

Part III - Administrative, Procedural, and Miscellaneous

Request for Comments on Electronic Furnishing of Certain Payee Statements

Notice 2026-4

SECTION 1. PURPOSE

The Department of the Treasury (Treasury Department) and the Internal Revenue Service (IRS) request comments on whether the requirements that brokers currently must meet to furnish certain payee statements to their customers in an electronic format and thereafter be treated as timely furnishing these statements should be modified and, if so, what those modifications should be.

This notice also requests comments on whether the Treasury Department and the IRS should modify the electronic furnishing requirements applicable to any persons other than brokers required to furnish other payee statements.

SECTION 2. BACKGROUND

.01 In General.

Information reporting requirements under the Internal Revenue Code (Code) and regulations thereunder¹ generally require third parties with information about

¹ Unless otherwise specified, all “section” or “§” references are to sections of the Code, the Income Tax Regulations (26 CFR part 1), or to the Employment Taxes and Collection of Income Tax at Source Regulations (26 CFR part 31).

transactions affecting the taxable income of persons subject to U.S. tax to file information returns with the IRS to report those transactions along with certain identifying information about such persons, including a taxpayer identification number (TIN). These information reporting requirements also require such third parties to furnish written statements (payee statements) to each person (payee) about whom an information return was filed showing the information that was reported to the IRS.

These information reporting requirements are important to voluntary tax compliance and effective tax administration. The information returns give taxpayers a record that can be used to help accurately calculate and report the taxpayers' taxable transactions and deductions. The information returns also allow the IRS to compare the information reported to the IRS with tax returns filed by taxpayers whose identifying number is shown on the information returns and enable the IRS to focus its resources on taxpayers who are more likely to have underreported their income.

To enforce the timely compliance with these information reporting requirements, sections 6721 and 6722, respectively, impose penalties on these third parties for the failure to file timely correct information returns and the failure to furnish timely correct payee statements. Section 6724(d)(1) defines an information return for this purpose by cross-referencing various other sections of the Code that require the filing of information returns. Similarly, section 6724(d)(2) defines a payee statement by cross-referencing various other sections of the Code that require the furnishing of payee statements.

Section 401 of the Job Creation and Worker Assistance Act of 2002 (JCWAA), Public Law 107-147, 116 Stat. 21 (March 9, 2002), permits the electronic furnishing of any payee statement required to be furnished under subpart B of part III of subchapter

A of chapter 61 of the Code (that is, sections 6041 through 6050AA), if the payee consents to receive the statement in a manner similar to the one permitted by regulations under section 6051 or in such other manner as provided by the Secretary of the Treasury or the Secretary's delegate (Secretary). Consequently, payee statements of this kind may be provided electronically only if the payee provides consent in the manner provided by the section 6051 regulations or as otherwise provided by the Secretary.

The Electronic Signatures in Global and National Commerce Act (E-SIGN Act), Public Law 106-229, 114 Stat. 464 (June 30, 2000), generally requires consumer consent and a demonstration that the consumer can receive materials electronically before a person legally required to provide written disclosures can deliver such disclosures to that consumer electronically. Because payee statements required under Code provisions are legally required written disclosures, payee statements under Code provisions other than sections 6041 through 6050AA may be provided electronically only if the payee provides consent in the manner provided by the E-SIGN Act.

.02 Section 6051 Rules Permitting Electronic Furnishing of Payee Statements

Prior to the enactment of the JCWAA, the Treasury Department and the IRS issued proposed and temporary regulations under section 6051. See TD 8942, 66 FR 10191 and REG-107186-00, 66 FR 10247 (February 14, 2001). The temporary and proposed regulations mirrored each other and generally required employers to comply with specific notice and consent requirements before they could electronically furnish payee statements to employee-recipients on Forms W-2, Wage and Tax Statement. In 2004, the Treasury Department and the IRS published final regulations that generally

retained the same notice and consent requirements. See TD 9114, 69 FR 7567 (February 18, 2004). Under § 31.6051-1(j)(1), an employer furnishing payee statements in an electronic format to employee-recipients is treated as timely furnishing payee statements required by section 6051 if the employer complies with requirements for consent, disclosures, format, notice, access period, and consent withdrawal set forth in the regulations.

(1) Consent. The section 6051 regulations provide that a recipient must have affirmatively consented to receive the payee statement electronically and must not have withdrawn that consent before the statement is furnished. Under § 31.6051-1(j)(2)(i), the consent itself or, alternatively, the recipient's confirmation of that consent, must be made electronically in a manner that reasonably demonstrates that the recipient can access the statement in the electronic format in which it will be furnished to the recipient. Under § 31.6051-1(j)(2)(iii), a furnisher must take certain actions, including obtaining from the recipient a new electronic consent or confirmation of consent to receive the statement electronically, if a change in the hardware or software needed to access a statement creates a material risk that the recipient will not be able to access the statement.

(2) Required disclosures. Under § 31.6051-1(j)(3), prior to or at the time the recipient consents to receive a statement electronically, the furnisher must provide a clear and conspicuous statement to the recipient containing certain disclosures, including about the scope and duration of consent, how to withdraw consent, and a description of the hardware and software required to access, print, and retain the Form W-2.

(3) Format. Section 31.6051-1(j)(4) requires that the electronic version of a statement furnished to a recipient contain all required information and comply with applicable revenue procedures relating to substitute statements. The revenue procedure relating to substitute statements is generally updated annually and is also reproduced as IRS Publication 1179, General Rules and Specifications for Substitute Forms 1096, 1098, 1099, 5498, and Certain Other Information Returns. See Rev. Proc. 2025-22, 2025-30 I.R.B. 200, and Publication 1179 published July 21, 2025.

(4) Notice. Under § 31.6051-(j)(5)(i), if the statement is furnished on a website, the furnisher must notify the recipient that the statement is posted on the website. This notice may be delivered by mail, private delivery service, electronic mail, or in person and must provide instructions to the recipient on how to access and print the statement. Under § 31.6051-1(j)(5)(ii), if an electronic notice is returned as undeliverable, and the correct electronic address cannot be obtained, then the furnisher must furnish the notice by mail, private delivery service, or in person within 30 days after the electronic notice is returned. Under § 31.6051-1(j)(5)(iii), if a furnisher corrects a recipient's statement, the furnisher must furnish the corrected statement electronically. If a furnisher later posts corrected statements on the website, the furnisher must notify the recipients of that posting within 30 days after the posting.

(5) Access period. The section 6051 regulations generally require the furnisher to maintain access to the statements on the website through October 15 of the year following the calendar year to which the statements relate. In addition, under § 31.6051-1(j)(6), the furnisher generally must maintain access to corrected statements that are posted on the website through October 15 of the year following the calendar year to

which the statements relate or for 90 days after that posting, whichever is later.

(6) Consent withdrawal. Section 31.6051-1(j)(2)(ii) provides the consent requirement is not satisfied if the recipient withdraws the consent and the withdrawal takes effect before the statement is furnished. Under § 31.6051-1(j)(7), if a recipient withdraws consent to receive a statement electronically and the withdrawal takes effect before the statement is furnished electronically, a paper statement must be furnished.

.03 Rules Permitting Electronic Furnishing for Other Payee Statements

Section 4.6 of Publication 1179 provides instructions for electronic delivery of certain recipient statements. Under these procedures, if a person is required to furnish a written statement (Copy B or an acceptable substitute) to a recipient, the furnisher may furnish the statement electronically instead of on paper if the furnisher complies with the provisions in Sections 4.6.2 and 4.6.3 of Publication 1179, which generally implement the requirements of § 31.6051-1(j) and applies those requirements to additional payee statements.

.04 Rules Permitting Composite Payee Statements

A composite payee statement is one in which two or more required payee statements (for example, payee statements associated with information reported to the IRS on Forms 1099-INT, Interest Income, and 1099-DIV, Dividends and Distributions) are furnished to the recipient on one document.

Section 1.6045-1(k)(3)(i) permits brokers to include information reported to the IRS on Form 1099-B, Proceeds from Broker and Barter Exchange Transactions, on a payee statement that is combined with additional payee statements reflecting information reported to the IRS on certain other forms (Form 1099-B composite

statement) as long as the additional payee statements are all based on the same relationship of broker to customer as the statement reflecting the information reported on Form 1099-B. Section 4.2. of Publication 1179 provides that a Form 1099-B composite statement is permitted for reportable payments consisting of the proceeds of brokerage and barter transactions, dividends, interest, original issue discount, patronage dividends, and royalties. Section 4.2.1 of Publication 1179 lists the following forms as permitted to be included on a Form 1099-B composite statement, when one broker is reporting more than one of these payments during a calendar year to the same payee statement recipient:

- Form 1099-B
- Form 1099-DA
- Form 1099-DIV (except for section 404(k) dividends)
- Form 1099-INT (except for interest reportable under section 6041)
- Form 1099-MISC, Miscellaneous Information (only for royalties or substitute payments in lieu of dividends and interest)
- Form 1099-OID, Original Issue Discount
- Form 1099-PATR, Taxable Distributions Received From Cooperatives
- Form 1099-S, Proceeds from Real Estate Transactions (only for royalties)

A broker may not include any other payee statements reflecting information reported to the IRS on other Forms 1099 on a Form 1099-B composite statement.

.05 Proposed Rules Permitting Electronic Furnishing of 1099-DA Statements

Section 6045 and the regulations thereunder generally require brokers to file information returns with respect to sales of digital assets and certain other transactions

effected by the broker on behalf of each customer. The information is required to be filed with the IRS on Form 1099-DA, Digital Asset Proceeds From Broker Transactions. Because transactions involving digital assets are primarily conducted electronically and digital asset customers therefore are accustomed, and may expect, to communicate with their brokers solely in electronic form, the Treasury Department and the IRS recognize that furnishing payee statements relating to digital asset transactions in paper form could impose potentially significant compliance burdens on brokers without providing corresponding benefits to customers.

To that end, the Treasury Department and the IRS are publishing proposed regulations in the *Federal Register* (XX FR XXXX) that would provide brokers required to furnish payee statements to their customers reflecting information reported to the IRS on Form 1099-DA (1099-DA statements) with an optional alternative process for obtaining consent from these customers to receive these statements in an electronic format in lieu of on paper. These proposed rules differ from the current rules under section 6051 to take into account that the relationship between the broker and the customer may be entirely in electronic form, and to enhance the likelihood that the customer is aware of and accesses the 1099-DA statement.

SECTION 3. REQUEST FOR COMMENTS

.01 Electronic Furnishing of Statements Includable on Form 1099-B Composite Statements

The Treasury Department and the IRS have received comments asserting that the current rules requiring payee statements to be furnished on paper if the statement recipient does not affirmatively consent (or withdraws a previously provided consent) to

receiving the statement electronically are impractical and impose undue burdens on furnishers. The Treasury Department and the IRS are aware that in addition to furnishers experiencing these burdens, recipients have become increasingly able to access electronically furnished payee statements. Compared to the early 2000s, most U.S. adults today say they use the internet (95%), have a smartphone (90%), or subscribe to high-speed internet at home (80%).² Accordingly, it is likely that many customers would be fully capable of accessing electronically furnished payee statements. At the same time, there may be customers whose facility with using a smartphone or computer is limited and who prefer to receive important documents in paper form.

The Treasury Department and the IRS are considering modifying current guidance setting forth the requirements that must be met before brokers can electronically furnish 1099-B statements and other payee statements that can be included on Form 1099-B composite statements. Accordingly, this notice requests comments on how the rules permitting brokers to electronically furnish payee statements that can be included on a Form 1099-B composite statement can be modified to reduce burden while ensuring all recipients are able to access the payee statements.

In particular, the Treasury Department and the IRS invite comments on how customers who do not communicate with their brokers solely through electronic means would be able to access these electronically furnished payee statements. In addition,

² See Pew Research Center, *Americans' Use of Mobile Technology and Home Broadband*, <https://www.pewresearch.org/internet/2024/01/31/americans-use-of-mobile-technology-and-home-broadband/> (accessed March 4, 2026).

comments are requested on the extent to which the customer population that receives payee statements includable on Form 1099-B composite statements is different from the customer population that will receive 1099-DA statements, and whether those differences should affect the consent rules applicable to electronic furnishing. For example, a customer that transacts electronically, or whose advisor transacts electronically, may still prefer to receive 1099-B statements or other broker payee statements in paper form or may find it difficult to access payee statements provided in electronic form, potentially including elderly customers or persons with disabilities. Comments should address how modifications to the current rules would maintain adequate procedures to ensure that customers actually receive these important communications in a manner that they can use.

Currently, Form 1099-MISC payee statements reporting rewards such as those received by customers as a result of staking digital assets that use a proof-of-stake validation model cannot be included in 1099-B composite statements because they are not included in Section 4.2.1 of Publication 1179. The Treasury Department and the IRS are aware some customers will receive these Form 1099-MISC payee statements for staking rewards as well as 1099-B composite statements from the same broker. Accordingly, the Treasury Department and the IRS also request comments on whether the list of forms permitted to be included on 1099-B composite statements should be updated to include Form 1099-MISC for staking rewards.

.02 Electronic Furnishing of Other Statements

The Treasury Department and the IRS have also received requests to expand the ability of other parties responsible for filing information returns (for example, payers

and withholding agents) to electronically furnish payee statements and similar documents not permitted under current guidance to be furnished electronically to recipients.³

The Treasury Department and the IRS invite comments discussing whether (and how) the rules governing the electronic furnishing of any other payee statements required under sections 6041 through 6050AA should be revised. This notice requests comments on the nature of the recipient base for such payee statements, how filers currently communicate with those recipients and provide any other required disclosures, whether directly or through third-party service providers, and the extent to which such payee statements are currently provided in paper versus electronic form. The Treasury Department and the IRS also request comments on the extent to which recipients of such payee statements have demonstrated either comfort with electronic payee statements or a preference for payee statements in paper form, and any issues filers have experienced when furnishing these statements in either format that would be alleviated or exacerbated if the other format were used. Similarly, the Treasury Department and the IRS also request comments from taxpayers who receive these payee statements on any issues they have encountered receiving these payee statements in either paper or electronic form. Comments are also requested on how to ensure that recipients have validly consented to receipt of payee statements in electronic form. Finally, comments are requested on how best to mitigate burdens on filers of those payee statements and the benefits to filers of more readily obtaining and

³ See e.g., Information Reporting Program Advisory Committee Comments on Notice 2014-18 on Items for 2014-15 Priority Guidance Plan, Comment ID IRS-2014-0011-0028, available at: <https://www.regulations.gov>.

maintaining consent to provide payee statements in electronic form.

This notice also requests comments on the electronic furnishing of payee statements required by other sections of the Code. In addition to the comments requested in the previous paragraph, the Treasury Department and the IRS specifically request comments addressing how any recommended changes to the electronic furnishing rules for these other payee statements would be consistent with the E-SIGN Act.

Finally, the Treasury Department and the IRS invite comments on whether there are any circumstances under which it would be inappropriate to change the existing notice and consent requirements for electronic furnishing of payee statements.

SECTION 4. ADDRESSES TO SEND COMMENTS

Written comments should be submitted by May 23, 2026. Consideration will be given, however, to any written comment submitted after May 23, 2026, if such consideration will not delay the issuance of guidance. The subject line for the comments should include a reference to Notice 2026-4. Comments may be submitted in one of two ways:

- (1) Electronically via the Federal eRulemaking Portal at <https://www.regulations.gov> (type IRS-2026-0067) in the search field on the regulations.gov homepage to find this notice and submit comments).
- (2) Send paper submissions to: Internal Revenue Service, CC:PA:01:PR (Notice 2026-4), Room 5503, P.O. Ben Franklin Station, Washington, DC 20044.

All commenters are strongly encouraged to submit comments electronically. The Treasury Department and the IRS will publish for public availability any comment

submitted electronically, or on paper, to its public docket on *<https://www.regulations.gov>*.

SECTION 5. DRAFTING INFORMATION

The principal author of this notice is the Office of the Associate Chief Counsel (Procedure & Administration). For further information regarding this notice, please call (202) 317-3400 (not a toll-free number).