

MEMO# 28273

July 16, 2014

IRS Issues Proposed Regulations on TIN-Masking

[28273]

July 16, 2014

TO: PENSION MEMBERS No. 32-14

TAX MEMBERS No. 19-14

OPERATIONS MEMBERS No. 9-14

TRANSFER AGENT ADVISORY COMMITTEE No. 46-14

PRIVACY ISSUES WORKING GROUP No. 1-14 RE: IRS ISSUES PROPOSED REGULATIONS ON TIN-MASKING

The Treasury Department and IRS released final regulations [\[1\]](#) regarding truncated taxpayer identification numbers (TTINs), which permit paying agents to transmit payee statements that display only the last four digits of a taxpayer identifying number by replacing the first five digits of the identifying number with either asterisks (*) or with Xs. The final regulations are effective as of July 15, 2014 and adopt the proposed regulations issued in January 2013 with certain amendments. [\[2\]](#)

The final regulations adopt a more liberal approach to the use of TTINs than the proposed regulations. The final regulations permit the use of a TTIN on any federal tax-related payee statement or other document required to be furnished to another person unless prohibited by the code, regulations, or other guidance (such as IRS forms or their instructions). Therefore, the Treasury Department and IRS state that every information reporting provision in the code and regulations does not need to be amended to specifically permit TTINs. The final regulations retain the amendments from the proposed regulations that may require use of an unmasked SSN, ITIN, ATIN, or EIN for certain information reporting regulations.

In response to comments, the final TTIN regulations also permit the use of a TTIN in place of an employer identification number (EIN). The IRS and Treasury believe that allowing filers to use TTINs for all payees encourages the use of TTINs and reduces the risk of identity theft.

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endnotes

[1] The final regulations—T.D. 9675—are available at:
<http://www.gpo.gov/fdsys/pkg/FR-2014-07-15/pdf/2014-16464.pdf>.

[2] See ICI [Memorandum](#) #26836 regarding the proposed TTIN regulations and Memorandum #23969 regarding the pilot TTIN program.

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