

Businesses, charities, others with Employer Identification Numbers must update responsible party information within 60 days of any change

The Internal Revenue Service today issued an announcement that urges those entities with Employer Identification Numbers (EINs) to update their information with the IRS if there is a change in the responsible party or contact information.

Due to continued attacks on their informational systems the IRS is now asking that if any contact information changes that they be informed.

IRS regulations require EIN holders to update responsible party information within 60 days of any change by filing [Form 8822-B](#), Change of Address or Responsible Party - Business.

The IRS states that it is critical that the IRS have accurate information in cases of identity theft or other fraud issues related to EINs or business accounts.

The data around the “responsible parties” for business-type entities is often outdated or incorrect meaning that the IRS does not have accurate records of who to contact for identity theft issues.

As a result of what is seen as a security threat the IRS intends to step up its awareness efforts aimed at businesses, partnerships, trusts and estates, charities and other entities that are EIN holders.

Starting in August the IRS will begin sending letters to approximately 100,000 EIN holders where it appears the responsible party is outdated.

All EIN applications (mail, fax, electronic) must disclose the name and Taxpayer Identification Number (Social Security number, Individual Taxpayer Identification Number or EIN) of the true principal officer, general partner, grantor, owner or trustor, and current address.

The IRS defines the responsible party as the individual or entity who controls, manages, or directs the applicant entity and the disposition of its funds and assets.

Unless the applicant is a government entity, the responsible party must be an individual, not an entity. If there is more than one responsible party, the entity may list whichever party the entity wants the IRS to recognize as the responsible party.

Entities with EINs that are no longer in use should inform the IRS.

The question that does not seem to be answered is that if an entity's FEIN has been hijacked by some felonious group, or individuals, and they follow the requested procedures and inform the IRS of the requested changes how the IRS is going to deal with that potential possibility. A rather interesting question that does not seem to be addressed by the IRS.

Bottom line is that everyone must stay vigilant as to any correspondence, or other aberrant activity relating to corporate and business identity as it appears that criminal elements have moved into this arena with the impact that funds deposited with the government could be at risk if criminals should start filing fraudulent tax returns claiming refunds after having informed the IRS of address and fraudulent responsible personnel changes.

We here at Muffoletto & Company believe that the more informed you are in regards to the rules and regulations that affect you the more we can be of service.

Should you have questions relating to any tax or financial matters call at

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