

MEMO# 29286

August 27, 2015

IRS Proposes Removal of Automatic Extension of Time to File Information Returns; Comments Requested

[29286]

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TO: TAX COMMITTEE No. 29-15

TRANSFER AGENT ADVISORY COMMITTEE No. 45-15

PENSION COMMITTEE No. 13-15

PENSION OPERATIONS ADVISORY COMMITTEE No. 11-15 RE: IRS PROPOSES REMOVAL OF AUTOMATIC EXTENSION OF TIME TO FILE INFORMATION RETURNS; COMMENTS REQUESTED

The Internal Revenue Service (“IRS”) has issued temporary and proposed regulations affecting extensions of time to file information returns. The [temporary regulations](#) remove the 30-day automatic extension of time to file Forms W-2 (other than Form W-2G) with the IRS. The [proposed regulations](#) also would remove the automatic extension of time to file other information returns under section 6081 of the Internal Revenue Code. The IRS is removing the 30-day automatic extensions to accelerate the filing of information returns in an effort to improve the IRS’s ability to combat identity theft and prevent fraudulent refund claims.

The temporary regulations provide a single, 30-day non-automatic extension of time to file information returns on forms in the W-2 series (other than Form W-2G) that are due after December 31, 2016. The IRS may grant the extension, at its discretion, if it determines that an extension of time to file is warranted based on the filer’s or transmitter’s explanation attached to the Form 8809, “Application for Extension of Time to File Information Returns,” signed under penalties of perjury. The IRS anticipates that it will grant the non-automatic extension only in the case of extraordinary circumstances or catastrophe, such as a natural disaster or fire destroying the books and records a filer needs for filing the information returns. If the IRS does not grant the extension, information returns filed after their due dates are not timely filed, regardless of whether the application for the extension was timely filed.

The proposed regulations similarly would remove the automatic extension of time to file other information returns under section 6081, including the 1099 series and the 5498 series. The IRS would provide a single, 30-day non-automatic extension of time to file, which would be requested using the Form 8809. The proposed regulations would be

effective for requests for extensions of time to file information returns due on or after January 1 of the calendar year immediately following the publication of final regulations in the Federal Register; however, removal of the automatic 30-day extension will not apply to information returns (other than forms in the W-2 series, except Forms W-2G) due any earlier than January 1, 2018.

The IRS has requested comments on the appropriate timing of the removal of the automatic 30-day extension, including whether special transitional considerations should be given for any category or categories of forms or filers relative to other forms or filers. Comments must be submitted by November 12, 2015.

Note that these temporary and proposed regulations apply to the filing of information returns with the IRS and do not affect the timing of statements sent to the payees or other persons with respect to whom the information is required to be reported.

Comments Requested

Please provide any comments on the proposed regulations to the undersigned (kgibian@ici.org or 202-371-5432) no later than the close of business on October 8, 2015.

Karen Lau Gibian
Associate General Counsel

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