

Form 8822-B, Change of Address or Responsible Party - Business

Beginning January 1, 2014, any entity with an EIN must file Form 8822-B to report the latest change to its "responsible party". Form 8822-B must be filed within 60 days of the change. If the change of responsible party occurred before 2014, and you have not previously notified the IRS of the change, an organization should file Form 8822-B before March 1, 2014 to report the most recent change.

This new mandate could result in filing requirements for most organizations.

It is important to note here that there are currently no penalties for failure to comply; however, the IRS makes clear in the instructions to the Form that it is in your best interest to do so. If you fail to provide the IRS with your current mailing address or the identity of your responsible party, a notice of deficiency or a notice of demand for tax may be sent to an outdated address. Despite the failure to receive such notices, penalties and interest will continue to accrue on any tax deficiencies.

Responsible Party

The Form's instructions define the "responsible party" as the person who has a level of control over, or entitlement to, the funds or assets in the entity that, as a practical matter, enables the individual, directly or indirectly, to control, manage, or direct the entity and the disposition of its funds and assets.

This is a general definition that will not fit every situation. Determination of the responsible party should be discussed with your attorney or outside accountant.

Action Steps

If your organization obtained their EIN after January 2010, a responsible party had to be named in your application (Form SS-4). If that person remains your responsible party, no steps need to be taken. If there has been a change, Form 8822-B should be filed before March 1, 2014 to report the most recent change in your organization's responsible party.

If your organization obtained their EIN before January 2010, Form 8822-B should be filed before March 1, 2014. Only report the most recent change in your organization's responsible party.

For changes in the responsible party after December 31, 2013, you need to complete and file Form 8822-B within 60 days of the change.

An officer, owner, general partner, plan administrator, fiduciary, or authorized representative must sign the Form. Electronic filing is not currently an option.

Form 8822-B is available on the IRS website at <http://www.irs.gov/pub/irs-pdf/f8822b.pdf>.

Contact Calibre CPA Group PLLC at 202.331.9880 with any questions ■ www.CalibreCPA.com