

## IRM PROCEDURAL UPDATE

**DATE: 07/05/2024**

**NUMBER: ts-21-0724-0828**

**SUBJECT: New Features Added to Individual Online Account (IOLA) and Tax Pro Account**

**AFFECTED IRM(s)/SUBSECTION(s): 21.2.1**

**CHANGE(s):**

**IRM 21.2.1.62(5) - Added bullet for Forms which allows taxpayers to view, fill out, and submit forms requiring a signature.**

**IRM 21.2.1.62(7) - Added bullet describing the Lien Payoff Calculator, a new self-service tool for taxpayers.**

**IRM 21.2.1.62(8) - Revised paragraph two with additional information on Pending Installment Agreements.**

**IRM 21.2.1.62(9) - Added bullet with information on refund tracking.**

**IRM 21.2.1.62(11) - Added paragraph for information on the Forms page.**

(5) The IOLA application provides taxpayers access to the following via navigational tabs:

- Account Home
- Account Balance
- Payments (to select Payment Options or Payment Activity)
- Tax Records
- Notices and Letters
- Forms
- Authorizations **(to select POA and TIA authorizations or Tax Return Transcript authorizations)**

(6) The **Account Home** page provides the taxpayer with an overview of their account along with links to other pages within the application. Taxpayers who have an existing Short-Term Payment Plan or Installment Agreement will also see the status of their agreement (Current or in Default). Additionally, taxpayers will see pending electronic payments, a Notifications box that will inform them of new features, pending authorizations, undeliverable mail, recently posted notices, and/or a message if they have one or more unread Secure Messages.

(7) The **Account Balance** page allows the taxpayers to view:

- Their cumulative balance owed to the IRS as well as a link to FAQs about balances, so they can better understand factors that may impact their balance.

**Note:** If the taxpayer has an issue which will not allow an accurate calculation of the Cumulative Balance Due, a message will be provided to view their balance in the **Details By Year** section. This message will not keep the taxpayer from viewing additional information in the application.

- An overview of the taxpayer's balance due by year. The **Details By Year** section will display information for the last 4 years as well as older years with balance due or TDI returns. Years that are now on the retention register will not be displayed. The taxpayer will be able to select a year that does not show \$0 to retrieve a message or a breakdown of their balance owed.

**Note:** If taxpayers have not filed and have credits on their account, they will see the total of the credits applied from a prior year and estimated tax payments applied to that year.

- New self-service tool that allows taxpayers to view their lien payoff amount in total, by form and for each period, and will generate an official federal tax lien payoff letter displaying payoff amounts for each period.

(8) The **Payments** tab provides a drop down to select the Payment Options page or Payment Activity page.

- The **Payment Options page** provides the taxpayer options to pay now or set up a payment plan. The taxpayer will be provided with payment plan options such as short-term, long-term, or pending agreements based on their account conditions (i.e., under \$25K, over \$50K etc).

**1. Make a Payment** - Taxpayers can make a payment from their checking or savings accounts directly from IOLA; without having to go into other links or pages. Payments can be made toward a balance due, a recently filed amended return, an extension (through the original due date of the return), estimated tax, and proposed tax assessments. Taxpayers can schedule a payment up to 365 days in advance and cancel any scheduled payment prior to scheduled payment date. If the taxpayer attempts to submit another payment and the payment is identified as a potential duplicate, messaging will be provided with a header of **Possible Duplicate Payment** and the taxpayer is given the option to proceed or cancel the transaction. Taxpayers will be able to print the transaction confirmation screen after they submit their payment online. Within **Make a Payment**, taxpayers will also be given the following options to pay.

- **Pay by Bank Account (via Direct Pay)** - Information is provided to the taxpayer on how to make a payment by bank account. A link is provided to

Direct Pay, an existing application on IRS.gov. Taxpayers can use this option if they want to schedule a payment up to 365 days in advance. See IRM 21.2.1.48.1, Individual Online Account, for additional information

- **Pay by Card** - Information is provided to the taxpayer on how to make a payment by Credit or Debit Card. A link is provided to the Pay your Taxes by Debit or Credit Card page on IRS.gov, allowing the taxpayer to select a payment processor.

**2. Short-Term and/or Long-Term Plan** - When possible, information is provided to taxpayers on their available online payment plan options based on their eligibility. This may include a short-term payment plan to pay in full within 180 days or a long-term payment plan (Installment Agreement) to pay monthly. Information is provided to the taxpayer on how to set up or modify either a short-term payment plan or an installment agreement. Taxpayers can view and revise details (i.e. update payment amount, paying date) within their existing payment plan (regular, direct debit, short-term, long-term, and pending installment agreements). A pending installment agreement will be given as an option if a long-term plan cannot be input because of the need for additional information/review of current financial situations. A message will be provided to the taxpayer that the IRS will require additional financial information by chat, phone, or mail within 10 business days after submission. A link is provided to the Individual Online Payment Agreement application if they are not eligible to set up their plan via Online Account unless the taxpayer is determined to be ineligible to use OPA. See IRM 21.2.1.57, Online Payment Agreement (OPA) for IMF Debts, for additional information on eligibility.

**Note:** Payment plan capabilities within OLA will be expanded in the future.

- The **Payment Activity page** allows taxpayers to view their payment history (scheduled, pending, cancelled, returned and processed). Processed payments are shown for the last 5 years, with the option to filter those payments. Scheduled and pending payments are those made electronically to their account via Make a Payment, Direct Pay, EFTPS Online, the EFTPS Voice Response System (VRS), or a live EFTPS agent.

**Note:** Scheduled and pending payments do not include payments made by check or money order.

**Note:** Payments that have successfully posted to their account as well as payments that were unable to be processed on MFTs 29, 30, 31, 35, 55 and 65 will be displayed.

(9) The **Records and Status** page allows taxpayers to view or obtain the following account related information:

- Taxpayers will have access to the tax records snapshot, which contains key information from their most recently filed tax return as originally filed (if available). The following information will be provided:
  - Form filed

- Filing status
- Adjusted gross income
- Refund amount (if applicable)
- Taxpayers can view information about their Advance Child Tax Credit payments issued in 2021 such as the total amount, number of qualifying children and messaging with links to IRS.gov for more information about the payments. This will help accurately reconcile the payments when filing their 2021 return and determine whether they're entitled to more Child Tax Credit.
- Taxpayers will find information about their 2020 and 2021 Economic Impact Payments, such as the amounts, messages and a link to the EIP page on IRS.gov for more information about the payments. The EIP amounts shown will also help them to accurately calculate any Recovery Rebate Credit (RRC) they may be eligible for on their 2020 tax return (EIPs 1 and 2) and/or their 2021 tax return (EIP 3).
- Taxpayers will have the ability to view their audit status that will include when the audit started, additional information requested, taxpayer response received, dates when letters were issued and closed status, if applicable.
- Taxpayers will have direct access to their Transcripts where they can view, download or print information from their tax returns, account transcripts, W-2s, 1099's, and more without having to link to the "Get Transcript" application.
- Eligible taxpayers will be able to request and receive their Identity Protection PIN (IP PIN), which is a six-digit number that prevents someone else from filing a tax return using their Social Security number or Individual Taxpayer Identification Number.
- Taxpayers will have direct access to their tax refund information similar to Where's My Refund on IRS.gov.

(10) The **Notices and Letters** page currently has twenty-six specific CP Notices generating to taxpayers, available to them within their IOLA; CP01A, CP01H, CP01L, CP01R, CP01S (SP), CP05, CP05A, CP14, CP14H, CP14I, CP21A, CP32, CP39, CP49, CP60, CP62, CP304, CP501, CP501 (SP), CP503, CP503 (SP), CP508C, CP521, CP521 (SP), and CP563C. Taxpayers will have the ability to view, print, or download the notices in a PDF format within their IOLA. These notices will also continue to be printed and mailed to taxpayers. While they may choose to opt out of receiving the included notices through the mail, the notices that are legally required to be mailed will still be mailed. Additional notices will be added in future releases. The Notices and Letters page also provides a link to FAQs for more information about the notice and how to report notice errors.

(11) The **Forms page** allows taxpayers to view a list of available IRS forms to complete and submit online requiring the Taxpayer's signature.

**IRM 21.2.1.63 - Added various actions tax professionals can take; additional features related to CAF authorizations; and secure Two Way Messaging for Notifications and Payments.**

(1) Tax Pro Account is an online system that allows individual tax professionals to securely take various actions.

- Users can request third party authorizations for an individual taxpayer as power of attorney (POA) or tax information authorization (TIA), in lieu of filing a paper Form 2848, Power of Attorney and Declaration of Representative, or Form 8821, Tax Information Authorization. The Tax Pro Account application does not have the full capability that the forms allow, as detailed below.
- Request a Centralized Authorization Number (CAF) number assigned to them, as an individual, in real time.
- Allow users to link numbers previously assigned to them, as an individual, to their TIN.
- View and cancel authorizations submitted through Tax Pro Account.
- Once the CAF number is linked the user can view all authorizations on file with CAF as well as the details of those authorizations.
- View tax account information for any authorized forms and tax periods.
- Allow access to Secure Two-Way Messaging. This is a second location that has been set up for taxpayers invited to participate in case resolution via this online opportunity to view messages, respond to messages and upload documents. Users who have not been invited to participate in these use cases will not see the link for Secure Two-Way Messaging.

(2) Access requires the tax professional to verify their identity and pass a rigorous authentication process using Secure Access, See IRM 21.2.1.58.1, Secure Access, for more information.

(3) The system will be available Monday 6:00 a.m. to Saturday 9:00 p.m. Eastern Time, and Sunday 10:00 a.m. to midnight Eastern Time.

(4) Tax Pro Account will allow a tax professional with an assigned Centralized Authorization File (CAF) number, who are in good standing, who have not been suspended or disbarred from practice before the IRS (per Circular 230, Tax Professionals), to complete a POA request, using the following designation levels:

- Attorney
- Certified Public Accountant (CPA)
- Enrolled Agent
- Enrolled Actuary
- Enrolled Retirement Plan Agent

(5) The system will allow an individual with an assigned CAF number to complete a TIA request.

(6) Authorizations for POA and TIA may be requested from tax year 2001 through the current year, plus three additional years. If the tax professional requires authorization for tax year 2000 and prior, they must submit their request to the CAF unit on a Form 2848 or Form 8821.

**(7) Submission of a new request for authorization via Tax Pro Account will replace any prior or existing authorization, of the same authorization type (POA/Form 2848 or TIA/Form 8821) on the taxpayer's account for the tax period(s) and tax matter(s) requested, as shown in the Form 2848 or Form 8821 instructions.** This is the same process used for Form 2848, unless line 6 (line 5 on Form 8821) is complete and there is no ability to use line 6 functionality in Tax Pro Account.

**Example:** Enrolled agent Grayson Smith has authority on taxpayer Mary Johnson's account for tax years 2000 – 2018. A new request for authority is made for 2017 – 2024 by Michael Williams on Mary Johnson's account. Once the request is processed, Grayson Smith will **only** have authority for 2000 – 2016, as Michael William's request via Tax Pro Account will invalidate Grayson's authorization on 2017 and 2018. In order to preserve Grayson Smith's authority on 2017 – 2018, Mary Johnson will have to file a Form 2848 or Form 8821, check the box to maintain a prior authorization and include a copy of Grayson Smith's authorization.

(8) To complete a request for authorization using Tax Pro Account, the tax professional will need the following information:

- Their CAF number.
- The CAF name and address, as currently on file with their CAF number per IRS records. Address must be within the 50 US States and District of Columbia.
- The taxpayer's Taxpayer Identification Number (TIN).
- The taxpayer's name and address, as currently on file per the IRS records. Address must be within the 50 US States and District of Columbia. The tax professional may have the taxpayer verify this information within their online account.
- The Tax Matters and Tax Years for which they are requesting authority.

(9) Tax Pro Account does not support the following functionality:

- Specific Use Not Recorded on CAF (line 4 of Form 2848 and Form 8821)
- Additional Acts Authorized (line 5a on Form 2848)
- Specific Acts Not Authorized (line 5b on Form 2848)
- Retention/Revocation of Prior Power(s) of Attorney (line 6 on Form 2848), Retention/Revocation of Prior Tax Information Authorizations (line 5 on Form 8821)

**Note:** Any options not available on Tax Pro Account will require the filing of a paper Form 2848 or Form 8821.

(10) All entries into this application will have a validation that the formatting and type of entry is correct. Fields will only accept applicable information for that field, such as the CAF number field will only accept numbers and a dash (-).

(11) When the professional enters their information, in Step 1, it will be verified for accuracy against IRS records. If it's incorrect, it will not pass validation and the professional will be given an error message and the opportunity to correct their entry. If the entry is not corrected, the tax professional will not be able to continue to Step 2. If the CAF number has been linked to the TIN of the owner this step will be auto populated with the user's information.

(12) The taxpayer's information will be accepted in Step 2. Once the request is completed, if the taxpayer's information matches IRS records the request will be sent to the taxpayer's Individual Online Account, at <http://www.irs.gov/account> for their approval or rejection. See IRM 21.2.1.62 for additional information about IOLA. **If the taxpayer's information does not match IRS records, the request will remain in the Tax Pro's account and not be forwarded to the taxpayer. The tax professional will not know if the information passed or failed unless they contact the taxpayer, to avoid phishing. The tax professional will have the ability to cancel the request which should be done if the information is determined to be inaccurate.**

**Note:** If the taxpayer does not have an online account, they may create one either before or after the authorization request is submitted by their tax professional to receive and respond to the request.

(13) In Step 3 the tax professional will enter the tax periods and tax matters and indicate whether they wish to receive notices and communications the IRS sends to the taxpayer. As with the paper forms, only two representatives or designees may receive notices and communications, per authorization type, (POA or TIA).

(14) Currently Tax Pro Account supports the following Tax Matters:

- Form 1040 Income Tax
- Split Spousal Assessment or Form 8857 Innocent Spouse Relief
- Shared Responsibility Payment
- Shared Responsibility Payment – Split Spousal Assessment
- Civil Penalty (limited to periods of March, June, September, and December)

**Note:** All other Tax Matters will require the filing of a paper Form 2848 or Form 8821.

(15) Step 4 is where the tax professional will have the ability to review, edit and submit the request. They must check the boxes to select the information in the Declaration of Representative. They must enter their credentials and electronically sign the request.

(16) Upon completion of the authorization the tax professional will submit the request, Step 4, and if successfully submitted, they will receive a confirmation of submission. Step 2 information may not be accurate, and if so the authorization will not be sent to the taxpayer. See (12) above. The tax professional can cancel this request, if the taxpayer never takes action on it or does not receive it. Once the taxpayer approves or rejects this request, the tax professional can no longer cancel it. The "Next Steps" in Tax Pro Account advises the tax professional to contact the taxpayer and request they access OLA to review and electronically sign the request.

(17) If the taxpayer's information is accurate, the taxpayer will receive a notification within their online account letting them know they have a new authorization. If they have opted into email notifications, they will receive an email to log into their online account. This will allow the taxpayer to act on the authorization in a timely manner.

(18) If the authorization request is approved by the taxpayer and processed into the CAF database, the authorization will show on the tax professional's Authorization list as Approved. If the tax professional has opted in for email notifications (in their profile), they will receive an email to log into their Tax Pro Account and be able to see the approved authorization in a timely manner.

(19) If the taxpayer rejects the request or if it fails to write to CAF, it will be removed from the tax professional's Authorizations list and they will not be able to view the status.

(20) If the taxpayer approves the request and it goes into a "processing" status, meaning it will attempt to be processed in the next two days, it will be removed from the tax professional's list because the tax professional can no longer cancel it. If this authorization is later processed to the CAF database, it will show in the tax professional's Authorizations table as Approved. The tax professional should contact the taxpayer regarding any questions or concerns as they apply to the status of a request that the professional can't view.

(21) The tax professional may print a copy for their records by selecting the print button on the approved authorization.

(22) Cancel is not the same as withdraw. Cancel is the functionality used for the tax professional to remove a request they have initiated for the taxpayer to sign. Once signed and processed, the request must follow the same withdraw guidelines as a paper Form 2848 or Form 8821.

(23) Multiple Representatives:

- Each third-party must complete their own authorization request and submit it to the taxpayer's IRS online account, following the guidance above.
- The taxpayer must sign all of the online authorization requests **on the same day**.



- Only two third parties can receive copies of IRS notices and communications for each authorization type. If the taxpayer attempts to approve more than two to receive notices, any request, after the second one, will fail to write to CAF.

(24) Tax Pro Account and IOLA will both remove any authorizations that have not been approved and processed after 120 days. Any authorizations that have been approved will continue to live in the taxpayer's IOLA as shown on the tab for Authorizations, Power of Attorney and Tax Information Authorizations. This does not make them active. Tax Pro authorizations are processed to CAF the same as paper. If a newer authorization has over-written or revoked a Tax Pro initiated and approved authorization, they will continue to show in IOLA as shown on the tab for Authorizations, Power of Attorney and Tax Information Authorizations and Tax Pro, in the Authorization Requests, Your Requests tab, even though they have been overwritten in the CAF database. What's shown in Tax Pro and IOLA under these tabs is a point in time submission. Tax Professionals will be able to link their CAF number and see the active authorizations they have on file in the CAF database.

(25) Tax Professionals may also start a new authorization in Tax Pro and not finish it in a single session. They can save these authorizations as "Draft" and revisit them later. The professional must correctly submit all step 1 information as well as the name in step 2 before they save the draft. They will be able to revisit that authorization in a later session by selecting the name from the Authorizations list and verify the information, starting at step 1.

(26) A unique Source Document Locator Number (SDLN) showing "92" or "93" in field 7 and 8 will denote the systemic input of the authorizations within the Tax Pro Account.

(27) There will be a unique 10 digit number reflected in the employee number field that indicates the request was submitted by the Tax Pro Account application. This number will start with "92" or "93" and will be used to associate the CAF record with the electronic signature stored in the Electronic Storage and Retrieval service (ESSAR).

(28) New functionality implemented in August, 2023 included the ability for an individual with a CAF number assigned to them personally to request a PIN to link their personal information to their CAF number. This will allow the user to view all the taxpayers they have shown in the CAF database. The user will request the PIN which will be mailed to the CAF address of record. The user will come back into Tax Pro Account with the PIN, enter it and agree to have their personal information (TIN) associated to the CAF number. **Only the user who requested the PIN can use the PIN.** No one else can order a PIN for the user. Once the linkage is complete the user is able to view their client list from the CAF database.

(29) Once the user views their client listing, they will be able to view the list of active authorizations for each taxpayer and withdraw from any authorization.

(30) The client listing and specific authorizations will be available for taxpayers who are active in the CAF database whether the authorization was written via Tax Pro Account or submissions processed by the CAF function, e-Fax, TDC or paper. It will include IMF and BMF authorizations even though only IMF can be submitted via Tax Pro Account.

(31) Once an authorization is withdrawn by the tax professional, the taxpayer will receive a notification in the mail. They will receive a CP 312, (IMF) or CP 313, (BMF).

(32) The tax professional has the ability to withdraw authorizations originally processed by the CAF Function, as well as authorizations originally processed through Tax Pro. Withdrawals processed through Tax Pro can be identified by the 92 or 93 either in the SDLN or employee number.

(33) Tax professionals who have linked their CAF number (currently only available to individuals who have the CAF number assigned to them as individuals) or individuals who have had their CAF number assigned through Tax Pro Account can view:

- a. IMF taxpayer's information Including balance due modules that are covered by an authorization on file. The professional can also view the taxpayer's scheduled, pending, cancelled, returned and processed payments for any periods authorized. The taxpayer can access this same information in their individual online account.
- b. BMF taxpayer's information, for BMF entity types that are being covered by the Business Tax Account (BTA) IRM 21.2.1.64, including balance due modules that are covered by an authorizations on file. The taxpayer can access this same information in their BTA.

(34) Tax Pro Account is not an e-Services product and is not supported by the EPSS Help Desk. Only refer Tax Professionals to the EPSS Help Desk when they receive a CP301 notice and they indicate they did not create a Tax Pro Account. For more information you may refer the tax professional to [www.irs.gov/taxproaccount](http://www.irs.gov/taxproaccount).

(35) View how the Tax Pro Account application functions by visiting the Employee Demo site for Tax Pro Account via SERP under Job Aids, Part 21, Chapter 2. This site contains simulated taxpayer scenarios and descriptions of the account functionality. View how the IOLA application functions by visiting the Employee Demo site for IOLA site via SERP under Job Aids, Part 21, Chapter 2. This site contains simulated taxpayer accounts and explanations of the functionality and features taxpayers see.