



Note: *The draft you are looking for begins on the next page.*

Caution: DRAFT—NOT FOR FILING

This is an early release draft of an IRS tax form, instructions, or publication, which the IRS is providing for your information. **Do not file draft forms.** We incorporate all significant changes to forms posted with this coversheet. However, unexpected issues occasionally arise, or legislation is passed—in this case, we will post a new draft of the form to alert users that changes were made to the previously posted draft. Thus, there are never any changes to the last posted draft of a form and the final revision of the form. Forms and instructions are subject to OMB approval before they can be officially released, so we post drafts of them until they are approved. Drafts of instructions and pubs usually have some additional changes before their final release. Early release drafts are at [IRS.gov/DraftForms](https://www.irs.gov/DraftForms) and remain there after the final release is posted at [IRS.gov/LatestForms](https://www.irs.gov/LatestForms). Also see [IRS.gov/Forms](https://www.irs.gov/Forms).

Most forms and publications have a page on IRS.gov: [IRS.gov/Form1040](https://www.irs.gov/Form1040) for Form 1040; [IRS.gov/Pub501](https://www.irs.gov/Pub501) for Pub. 501; [IRS.gov/W4](https://www.irs.gov/W4) for Form W-4; and [IRS.gov/ScheduleA](https://www.irs.gov/ScheduleA) for Schedule A (Form 1040), for example, and similarly for other forms, pubs, and schedules for Form 1040. When typing in a link, type it into the address bar of your browser, not a Search box on IRS.gov.

If you wish, you can submit comments to the IRS about draft or final forms, instructions, or pubs at [IRS.gov/FormsComments](https://www.irs.gov/FormsComments). Include “NTF” followed by the form or pub number (for example, “NTF1040”, “NTFW4”, “NTF501”, etc.) in the body of the message to route your message properly. We cannot respond to all comments due to the high volume we receive and may not be able to consider many suggestions until the subsequent revision of the product, but we will review each “NTF” message. If you have comments on reducing paperwork and respondent (filer) burden, with respect to draft or final forms, please respond to the relevant information collection through the Federal Register process; for more info, click [here](#).

Instructions for Forms 3921 and 3922



(Rev. April 2025)

Exercise of an Incentive Stock Option Under Section 422(b) and Transfer of Stock Acquired Through an Employee Stock Purchase Plan Under Section 423(c)

Section references are to the Internal Revenue Code unless otherwise noted.

Future Developments

For the latest information about developments related to Forms 3921 and 3922 and their instructions, such as legislation enacted after they were published, go to [IRS.gov/Form3921](https://www.irs.gov/Form3921) or [IRS.gov/Form3922](https://www.irs.gov/Form3922).

You can get the General Instructions for Certain Information Returns at [IRS.gov/Form1099GeneralInstructions](https://www.irs.gov/Form1099GeneralInstructions).

What's New

E-filing returns. The Taxpayer First Act of 2019 authorized the Department of the Treasury and the IRS to issue regulations that reduce the 250-return e-file threshold. T.D. 9972, published February 23, 2023, lowered the e-file threshold to 10 (calculated by aggregating all information returns), effective for information returns required to be filed on or after January 1, 2024. Go to [IRS.gov/InfoReturn](https://www.irs.gov/InfoReturn) for e-file options.

Information Reporting Intake System (IRIS). The IRS has developed IRIS, an online portal for e-filing information returns. Go to [IRS.gov/IRIS](https://www.irs.gov/IRIS) for more information.

Reminders

In addition to these specific instructions, you should also use the current version of the General Instructions for Certain Information Returns. Those general instructions include information about the following topics.

- Who must file (nominee/middleman).
- When and where to file.
- Electronic reporting requirements.
- Corrected and void returns.
- Statements to recipients.
- Taxpayer identification numbers (TINs).
- Backup withholding.
- Penalties.
- Other general topics.

Continuous use revision. Use these instructions for tax year 2025 and subsequent years until a superseding revision is issued.

Online fillable forms. To ease statement furnishing requirements, Copies B and C of Form 3921 and Copies A and B of Form 3922 have been made fillable online in a pdf format, available at [IRS.gov/Form3921](https://www.irs.gov/Form3921) and [IRS.gov/Form3922](https://www.irs.gov/Form3922).

Specific Instructions for Form 3921

Who Must File

Every corporation which in any calendar year transfers to any person a share of stock pursuant to that person's exercise of an incentive stock option described in section 422(b) must, for that calendar year, file Form 3921 for each transfer made during that year.

Exception. A Form 3921 is not required for the exercise of an incentive stock option by an employee who is a nonresident alien (as defined in section 7701(b)) and to whom the corporation is not required to provide a Form W-2, Wage and Tax Statement, for any calendar year within the time period beginning with the first day of the calendar year in which the option was granted to the employee and ending on the last day of the calendar year in which the employee exercised the option. For this purpose, the term "corporation" is defined in section 7701(a) and includes, but is not limited to:

- The corporation issuing the stock,
- A related corporation of the corporation,
- Any agent of the corporation,
- Any party distributing shares of stock or other payments in connection with the plan (for example, a brokerage firm), and
- Any party in control of the payment of remuneration for employment to the employee.

Statements to Transferees

If you are required to file Form 3921, you must furnish a statement to the person whose name is set forth on Form 3921. For more information, see part M in the current version of the General Instructions for Certain Information Returns.

Truncating recipient's TIN on payee statements. Pursuant to Treasury Regulations section 301.6109-4, all filers of this form may truncate a recipient's TIN (social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN)) on payee statements. Truncation is not allowed on any documents the filer files with the IRS. A payer's TIN may not be truncated on any form. See part J in the current version of the General Instructions for Certain Information Returns.

Employee's Name, Address, and TIN

Enter the name, address, and TIN of the person to whom the share or shares were transferred pursuant to the exercise of the option.

Account Number

The account number is required if you have multiple accounts for a person for whom you are filing more than one Form 3921. Additionally, the IRS encourages you to designate an account number for all Forms 3921 that you file. See part L in the current version of the General Instructions for Certain Information Returns.

Box 1. Date Option Granted

Enter the date the option was granted.

Box 2. Date Option Exercised

Enter the date the option was exercised.

Box 3. Exercise Price Per Share

Enter the exercise price per share of stock.

Box 4. Fair Market Value Per Share on Exercise Date

Enter the fair market value (FMV) per share of stock on the date the option was exercised.

Box 5. Number of Shares Transferred

Enter the number of shares of stock transferred pursuant to the exercise of the option.

Box 6. If Other Than TRANSFEROR, Name, Address, and TIN of Corporation Whose Stock Is Being Transferred

Enter the name, address, and TIN of the corporation whose stock is being transferred pursuant to the exercise of the option. Enter this information only if the corporation is not the entity shown in the TRANSFEROR boxes in the upper left corner of Form 3921.

Specific Instructions for Form 3922

Who Must File

Every corporation, which in any calendar year records, or has by its agent recorded, a transfer of the legal title of a share of stock acquired by the transferor (person who acquires the shares pursuant to the exercise of the option) pursuant to the transferor's exercise of an option granted under an employee stock purchase plan and described in section 423(c) (where the exercise price is less than 100% of the value of the stock on the date of grant, or is not fixed or determinable on the date of grant), must, for that calendar year, file Form 3922 for each transfer made during that year.

A return is required by reason of a transfer described in section 6039(a)(2) only for the first transfer of legal title of the shares by the transferor, including the first transfer of legal title to a recognized broker or financial institution. If a contractual agreement exists or is entered into with a recognized broker or financial institution pursuant to which shares acquired upon exercise of the option will be immediately deposited into a brokerage account established on behalf of the transferor, then the deposit of shares by the transferor into the brokerage account following the exercise of the option is the first transfer of legal title of the shares acquired by the transferor, and the corporation is only required to file a return relating to that transfer of legal title.

Shares of stock transferred as a result of the exercise of an option described above must be identified in a manner sufficient to enable the accurate reporting of the transfer of legal title to such shares. This identification can be made by assigning to the share certificates of stock issued pursuant to such options a special serial number or color.

The corporation whose stock is being transferred must file Form 3922.

Exception. A Form 3922 is not required for the first transfer of legal title of a share of stock by an employee who is a nonresident alien (as defined in section 7701(b)) and to whom the corporation is not required to provide a Form W-2, Wage and Tax Statement, for any calendar year within the time period beginning with the first day of the calendar year in which the option was granted to the employee and ending on the last day of the calendar year in which the employee first transferred legal title to shares acquired under the option. For this purpose, the term "corporation" is defined in section 7701(a) and includes, but is not limited to:

- The corporation issuing the stock,
- A related corporation of the corporation,
- Any agent of the corporation,

- Any party distributing shares of stock or other payments in connection with the plan (for example, a brokerage firm), and
- Any party in control of the payment of remuneration for employment to the employee.

Statements to Transferors

If you are required to file Form 3922, you must furnish a statement to the transferor. For more information, see part M in the current version of the General Instructions for Certain Information Returns.

Truncating recipient's TIN on payee statements. Pursuant to Treasury Regulations section 301.6109-4, all filers of this form may truncate a recipient's TIN (social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN)) on payee statements. Truncation is not allowed on any documents the filer files with the IRS. A payer's TIN may not be truncated on any form. See part J in the current version of the General Instructions for Certain Information Returns.

Employee's Name, Address, and TIN

Enter the name, address, and TIN of the transferor.

Account Number

The account number is required if you have multiple accounts for a transferor for whom you are filing more than one Form 3922. Additionally, the IRS encourages you to designate an account number for all Forms 3922 that you file. See part L in the current version of the General Instructions for Certain Information Returns.

Box 1. Date Option Granted

Enter the date the option was granted.

Box 2. Date Option Exercised

Enter the date the option was exercised.

Box 3. Fair Market Value Per Share on Grant Date

Enter the fair market value (FMV) per share of stock on the date the option was granted.

Box 4. Fair Market Value Per Share on Exercise Date

Enter the FMV per share of stock on the date the option to purchase the stock was exercised.

Box 5. Exercise Price Paid Per Share

Enter the price paid per share on the date the option was exercised.

Box 6. Number of Shares Transferred

Enter the number of shares to which legal title was transferred.

Box 7. Date Legal Title Transferred

Enter the date legal title of the shares was first transferred.

Box 8. Exercise Price Per Share Determined as if the Option Was Exercised on the Date Shown in Box 1

If the exercise price per share was not fixed or determinable on the date of grant entered in box 1, enter the exercise price per share determined as if the option was exercised on the date of grant entered in box 1. If the exercise price per share is fixed or determinable on the date of grant entered in box 1, then leave box 8 blank.