

**MEMO# 1307**

August 2, 1989

# **IRS REVENUE PROCEDURE ON PREPARING MAGNETIC MEDIA SUBMISSIONS FOR TAX YEAR 1989 RETURNS**

- 1 - August 2, 1989 TO: TAX MEMBERS NO. 28-89 UNIT INVESTMENT TRUST MEMBERS NO. 42-89 CLOSED-END FUND MEMBERS NO. 33-89 OPERATIONS MEMBERS NO. 24-89 TRANSFER AGENT SHAREHOLDER ADVISORY COMMITTEE NO. 20-89 RE: IRS REVENUE PROCEDURE ON PREPARING MAGNETIC MEDIA SUBMISSIONS FOR TAX YEAR 1989 RETURNS

Attached is IRS Revenue Procedure 89-43, which sets forth requirements for preparing magnetic media submissions for tax year 1989 information returns. Section 2 of Part A (at pages 17 and 18) lists changes that must be made to 1988 computer programs before the programs may be used to generate 1989 returns. Among the many changes are those to the Form 1099-DIV. The IRS advises that the revenue procedure be carefully reviewed in its entirety, however, to ensure proper reporting. The IRS' procedures for matching names and taxpayer identification numbers (TINs) are discussed in Section 11 of Part A (at pages 24 and 25). Chart 1 provides guidelines for social security numbers; Chart 2 provides guidelines for employer identification numbers. Paragraph .02 of Section 11 provides that the IRS validates social security numbers by using the "Name Control" of the surname of the individual who has been assigned this number. The requirements for the "Name Control" field are set forth in Section 6 of Part B (at pages 40 and 41). Payors are encouraged to use "every effort" to develop the correct Name Control, especially where the name that corresponds to the TIN is not included in the first or second payee name lines. To further assist in developing the proper Name Control, the Revenue Procedure gives several examples illustrating how its requirements should be applied. - 2 - We will keep you informed of developments. Keith D. Lawson Assistant General Counsel Attachment