CPA

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Hansactions

The AICPA is concerned that current electronic signature standards for "remote transactions" are not strong enough to protect taxpayers' confidential information.

Sep. 25, 2014

In a letter to Internal of Revenue Service (IRS), the American Institute of CPAs (AICPA) expressed concern that current electronic signature standards for "remote transactions," where the taxpayer is not appearing in person before the electronic return originator with a valid form of personal identification, are not strong enough to protect taxpayers' confidential information. The IRS updated its guidance for taxpayer electronic signatures on certain forms in March 2014.

The AICPA said in its Sept. 24 letter that it "strongly supports" the IRS's effort to develop standards allowing for electronic signatures on Form 8879, *IRS E-file Signature Authorization*, which would improve the paperless processing of individual tax returns. The ability to have electronic signatures throughout the tax return filing process, the AICPA stated, will reduce compliance and administrative burdens currently facing taxpayers, tax return preparers and the IRS.

"However," the AICPA wrote, "we are concerned that the current electronic signature standards do not adequately address the need for confidentiality of taxpayer information."

The AICPA letter also stated that the standards do not appropriately accommodate the needs of different taxpayer groups.

Therefore, the AICPA requested in its letter that alternative methods of identity verification, with respect to e-signatures, be allowed. The AICPA also provided alternatives for the IRS to consider.

The full letter (in PDF format) can be seen here.

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