

MEMO# 5141

September 13, 1993

IRS UPDATES B NOTICE REVENUE PROCEDURE

* See Institute Memorandum to Tax Members No. 24-92, Operations Members No. 16-92, Closed- End Fund Members No. 20-92, Unit Investment Trust Members No. 26-92 and Transfer Agent Advisory Committee No. 21-92, dated April 16, 1992. September 13, 1993
TO: CLOSED-END FUND MEMBERS NO. 28-93 OPERATIONS MEMBERS NO. 31-93 TAX
MEMBERS NO. 33-93 TRANSFER AGENT ADVISORY COMMITTEE NO. 48-93 UNIT
INVESTMENT TRUST MEMBERS NO. 33-93 RE: IRS UPDATES B NOTICE REVENUE
PROCEDURE _____ The attached
Internal Revenue Service ("IRS") Revenue Procedure (No. 93- 37) provides rules for
imposing backup withholding under section 3406(a)(1)(B) of the Internal Revenue Code ("B
Notice withholding"). The revenue procedure provides rules regarding the form, content
and manner of delivery of the notice that payers must send to payees after being informed
by IRS or a broker that the name and taxpayer identification number ("TIN") on a particular
account do not "match" IRS or Social Security Administration records. Additional rules are
provided regarding the notification that payers must receive in certain cases to prevent
backup withholding from starting or to stop backup withholding once it has begun. Rev.
Proc. 93-37 updates, restates and supersedes Rev. Proc. 92-32* with respect to B Notices
issued by payers on or after September 1, 1993. The changes made by Rev. Proc. 93-37 to
Rev. Proc. 92-32 are summarized in section 3. We have just been informed by IRS personnel
that the B Notice mailings will be dated October 25, rather than October 18, and will be
mailed two to three weeks prior to October 25. We will keep you informed of developments.
Keith D. Lawson Associate Counsel - Tax Attachment