but noted that the prior Form 285**UP** was to remain in effect. Form 285UP is valid, but the prior Form 285 is revoked as of November 1, 2014.

(b) By the Appointee.

An appointee may withdraw from representation in a matter in which a power of attorney has been filed by filing a statement with the Department. The statement must be signed by the appointee and must identify the name and address of the taxpayer(s) and the matter(s) from which the appointee is withdrawing.

Grant M. Nülle, Deputy Director

Signed: August 24, 2018

Explanatory Notice

The purpose of a tax procedure is to provide procedural guidance to the general public and to department personnel. A tax procedure is a written statement issued by the department to assist in the implementation of tax laws, administrative rules, and tax rulings by delineating procedures to be followed in order to achieve compliance with the law. Relevant statute, case law, or administrative rules, as well as a subsequent procedure, may modify or negate any or all of the provisions of any tax procedure. See GTP 96-1 for more detailed information regarding documents issued by the Department of Revenue.

ARIZONA GENERAL TAX RULING

GTP 18-1

<u>Taxpayer</u>	<u>Who may receive confidential information</u>	<u>Who may sign an authorization</u>
Individuals - Single	<ul style="list-style-type: none"> Individual 	<ul style="list-style-type: none"> Individual
Individual - Joint	<ul style="list-style-type: none"> Either individual 	<ul style="list-style-type: none"> Both sign same document Each signs separate document to authorize their own representative.
Sole Proprietorship Business (Federal Form 1040 Schedules C, E, F income) This includes where there is no entity or where entity is disregarded for income tax purposes	<ul style="list-style-type: none"> Owner(s) of the business 	<ul style="list-style-type: none"> The individual owner of business.
Corporations	<ul style="list-style-type: none"> A principal corporate officer specified by statute or as certified in Form 285C. 	A principal corporate officer (president, CEO, vice president of tax, secretary or treasurer, CFO, COO or chief tax officer), or other officer that certifies he is a principal officer
Partnerships (general or limited partnerships)	<ul style="list-style-type: none"> Any partner 	<ul style="list-style-type: none"> Any general partner of the partnership; designee of general partner.
Limited Liability Company (L.L.C.) (if taxation is at the entity level) See above where L.L.C. treated as disregarded entity or where tax relates to flow through items on individual return	<ul style="list-style-type: none"> Any member and any manager if manager-managed 	<ul style="list-style-type: none"> Member in a member-managed L.L.C.; manager in a manager-managed L.L.C.; designee of member or manager.
Trust	<ul style="list-style-type: none"> Any trustee or any other person with a material interest 	<ul style="list-style-type: none"> Any trustee; any other person with a material interest but only with respect to that interest.
Bankruptcy estate/receivership	<ul style="list-style-type: none"> Refer to court document appointing bankruptcy trustee or receiver 	<ul style="list-style-type: none"> Refer to court document appointing bankruptcy Trustee.
Estate	<ul style="list-style-type: none"> Personal representative or any other person with material interest 	<ul style="list-style-type: none"> Personal representative; any other person with a material interest but only with respect to that interest.

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<u>FORM</u>	<u>Use</u>	<u>Disclosure/Representation</u>	<u>Signature(s) Required</u>
Form 285	<ul style="list-style-type: none"> Any tax matter 	Disclosure & representation	<ul style="list-style-type: none"> Taxpayer/auth orized person, <u>and</u> Rule 31 qualified representative where one appointed
Form 285A	<ul style="list-style-type: none"> Audit matters 	Disclosure ONLY	<ul style="list-style-type: none"> Taxpayer/authorized person ONLY
Form 285B	<ul style="list-style-type: none"> Any tax matter 	Disclosure ONLY	<ul style="list-style-type: none"> Taxpayer/authorized person ONLY
Form 285C	<ul style="list-style-type: none"> Any tax matter To show authorization to receive confidential tax information 	Disclosure and certification of taxpayer authorization ONLY	<ul style="list-style-type: none"> Person normally recognized as authorized by taxpayer
Form 285I	<ul style="list-style-type: none"> Any tax matter To be used only by individuals 	Disclosure & representation	<ul style="list-style-type: none"> Taxpayer/auth orized person, <u>and</u> Rule 31 qualified representative where one appointed
Form 285P	<ul style="list-style-type: none"> Centrally Valued Property matters 	Disclosure & representation	<ul style="list-style-type: none"> Taxpayer/auth orized person, <u>and</u> Rule 31 qualified representative where one appointed
Form 285UP	<ul style="list-style-type: none"> Unclaimed property matters 	Disclosure & representation	<ul style="list-style-type: none"> Taxpayer/authorized person, and Rule 31 qualified representative where one appointed