

DAVID Y. IGE  
GOVERNOR

SHAN TSUTSUI  
LT. GOVERNOR



STATE OF HAWAII  
**DEPARTMENT OF TAXATION**  
P.O. BOX 259  
HONOLULU, HAWAII 96809  
PHONE NO: (808) 587-1540  
FAX NO: (808) 587-1560

MARIA E. ZIELINSKI  
DIRECTOR OF TAXATION

DAMIEN A. ELEFANTE  
DEPUTY DIRECTOR

March 29, 2017

## **DEPARTMENT OF TAXATION ANNOUNCEMENT NO. 2017-03**

RE: Verified Practitioner Registration and Representing Taxpayers before the Department

This Tax Announcement provides information about representing another taxpayer before the Department of Taxation (Department) and outlines the Department's new policy of requiring those representing taxpayers to register with the Department in most circumstances.

### **I. Taxpayers' Information Confidential**

Tax returns and other tax information transmitted to the Department by taxpayers is confidential in nearly all circumstances. Accordingly, persons representing taxpayers before the Department in any capacity must prove they have been granted sufficient authority by the taxpayer before the Department can disclose taxpayer information to the representative.

### **II. Verified Practitioner Registration with the Department Required**

Starting on July 1, 2017, any person who represents a taxpayer in a professional capacity before the Department must register and obtain a Verified Practitioner Identification Number (VPID). Representing a taxpayer before the Department includes being authorized to discuss, present, receive and inspect confidential tax information and to perform acts on behalf of the taxpayer.

The following persons are deemed to be representing taxpayers in a professional capacity and will be required to register and obtain a VPID prior to representing taxpayers before the Department:

- (1) Attorneys;
- (2) Accountants;
- (3) Enrolled Agents;
- (4) Enrolled Actuaries - enrolled as an actuary by the Joint Board for the Enrollment of Actuaries under 29 U.S.C. § 1242 (the authority to practice before the Internal Revenue Service is limited by section 10.3(d) of Circular 230);

- (5) Enrolled Retirement Plan Agents - enrolled as a retirement plan agent under the requirements of Circular 230 (the authority to practice before the Internal Revenue Service is limited by section 10.3(e)); and
- (6) All other persons who represent taxpayers and receive compensation for their services.

Please note that practitioners in the first five categories must register for a VPID regardless of whether they receive compensation for their services. Practitioners may register online at <http://hitax.hawaii.gov> or by filing Form PPS-12<sup>1</sup> which is available at <http://tax.hawaii.gov/assistance/practitioner>. The Department encourages online registration as the processing times will be faster. There is no fee for this registration.

Upon receiving the online registration, the Department will verify the registration information, create a Verified Practitioner profile, and issue a VPID to the practitioner. Once the VPID is issued, the practitioner will be deemed a “Verified Practitioner” by the Department. Verified Practitioners will be able to gain electronic access to their clients’ tax accounts and utilize the Practitioner Priority Service described below.

In general, Verified Practitioners must use their VPIDs to identify themselves on Form N-848 and all other documents authorizing representation before the Department.

The purpose of practitioner registration is to assist the Department in accurately identifying representatives and to ensure that unauthorized disclosure of tax information does not occur. This policy also protects representatives’ privacy by allowing the use of the VPID rather than a Social Security Number (SSN) on documents authorizing representatives to access taxpayer information or represent a taxpayer.

### **III. Registration Optional for Tax Matters Representatives**

A Tax Matters Representative (TMR) is a person who represents a taxpayer before the Department, but is not required to register under Section II as a Verified Practitioner. A TMR may represent a taxpayer before the Department by using his or her full SSN or TMR Identification Number (TMRID). TMRs include, but are not limited to:

- (1) Family members and friends (provided that they are not acting in a capacity that would require registration under Section II);
- (2) Officers of a corporation, association, or governmental unit or agency;
- (3) General partners in a partnership;
- (4) Full-time employees of the taxpayer; and

---

<sup>1</sup> Form PPS-12 is the Verified Practitioner Registration Form. It may be used by people who are required to register as a Verified Practitioner under Section II.

- (5) Fiduciaries (provided that they do not receive compensation for services rendered).

TMRs may obtain a TMRID by registering online at <http://hitax.hawaii.gov> or by filing Form TMR-12 which is available at <http://tax.hawaii.gov/forms>. The Department encourages online registration as the processing times will be faster. There is no fee for this registration.

Upon receiving the online registration or completed Form TMR-12<sup>2</sup>, the Department will verify the registration information, create a representative profile, and issue a TMRID to the representative. Once the TMRID is issued, the representative will be deemed a “Tax Matters Representative” by the Department. Obtaining a TMRID will allow the representative to complete Form N-848 without using his or her full SSN and will allow the representative to request electronic access to the tax account of the represented taxpayer.

#### **IV. Power of Attorney (Form N-848)**

Form N-848 is the power of attorney form used to grant a party authority to access tax information or represent a taxpayer before the Department. Form N-848 is used to authorize a representative to receive the taxpayer’s tax information and to perform acts the taxpayer can perform with respect to the tax types and periods for which authority is granted.

##### Filed on or before June 30, 2017

Any Form N-848 filed on or before June 30, 2017 that only requires the last four digits of the representative’s SSN will remain valid and effective until December 31, 2017. After this date, a new Form N-848 with the VPID, TMRID or full SSN will need to be submitted to the Department in order to access taxpayer accounts and information.

##### Filed on or after July 1, 2017

As of July 1, 2017, the Department will no longer accept any version of Form N-848 with a revised date prior to 2016. Form N-848 will be revised to require either the VPID for Verified Practitioners or the TMRID or full SSN for Tax Matters Representatives. The Department will not accept earlier versions of Form N-848 that did not require one of these identifying numbers.

##### Form N-848 requiring no identifying number

Any Form N-848 that does not require any form of the representative’s identification number shall be invalid as of the date of this Tax Announcement. A new Form N-848 that complies with this section must be filed with the Department to continue representation.

---

<sup>2</sup> Form TMR-12 is the Tax Matters Representative Registration Form. It may be used by Tax Matters Representatives who are described in Section III.

## **V. Practitioner Priority Service**

Upon successful registration, Verified Practitioners will have access to the Practitioner Priority Service (PPS). The PPS offers tax practitioners a separate and dedicated connection to the Department's Taxpayer Services functions. The PPS is available by telephone, email, and fax to help tax practitioners with tax account issues such as locating and applying payments, explaining notices and letters, providing procedural guidance, and assisting with other taxpayer account inquiries.

The PPS is not available for discussion of tax law or appeal questions, tax clearances, collection cases, penalty and interest waivers, or any issue regarding an account that is under audit or investigation. For more information about the PPS please visit <http://tax.hawaii.gov/assistance/practitioner>.

MARIA E. ZIELINSKI  
Director of Taxation

HRS section explained: § 231-3  
HAR section explained: § 18-231-3-14.26