

MEMO# 5873

May 24, 1994

JUNE 14 MEETING TO DISCUSS NEW REQUIREMENTS FOR SUBSTITUTE FORMS W-9 AND FORMS 1099.

May 24, 1994 TO: ACCOUNTING/TREASURERS COMMITTEE NO. 25-94 OPERATIONS COMMITTEE NO. 10-94 TAX COMMITTEE NO. 18-94 RE: JUNE 14 MEETING TO DISCUSS NEW REQUIREMENTS FOR SUBSTITUTE FORMS W-9 AND FORMS 1099.

_____ As we previously informed you, the IRS recently revised the Instructions for the Requester of Form W-9 to state that a substitute Form W-9 may not be used in such a way that, by signing the form, the payee has agreed to provisions unrelated to TIN certification. (See Institute Memorandum to Operations Members No. 14-94, Tax Members No. 17-94 and Transfer Agent Advisory Committee No. 17-94, dated April 28, 1994.) The instructions would seem to prohibit the common practice of including a substitute W-9 in an account application that has a single space for a signature for all purposes. The IRS also has also proposed changes to the requirements for substitute statements for Forms 1099, 1098, 5498 and W-2G. The most significant change would be to prohibit the practice of providing instructions for more than one form, unless the payor uses a composite statement and is actually reporting information for each type of statement. (See Institute Memorandum to Operations Members No. 12-94, Tax Members No. 14-94 and Transfer Agent Advisory Committee No. 14-94, dated April 14, 1994.) The Institute has scheduled a meeting to discuss both sets of changes and to develop industry comments. The meeting will be held on June 14, 1994 at the Institute's offices at 1401 H Street, N.W., Washington, DC, beginning at 10:00 a.m. Lunch will be served following the meeting. Please indicate on the attached form if you plan to attend. Peter Cinquegrani Assistant Counsel - Tax Attachment