

MEMO# 26836

January 4, 2013

IRS Issues Proposed Regulations on Tin-Masking

[26836]

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TO:< PENSION MEMBERS No. 4-13
TAX MEMBERS No. 5-13
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TRANSFER AGENT ADVISORY COMMITTEE No. 4-13
PRIVACY ISSUES WORKING GROUP No. 1-13 RE: IRS ISSUES PROPOSED REGULATIONS ON
TIN-MASKING

The Treasury Department and IRS have released proposed regulations [\[1\]](#) that create a new truncated taxpayer identification number (TTIN).

Former Pilot Program

The proposed regulations implement the pilot program that was initially announced in Notice 2009-93 and extended and modified by Notice 2011-38. [\[2\]](#) The pilot program, which was developed in response to concerns about identity theft risks created by including taxpayer ID numbers on payee statements, allowed filers of certain information returns to truncate an individual payee's nine-digit identifying number on specified paper payee statements furnished for calendar years 2009 through 2012.

New Proposed Regulations

Under the new proposed regulations, the payee statements on which TTINs may be included are all statements in the Forms 1099, 1098, and 5498 series, with the exception of Form 1098-C. However, TTINs may not be used for Form W-2.

Under the proposed regulations:

- TTINs provide an alternative to using a social security numbers, IRS individual taxpayer identification numbers, or IRS adoption taxpayer identification numbers.
- The filer of certain information returns may use a TTIN on corresponding payee statements, furnished by paper or electronic means, to identify the individual being furnished a statement.
- TTINs are created by truncating the applicable identifying number by replacing the first five digits of the nine-digit number with asterisks or Xs (for example, a social

security number 123-45-6789 would appear on the paper payee statement as ***-**-6789 or XXX-XX-6789)

Comments on the proposed regulations must be received by February 20, 2013. Additionally, a public hearing is scheduled for March 12, 2013.

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endnotes

[1] The proposed regulations—REG-148873-09—are available at:
http://www.ofr.gov/OFRUpload/OFRData/2012-31745_PL.pdf.

[2] See ICI Memo #23969, available at:
http://www.ici.org/my_ici/memorandum/memo23969.

Source URL: <https://icinew-stage.ici.org/memo-26836>

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