



POWER OF ATTORNEY RELATED FAQs (Form R-7 and PAR 101)

This is a list of frequently asked questions the Virginia Department of Taxation (TAX) receives from customers and the appropriate responses regarding Power of Attorney (POA) related forms, **Form R-7 Application for Enrollment as a Virginia Authorized Agent** and **Form PAR 101 Virginia Power of Attorney and Declaration of Representative**.

Form R-7 Questions

Q: What is the purpose of the Form R-7?

A: The Form R-7 registers a taxpayer's personal representative with TAX as an Authorized Agent. This registration is required if a representative is authorized to automatically receive copies of tax-related correspondence sent to the taxpayer. Upon registering, the Authorized Agent will be assigned a unique Authorized Agent Number (AAN). This "A-number" (or AAN) is an efficient way of linking the agent with the taxpayer or taxpayers he/she may represent, and gives TAX a centralized location to update Agent information as needed.

Q: Why is an AAN or A-Number needed?

A: The Authorized Agent Number allows TAX to easily identify an Authorized Agent and possibly link them to all the taxpayers they represent. It is also a requirement if the agent is authorized to be automatically copied on tax-related correspondence sent to that taxpayer.

Q: What business information is being requested on the R-7?

A: The Authorized Agent should include the name of the business he/she works for (official business name if self employed) along with the business address and the Federal Employer Identification number if applicable.

Q: How many Authorized Agent Numbers can I have? Do I need a different number for each client?

A: You can have only one Authorized Agent Number (AAN or A-number). It's possible for TAX to link you with any business or individual you represent using this single A-number. If any of your clients want you (as the Authorized Agent) to be **automatically** copied on tax-related correspondence sent to them, then each of those clients must submit a Form PAR 101.

Q: Can my business have more than one Authorized Agent Number?

A: The business itself cannot function as an Authorized Agent. However, you may have multiple individuals from your business submit the registration form R-7 and register to receive their own unique Authorized Agent Number.

Q: What is the minimum information required on the R-7 to assign an AAN?

A: The full name of the individual, complete address, daytime phone number, signature and date.

Q: I am currently completing my R-7 form and it is asking for an A-number. What number do I use?

A: If this is the first time you are completing Form R-7 then you will not yet have an A-number. An A-number is a unique number that will be assigned and sent to you by TAX once your Form R-7 has been processed. Simply leave this field blank. In the future, if you need to notify TAX of a change in your information, submit another Form R-7, check the box marked "Change of Information", and enter your assigned A-number in this field.

Q: Is the R-7 only for tax preparers and CPAs?

A: No. Any person representing a Virginia taxpayer can apply for Authorized Agent status using the R-7 form. These persons include, but are not limited to Accountants, Attorneys, Enrolled Agents, Corporate Officers, Employees of Businesses, and Family Members.

Q: On the R-7, there is a box that asks for federal CAF, what is that?

A: The Internal Revenue Service issues a Centralized Authorization File (CAF) number to Accountants, Attorneys, enrolled agents or other representatives from whom a taxpayer has requested assistance on IRS tax related issues. Entering this CAF number on Form R-7 will allow TAX to know if the representative has an active relationship with the IRS.

Q: Why is the ssn or last four digits needed on the R-7?

A: In the event there is more than one Authorized Agent with a similar name and other similar demographic information, TAX should be able to distinguish the correct person by matching the demographic information against the social security number. (Ex: John A. Doe at 115 Main St. Richmond, Va. ssn 123-45-6789 vs. John B. Doe 110 Main St. Richmond, Va. ssn 987-65-4321).

Q: Do we need to file both the R-7 and the PAR 101?

A: If a personal representative is authorized to automatically receive copies of their client's tax-related correspondence, then yes, both forms must be filed with TAX. The Form R-7 is filed by the person representing the taxpayer, while the Form PAR 101 is filed by the taxpayer to grant Power of Attorney authorization to their personal tax representative.

PAR 101 Questions

Q: I currently have a PAR 101 on file. If I send a revised PAR 101, will that replace my old POA form?

A: In general, a revised Form PAR 101 will replace any existing Power of Attorney forms and relationships currently on file with TAX. If you have an existing Power of Attorney relationship that you want to maintain and their authorization is for one or more of the same tax periods and tax matters indicated on the revised form, you may indicate on line 5 of the revised PAR 101 that you **do not** wish for the old POA relationship to be revoked.

Q: I sent a letter to the Department of Taxation giving my son/daughter permission to handle my tax affairs. Do I need to file the Form PAR 101 or will my letter be sufficient?

A: Your letter will be sufficient. Any authorization for taxpayer information that is in writing and signed by the taxpayer will be honored by TAX. However, if you desire your son/daughter to automatically receive copies of tax-related correspondence sent to you, then the R-7 and PAR-101 forms must be filed.

Q: If I don't need my representative to receive automatic copies of my correspondence, will my old POA form remain in effect indefinitely or until my POA representative or I change it?

A: If there is an existing valid Power of Attorney form on file with TAX, it will still allow the designated representative the access specifically stated on that Power of Attorney form. However, you will be deemed to have opted out of the **automatic** copies of correspondence delivery option.

Q: I will be submitting a PAR 101. How do I prevent copies of correspondence from being automatically sent to my representative?

A: Complete Form PAR 101 and check the box beside the representative's name to indicate you do not want this representative to automatically receive copies of correspondence. This will authorize verbal communication with this representative; however, it will prevent them from automatically receiving copies of correspondence generated to you by TAX.

Q: I have a Federal Power of Attorney Form 2848. Is that sufficient for Virginia or do I need the Virginia Form PAR 101?

A: Form PAR 101 is the preferred form, but TAX continues to accept Federal Form 2848 for verbal communication with the taxpayer's representative and any other acts that are specifically detailed on Form 2848, provided this form is modified to include which Virginia tax types and tax periods this representative is granted access to. However, if this representative should be automatically copied on correspondence TAX sends to the taxpayer, a Form R-7 and PAR 101 will be required.

Q: Can my POA representative be a business such as H&R Block, or Liberty Tax Service?

A: No, only an individual can act as your POA representative. You will have to designate on Form PAR 101, an individual employed by the business in order to authorize POA access to your account information and allow him/her to automatically receive correspondence copies of specific tax information.

Q: Can I have more than two representatives listed on my PAR 101 Form?

A: Yes. You may list additional representatives on a separate sheet of paper and attach it with the Form PAR 101. In this attachment, you must include each additional representative's full name, AAN (if applicable), telephone number, fax number and e-mail address. However, only the two representatives listed on the Form PAR 101 are eligible to be **automatically** copied on tax-related correspondence.