

MEMO# 28563

December 9, 2014

2014 Report on Tax Information Reporting Issues Released by IRPAC

[28563]

December 9, 2014

TO:

TAX MEMBERS No. 33-14
TRANSFER AGENT ADVISORY COMMITTEE No. 77-14
BROKER/DEALER ADVISORY COMMITTEE No. 57-14
TAAC FATCA TASK FORCE No. 11-14

RE:

2014 REPORT ON TAX INFORMATION REPORTING ISSUES RELEASED BY IRPAC

The Information Reporting Program Advisory Committee (“IRPAC”) released its 2014 public report (the “Public Report”). [\[1\]](#) IRPAC provides the principal public forum for the IRS and members of the information reporting community in the private sector to discuss relevant information reporting issues. The Public Report contains IRPAC’s observations and recommendations regarding current or proposed IRS policies, programs, and procedures, and proposes improvements to information reporting operations. Recommendations included in the Public Report of interest to ICI Members include:

- Adopting a de minimis dollar threshold for corrections to original information returns (including Forms 1099);
 - A safe harbor for net changes of \$50 or less is recommended.
- Clarifying the treatment of nonresident aliens who complete in-plan Roth rollovers;
- Changes to the Nonresident Alien and FATCA withholding regulations and implementing rules, including:
 - Providing for retroactive validity for faxed or emailed Forms W-8;
 - Providing a foreign-source presumption rule for certain commissions and other fees paid to non-U.S. brokers for the purchase of non-U.S. securities; and
 - Simplifying the Form W-9 and its instructions, similar to the recommendations contained in the joint ICI/ACLI letter to the IRS;
- Changes to Forms 1099-B and 1099-INT and related information reporting procedures, including:

- Requiring transferors of Section 1256 option contracts to provide transfer statements and to report the unrealized profit or loss, in order to facilitate options reporting when options are transferred between brokerage firms;
- Providing draft forms to subgroups in order to facilitate interested parties to provide meaningful feedback; and
- Changes to allow aggregate sales reporting for one trade order filled on the same day by multiple fills.

Ryan Lovin
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endnotes

[1] The Public Report is available at:
<http://www.irs.gov/Tax-Professionals/2014-Information-Reporting-Program-Advisory-Committee-Public-Report>.

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