

**MEMO# 4584**

March 11, 1993

## **REQUEST FOR CLARIFICATION OF REPORTING REQUIREMENTS FOR SUBSTITUTE IRS FORMS 1099**

March 11, 1993 TO: TAX COMMITTEE NO. 12-93 OPERATIONS COMMITTEE NO. 10-93  
TRANSFER AGENT ADVISORY COMMITTEE NO. 20-93 RE: REQUEST FOR CLARIFICATION OF  
REPORTING REQUIREMENTS FOR SUBSTITUTE IRS FORMS 1099

\_\_\_\_\_ As you may know, a few fund complexes and/or transfer agents have in the past received from the Internal Revenue Service ("IRS") assurances that they would not be penalized for either (1) combining on one document (e.g., one piece of paper) the IRS Form 1099-DIV dividend information for multiple funds or (2) combining on one document both IRS Form 1099-DIV dividend information and IRS Form 1099-B gross proceeds information. Questions regarding the appropriate reporting requirements for these payments have arisen because IRS Revenue Procedure 92-30, which provides the requirements for paper substitutes for various IRS Forms, (1) addresses only the reporting of different types of payments made by one "payer" (which could be interpreted to mean one fund, as opposed to one fund complex) and (2) specifically states that a "composite substitute statement" may not contain both 1099-DIV and 1099-B information. The attached Institute letter requests that the 1993 update of Rev. Proc. 92-30 be clarified to expressly permit a mutual fund complex to combine on one document the dividend and gross proceeds information for all mutual fund investments that a shareholder has in that complex. Two sample consolidated statements are enclosed with the letter. We will keep you informed of developments. Keith D. Lawson Associate Counsel - Tax Attachment