

**MEMO# 7084**

July 7, 1995

## **IRS REVENUE PROCEDURE FOR SUBSTITUTE FORMS 1099 AND 5498**

1 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)326-8305 or (202)326-5903, and ask for this memo's attachment number: m7084. 2 See Institute Memorandum to Accounting/Treasurers Committee No. 23-94, Closed-End Fund Committee No. 12-94, Operations Members No. 20-94, Pension Members No. 13-94, Tax Members No. 22-94, Transfer Agent Advisory Committee No. 23-94 and Unit Investment Trust Committee No. 34-94, dated May 13, 1994. 3 See Institute Memorandum to Operations Members No. 5-95, Tax Members No. 8-95 and Transfer Agent Advisory Committee No. 8-95, dated January 24, 1995. July 7, 1995 TO: ACCOUNTING/TREASURERS COMMITTEE No. 26-95 CLOSED-END FUND COMMITTEE No. 33-95 OPERATIONS MEMBERS No. 33-95 PENSION MEMBERS No. 35-95 TAX MEMBERS No. 34-95 TRANSFER AGENT ADVISORY COMMITTEE No. 39-95 UNIT INVESTMENT TRUST COMMITTEE No. 55-95 RE: IRS REVENUE PROCEDURE FOR SUBSTITUTE FORMS 1099 AND 5498

Attached<sup>1</sup> is the IRS annual revenue procedure (Rev. Proc. 95-30) that provides specific rules for preparing paper substitutes for certain identified forms and for furnishing substitute statements to form recipients. The requirements contained in the revenue procedure apply to payments made during calendar year 1995 and, in the case of Forms 5498, to contributions made for 1995. Section 2 of Part A describes changes made by Rev. Proc. 95-30 to Rev. Proc. 94-35, which it supersedes.<sup>2</sup> The revenue procedure requires all substitutes to prominently display the tax year, form number and form name in a single area of the statement. In addition, the procedure adopts new standards for the quality of carbon copies used to produce information statements. The IRS dropped an earlier proposal to prohibit the practice of providing instructions for more than one form unless the payor uses a composite report for more than one type of information statement (such as combined Forms 1099-B and 1099-DIV) and the payor is actually reporting information for each type of statement.<sup>3</sup> We will keep you informed of developments. Peter J. Cinquegrani  
Assistant Counsel - Tax