

MEMO# 8404

November 15, 1996

IRS ADOPTS INSTITUTE POSITION ON LOGOS

1 See Institute Memorandum to Tax Members No. 49-96, Operations Members No. 47-96, Closed-End Investment Company Members No. 36-96, Unit Investment Trust Members No. 54-96 and Transfer Agent Advisory Committee No. 63-96, dated November 1, 1996. 2 See e.g., Institute Memorandum to Tax Committee No. 28-96, Operations Members No. 16-96, Closed-End Fund Committee No. 25-96, Unit Investment Trust Committee No. 34-96 and Transfer Agent Advisory Committee No. 45-96, dated August 5, 1996. November 15, 1996 TO: TAX MEMBERS No. 51-96 OPERATIONS MEMBERS No. 48-96 CLOSED-END INVESTMENT COMPANY MEMBERS No. 40-96 UNIT INVESTMENT TRUST MEMBERS No. 57-96 TRANSFER AGENT ADVISORY COMMITTEE No. 65-96 RE: IRS ADOPTS INSTITUTE POSITION ON LOGOS

We are pleased to inform you that the Internal Revenue Service ("IRS") today issued the attached Notice 96-62 regarding the permissible use of "logos" on substitute IRS Forms 1099 mailed to payees. The guidance, which clarifies comments made by an IRS speaker at the Institutes 1996 Operations Conference,¹ adopts the Institutes position on logo use.² Specifically, the Notice announces that IRS will issue amended regulations that "generally will permit logos (including the name of the payor in any typeface, font, or stylized fashion and/or a symbolic icon) and identifying slogans, provided the logo or identifying slogan is used by the payor in the ordinary course of its trade or business. However . . . the use of a logo or identifying slogan must not make it less likely that a reasonable payee will recognize the importance of the payee statement for tax reporting purposes." Regarding penalty enforcement, the Notice announces that "the Service will not impose penalties in connection with a payor's use on a payee statement of a logo or an identifying slogan that satisfies these requirements." We will keep you informed of developments. Keith D. Lawson Associate Counsel - Tax Attachment Note: Not all recipients of this memo will receive an attachment. If you wish to obtain a copy of the attachment referred to in this memo, please call the Institute's Information Resource Center at (202)326-8304, and ask for this memo's attachment number: 8404.