

HIGHLIGHTS OF THIS ISSUE

These synopses are intended only as aids to the reader in identifying the subject matter covered. They may not be relied upon as authoritative interpretations.

INCOME TAX

Rev. Rul. 2013-3, page 500.

Federal rates; adjusted federal rates; adjusted federal long-term rate and the long-term exempt rate. For purposes of sections 382, 642, 1274, 1288, and other sections of the Code, tables set forth the rates for February 2013.

Notice 2013-10, page 503.

This notice provides guidance to certain domestic entities concerning the first taxable year they must report specified foreign financial assets under section 6038D of the Code. Reporting by domestic entities will not be required before the date specified by final regulations, which will not be earlier than taxable years beginning after December 31, 2012.

Rev. Proc. 2013-18, page 503.

General rules and specifications for substitute Forms W-2 and W-3. This procedure provides specifications for the W-3 red-ink and W-2 black-and-white substitute forms for the 2012 revision. This procedure will be reproduced as the next revision of Publication 1141. Rev. Proc. 2011-62 superseded.

EMPLOYMENT TAX

Rev. Proc. 2013-18, page 503.

General rules and specifications for substitute Forms W-2 and W-3. This procedure provides specifications for the W-3 red-ink and W-2 black-and-white substitute forms for the 2012 revision. This procedure will be reproduced as the next revision of Publication 1141. Rev. Proc. 2011-62 superseded.

Finding Lists begin on page ii.



The IRS Mission

Provide America's taxpayers top-quality service by helping them understand and meet their tax responsibilities and en-

force the law with integrity and fairness to all.

Introduction

The Internal Revenue Bulletin is the authoritative instrument of the Commissioner of Internal Revenue for announcing official rulings and procedures of the Internal Revenue Service and for publishing Treasury Decisions, Executive Orders, Tax Conventions, legislation, court decisions, and other items of general interest. It is published weekly and may be obtained from the Superintendent of Documents on a subscription basis. Bulletin contents are compiled semiannually into Cumulative Bulletins, which are sold on a single-copy basis.

It is the policy of the Service to publish in the Bulletin all substantive rulings necessary to promote a uniform application of the tax laws, including all rulings that supersede, revoke, modify, or amend any of those previously published in the Bulletin. All published rulings apply retroactively unless otherwise indicated. Procedures relating solely to matters of internal management are not published; however, statements of internal practices and procedures that affect the rights and duties of taxpayers are published.

Revenue rulings represent the conclusions of the Service on the application of the law to the pivotal facts stated in the revenue ruling. In those based on positions taken in rulings to taxpayers or technical advice to Service field offices, identifying details and information of a confidential nature are deleted to prevent unwarranted invasions of privacy and to comply with statutory requirements.

Rulings and procedures reported in the Bulletin do not have the force and effect of Treasury Department Regulations, but they may be used as precedents. Unpublished rulings will not be relied on, used, or cited as precedents by Service personnel in the disposition of other cases. In applying published rulings and procedures, the effect of subsequent legislation, regulations,

court decisions, rulings, and procedures must be considered, and Service personnel and others concerned are cautioned against reaching the same conclusions in other cases unless the facts and circumstances are substantially the same.

The Bulletin is divided into four parts as follows:

Part I.—1986 Code.

This part includes rulings and decisions based on provisions of the Internal Revenue Code of 1986.

Part II.—Treaties and Tax Legislation.

This part is divided into two subparts as follows: Subpart A, Tax Conventions and Other Related Items, and Subpart B, Legislation and Related Committee Reports.

Part III.—Administrative, Procedural, and Miscellaneous.

To the extent practicable, pertinent cross references to these subjects are contained in the other Parts and Subparts. Also included in this part are Bank Secrecy Act Administrative Rulings. Bank Secrecy Act Administrative Rulings are issued by the Department of the Treasury's Office of the Assistant Secretary (Enforcement).

Part IV.—Items of General Interest.

This part includes notices of proposed rulemakings, disbarment and suspension lists, and announcements.

The last Bulletin for each month includes a cumulative index for the matters published during the preceding months. These monthly indexes are cumulated on a semiannual basis, and are published in the last Bulletin of each semiannual period.

The contents of this publication are not copyrighted and may be reprinted freely. A citation of the Internal Revenue Bulletin as the source would be appropriate.

For sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402.

Part I. Rulings and Decisions Under the Internal Revenue Code of 1986

Section 42.—Low-Income Housing Credit

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of February 2013. See Rev. Rul. 2013-3, page 500.

Section 280G.—Golden Parachute Payments

Federal short-term, mid-term, and long-term rates are set forth for the month of February 2013. See Rev. Rul. 2013-3, page 500.

Section 383.—Limitation on Net Operating Loss Carryforwards and Certain Built-In Losses Following Ownership Change

The adjusted applicable federal long-term rate is set forth for the month of February 2013. See Rev. Rul. 2013-3, page 500.

Section 412.—Minimum Funding Standards

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of February 2013. See Rev. Rul. 2013-3, page 500.

Section 467.—Certain Payments for the Use of Property or Services

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of February 2013. See Rev. Rul. 2013-3, page 500.

Section 468.—Special Rules for Mining and Solid Waste Reclamation and Closing Costs

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of February 2013. See Rev. Rul. 2013-3, page 500.

Section 482.—Allocation of Income and Deductions Among Taxpayers

Federal short-term, mid-term, and long-term rates are set forth for the month of February 2013. See Rev. Rul. 2013-3, page 500.

Section 483.—Interest on Certain Deferred Payments

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of February 2013. See Rev. Rul. 2013-3, page 500.

Section 642.—Special Rules for Credits and Deductions

Federal short-term, mid-term, and long-term rates are set forth for the month of February 2013. See Rev. Rul. 2013-3, page 500.

Section 807.—Rules for Certain Reserves

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of February 2013. See Rev. Rul. 2013-3, page 500.

Section 846.—Discounted Unpaid Losses Defined

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of February 2013. See Rev. Rul. 2013-3, page 500.

Section 1274.—Determination of Issue Price in the Case of Certain Debt Instruments Issued for Property

(Also Sections 42, 280G, 382, 412, 467, 468, 482, 483, 642, 807, 846, 1288, 7520, 7872.)

Federal rates; adjusted federal rates; adjusted federal long-term rate and the long-term exempt rate. For purposes of

sections 382, 642, 1274, 1288, and other sections of the Code, tables set forth the rates for February 2013.

Rev. Rul. 2013-3

This revenue ruling provides various prescribed rates for federal income tax purposes for February 2013 (the current month). Table 1 contains the short-term, mid-term, and long-term applicable federal rates (AFR) for the current month for purposes of section 1274(d) of the Internal Revenue Code. Table 2 contains the short-term, mid-term, and long-term adjusted applicable federal rates (adjusted AFR) for the current month for purposes of section 1288(b). Table 3 sets forth the adjusted federal long-term rate and the long-term tax-exempt rate described in section 382(f). Table 4 contains the appropriate percentages for determining the low-income housing credit described in section 42(b)(1) for buildings placed in service during the current month. However, under section 42(b)(2), the applicable percentage for non-federally subsidized new buildings placed in service after July 30, 2008, and before December 31, 2013, shall not be less than 9%. Finally, Table 5 contains the federal rate for determining the present value of an annuity, an interest for life or for a term of years, or a remainder or a reversionary interest for purposes of section 7520.

REV. RUL. 2013-3 TABLE 1
Applicable Federal Rates (AFR) for February 2013

	<i>Period for Compounding</i>			
	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
<i>Short-term</i>				
AFR	.21%	.21%	.21%	.21%
110% AFR	.23%	.23%	.23%	.23%
120% AFR	.25%	.25%	.25%	.25%
130% AFR	.27%	.27%	.27%	.27%
<i>Mid-term</i>				
AFR	1.01%	1.01%	1.01%	1.01%
110% AFR	1.11%	1.11%	1.11%	1.11%
120% AFR	1.21%	1.21%	1.21%	1.21%
130% AFR	1.31%	1.31%	1.31%	1.31%
150% AFR	1.53%	1.52%	1.52%	1.52%
175% AFR	1.78%	1.77%	1.77%	1.76%
<i>Long-term</i>				
AFR	2.52%	2.50%	2.49%	2.49%
110% AFR	2.77%	2.75%	2.74%	2.73%
120% AFR	3.02%	3.00%	2.99%	2.98%
130% AFR	3.28%	3.25%	3.24%	3.23%

REV. RUL. 2013-3 TABLE 2
Adjusted AFR for February 2013

	<i>Period for Compounding</i>			
	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
<i>Short-term</i>				
adjusted AFR	.29%	.29%	.29%	.29%
<i>Mid-term</i>				
adjusted AFR	1.15%	1.15%	1.15%	1.15%
<i>Long-term</i>				
adjusted AFR	2.77%	2.75%	2.74%	2.73%

REV. RUL. 2013-3 TABLE 3
Rates Under Section 382 for February 2013

Adjusted federal long-term rate for the current month	2.77%
Long-term tax-exempt rate for ownership changes during the current month (the highest of the adjusted federal long-term rates for the current month and the prior two months.)	2.83%

REV. RUL. 2013-3 TABLE 4

Appropriate Percentages Under Section 42(b)(1) for February 2013

Note: Under Section 42(b)(2), the applicable percentage for non-federally subsidized new buildings placed in service after July 30, 2008, and before December 31, 2013, shall not be less than 9%.

Appropriate percentage for the 70% present value low-income housing credit	7.40%
Appropriate percentage for the 30% present value low-income housing credit	3.17%

REV. RUL. 2013-3 TABLE 5

Rate Under Section 7520 for February 2013

Applicable federal rate for determining the present value of an annuity, an interest for life or a term of years,
or a remainder or reversionary interest

1.20%

**Section 1288.—Treatment
of Original Issue Discount
on Tax-Exempt Obligations**

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of February 2013. See Rev. Rul. 2013-3, page 500.

**Section 7520.—Valuation
Tables**

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of February 2013. See Rev. Rul. 2013-3, page 500.

**Section 7872.—Treatment
of Loans With Below-Market
Interest Rates**

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of February 2013. See Rev. Rul. 2013-3, page 500.

Part III. Administrative, Procedural, and Miscellaneous

Information Reporting by Domestic Entities Under Section 6038D With Respect to Specified Foreign Financial Assets

Notice 2013-10

This notice provides guidance to domestic entities concerning the first taxable year certain domestic entities will be required to report interests in specified foreign financial assets under section 6038D of the Internal Revenue Code (Code).

Section 6038D was enacted by section 511 of the Hiring Incentives to Restore Employment Act, Pub. L. No. 111-147, 124 Stat. 71 (the HIRE Act), and applies to taxable years beginning after March 18, 2010. Section 6038D(a) requires an individual who holds any interest in a specified foreign financial asset during any taxable year to attach a statement to that individual's return of tax imposed by subtitle A of the Code for the taxable year to report the information identified in section 6038D(c) if the aggregate value of all such assets in which the individual holds an interest exceeds \$50,000 (or such higher amount as

the Secretary may specify) for such taxable year.

Section 6038D(f) authorizes the Secretary to issue regulations or other guidance applying the provisions of section 6038D to any domestic entity as if the domestic entity were an individual, if the domestic entity is formed or availed of for purposes of holding, directly or indirectly, specified foreign financial assets.

On December 19, 2011, the Internal Revenue Service (IRS) and the Department of the Treasury (Treasury Department) published temporary regulations providing guidance to individuals required to report specified foreign financial assets with their annual return pursuant to section 6038D. T.D. 9567, 2012-8 I.R.B. 395 (76 FR 78553). On December 19, 2011, the IRS and the Treasury Department also published a notice of proposed rulemaking that cross-referenced those temporary regulations and also included Prop. Reg. § 1.6038D-6. REG-130302-10, 2012-8 I.R.B. 412 (76 FR 78594).

Prop. Reg. § 1.6038D-6 sets out the conditions under which a domestic entity will be considered a specified domestic entity and, therefore, required to report

specified foreign financial assets in which the entity holds an interest. Prop. Reg. § 1.6038D-6 is proposed to apply to taxable years beginning after December 31, 2011.

The IRS and the Treasury Department intend that, when final regulations are issued under section 6038D, those final regulations will modify the effective/applicability date of Prop. Reg. § 1.6038D-6. Reporting by domestic entities of interests in specified foreign financial assets will not be required before the date specified by final regulations, which will not be earlier than taxable years beginning after December 31, 2012.

The principal author of this notice is Joseph S. Henderson of the Office of Associate Chief Counsel (International). For further information about this notice, contact Mr. Henderson at (202) 622-3840 (not a toll-free call).

Note. This revenue procedure will be reproduced as the next revision of IRS Publication 1141, General Rules and Specifications for Substitute Forms and Schedules.

26 CFR 601.602: Tax forms and instructions.

(Also Part 1, Sections 6041, 6051, 6071, 6081, 6091; 1.6041-1, 1.6041-2, 31.6051-1, 31.6051-2, 31.6071(a)-1, 31.6081(a)-1, 31.6091-1.)

Rev. Proc. 2013-18

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**Part 1
General**

Section 1.1 — Purpose

.01 The purpose of this revenue procedure is to state the requirements of the Internal Revenue Service (IRS) and the Social Security Administration (SSA) regarding the preparation and use of substitute forms for Form W-2, Wage and Tax Statement, and Form W-3, Transmittal of Wage and Tax Statements, for wages paid during the 2012 calendar year.

.02 For purposes of this revenue procedure, substitute Form W-2 (Copy A) and substitute Form W-3 are forms that are not printed by the IRS. Copy A or any other copies of a substitute Form W-2 or a substitute Form W-3 must conform to the specifications in this revenue procedure to be acceptable to the IRS and the SSA. No IRS office is authorized to allow deviations from this revenue procedure. Preparers should also refer to the 2012 General Instructions for Forms W-2 and W-3 for details on how to complete these forms. See Part 3, Section 3.4, for information on obtaining the official IRS forms and instructions. See Part 2, Sections 2.3 and 3.4, for requirements for the copies of substitute forms furnished to employees.

.03 For purposes of this revenue procedure, the official IRS-printed red dropout ink Forms W-2 (Copy A) and W-3, and their exact substitutes, are referred to as “red-ink.” The SSA-approved black-and-white Forms W-2 (Copy A) and W-3 are referred to as “substitute black-and-white Copy A” and “substitute black-and-white W-3” forms.

Any questions about the red-ink Form W-2 (Copy A) and Form W-3 and the substitute employee statements should be emailed to *Substituteforms@irs.gov*. Please enter “Substitute Forms” on the subject line. Or send your questions to:

Internal Revenue Service
Attn: Substitute Forms Program
SE:W:CAR:MP:T:M:S, IR 6526
1111 Constitution Ave., NW
Washington, DC 20224

Any questions about the black-and-white Copy A and W-3 forms should be emailed to *copy.a.forms@ssa.gov* or sent to:

Social Security Administration
Data Operations Center
Attn: Substitute Black-and-White Copy A Forms, Room 348
1150 E. Mountain Drive
Wilkes-Barre, PA 18702-7997

Note. You should receive a response from either the IRS or the SSA within 30 days.

.04 Some Forms W-2 that include logos, slogans, and advertisements (including advertisements for tax preparation software) may be confused with questionable Forms W-2. An employee may not recognize the importance of the employee copy for tax reporting purposes due to the use of logos, slogans, and advertisements. Thus, the IRS has determined that logos, slogans, and advertising on Forms W-3, Copy A of Forms W-2, or any employee copies reporting wages paid during the 2012 calendar year will not be allowed, with the following exceptions:

- Forms may include the exact name of the employer or agent, primary trade name, trademark, service mark, or symbol of the employer or agent.
- Forms may include an embossment or watermark on the information return (and copies) that is a representation of the name, a primary trade name, trademark, service mark, or symbol of the employer or agent.
- Presentation may be in any typeface, font, stylized fashion, or print color normally used by the employer or agent, and used in a non-intrusive manner.
- These items must not materially interfere with the ability of the recipient to recognize, understand, and use the tax information on the employee copies.
- Corrected information on information returns and employee copies that was shown on Forms W-2 for amounts paid before January 1, 2012, is an exception.

The IRS e-file logo on the IRS official employee copies may be included, but it is not required on any of the substitute form copies.

The information return and employee copies must clearly identify the employer's name associated with its employer identification number.

Logos and slogans, may be used on permissible enclosures, such as a check or account statement, other than information returns and payee copies.

Forms W-2 and W-3 are subject to annual review and possible change. This revenue procedure may be revised at a future date to state other requirements of the IRS and the SSA regarding the preparation and use of substitutes for Form W-2 and Form W-3 for wages paid during the 2013 calendar year. If you have comments about the restrictions on including logos, slogans, and advertising on information returns and employee copies, send or email your comments to: Internal Revenue Service, Attn: Substitute Forms Program, SE:W:CAR:MP:T:M:S, IR 6526, 1111 Constitution Ave., NW, Washington, DC, 20224 or *Substituteforms@irs.gov*.

.05 The Internal Revenue Service/Information Returns Branch (IRS/IRB) maintains a centralized customer service call site to answer questions related to information returns (Forms W-2, W-3, W-2c, W-3c, 1099 series, 1096, etc.). You can reach the call site at 1-866-455-7438 (toll-free) or 304-263-8700 (not a toll-free number). Persons with a hearing or speech disability with access to Telecommunication Device for the Deaf (TDD) can call 304-579-4827 (not a toll-free number). The hours of operation are Monday through Friday from 8:30 a.m. to 4:30 p.m. Eastern time. You may also send questions to the call site via the Internet at *mccirp@irs.gov*. IRS/IRB does not process information returns which are filed on paper forms. IRS/IRB does not process Forms W-2 (Copy A). Forms W-2 (Copy A) prepared on paper or electronically must be filed with the SSA. IRS/IRB does, however, process waiver requests (Form 8508, Request for Waiver From Filing Information Returns Electronically) and extension of time to file requests (Form 8809, Application for Extension of Time To File Information Returns) for Forms W-2 (Copy A) and requests for an extension of time to furnish the employee copies of Form W-2. See Publication 1220, Specifications

for Filing Forms 1097–BTC, 1098, 1099, 3921, 3922, 5498, 8935, and W–2G Electronically, for information on waivers and extensions of time.

.06 The following form instructions and publications provide more detailed filing procedures for certain information returns:

- General Instructions for Forms W–2 and W–3,
 - Publication 1223, General Rules and Specifications for Substitute Forms W–2c and W–3c.
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Section 1.2 — What’s New

.01 Measurements for the 2012 Forms W-2 and W-3 exhibits have not changed. The measurements for the 2012 Forms W-2 and W-3 exhibits have not changed from 2011, and will be posted in the 2012 revision of Publication 1141.

.02 Logos, slogans, and advertising. The rules relating to inclusion and restriction of logos; slogans; and advertising on Form W–3, Form W–2 (Copy A), or any employee copies have been updated and clarified. *See Section 1.04* for updated and additional guidance.

.03 Forms W–2 and W–3 future developments. The IRS has created a page on IRS.gov for information about Forms W–2 and W–3 and their instructions, at www.irs.gov/w2.

.04 New title for instructions. The title of the Instructions for Forms W–2 and W–3 has been changed to the “General Instructions” for Forms W–2 and W–3. These instructions now include instructions for U.S. possessions and corrected wage and tax statements.

.05 Form W–3, Kind of Employer. The specific instructions for the checkboxes in box b, Kind of employer, of Form W–3 include examples for various types of section 501c Organizations.

.06 Employee social security tax withholding. The 4.2% rate of social security tax withholding (for employees only) is extended for wage payments made in 2012.

.07 Reporting the cost of group health insurance coverage. You must report the cost of employer-sponsored health coverage in box 12 using code DD.

.08 Foreign agricultural workers . You must report on Form W–2 compensation of \$600 or more that you pay to H–2A visa agricultural workers.

.09 Editorial changes. We made editorial changes. Redundancies were eliminated as much as possible.

Section 1.3 — General Rules for Paper Forms W–2 and W–3

.01 Employers not filing electronically must file paper Forms W–2 (Copy A) along with Form W–3 with the SSA by using either the official IRS form or a substitute form that exactly meets the specifications shown in Parts 2 and 3 of this revenue procedure.

Note. www.cnmidof.net <http://www.hacienda.gobierno.pr>. Substitute territorial forms (W–2AS, W–2GU, W–2VI, W–3SS) should also conform to the specifications as outlined in this revenue procedure. These forms require the form designation (“W–2AS,” “W–2GU,” “W–2VI”) on Copy A to be in black ink. If you are an employer in the Commonwealth of the Northern Mariana Islands, you must contact the Department of Finance, Division of Revenue and Taxation, Commonwealth of the Northern Mariana Islands, P.O. Box 5234 CHRB, Saipan, MP 96950 or www.cnmidof.net to get Form W–2CM and instructions for completing and filing the form. For information on Forms 499R–2/W–2PR, use this website: <http://www.hacienda.gobierno.pr>.

Employers who file with the SSA electronically or on paper may design their own statements to furnish to employees. These employee statements designed by employers must comply with the requirements shown in Parts 2 and 3.

.02 Red-ink substitute forms that completely conform to the specifications contained in this revenue procedure may be privately printed without prior approval from the IRS or the SSA. Only the substitute black-and-white Copy A and W-3 forms need to be submitted to the SSA for approval, prior to their use (see Section 2.2 of Part 2).

.03 As in the past, SSA-approved black-and-white Copy A and Form W-3 may be generated using a printer by following all guidelines and specifications (also see Section 2.2 of Part 2). In general, regardless of the method of entering data, using black ink on Forms W-2 and W-3 provides better readability for processing by scanning equipment. Colors other than black are not easily read by the scanner and may result in delays or errors in the processing of Forms W-2 (Copy A) and W-3. The printing of the data should be centered within the boxes. The size of the variable data must be printed in a font no smaller than 10-point.

Note. With the exception of the identifying number, the year, the form number for Form W-3, and the corner register marks, the preprinted form layout for the red-ink Forms W-2 (Copy A) and W-3 must be in Flint J-6983 red OCR dropout ink or an exact match.

.04 Substitute forms filed with the SSA and substitute copies furnished to employees that do not conform to these specifications are unacceptable. Forms W-2 (Copy A) and W-3 filed with the SSA that do not conform may be returned. In addition, penalties may be assessed for not complying with the form specifications.

.05 Substitute red-ink forms should not be submitted to either the IRS or the SSA for specific approval. If you are uncertain of any specification and want clarification, do the following.

- (1) Submit a letter or email citing the specification to the appropriate address in Section 1.1 of Part 1.
- (2) State your understanding of the specification.
- (3) Enclose an example (if appropriate) of how the form would appear if produced using your understanding.
- (4) Be sure to include your name, complete address, phone number, and if applicable, your email address with your correspondence.

.06 Any questions about the specifications, especially those for the red-ink Form W-2 (Copy A) and Form W-3, should be emailed to: *Substituteforms@irs.gov*. Please enter "Substitute Forms" on the subject line, or send your questions to:

Internal Revenue Service
Attn: Substitute Forms Program
SE:W:CAR:MP:T:M:S, IR 6526
1111 Constitution Ave., NW
Washington, DC 20224

Any questions about the substitute black-and-white Copy A and W-3 should be emailed to *copy.a.forms@ssa.gov* or sent to:

Social Security Administration
Data Operations Center
Attn: Substitute Black-and-White Copy A Forms, Room 348
1150 E. Mountain Drive
Wilkes-Barre, PA 18702-7997

Note. You should receive a response within 30 days from either the IRS or the SSA.

.07 Forms W-2 and W-3 are subject to annual review and possible change. Therefore, employers are cautioned against overstocking supplies of privately-printed substitutes.

.08 Separate instructions for Forms W-2 and W-3 are provided in the 2012 General Instructions for Forms W-2 and W-3. Form W-3 should be used only to transmit paper Forms W-2 (Copy A). Form W-3 is a single sheet including only essential filing information. Be sure to make a copy of your completed Form W-3 for your records. Copies of the current year official IRS Forms W-2 and W-3, and the instructions for those forms, may be obtained from most IRS offices or by calling 1-800-829-3676. The IRS provides only cutsheet sets of Forms W-2 and cutsheets of Form W-3. The instructions and information copies of the forms may also be found at IRS.gov.

.09 Because substitute Forms W-2 (Copy A) and W-3 are machine-imaged and scanned by the SSA, the forms must meet the same specifications as the official IRS Forms W-2 and W-3 (as shown in the exhibits).

Section 1.4 — General Rules for Filing Forms W-2 (Copy A) Electronically

.01 Employers must file Forms W-2 (Copy A) with the SSA electronically if they are required to file 250 or more for a calendar year unless the IRS grants a waiver. For details, get the 2012 General Instructions for Forms W-2 and W-3. The SSA publication EFW2, Specifications for Filing Forms W-2 Electronically, contains specifications and procedures for electronic filing of Form W-2 information with the SSA. Employers are cautioned to obtain the most recent revision of EFW2 (and supplements) due to any subsequent changes in specifications and procedures.

.02 You may obtain a copy of the EFW2 by:

- Accessing the SSA website at: www.socialsecurity.gov/employer/pub.htm.

.03 Electronic filers do not file a paper Form W-3. See the SSA publication EFW2 for guidance on transmitting Form W-2 (Copy A) information to SSA electronically.

.04 Employers filing fewer than 250 Forms W-2 are encouraged to electronically file Forms W-2 (Copy A) with the SSA. Doing so will enhance the timeliness and accuracy of forms processing. You may visit the SSA's employer website at www.socialsecurity.gov/employer. This helpful site has links to Business Services Online (BSO) and tutorials on registering and using BSO to file your Forms W-2.

.05 Employers who do not comply with the electronic filing requirements for Form W-2 (Copy A) and who are not granted a waiver by the IRS may be subject to penalties. Employers who file Form W-2 information with the SSA electronically must not send the same data to the SSA on paper Forms W-2 (Copy A). Any duplicate reporting may subject filers to unnecessary contacts by the SSA or the IRS.

Part 2 Specifications for Substitute Forms W-2 and W-3

Section 2.1 — Specifications for Red-Ink Substitute Form W-2 (Copy A) and Form W-3 Filed with the SSA

.01 The official IRS-printed red dropout ink Form W-2 (Copy A) and W-3 and their exact substitutes are referred to as red-ink in this revenue procedure. Employers may file substitute Forms W-2 (Copy A) and W-3 with the SSA. The substitute forms must be exact replicas of

the official IRS forms with respect to layout and content because they will be read by scanner equipment.

Note. Even the slightest deviation can result in incorrect scanning, and may affect money amounts reported for employees.

.02 Paper used for cutsheets and continuous-pinfed forms for substitute Form W-2 (Copy A) and Form W-3 that are to be filed with the SSA must be white 100% bleached chemical wood, 18-20 pound paper only, optical character recognition (OCR) bond produced in accordance with the following specifications:

• Acidity: Ph value, average, not less than	4.5
• Basis Weight: 17 x 22 inch 500 cut sheets, pound	18-20
• Metric equivalent—gm./square meter (a tolerance of +5 pct. is allowed)	68-75
• Stiffness: Average, each direction, not less than—milligrams	
Cross direction	50
Machine direction	80
• Tearing strength: Average, each direction, not less than—grams	40
• Opacity: Average, not less than—percent	82
• Reflectivity: Average, not less than—percent	68
• Thickness: Average—inch	0.0038
Metric equivalent—mm	0.097
(a tolerance of +0.0005 inch (0.0127 mm) is allowed)	
Paper cannot vary more than 0.0004 inch (0.0102 mm) from one edge to the other.	
• Porosity: Average, not less than—seconds	10
• Finish (smoothness): Average, each side—seconds	20-55
(for information only) the Sheffield equivalent—units	170-d200
• Dirt: Average, each side, not to exceed—parts per million	8

Note. Reclaimed fiber in any percentage is permitted, provided the requirements of this standard are met.

.03 All printing of red-ink substitute Forms W-2 (Copy A) and W-3 must be in Flint red OCR dropout ink except as specified below. The following must be printed in nonreflective black ink:

- Identifying number “22222” or “33333” at the top of the forms.
- Tax year at the bottom of the forms.
- The four (4) corner register marks on the forms.
- The form identification number (“W-3”) at the bottom of Form W-3.
- All the instructions below Form W-3 beginning with “Send this entire page....” line to the bottom of Form W-3.

.04 The vertical and horizontal spacing for all federal payment and data boxes on Forms W-2 and W-3 must meet specifications. On Form W-3 and Form W-2 (Copy A), all the perimeter rules must be 1-point (0.014-inch), while all other rules must be one-half point (0.007-inch). Vertical rules must be parallel to the left edge of the form; horizontal rules parallel to the top edge.

.05 The official red-ink Form W-3 and Form W-2 (Copy A) are 7.5 inches wide. Employers filing Forms W-2 (Copy A) with the SSA on paper must also file a Form W-3. Form W-3 must be the same width (7.5 inches) as the Form W-2. One Form W-3 is printed on a standard-size, 8.5 x 11-inch page. Two official Forms W-2 (Copy A) are contained on a single 8.5 x 11-inch page (exclusive of any snap-stubs).

.06 The top, left, and right margins for the Form W-2 (Copy A) and Form W-3 are .5 inches (1/2 inch). All margins must be free of printing except for the words “DO NOT STAPLE” on red-ink Form W-3. The space between the two Forms W-2 (Copy A) is 1.33 inches.

.07 The identifying numbers are “22222” for Form W-2 (Copies A (and 1)) and “33333” for Form W-3. No printing should appear anywhere near the identifying numbers.

Note. The identifying number must be printed in nonreflective black ink in OCR-A font of 10 characters per inch.

.08 The depth of the individual scannable image on a page must be the same as that on the official IRS forms. The depth from the top line to the bottom line of an individual Form W-2 (Copy A) must be 4.17 inches and the depth from the top line to the bottom line of Form W-3 must be 4.67 inches.

.09 Continuous-pinfed Forms W-2 (Copy A) must be separated into 11-inch deep pages. The pinfed strips must be removed when Forms W-2 (Copy A) are filed with the SSA. The two Forms W-2 (Copy A) on the 11-inch page must not be separated (only the pages are to be separated (burst)). The words “Do Not Cut, Fold, or Staple Forms on This Page” must be printed twice between the two Forms W-2 (Copy A) in Flint red OCR dropout ink. All other copies (Copies 1, B, C, 2, and D) must be able to be distinguished and separated into individual forms.

.10 Box 12 of Form W-2 (Copy A) contains four entry boxes – 12a, 12b, 12c, and 12d. Do not make more than one entry per box. Enter your first code in box 12a (for example, enter Code D in box 12a, not 12d, if it is your first entry). If more than four items need to be reported in box 12, use a second Form W-2 to report the additional items (see “Multiple forms” in the 2012 General Instructions for Forms W-2 and W-3). Do not report the same federal tax data to the SSA on more than one Form W-2 (Copy A). However, repeat the identifying information (employee’s name, address, and SSN; employer’s name, address, and EIN) on each additional form.

.11 The checkboxes in box 13 of Form W-2 (Copy A) must be .14 inches each; the space before the first checkbox is .20 inches; the spacing on each remaining side of the 3 checkboxes is .36 inches (see Exhibit A). The checkboxes in box b of Form W-3 must also be .14 inches.

Note. More than 50% of an applicable checkbox must be covered by an “X.”

.12 All substitute Forms W-2 (Copy A) and W-3 in the red-ink format must have the tax year, form number, and form title printed on the bottom face of each form using type identical to that of the official IRS form. The red-ink substitute Form W-2 (Copy A) and Form W-3 must have the form producer’s EIN entered directly to the left of “Department of the Treasury,” in red.

.13 The words “For Privacy Act and Paperwork Reduction Act Notice, see back of Copy D.” must be printed in Flint red OCR dropout ink in the same location as on the official Form W-2 (Copy A). The words “For Privacy Act and Paperwork Reduction Act Notice, see back of Copy D of Form W-2.” must be printed at the bottom of the page of Form W-3 in black ink.

.14 The Office of Management and Budget (OMB) Number must be printed on substitute Forms W-3 and W-2 (on each ply) in the same location as on the official IRS forms.

.15 All substitute Forms W-3 must include the instructions that are printed on the same sheet below the official IRS form.

.16 The back of substitute Form W-2 (Copy A) and Form W-3 must be free of all printing.

.17 All copies must be clearly legible. Fading must be minimized to assure legibility.

.18 Chemical transfer paper is permitted for Form W-2 (Copy A) only if the following standards are met:

- Only chemically-backed paper is acceptable for Form W-2 (Copy A). Front and back chemically-treated paper cannot be processed properly by scanning equipment.
- Chemically-transferred images must be black.
- Carbon-coated forms are not permitted.

.19 The Government Printing Office (GPO) symbol and the Catalog Number (Cat. No.) must be deleted from substitute Form W-2 (Copy A) and Form W-3.

Section 2.2 — Specifications for Substitute Black-and-White Copy A and W-3 Forms Filed with the SSA

.01 The SSA-approved substitute black-and-white Forms W-2 (Copy A) and W-3 are referred to as substitute black-and-white Copy A and W-3. Specifications for the substitute black-and-white Copy A and W-3 are similar to the red-ink forms (Part 2, Section 2.1) except for the items that follow (see Exhibits E and F). Exhibits are samples only and must not be downloaded to meet tax obligations.

(1) Forms must be printed on 8.5 x 11-inch single-sheet paper only. There must be two Forms W-2 (Copy A) printed on a page. There must be no horizontal perforations between the two Forms W-2 (Copy A) on each page.

(2) All forms and data must be printed in nonreflective black ink only.

(3) The data and forms must be programmed to print simultaneously. Forms cannot be produced separately from wage data entries.

(4) The forms must not contain corner register marks.

(5) The forms must not contain any shaded areas, including those boxes that are entirely shaded on the red-ink forms.

(6) Identifying numbers on both Form W-2 (“22222”) and Form W-3 (“33333”) must be preprinted in 14-point Arial bold font or a close approximation.

(7) The form numbers (“W-2” and “W-3”) must be in 18-point Arial font or a close approximation. The tax year (for example, “2012”) on Forms W-2 (Copy A) and W-3 must be in 20-point Arial font or a close approximation.

(8) No part of the box titles or the data printed on the forms may touch any of the vertical or horizontal lines, nor should any of the data intermingle with the box titles. The data should be centered in the boxes.

(9) Do not print any information in the margins of the substitute black-and-white Copy A and W-3 forms (for example, do not print “DO NOT STAPLE” in the top margin of Form W-3).

(10) The word “Code” must not appear in box 12 on Form W-2 (Copy A).

(11) A 4-digit vendor code preceded by four zeros and a slash (for example, 0000/9876) must appear in 12-point Arial font, or a close approximation, under the tax year in place of the Cat. No. on Form W-2 (Copy A) and in the bottom right corner of the “For Official Use Only” box at the bottom of Form W-3. Do not display the form producer’s EIN to the left of “Department of the Treasury.” The vendor code will be used to identify the form producer.

(12) Do not print Catalog Numbers (Cat. No.) on either Form W-2 (Copy A) or Form W-3.

(13) Do not print the checkboxes in:

- Box 13 of Form W-2 (Copy A). The “X” should be programmed to be printed and centered directly below the applicable box title.

(14) Do not print dollar signs. If there are no money amounts being reported, the entire field should be left blank.

(15) The space between the two Forms W-2 (Copy A) is 1.33 inches.

.02 You must submit samples of your substitute black-and-white Copy A and W-3 forms to the SSA. Only black-and-white substitute Forms W-2 (Copy A) and W-3 for tax year 2012 will be accepted for approval by the SSA. Questions regarding other red-ink forms (that is, red-ink Forms W-2c, W-3c, 1099 series, 1096, etc.) must be directed to the IRS only.

.03 You will be required to send one set of blank and one set of dummy-data substitute black-and-white Copy A and W-3 forms for approval. Sample data entries should be filled in to the maximum length for each box entry, preferably using numeric data or alpha data, depending upon the type required to be entered. Include in your submission the name, telephone number, fax number, and email address of a contact person who can answer questions regarding your sample forms.

.04 To receive approval, you may first contact the SSA at copy.a.forms@ssa.gov to obtain a template and further instructions in PDF or Excel format. You may also send your 2012 sample substitute black-and-white Copy A and W-3 forms to:

Social Security Administration
Data Operations Center
Attn: Substitute Black-and-White Copy A Forms, Room 348
1150 E. Mountain Drive
Wilkes-Barre, PA 18702-7997

Send your sample forms via private mail carrier or certified mail in order to verify their receipt. You can expect approval (or disapproval) by the SSA within 30 days of receipt of your sample forms.

.05 The 4-digit vendor code preceded by four zeros and a slash (0000/9876) must be preprinted on the sample substitute black-and-white Copy A and W-3 forms. Forms not containing a vendor code will be rejected and will not be submitted for testing or approval. If you have a valid vendor code provided to you through the National Association of Computerized Tax Processors, you should use that code. If you do not have a valid vendor code, contact the Social Security Administration at copy.a.forms@ssa.gov to obtain an SSA-issued code. (Additional information on vendor codes may be obtained from the SSA or the National Association of Computerized Tax Processors (NACTP) via email at president@nactp.org.)

Note. Vendor codes from NACTP are only required by those companies producing the W-2 family of forms as part of a product for resale to be used by multiple employers and payroll professionals. Employers developing Forms W-2 or W-3 to be used only for their individual company require a vendor code issued by the Social Security Administration.

.06 If you use forms produced by a vendor and have questions concerning approval, do not send the forms to the SSA for approval. Instead, you may contact the software vendor to obtain a copy of SSA's dated approval notice supplied to that vendor.

.07 In response to feedback from the user community, the SSA (and the IRS) have added a 2-D barcoded version for the substitute Form W-2 and Form W-3 to the list of acceptable submission formats. This version is an optional alternative to the non-barcoded substitute Forms W-2 and W-3. Both versions are fully supported by the SSA. At this time, neither the IRS nor the SSA mandates the use of 2-D barcoded substitute forms.

Note. The data contained in the barcode must not differ from the data displayed on the form. The data in the barcode will be ignored and the data displayed on the form will be considered the submission.

To get the barcode information:

- See the SSA's BSO website at <http://www.socialsecurity.gov/bsa>,
- Get the pdf version of the specifications at copy.a.forms@ssa.gov,
- Download the "TY 12 Substitute W3/W2 2-D Barcoding Standards" from <http://www.socialsecurity.gov/employer/subBarCodeStd.pdf>.

Section 2.3 — Requirements for Substitute Forms Furnished to Employees (Copies B, C, and 2 of Form W-2)

Note. Rules in Part 2, Section 2.3 (this section), apply only to employee copies of Form W-2 (Copies B, C, and 2). Printers are cautioned that the Paper filers who send Forms W-2 (Copy A) to the SSA must follow the requirements in Part 2, Sections 2.1 and/or 2.2 above.

.01 All employers (including those who file electronically) must furnish employees with at least two copies of Form W-2 (three or more for employees required to file a state, city, or local income tax return). The following rules are guidelines for preparing employee copies.

The dimensions of these copies (Copies B, C, and 2), but not Copy A, may differ from the dimensions of the official IRS form to allow space for reporting additional information, including additional entries such as withholding for health insurance, union dues, bonds, or charity in box 14. The limitation of a maximum of four items in box 12 of Form W-2 applies only to Copy A, which is filed with the SSA.

Note. Payee statements (Copies B, C, and 2 of Form W-2) may be furnished electronically if employees give their consent (as described in Treasury Regulations *Section 31.6051-1(j)*). See also Publication 15-A, Employer's Supplemental Tax Guide.

.02 The minimum dimensions for employee copies only (not Copy A) of Form W-2 should be 2.67 inches deep by 4.25 inches wide. The maximum dimensions should be no more than 6.5 inches deep by no more than 8.5 inches wide.

Note. The maximum and minimum size specifications in this document are for tax year 2012 only and may change in future years.

.03 Either horizontal or vertical format is permitted (see Exhibit D).

.04 The paper for all copies must be white and printed in black ink. The substitute Copy B, which employees are instructed to attach to their federal income tax returns, should be at least 9-pound paper (basis 17 x 22-500). Other copies furnished to employees should also be at least 9-pound paper (basis 17 x 22-500) unless a state, city, or local government provides other specifications.

.05 Employee copies of Form W-2 (Copies B, C, and 2), including those that are printed on a single sheet of paper, must be easily separated. The best method of separation is to provide perforations between the individual copies. Each copy should be easily distinguished whatever method of separation is used.

Note. Perforation does not apply to printouts of copies of Forms W-2 that are furnished electronically to employees (as described in Treasury Regulations *Section 31.6051-1(j)*). However, these employees should be cautioned to carefully separate the copies of Form W-2. See Publication 15-A, Employer's Supplemental Tax Guide, for information on electronically furnishing Forms W-2 to employees.

.06 Interleaved carbon and chemical transfer paper employee copies must be clearly legible. Fading must be minimized to assure legibility.

.07 The electronic tax logo on the IRS official employee copies is not required on any of the substitute form copies. To avoid confusion and questions by employees, employers are encouraged to delete the identifying number ("22222") from the employee copies of Form W-2.

.08 All substitute employee copies must contain boxes, box numbers, and box titles that match the official IRS Form W-2. Boxes that do not apply can be deleted. However, certain

core boxes must be included. The placement, numbering, and size of this information is specified as follows:

- The items and box numbers that constitute the core data are: The core boxes must be printed in the exact order shown on the official IRS form.
 - Box 1 — Wages, tips, other compensation,
 - Box 2 — Federal income tax withheld,
 - Box 3 — Social security wages,
 - Box 4 — Social security tax withheld,
 - Box 5 — Medicare wages and tips, and
 - Box 6 — Medicare tax withheld.
- The core data boxes (1 through 6) must be placed in the upper right of the form. Substitute vertical-format copies may have the core data across the top of the form. Boxes or other information will definitely not be permitted to the right of the core data.
- The form title, number, or copy designation (B, C, or 2) may be at the top of the form. Also, a reversed or blocked-out area to accommodate a postal permit number or other postal considerations is allowed in the upper-right.
- Boxes 1 through 6 must each be a minimum of 1 1/8 inches wide x 1/4 inch deep.
- Other required boxes are:
 - a) Employee's social security number,
 - b) Employer identification number (EIN),
 - c) Employer's name, address, and ZIP code,
 - d) Employee's name, and
 - e) Employee's address and ZIP code.

Identifying items must be present on the form and be in boxes similar to those on the official IRS form. However, they may be placed in any location other than the top or upper right. You do not need to use the lettering system (a-c, e-f) used on the official IRS form. The employer identification number (EIN) may be included with the employer's name and address and not in a separate box.

Note. Box d ("Control number") is not required.

.09 All copies of Form W-2 furnished to employees must clearly show the form number, the form title, and the tax year prominently displayed together in one area of the form. The title of Form W-2 is "Wage and Tax Statement." It is recommended (but not required) that this be located on the bottom left of substitute Forms W-2. The reference to the "Department of the Treasury — Internal Revenue Service" must be on all copies of substitute Forms W-2 furnished to employees. It is recommended (but not required) that this be located on the bottom right of Form W-2.

.10 If the substitute employee copies are labeled, the forms must contain the applicable description:

- "Copy B, To Be Filed With Employee's FEDERAL Tax Return."
- "Copy C, For EMPLOYEE'S RECORDS."
- "Copy 2, To Be Filed With Employee's State, City, or Local Income Tax Return."

It is recommended (but not required) that these be located on the lower left of Form W-2. If the substitute employee copies are not labeled as to the disposition of the copies, then written notification using similar wording must be provided to each employee.

.11 The tax year (for example, 2012) must be clearly printed on all copies of substitute Form W-2. It is recommended (but not required) that this information be in the middle at the bottom of the Form W-2. The use of 24-pt. OCR-A font is recommended (but not required).

.12 Boxes 1 and 2 (if applicable) on Copy B must be outlined in bold 2-point rule or highlighted in some manner to distinguish them. If "Allocated tips" are being reported, it is recommended (but not required) that box 8 also be outlined. If reported, "Social security tips" (box 7) must be shown separately from "Social security wages" (box 3).

Note. Boxes 8 and 9 may be omitted if not applicable.

.13 If employers are required to withhold and report state or local income tax, the applicable boxes are also considered core information and must be placed at the bottom of the form. State information is included in:

- Box 15 (State, Employer's state ID number)
- Box 16 (State wages, tips, etc.)
- Box 17 (State income tax)

Local information is included in:

- Box 18 (Local wages, tips, etc.)
- Box 19 (Local income tax)
- Box 20 (Locality name)

.14 Boxes 7 through 14 may be omitted from substitute employee copies unless the employer must report any of that information to the employee. For example, if an employee did not have "Social security tips" (box 7), the form could be printed without that box. But if an employer provided dependent care benefits, the amount must be reported separately, shown in box 10, and labeled "Dependent care benefits."

.15 Employers may enter more than four codes in box 12 of substitute Copies B, C, and 2 (and 1 and D) of Form W-2, but each entry must use Codes A-EE (see the 2012 General Instructions for Forms W-2 and W-3).

.16 If an employer has employees in any of the three categories in box 13, all checkbox headings must be shown and the proper checkmark made, when applicable.

.17 Employers may use box 14 for any other information that they wish to give to their employees. Each item must be labeled. (See the instructions for box 14 in the 2012 General Instructions for Forms W-2 and W-3.)

.18 The front of Copy C of a substitute Form W-2 must contain the note "This information is being furnished to the Internal Revenue Service. If you are required to file a tax return, a negligence penalty or other sanction may be imposed on you if this income is taxable and you fail to report it."

.19 Instructions similar to those contained on the back of Copies B, C, and 2 of the official IRS Form W-2 must be provided to each employee. An employer may modify or delete instructions that do not apply to its employees. (For example, remove Railroad Retirement Tier 1 and Tier 2 compensation information for nonrailroad employees or information about dependent care benefits that the employer does not provide.)

.20 Employers must notify their employees who have no income tax withheld that they may be able to claim a tax refund because of the earned income credit (EIC). They will meet this notification requirement if they furnish a substitute Form W-2 with the EIC notice on the back of Copy B, IRS Notice 797, Possible Federal Tax Refund Due to the Earned Income Credit (EIC), or on their own statement containing the same wording. They may also change the font on Copies B, C, and 2 so that the EIC notification and Form W-2 instructions fit differently. For more information about notification requirements, see Notice 1015, "Have You Told Your Employees About the Earned Income Credit (EIC)?"

Note. An employer does not have to notify any employee who claimed exemption from withholding on Form W-4, Employee's Withholding Allowance Certificate, for the calendar year.

Section 2.4 — Electronic Delivery of Form W-2 and W-2c Recipient Statements.

.01 If you are required to furnish a written statement (Copy B or an acceptable substitute) to a recipient, then you may furnish the statement electronically instead of on paper. This includes furnishing the statement to recipients of Forms W-2 and W-2c.

If you meet the requirements listed below, you are treated as furnishing the statement timely.

.02 The recipient must consent in the affirmative and not have withdrawn the consent before the statement is furnished. The consent by the recipient must be made electronically in a way that shows that he or she can access the statement in the electronic format in which it will be furnished.

You must notify the recipient of any hardware or software changes prior to furnishing the statement. A new consent to receive the statement electronically is required after the new hardware or software is put into service.

Prior to furnishing the statements electronically, you must provide the recipient a statement with the following information prominently displayed:

- If the recipient does not consent to receive the statement electronically, a paper copy will be provided.
- The scope and duration of the consent. For example, whether the consent applies to every year the statement is furnished or only until January 31 immediately following the date of the consent.
- How to obtain a paper copy after giving consent.
- How to withdraw the consent. The consent may be withdrawn at any time by furnishing the withdrawal in writing (electronically or on paper) to the person whose name appears on the statement. Confirmation of the withdrawal also will be in writing (electronically or on paper).
- Notice of termination. The notice must state under what conditions the statements will no longer be furnished to the recipient.
- Procedures to update the recipient's information.
- A description of the hardware and software required to access, print and retain a statement, and a date the statement will no longer be available on the website.

.03 Additionally, you must:

- Ensure the electronic format contains all the required information and complies with the guidelines in this document.
- If posting the statement on a website, post it for the recipient to access on or before the January 31 due date through October 15 of that year.
- Inform the recipient, in person, electronically or by mail, of the posting and how to access and print the statement.

For more information, see Regulations *Section 31.6051-1(j)*.

Part 3 Additional Instructions

Section 3.1 — Additional Instructions for Form Printers

.01 If electronic media is not used for filing with the SSA, the substitute copies of Forms W-2 (either red-ink or substitute black-and-white forms) should be assembled in the same or-

der as the official IRS Forms W-2. Copy A should be first, followed sequentially by perforated sets (Copies 1, B, C, 2, and D).

.02 The substitute form to be filed by the employer with the SSA must carry the designation “Copy A.”

Note. Electronic filers do not submit either red-ink or substitute black-and-white paper Form W-2 (Copy A) or Form W-3 to the SSA.

.03 Substitute forms (red-ink or substitute black-and-white Copy A or W-3) do not require a copy to be retained by employers (Copy D of Form W-2). However, employers must be prepared to verify or duplicate the information if it is requested by the IRS or the SSA. Paper filers who do not keep a Form W-2 (Copy D) should be able to generate a facsimile of Form W-2 (Copy A) in case of loss.

.04 Except for copies in the official assembly, no additional copies that may be prepared by employers should be placed ahead of Form W-2 (Copy C) “For EMPLOYEE’S RECORDS.”

.05 You must provide instructions similar to those contained on the back of Copies B, C, and 2 of the official IRS Form W-2 to each employee. You may print them on the back of the substitute Copies B, C, and 2 or provide them to employees on a separate statement. You do not need to use the back of Copy 2. If you do not use Copy 2, you may include all the information that appears on the back of the official Copies B, C, and 2 on the back of your substitute Copies B and C only. As an example, you may use the “Note” on the back of the official Copy C as the dividing point between the text for your substitute Copies B and C. Do not print these instructions on the back of Copy 1. Any Forms W-2 (Copy A) and W-3 that are filed with the SSA must have no printing on the reverse side.

Section 3.2 — Instructions for Employers

.01 Only originals of Form W-2 (Copy A) and Form W-3 may be filed with the SSA. Carbon copies and photocopies are unacceptable.

.02 Employers should type or machine-print data entries on plain paper forms whenever possible. Ensure good quality by using a high-quality type face, inserting data in the middle of blocks that are well separated from other printing and guidelines, and taking any other measures that will guarantee clear, sharp images. Black ink must be used with no script type, inverted font, italics or dual-case alpha characters.

Note. 12-point Courier font is preferred by the SSA.

.03 Form W-2 (Copy A) requires decimal entries for wage data. Dollar signs should not be printed with money amounts on the Forms W-2 (Copy A) and W-3.

.04 The employer must provide a machine-scannable Form W-2 (Copy A). The employer must also provide employee copies (Copies B, C, and 2) that are legible and able to be photocopied (by the employee). Do not print any data in the top margin of the payee copies of the forms.

.05 Any printing in box d (Control number) on Form W-2 or box a on Form W-3 may not touch any vertical or horizontal lines and should be centered in the box.

.06 The filer’s employer identification number (EIN) must be entered in box b of Form W-2 and box e of Form W-3. The EIN entered on Form(s) W-2 (box b) and Form W-3 (box e) must be the same as on Forms 941, 941-SS, 943, 944, CT-1, Schedule H (Form 1040), or any other corresponding forms filed with the IRS. Be sure to use EIN format (00-0000000) rather than SSN format (000-00-0000).

.07 The employer’s name, address, and EIN may be preprinted.

Section 3.3 — OMB Requirements for Both Red-Ink and Black-and-White Copy A and W-3 Substitute Forms

.01 The Paperwork Reduction Act (the Act) of 1995 (Public Law 104–13) requires the following:

- The Office of Management and Budget (OMB) approves all IRS tax forms that are subject to the Act.
- Each IRS form contains (in or near the upper right corner) the OMB approval number, if assigned. (The official OMB numbers may be found on the official IRS printed forms and are also shown on the forms in Exhibits A, B, C, E, and F.)
- Each IRS form (or its instructions) states:
 - (1) Why the IRS needs the information,
 - (2) How it will be used, and
 - (3) Whether or not the information is required to be furnished to the IRS.

.02 This information must be provided to any users of official or substitute IRS forms or instructions.

.03 The OMB requirements for substitute IRS Form W-2 (Copy A) and Form W-3 are the following.

- Any substitute form or substitute statement to a recipient must show the OMB number as it appears on the official IRS form.
- The OMB number (1545–0008) must appear exactly as shown on the official IRS form.
- For any copy of Form W-2 other than Copy A, the OMB number must use one of the following formats:
 - (1) OMB No. 1545–xxxx (preferred) or
 - (2) OMB # 1545–xxxx (acceptable).

.04 Any substitute Form W-2 (Copy A only) and Form W-3, must state “For Privacy Act and Paperwork Reduction Act Notice, see back of Copy D.” If no instructions are provided to users of your forms, you must furnish them with the exact text of the Privacy Act and Paperwork Reduction Act Notice.

Section 3.4 — Reproducible Copies of Forms

.01 You can obtain official IRS forms and information copies of federal tax materials at local IRS offices or by calling the IRS Distribution Center at 1–800–829–3676. Other ways to get federal tax material include the following.

- Accessing IRS.gov.
- Ordering IRS Tax Products on DVD (Publication 1796).

Only contact the IRS, not the SSA, for forms.

Note. Many IRS forms are provided at IRS.gov and on the IRS Tax Products on DVD. But copies of Form W-2 (Copy A) and Form W-3 cannot be used for filing with the SSA when obtained by these methods because the forms do not meet the specific printing specifications as described in this publication. Copies of Forms W-2 and W-3 obtained from these sources are for information purposes only.

.02 The DVD contains approximately 2,500 tax forms and publications for small businesses, return preparers, and others who frequently need current or prior year tax products. Most current tax forms on the DVD may be filled in electronically, then printed out for submission and saved for recordkeeping. Other products on the DVD include the Internal Revenue Bulletins, Tax Supplements, and Internet resources and links for the tax professional.

For system requirements, contact the National Technical Information Service (NTIS) at <http://www.htis.gov>. Prices are subject to change. The cost of the DVD if purchased from NTIS via the Internet is \$30 (with no handling fee). If purchased using the following methods, the cost for each DVD is \$30 (plus a \$6 handling fee). These methods are:

- By phone – 1-877-CDFORMS (1-877-233-6767) (For IRS DVD purchase only),
- By fax – 703-605-6900 (For IRS DVD purchase only),
- By mail – to:

National Technical Information Service
5301 Shawnee Road
Alexandria, VA 22312

Section 3.5 — Effect on Other Documents

.01 Revenue Procedure 2011-62, 2011-52 I.R.B. 1032, dated December 27, 2011 (reprinted as Publication 1141, Revised 12-2011), is superseded.

Section 3.6 — Exhibits

The measurements for the 2012 Forms W-2 and W-3 exhibits have not changed from 2011, and will be posted in the 2012 revision of Publication 1141.

Definition of Terms

Revenue rulings and revenue procedures (hereinafter referred to as “rulings”) that have an effect on previous rulings use the following defined terms to describe the effect:

Amplified describes a situation where no change is being made in a prior published position, but the prior position is being extended to apply to a variation of the fact situation set forth therein. Thus, if an earlier ruling held that a principle applied to A, and the new ruling holds that the same principle also applies to B, the earlier ruling is amplified. (Compare with *modified*, below).

Clarified is used in those instances where the language in a prior ruling is being made clear because the language has caused, or may cause, some confusion. It is not used where a position in a prior ruling is being changed.

Distinguished describes a situation where a ruling mentions a previously published ruling and points out an essential difference between them.

Modified is used where the substance of a previously published position is being changed. Thus, if a prior ruling held that a principle applied to A but not to B, and the new ruling holds that it applies to both A

and B, the prior ruling is modified because it corrects a published position. (Compare with *amplified* and *clarified*, above).

Obsoleted describes a previously published ruling that is not considered determinative with respect to future transactions. This term is most commonly used in a ruling that lists previously published rulings that are obsoleted because of changes in laws or regulations. A ruling may also be obsoleted because the substance has been included in regulations subsequently adopted.

Revoked describes situations where the position in the previously published ruling is not correct and the correct position is being stated in a new ruling.

Superseded describes a situation where the new ruling does nothing more than restate the substance and situation of a previously published ruling (or rulings). Thus, the term is used to republish under the 1986 Code and regulations the same position published under the 1939 Code and regulations. The term is also used when it is desired to republish in a single ruling a series of situations, names, etc., that were previously published over a period of time in separate rulings. If the new ruling does more than restate the substance

of a prior ruling, a combination of terms is used. For example, *modified* and *superseded* describes a situation where the substance of a previously published ruling is being changed in part and is continued without change in part and it is desired to restate the valid portion of the previously published ruling in a new ruling that is self contained. In this case, the previously published ruling is first modified and then, as modified, is superseded.

Supplemented is used in situations in which a list, such as a list of the names of countries, is published in a ruling and that list is expanded by adding further names in subsequent rulings. After the original ruling has been supplemented several times, a new ruling may be published that includes the list in the original ruling and the additions, and supersedes all prior rulings in the series.

Suspended is used in rare situations to show that the previous published rulings will not be applied pending some future action such as the issuance of new or amended regulations, the outcome of cases in litigation, or the outcome of a Service study.

Abbreviations

The following abbreviations in current use and formerly used will appear in material published in the Bulletin.

A—Individual.
Acq.—Acquiescence.
B—Individual.
BE—Beneficiary.
BK—Bank.
B.T.A.—Board of Tax Appeals.
C—Individual.
C.B.—Cumulative Bulletin.
CFR—Code of Federal Regulations.
CI—City.
COOP—Cooperative.
Ct.D.—Court Decision.
CY—County.
D—Decedent.
DC—Dummy Corporation.
DE—Donee.
Del. Order—Delegation Order.
DISC—Domestic International Sales Corporation.
DR—Donor.
E—Estate.
EE—Employee.
E.O.—Executive Order.

ER—Employer.
ERISA—Employee Retirement Income Security Act.
EX—Executor.
F—Fiduciary.
FC—Foreign Country.
FICA—Federal Insurance Contributions Act.
FISC—Foreign International Sales Company.
FPH—Foreign Personal Holding Company.
F.R.—Federal Register.
FUTA—Federal Unemployment Tax Act.
FX—Foreign corporation.
G.C.M.—Chief Counsel’s Memorandum.
GE—Grantee.
GP—General Partner.
GR—Grantor.
IC—Insurance Company.
I.R.B.—Internal Revenue Bulletin.
LE—Lessee.
LP—Limited Partner.
LR—Lessor.
M—Minor.
Nonacq.—Nonacquiescence.
O—Organization.
P—Parent Corporation.
PHC—Personal Holding Company.
PO—Possession of the U.S.
PR—Partner.

PRS—Partnership.
PTE—Prohibited Transaction Exemption.
Pub. L.—Public Law.
REIT—Real Estate Investment Trust.
Rev. Proc.—Revenue Procedure.
Rev. Rul.—Revenue Ruling.
S—Subsidiary.
S.P.R.—Statement of Procedural Rules.
Stat.—Statutes at Large.
T—Target Corporation.
T.C.—Tax Court.
T.D.—Treasury Decision.
TFE—Transferee.
TFR—Transferor.
T.I.R.—Technical Information Release.
TP—Taxpayer.
TR—Trust.
TT—Trustee.
U.S.C.—United States Code.
X—Corporation.
Y—Corporation.
Z—Corporation.

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¹ A cumulative list of current actions on previously published items in Internal Revenue Bulletins 2012–27 through 2012–52 is in Internal Revenue Bulletin 2012–52, dated December 27, 2012.

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