

## 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

#### **REG-136676-13, page 814.**

This document contains proposed regulations that will remove a rule that a deemed discharge of indebtedness for which a Form 1099-C "Cancellation of Debt," must be filed occurs at the expiration of a 36-month non-payment testing period.

#### **Rev. Rul. 2014-28, page 756.**

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 November 2014.

#### **Rev. Proc. 2014-56, page 762.**

Publication 1223 General Rules and Specifications for Substitute Forms W-2c and W-3c This procedure provides general rules and specifications from the Service for paper and computer-generated substitutes for Form W-2c and W-3c. This procedure will be reproduced as the next revision of Publication 1223, General Rules and Specifications for Substitute Forms W-2c and W-3c.

#### **Rev. Proc. 2014-57, page 777.**

This procedure provides general rules and specifications from the Service for paper and computer-generated substitutes for Form 941, Employer's Quarterly Federal Tax Return, Schedule B (Form 941), Report of Tax Liability for Semiweekly Schedule Depositors, Schedule D (Form 941), Report of Discrepancies Caused by Acquisitions, Statutory Mergers, or Consolidations, and Schedule R (Form 941), Allocation Schedule for Aggregate Form 941 Filers.

#### **Rev. Proc. 2014-58, page 793.**

This procedure provides general rules and specifications from the Service for paper and computer-generated substitutes for

Form W-2 and W-3. This procedure will be reproduced as the next revision of Publication 1141 General Rules and Specifications for Substitute Forms W-2 and W-3.

#### **Notice 2014-63, page 759.**

2014 Marginal Production Rates: The notice announces that under § 613A(c)(6)(C) of the Internal Revenue Code, the applicable percentage for purposes of determining percentage depletion on marginal properties for calendar year 2014 is 15 percent. The format of the notice is identical to the format of notices previously published on this issue.

#### **Notice 2014-64, page 759.**

2014 Section 43 Inflation Adjustment: The notice announces the inflation adjustment factor and phase-out amount for the enhanced oil recovery credit for taxable years beginning in the 2014 calendar year. The format of the notice is identical to the format of previously published notices on this issue. The notice concludes that because the reference price for the 2013 calendar year (\$96.13) exceeds \$28 multiplied by the inflation adjustment factor for the 2013 calendar year (\$28 multiplied by 1.5974 = \$44.73) by \$51.40, the enhanced oil recovery credit for qualified costs paid or incurred in 2014 is phased out completely. The notice also contains the previously published figures for taxable years beginning in the 1991 through 2013 calendar years.

(Continued on the next page)

Finding Lists begin on page ii.  
Index for July through November begins on page iv.

## **EMPLOYMENT TAX**

### **Rev. Proc. 2014–56, page 762.**

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### **Rev. Proc. 2014–57, page 777.**

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## **ADMINISTRATIVE**

### **REG–136676–13, page 814.**

This document contains proposed regulations that will remove a rule that a deemed discharge of indebtedness for which a Form 1099–C "Cancellation of Debt," must be filed occurs at the expiration of a 36–month non-payment testing period.

# The IRS Mission

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

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.

# 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 November 2014. See Rev. Rul. 2014-28, page 756.

## Section 280G.—Golden Parachute Payments

Federal short-term, mid-term, and long-term rates are set forth for the month of November 2014. See Rev. Rul. 2014-28, page 756.

## Section 382.—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 November 2014. See Rev. Rul. 2014-28, page 756.

## Section 412.—Minimum Funding Standards

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of November 2014. See Rev. Rul. 2014-28, page 756.

## 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 November 2014. See Rev. Rul. 2014-28, page 756.

## 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 November 2014. See Rev. Rul. 2014-28, page 756.

## 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 November 2014. See Rev. Rul. 2014-28, page 756.

## 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 November 2014. See Rev. Rul. 2014-28, page 756.

## Section 642.—Special Rules for Credits and Deductions

Federal short-term, mid-term, and long-term rates are set forth for the month of November 2014. See Rev. Rul. 2014-28, page 756.

## 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 November 2014. See Rev. Rul. 2014-28, page 756.

## 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 November 2014. See Rev. Rul. 2014-28, page 756.

## 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.)

## Rev. Rul. 2014-28

This revenue ruling provides various prescribed rates for federal income tax purposes for November 2014 (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, with respect to housing credit dollar amount allocations made before January 1, 2014, 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. 2014-28 TABLE 1

Applicable Federal Rates (AFR) for November 2014

	<i>Annual</i>	<i>Period for Compounding</i>		
		<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
		<i>Short-term</i>		
AFR	.39%	.39%	.39%	.39%
110% AFR	.43%	.43%	.43%	.43%
120% AFR	.47%	.47%	.47%	.47%
130% AFR	.51%	.51%	.51%	.51%
		<i>Mid-term</i>		
AFR	1.90%	1.89%	1.89%	1.88%
110% AFR	2.09%	2.08%	2.07%	2.07%
120% AFR	2.28%	2.27%	2.26%	2.26%
130% AFR	2.48%	2.46%	2.45%	2.45%
150% AFR	2.86%	2.84%	2.83%	2.82%
175% AFR	3.34%	3.31%	3.30%	3.29%
		<i>Long-term</i>		
AFR	2.91%	2.89%	2.88%	2.87%
110% AFR	3.21%	3.18%	3.17%	3.16%
120% AFR	3.50%	3.47%	3.46%	3.45%
130% AFR	3.80%	3.76%	3.74%	3.73%

REV. RUL. 2014-28 TABLE 2

Adjusted AFR for November 2014

	<i>Period for Compounding</i>			
	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
Short-term adjusted AFR	.39%	.39%	.39%	.39%
Mid-term adjusted AFR	1.31%	1.31%	1.31%	1.31%
Long-term adjusted AFR	2.80%	2.78%	2.77%	2.76%

REV. RUL. 2014-28 TABLE 3

Rates Under Section 382 for November 2014

Adjusted federal long-term rate for the current month	2.80%
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.)	2.94%

REV. RUL. 2014-28 TABLE 4

Appropriate Percentages Under Section 42(b)(1) for November 2014

Note: Under section 42(b)(2), the applicable percentage for non-federally subsidized new buildings placed in service after July 30, 2008, with respect to housing credit dollar amount allocations made before January 1, 2014, shall not be less than 9%.

Appropriate percentage for the 70% present value low-income housing credit	7.55%
Appropriate percentage for the 30% present value low-income housing credit	3.24%

REV. RUL. 2014-28 TABLE 5

Rate Under Section 7520 for November 2014

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	2.2%
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## **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 November 2014. See Rev. Rul. 2014-28, page 756.

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## **Section 7520.—Valuation Tables**

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of November 2014. See Rev. Rul. 2014-28, page 756.

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## **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 November 2014. See Rev. Rul. 2014-28, page 756.

## Part III. Administrative, Procedural, and Miscellaneous

### 2014 Marginal Production Rates

#### Notice 2014-63

This notice announces the applicable percentage under § 613A of the Internal Revenue Code to be used in determining percentage depletion for marginal properties for the 2014 calendar year.

Section 613A(c)(6)(C) defines the term “applicable percentage” for purposes of determining percentage depletion for oil and gas produced from marginal properties. The applicable percentage is the percentage (not greater than 25 percent) equal to the sum of 15 percent, plus one percentage point for each whole dollar by which \$20 exceeds the reference price (determined under § 45K(d)(2)(C)) for crude oil for the calendar year preceding

the calendar year in which the taxable year begins. The reference price determined under § 45K(d)(2)(C) for the 2013 calendar year is \$96.13.

The following table contains the applicable percentages for marginal production for taxable years beginning in calendar years 1991 through 2014.

Notice 2014-63 APPLICABLE PERCENTAGE FOR MARGINAL PRODUCTION	
<i>Calendar Year</i>	<i>Applicable Percentage</i>
1991	15 percent
1992	18 percent
1993	19 percent
1994	20 percent
1995	21 percent
1996	20 percent
1997	16 percent
1998	17 percent
1999	24 percent
2000	19 percent
2001	15 percent
2002	15 percent
2003	15 percent
2004	15 percent
2005	15 percent
2006	15 percent
2007	15 percent
2008	15 percent
2009	15 percent
2010	15 percent
2011	15 percent
2012	15 percent
2013	15 percent
2014	15 percent

The principal author of this notice is Martha M. Garcia of the Office of Associate Chief Counsel (Passthroughs and Special Industries). For further information regarding this notice contact Ms. Garcia at (202) 317-6853 (not a toll-free number).

### 2014 Section 43 Inflation Adjustment

#### Notice 2014-64

Section 43(b)(3)(B) of the Internal Revenue Code requires the Secretary to publish an inflation adjustment factor. The

enhanced oil recovery credit under § 43 for any taxable year is reduced if the “reference price,” determined under § 45K(d)(2)(C), for the calendar year preceding the calendar year in which the taxable year begins is greater than \$28 multiplied by the inflation adjustment factor for that year. The credit is phased out in

any taxable year in which the reference price for the preceding calendar year exceeds \$28 (as adjusted) by at least \$6.

The term “inflation adjustment factor” means, with respect to any calendar year, a fraction the numerator of which is the GNP implicit price deflator for the preceding calendar year and the denominator of

which is the GNP implicit price deflator for 1990.

Because the reference price for the 2013 calendar year (\$96.13) exceeds \$28 multiplied by the inflation adjustment factor for the 2013 calendar year (\$28 multiplied by 1.5974 = \$44.73) by \$51.40, the enhanced oil recovery credit for qual-

ified costs paid or incurred in 2014 is phased out completely.

Table 1 contains the GNP implicit price deflator used for the 2014 calendar year, as well as the previously published GNP implicit price deflators used for the 1991 through 2013 calendar years.

Notice 2014–64 TABLE 1 GNP IMPLICIT PRICE DEFLATORS	
<i>Calendar Year</i>	<i>GNP Implicit Price Deflator</i>
1990	112.9 (used for 1991)
1991	117.0 (used for 1992)
1992	120.9 (used for 1993)
1993	124.1 (used for 1994)
1994	126.0 (used for 1995)*
1995	107.5 (used for 1996)
1996	109.7 (used for 1997)**
1997	112.35 (used for 1998)
1998	112.64 (used for 1999)***
1999	104.59 (used for 2000)
2000	106.89 (used for 2001)
2001	109.31 (used for 2002)
2002	110.63 (used for 2003)
2003	105.67 (used for 2004)****
2004	108.23 (used for 2005)
2005	112.129 (used for 2006)
2006	116.036 (used for 2007)
2007	119.656 (used for 2008)
2008	122.407 (used for 2009)
2009	109.764 (used for 2010)*****
2010	110.654 (used for 2011)
2011	113.347 (used for 2012)*****
2012	115.387 (used for 2013)
2013	106.710 (used for 2014)*****

\* Beginning in 1995, the GNP implicit price deflator was rebased relative to 1992. The 1990 GNP implicit price deflator used to compute the 1996 § 43 inflation adjustment factor is 93.6.

\*\* Beginning in 1997, two digits follow the decimal point in the GNP implicit price deflator. The 1990 GNP price deflator used to compute the 1998 § 43 inflation adjustment factor is 93.63.

\*\*\* Beginning in 1999, the GNP implicit price deflator was rebased relative to 1996. The 1990 GNP implicit price defla-

tor used to compute the 2000 § 43 inflation adjustment factor is 86.53.

\*\*\*\* Beginning in 2003, the GNP implicit price deflator was rebased, and the 1990 GNP implicit price deflator used to compute the 2004 § 43 inflation adjustment factor is 81.589.

\*\*\*\*\* Beginning in 2009, the GNP implicit price deflator was rebased, and the 1990 GNP implicit price deflator used to compute the 2010 § 43 inflation adjustment factor is 72.199.

\*\*\*\*\* Beginning in 2011, the 1990 GNP implicit price deflator used to com-

pute the 2012 § 43 inflation adjustment factor is 72.260.

\*\*\*\*\* Beginning in 2013, the GNP implicit price deflator was rebased, and the 1990 GNP implicit price deflator used to compute the 2014 § 43 inflation adjustment factor is 66.803.

Table 2 contains the inflation adjustment factor and the phase-out amount for taxable years beginning in the 2014 calendar year as well as the previously published inflation adjustment factors and phase-out amounts for taxable years be-

gining in the 1991 through 2013 calendar years.

ciate Chief Counsel (Passthroughs and Special Industries). For further information regarding this notice, contact Ms.

Garcia at (202) 317-6853 (not a toll-free number).

**DRAFTING INFORMATION**

The principal author of this notice is Martha M. Garcia of the Office of Asso-

<i>Notice 2014-64 TABLE 2</i>		
<i>INFLATION ADJUSTMENT FACTORS AND PHASE-OUT AMOUNTS</i>		
<i>Calendar Year</i>	<i>Inflation Adjustment Factor</i>	<i>Phase-out Amount</i>
1991	1.0000	0
1992	1.0363	0
1993	1.0708	0
1994	1.0992	0
1995	1.1160	0
1996	1.1485	0
1997	1.1720	0
1998	1.1999	0
1999	1.2030	0
2000	1.2087	0
2001	1.2353	0
2002	1.2633	0
2003	1.2785	0
2004	1.2952	0
2005	1.3266	0
2006	1.3743	100 percent
2007	1.4222	100 percent
2008	1.4666	100 percent
2009	1.5003	100 percent
2010	1.5203	100 percent
2011	1.5326	100 percent
2012	1.5686	100 percent
2013	1.5968	100 percent
2014	1.5974	100 percent

NOTE. This revenue procedure will be reproduced as the next revision of IRS Publication 1223, General Rules and Specifications for Substitute Forms and Schedules.

26 CFR 601.602: Tax forms and instructions.

(Also Part I, 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. 2014-56

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### Part 1

#### Substitute Forms W-2c and W-3c

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#### Section 1.1 – Purpose

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**.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-2c, Corrected Wage and Tax Statement, and Form W-3c, Transmittal of Corrected Wage and Tax Statements.

**.02** The official IRS Form W-2c is a six-part form and the official IRS Form W-3c is a one-part form. Red-ink substitute forms that completely conform to the specifications contained in this document may be privately-printed without the prior approval of the IRS or the SSA. Only the substitute black-and-white Form (Copy A) and substitute black-and-white W-3c forms need to be submitted to the SSA for approval.

**Note.** Both paper substitute forms filed with the SSA, and those furnished to employees, that do not totally conform to these specifications are not acceptable. Forms W-2c (Copy A) and Forms W-3c that do not conform may be returned. In addition, penalties may be assessed by the IRS.

**.03** 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 to the appropriate address below citing the specification.
2. State your understanding of the specification; enclose an example.
3. Be sure to include your name, complete address, phone number, and, if applicable, your email address with your correspondence.

**.04** Any questions about the red-ink Form W-2c (Copy A) and Form W-3c, should be emailed to [substituteforms@irs.gov](mailto: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:P:TP  
5000 Ellin Road, C6-440  
Lanham, MD 20706

Any questions about the substitute black-and-white Form W-2c (Copy A) and W-3c should be emailed to [copy.a.forms@ssa.gov](mailto:copy.a.forms@ssa.gov) or sent to:

Social Security Administration  
Data Operations Center  
**Attn: Substitute Black-and-White Copy A Forms, Room 360**  
1150 E. Mountain Drive  
Wilkes-Barre, PA 18702-7997

Do not mail **completed** Forms W-2c (Copy A) employer reports to the Substitute Black-and-White Copy A Forms address. Submitters should use the address shown on the Form W-3c.

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

**.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 call at 1-866-455-7438 (toll-free) or 304-263-8700 (not a toll-free number). The Telecommunication Device for the Deaf (TDD) number is 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 via email at [mccirp@irs.gov](mailto:mccirp@irs.gov). IRS/IRB does not process information returns which are filed on paper forms.

Do not submit employee information via email, because electronic mail may not be secure and the employee's information may be compromised.

**.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 (including Forms W-2AS, W-2GU, W-2VI, W-3SS, W-2c, and W-3c).
- Publication 1141, General Rules and Specifications for Substitute Forms W-2 and W-3.

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## Section 1.2 – What's New

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**.01** The following changes have been made to Publication 1223. The major changes include the following.

- **Form W-3c—Telephone number, email, and fax number.** The word “Employer’s” was added to the telephone, fax, and email data entry box headings/caption located in the bottom section of the form.
- **Form W-3c—Information sequence.** The signature fields at the bottom of the form have been rearranged.
- **Form W-3c—“For Official Use Only.”** The “For Official Use Only” field size has been reduced.
- **Form W-3c—Instructions on e-file.** E-file instructions were added at the bottom of the form under the Purpose of Form section of the instructions.
- **Section 6.02 (Revised)—Logos, slogans, and advertising.** Revised Section 6.02 to clarify that forms may include an embossment or watermark on the information return and employee copies that is a representation of the name, a primary trade name, trademark, service mark, or symbol of the employer or agent. In addition, the address for submitting comments regarding the prohibition against including slogans, advertising, and logos has changed.

- **IRS address change.** The address for the Substitute Forms Unit has changed to: Internal Revenue Service, Attn: Substitute Forms Program, SE:W:CAR:MP:P:TP, 5000 Ellin Road, C6-440, Lanham, MD 20706.
- **SSA address change.** Inquiries about the substitute black-and-white Form Copy A and substitute black-and-white Form W-3c, should be sent to the SSA at: Social Security Administration Data Operation Center, Attn: Substitute Black-and-White Copy A Forms, Room 360, 1150 E. Mountain Drive, Wilkes-Barre, PA 18702-7997.
- **IRS DVD.** The DVD containing IRS tax products will no longer be produced. Official IRS forms and information copies of federal tax materials can be obtained at local IRS offices, by calling the National Distribution Center, or by accessing IRS.gov. Further details are provided in Section 9–Order Forms and Instructions.
- **Editorial changes.** We made editorial changes. Redundancies were eliminated as much as possible.

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### Section 1.3 – Filing Forms W-2c and W-3c Electronically

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**.01** Employers must file electronically with the SSA if they file 250 or more Forms W-2c (Copy A) during a calendar year unless the IRS granted you a waiver. For details, see the General Instructions for Forms W-2c and W-3c (Including Forms W-2AS, W-2GU, W-2VI, W-3SS, W-2c, and W-3c). SSA publication EFW2C, Specifications for Filing Forms W-2c Electronically, contains specifications and procedures for filing Forms W-2c. Employers are cautioned to obtain the most recent revision of EFW2C (and supplements) due to any subsequent changes in specifications and procedures.

**Note.** For purposes of the electronic filing requirement, only Forms W-2c for the immediate prior year are taken into account. For example, if an employer must file 200 Forms W-2c for the immediate prior year in March and then discovers that another 100 Forms W-2c for the current year must be filed in August, only the 100 Forms W-2c filed in August must be filed electronically.

**.02** You may obtain a copy of the EFW2C by:

- Accessing the SSA website at [www.socialsecurity.gov/employer](http://www.socialsecurity.gov/employer).

**.03** Electronic filers do not file a paper Form W-3c. SSA creates this for you when Forms W-2c are submitted electronically. See the SSA publication EFW2 for guidance on transmitting Form W-2c (Copy A) information to the SSA electronically.

**.04** Employers with fewer than 250 Forms W-2 to be corrected are encouraged to electronically file Forms W-2c (Copy A) with the SSA. Doing so will enhance the timeliness and accuracy of forms processing.

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

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### Section 1.4 – Specifications for Red-Ink Substitute Forms W-2c (Copy A) and W-3c Filed With the SSA

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**.01** The official IRS-printed red dropout ink Form W-2c (Copy A) and W-3c and their exact substitutes are referred to as red-ink in this revenue procedure. Employers may file substitute Forms W-2c (Copy A) and W-3c 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. Even the slightest deviation can result in incorrect scanning, and may affect money amounts reported for employees.

**.02** Color and paper quality for Form W-2c (Copy A) (cut sheets and continuous pin-fed forms) and Form W-3c, as specified by JCP Code 0-25 dated November 29, 1978, must be white 100% bleached chemical wood, optical character recognition (OCR) bond. The contractor must initiate or have a quality control program to assure OCR ink density.

Acidity: Ph value, average, not less than	4.5
Basis weight: 17 x 22 inches 500 cut sheets, pound	18-20
Metric equivalent—gm./sq. meter (a tolerance of +5 pct. is allowed)	68-75
Stiffness: Average, each direction, not less than—milligrams Cross direction Machine direction	50-80
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. (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	0.097
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 substitute Forms W-2c (Copy A) and W-3c must be in Flint red OCR dropout ink except as specified below. The following must be printed in nonreflective black ink:

- Identifying number “44444” or “55555” at the top of the forms.
- The four (4) corner register marks on the forms.
- The form identification number (“W-3c”) at the bottom of Form W-3c.
- All the instructions below Form W-3c beginning with “Purpose of Form” to the end of Form W-3c.

**.04** The vertical and horizontal spacing on Forms W-2c and W-3c must meet specifications. See Exhibits A and B.

- On Form W-3c and Form W-2c (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.
- The left and top margins on Form W-2c (Copy A) and Form W-3c must be .5 inches. The width of a substitute Form W-2c (Copy A) or W-3c must be 7.5 inches. See Exhibits A and B.
- The first three column’s on Form W-2c (Copy A) and Form W-3c must measure 1.9 inches in width.
- The last column on Form W-2c (Copy A) and Form W-3c must measure 1.8 inches in width.

**.05** The official red-ink Form W-3c and Form W-2c (Copy A) are 7.5 inches wide. Employers filing Forms W-2c (Copy A) with the SSA on paper must also file a Form W-3c. One Form W-2c (Copy A) or Form W-3c is contained on a standard-size, 8.5 x 11-inch page.

**.06** The top, left, and right margins for the Form W-2c (Copy A) and Form W-3c are .5 inches (½ inch). All margins must be free of printing except for the words “DO NOT CUT, FOLD, OR STAPLE THIS FORM” on red-ink Form W-2c (Copy A) and on red-ink Form W-3c.

**.07** The identifying numbers are “44444” for Form W-2c and “55555” for Form W-3c. 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** Continuous pin-fed Forms W-2c (Copy A) must be separated into 11-inch deep pages. The pin-fed strips must be removed when Forms W-2c (Copy A) are filed with the SSA.

**.09** Box 12 of Form W-2c (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-2c to report the additional items. Do not report the same federal tax data to the SSA on more than one Form W-2c (Copy A). However, repeat the identifying information (employee's name, address, and SSN; employer's name, address, and EIN) on each additional form.

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

**Note.** More than 50% of an applicable checkbox must be covered by an "X."

**.11** All substitute Forms W-2c (Copy A) and W-3c in the red-ink format must have the form number and form title printed on the bottom face of each form using type identical or a close approximation to that of the official IRS form. The red-ink substitute must have the form producer's (not the form filer's) EIN entered in red in place of the Cat. No. (directly to the left of "Department of the Treasury" for Form W-2c (Copy A) and at the bottom for Form W-3c).

**.12** The words "For Privacy Act and Paperwork Reduction Act Notice, see separate instructions." must be printed on all Forms W-2c (Copy A) and Forms W-3c.

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

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

**.15** The appropriate SSA addresses must be printed on the front of Form W-3c below the body of the form (see Exhibit B).

If you use the U.S. Postal Service, the address is:

Social Security Administration  
Data Operations Center  
P.O. Box 3333  
Wilkes-Barre, PA 18767-3333

If you use a carrier other than the U.S. Postal Service, the address is:

Social Security Administration  
Data Operations Center  
Attn: W-2c Process  
1150 E. Mountain Drive  
Wilkes-Barre, PA 18702-7997

**.16** The back of substitute Form W-2c (Copy A) and Form W-3c 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-2c (Copy A) only if the following standards are met:

- Only chemically-backed paper is acceptable for Form W-2c (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-2c (Copy A) and Form W-3c.

.20 The sequence for assembling the copies of Form W-2c is as follows.

- Copy A—For Social Security Administration
- Copy 1—State, City, or Local Tax Department
- 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
- Copy D—For Employer

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## Section 1.5 – Specifications for Substitute Black-and-White Forms W-2c (Copy A) and W-3c Filed With the SSA

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.01 The SSA-approved substitute black-and-white Forms W-2c (Copy A) and W-3c are referred to as substitute black-and-white Form W-2c (Copy A) and W-3c. Specifications for the substitute black-and-white Form W-2c (Copy A) and W-3c are similar to the red-ink forms (Section 4) except for the items that follow (see Exhibits C and D). You may contact the SSA via email at [copy.a.forms@ssa.gov](mailto:copy.a.forms@ssa.gov) for more information.

**Note.** 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, not on continuous pin-fed paper. There must be one Form W-2c (Copy A) or W-3c printed on a 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-2c (Copy A) (“44444”) and Form W-3c (“55555”) must be preprinted in 14-point Arial bold font or a close approximation.
7. The form numbers (“W-2c” and “W-3c”) must be in 18-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 black-and-white forms (for example, do not print “DO NOT CUT, FOLD, OR STAPLE” in the top margin of Form W-3c).
10. The word “Code” must not appear in box 12 on Form W-2c (Copy A).
11. A 4-digit vendor code (not filer code) preceded by four zeros and a slash (for example, 0000/9876) must appear in 12-point Arial font, or a close approximation, in place of the Cat. No. to the left of “Department of the Treasury” on Form W-2c (Copy A) and in the bottom right corner of Form W-3c.  
**Note.** Do not display the form producer’s EIN. The vendor code will be used to identify the form producer.
12. Do not print Catalog Numbers (Cat. No.) on either Form W-2c (Copy A) or Form W-3c.
13. Do not print dollar signs. If there are no money amounts being reported, the entire field should be left blank.

.02 The dimensions for the substitute black-and-white Forms W-2c (Copy A) and W-3c are as follows. See Exhibits C and D.

1. The left and top margins on Form W-2c (Copy A) and Form W-3c must measure  $\frac{1}{2}$  (0.5) inch.
2. The distance from the top line of Form W-3c to the bottom line of the form must measure  $7\frac{3}{16}$  (7.19) inches.

3. The distance from the top line of Form W-2c (Copy A) to the bottom line of the form must measure  $9\frac{1}{3}$  (9.33) inches.
4. Each box on Form W-2c (Copy A) and Form W-3c must measure  $\frac{1}{3}$  (0.33) inch in height.
5. Box b on Form W-3c must measure (1) inch in height.
6. Box a on Form W-2c (Copy A) must measure  $1\frac{1}{3}$  (1.33) inches in height and box 14 must measure  $\frac{5}{6}$  (0.83) inch in height.
7. The first three columns on the right of Form W-2c (Copy A) and Form W-3c must measure  $1\frac{9}{10}$  (1.9) inches in width.
8. The last column on the right of Form W-2c (Copy A) and Form W-3c must measure  $1\frac{8}{10}$  (1.8) inches in width.
9. The “Explain decreases here” box has been reduced to measure  $\frac{1}{3}$  (0.33) inch to allow for an increase in Box b and the “Signature” box on Form W-3c must measure  $\frac{1}{2}$  (0.5) inch in height.

**.03** You must submit samples of your black-and-white substitute forms to the SSA. Only black-and-white substitute Forms W-2c (Copy A) and W-3c will be accepted for approval by the SSA. Questions regarding other forms (that is, red-ink Forms W-2, W-2c, W-3, W-3c, 1099 series, 1096, etc.) must be directed to the IRS. Also, see IRS Publications 1141 and 1179.

**.04** You will be required to send one set of blank and one set of dummy-data substitute black-and-white Form W-2c (Copy A) and W-3c 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.

**.05** To receive approval, you may first contact the SSA at [copy.a.forms@ssa.gov](mailto:copy.a.forms@ssa.gov) to obtain a template and further instructions in **PDF** format. Do not mail **completed** Form W-2c (Copy A) and W-3c employer reports to the Substitute Black-and-White Forms (Copy A) address. Submitters should use the address shown on the Form W-3c. You may also send your sample substitute black-and-white forms to:

Social Security Administration  
Data Operations Center  
**Attn: Substitute Black-and-White Copy A Forms, Room 360**  
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 may send your sample forms via electronic mail to [copy.a.forms@ssa.gov](mailto:copy.a.forms@ssa.gov).

**.06** The 4-digit vendor code preceded by four zeros and a slash (0000/9876) must be preprinted on the sample black-and-white substitute 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](mailto: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 via email at <http://nactp.org/>).

**Note.** Vendor codes 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-2c or W-3c to be used only for their individual company do not require a vendor code.

**.07** 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.

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## Section 1.6 – Requirements for Substitute Privately-Printed Forms W-2c (Copies B, C, and 2) Furnished to Employees

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**.01** All employers (including those who file electronically) must furnish employees with at least two copies of Form W-2c (three or more for employees required to file a state, city, or local income tax return). Employee copies do not require approval as long as these requirements are followed.

**Note.** Although substitute Copy 1 of Form W-2c can be printed in black instead of the red dropout ink, it should conform as closely as possible to Copy A of the official IRS form in content, format, and layout in order to satisfy state and local reporting requirements.

**.02** Some Forms W-2c that include logos, slogans, and advertisements (including advertisements for tax preparation software) may be confused with questionable Forms W-2c. 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 will not be allowed on Forms W-3c, Copy A of Forms W-2c, or any employee copies reporting wages paid during the 2014 calendar year, and thereafter, 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.
- 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 do 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-2c for amounts paid before January 1, 2014.

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.

Forms W-2c and W-3c are subject to annual review and possible change. If you have comments about the prohibition against including slogans, advertising, and logos on information returns and employee copies, email or send your comments to: [substituteforms@irs.gov](mailto:substituteforms@irs.gov) or Internal Revenue Service, Attn: Substitute Forms Program, SE:W:CAR:MP:P:TP, 5000 Ellin Road, C6-440, Lanham, MD 20706.

**.03** Chemical transfer paper for employee copies must be clearly legible, have the capability to be photocopied, and not fade to such a degree as to preclude legibility and the ability to photocopy.

**.04** The paper for all copies must be white and printed in black ink. The substitute Copy B (or its equal), which employees are instructed to attach to their federal income tax returns, as well as all other copies furnished to employees, must be 17 x 22 inches - 500 cut sheets, as described in Section 1.4.02. Additional information on trim size and margins can also be found in this section.

**.05** Type must be substantially identical in size and shape to that on the official form.

**.06** Substitute forms for employees need to contain only the payment boxes and captions that are applicable. These boxes, box numbers, and box titles must, when applicable, match the IRS-printed form. In all cases, the employee name, address, and SSN, as well as the employer name, address, and EIN, must be present.

**.07** The dimensions of the boxes on these copies (Copies B, C, and 2), but not Copy A, may be adjusted to allow space for conveying additional information. This may permit the employer to eliminate other statements or notices that would otherwise be furnished to employees.

**.08** The maximum allowable dimensions for employee copies of Form W-2c are no more than 11 inches deep by 8.5 inches wide. The minimum allowable dimensions for employee copies of Form W-2c are 2.67 inches deep by 4.25 inches wide.

**Note.** These maximum and minimum size specifications are subject to future change.

**.09** Either horizontal or vertical format is permitted for substitute employee copies of Forms W-2c. That is, the width of the form may be either greater or less than the depth of the form.

**.10** All copies of Form W-2c must clearly and prominently display the form number and the form title together in one area of the form. It is recommended (but not required) that this be located on the bottom left of Form W-2c. The reference to the “Department of the Treasury – Internal Revenue Service” must be on all copies of Form W-2c. It is recommended (but not required) that this be located on the bottom right of Form W-2c.

**.11** If the substitute Forms W-2c are not labeled as to the disposition of the copies, then written notification must be provided to each employee as specified below.

- The first copy of Form W-2c (Copy B) is filed with the employee’s federal tax return.
- The second copy of Form W-2c (Copy C) is for the employee’s records.
- If applicable, the third copy (Copy 2) of Form W-2c is filed with the employee’s state, city, or local income tax return.

If the substitute Forms W-2c are labeled, the forms must contain the applicable description as stated on the official form.

**.12** Instructions similar to those on the back of Form W-2c (Copy C) of the official form must be provided to each employee.

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## Section 1.7 – Instructions for Employers

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**.01** Privately-printed substitute Forms W-2c are not required to contain a copy to be retained by employers (Copy D). However, employers must retain copies of the Forms W-2 filed with SSA or have the ability to reconstruct the data for at least four years. Employers must be able to generate a facsimile of Form W-2 (Copy A), in case of loss.

**.02** If Copy D is provided for the employer, instructions contained on the back of Copy D of the official form must appear on the back of the substitute form. If Copy D is not provided, these instructions must be furnished to the employer on a separate statement.

**.03** Only originals or compliant substitute copies of Forms W-2c (Copy A) and Forms W-3c may be filed with the SSA. Carbon copies and photocopies are unacceptable.

**.04** Employers should type or machine print entries on non-laser generated forms whenever possible and provide good quality data entries 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.

**.05** Because employers must file a machine-scannable Form W-2c, they should meet the following requirements.

- Use 12-point Arial font or a close approximation for data entries.
- Proportional-spaced fonts are unacceptable.
- Refrain from printing any data in the top margin of the forms.

**.06** The employer must also furnish payee copies of Forms W-2c (Copies B, C, and 2) that are legible and capable of being photocopied (by the employee).

**.07** When Forms W-2c or W-3c are typed, black ink must be used with no script type, inverted font, italics, or dual-case alpha characters.

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

**.09** The filer's employer identification number (EIN) must be entered in box (b) of Form W-2c and box (e) of Form W-3c.

**.10** The employer's name, address, EIN, and state ID number may be preprinted.

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## Section 1.8 – OMB Requirements for Both Red-Ink and Black-and-White Copy A and W-3c Substitute Forms

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**.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 the exhibits.)
- Each IRS form (or its instructions) states:

**.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-2c (Copy A) and Form W-3c 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.
- For Form W-3c and Form W-2c (Copy A), the OMB number (1545-0008) must appear exactly as shown on the official IRS form.
- For any copy of Form W-3c or Form W-2c, other than Copy A, the OMB number must use one of the following formats.

**.04** Any substitute Form W-3c and Form W-2c (Copy A only) 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 the exact text of the Privacy Act and Paperwork Reduction Act Notice.

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## Section 1.9 – Order Forms and Instructions

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**.01** You can order official IRS Forms W-2c, Forms W-3c, and the General Instructions for Forms W-2 and W-3 (Including Forms W-2AS, W-2GU, W-2VI, W-3SS, W-2c, and W-3c), online at IRS.gov. Click on the *Forms and Pubs* link and then click the *Order Forms and Pubs* link. You may also order these forms and instructions by calling 1-800-TAX-FORM (1-800-829-3676).

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

Copies of Forms W-2c and W-3c obtained from these sources are for information purposes only.

**.02** Copies of Form W-2c (Copy A) and Form W-3c downloaded from IRS.gov cannot be used for filing with the SSA. These copies of Forms W-2c and W-3c are for information purposes only.

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#### **Section 1.10 – Effect on Other Documents**

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**.01** Revenue Procedure 2014-29, 2014-28 I.R.B. (reprinted as Publication 1223, Rev. 04-2014), is superseded.

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#### **Section 1.11 – Exhibits**

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**Exhibit B**

0.50 in

**DO NOT CUT, FOLD, OR STAPLE**

<b>5555</b>		<b>a Tax year/Form corrected / W-</b>		<b>For Official Use Only</b> OMB No. 1545-0008			
<b>b Employer's name, address, and ZIP code</b>  _____ 3.18 in _____		<b>c Kind of Payer (Check one)</b> 941/941-SS Military 943 944/944-SS <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> CT-1 Hshld. Medicare <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> emp. gov. emp.		<b>Kind of Employer (Check one)</b> None apply 501c non-govt. <input type="checkbox"/> <input type="checkbox"/> State/local State/local Federal non-501c 501c govt. <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		<b>Third-party sick pay</b> <input type="checkbox"/> (Check if applicable)	
<b>d Number of Forms W-2c</b>		<b>e Employer's Federal EIN</b>		<b>f Establishment number</b>		<b>g Employer's state ID number</b>	
Complete boxes h, i, or j <b>only</b> if incorrect on last form fled.		<b>h Employer's incorrect Federal EIN</b>		<b>i Incorrect establishment number</b>		<b>j Employer's incorrect state ID number</b>	
<b>Total of amounts previously reported as shown on enclosed Forms W-2c.</b>		<b>Total of corrected amounts as shown on enclosed Forms W-2c.</b>		<b>Total of amounts previously reported as shown on enclosed Forms W-2c.</b>		<b>Total of corrected amounts as shown on enclosed Forms W-2c.</b>	
1 Wages, tips, other compensation		1 Wages, tips, other compensation		2 Federal income tax withheld		2 Federal income tax withheld	
3 Social security wages		3 Social security wages		4 Social security tax withheld		4 Social security tax withheld	
5 Medicare wages and tips		5 Medicare wages and tips		6 Medicare tax withheld		6 Medicare tax withheld	
7 Social security tips		7 Social security tips		8 Allocated tips 7.20 in		8 Allocated tips	
9 Advance EIC payments 1.90 in		9 Advance EIC payments 1.90 in		10 Dependent care benefits		10 Dependent care benefits	
11 Nonqualified plans		11 Nonqualified plans		12a Deferred compensation		12a Deferred compensation	
14 Inc. tax w/h by third-party sick pay payer		14 Inc. tax w/h by third-party sick pay payer		12b HIRE exempt wages and tips		12b HIRE exempt wages and tips	
16 State wages, tips, etc.		16 State wages, tips, etc. 7.50 in		17 State income tax		17 State income tax	
18 Local wages, tips, etc.		18 Local wages, tips, etc.		19 Local income tax		19 Local income tax	
Explain decreases here: _____ 0.33 in							
Has an adjustment been made on an employment tax return fled with the Internal Revenue Service? <input type="checkbox"/> Yes <input type="checkbox"/> No							
If "Yes," give date the return was fled _____							
Under penalties of perjury, I declare that I have examined this return, including accompanying documents, and, to the best of my knowledge and belief, it is true, correct, and complete. 0.50 in							
Signature _____		Title _____		Date _____			
Employer's contact person _____				Employer's telephone number _____		<b>For Official Use Only</b>	
Employer's fax number _____				Employer's email address _____			

0.50 in

0.50 in

0.33 in

0.50 in

Form **W-3c** (Rev. 8-2013)

**Transmittal of Corrected Wage and Tax Statements**

Department of the Treasury  
Internal Revenue Service

**Purpose of Form**

Use this form to transmit Copy A of **Form(s) W-2c**, Corrected Wage and Tax Statement (Rev. 2-2009). Make a copy of Form W-3c and keep it with Copy D (For Employer) of Forms W-2c for your records. File Form W-3c even if only one Form W-2c is being fled or if those Forms W-2c are being fled only to correct an employee's name and social security number (SSN) or the employer identification number (EIN). See the General Instructions for Forms W-2 and W-3 for information on completing this form.

**E-Filing**

The SSA strongly suggests employers report Form W-3c and Forms W-2c Copy A electronically instead of on paper. The SSA provides two free e-filing options on its Business Services Online (BSO) website:

- **W-2 Online.** Use fill-in forms to create, save, print, and submit up to 25 Forms W-2c at a time to the SSA.
- **File Upload.** Upload wage files to the SSA you have created using payroll or tax software that formats the files according to the SSA's *Specifications for Filing Forms W-2c Electronically (EFW2C)*.

For more information, go to [www.socialsecurity.gov/employer](http://www.socialsecurity.gov/employer) and select "First Time Filers" or "Returning Filers" under "BEFORE YOU FILE."

**For Paperwork Reduction Act Notice, see separate instructions.**

**When To File**

File this form and Copy A of Form(s) W-2c with the Social Security Administration as soon as possible after you discover an error on Forms W-2, W-2AS, W-2GU, W-2CM, W-2VI, or W-2c. Provide Copies B, C, and 2 of Form W-2c to your employees as soon as possible.

**Where To File**

If you use the U.S. Postal Service, send Forms W-2c and W-3c to the following address:

**Social Security Administration**  
**Data Operations Center**  
P.O. Box 3333  
Wilkes-Barre, PA 18767-3333

If you use a carrier other than the U.S. Postal Service, send Forms W-2c and W-3c to the following address:

**Social Security Administration**  
**Data Operations Center**  
**Attn: W-2c Process**  
1150 E. Mountain Drive  
Wilkes-Barre, PA 18702-7997

Cat. No. 10164R

**Exhibit C**

**DO NOT CUT, FOLD, OR STAPLE THIS FORM**

<b>44444</b>	<b>For Official Use Only</b> OMB No. 1545-0008		
<b>a</b> Employer's name, address, and ZIP code	<b>c</b> Tax year/Form corrected  / <b>W-2</b>		<b>d</b> Employee's correct SSN
	<b>e</b> Corrected SSN and/or name (Check this box and complete boxes f and/or g if incorrect on form previously filed.) <input type="checkbox"/>		
	Complete boxes f and/or g only if incorrect on form <b>previously filed</b> <b>f</b> Employee's <b>previously reported</b> SSN		
<b>b</b> Employer's Federal EIN	<b>g</b> Employee's <b>previously reported</b> name		
	<b>h</b> Employee's first name and initial	Last name	Suff
<b>Note:</b> Only complete money fields that are being corrected (exception: for corrections involving MQGE, see the Instructions for Forms W-2c and W-3c, boxes 5 and 6).			
<b>i</b> Employee's address and ZIP code			
<b>Previously reported</b>		<b>Correct information</b>	
<b>1</b> Wages, tips, other compensation	<b>1</b> Wages, tips, other compensation	<b>2</b> Federal income tax withheld	<b>2</b> Federal income tax withheld
<b>3</b> Social security wages	<b>3</b> Social security wages	<b>4</b> Social security tax withheld	<b>4</b> Social security tax withheld
<b>5</b> Medicare wages and tips	<b>5</b> Medicare wages and tips	<b>6</b> Medicare tax withheld	<b>6</b> Medicare tax withheld
<b>7</b> Social security tips	<b>7</b> Social security tips	<b>8</b> Allocated tips	<b>8</b> Allocated tips
<b>9</b> Advance EIC payment	<b>9</b> Advance EIC payment	<b>10</b> Dependent care benefits	<b>10</b> Dependent care benefits
<b>11</b> Nonqualified plans	<b>11</b> Nonqualified plans	<b>12a</b> See instructions for box 12	<b>12a</b> See instructions for box 12
<b>13</b> Statutory employee <input type="checkbox"/> Retirement plan <input type="checkbox"/> Third-party sick pay <input type="checkbox"/> 0.66 in	<b>13</b> Statutory employee <input type="checkbox"/> Retirement plan <input type="checkbox"/> Third-party sick pay <input checked="" type="checkbox"/> 4.16 in	<b>12b</b>	<b>12b</b>
<b>14</b> Other (see instructions)	<b>14</b> Other (see instructions)	<b>12c</b>	<b>12c</b>
		<b>12d</b>	<b>12d</b>
<b>State Correction Information</b>			
<b>Previously reported</b>		<b>Correct information</b>	
<b>15</b> State	<b>15</b> State	<b>15</b> State	<b>15</b> State
Employer's state ID number	Employer's state ID number	Employer's state ID number	Employer's state ID number
<b>16</b> State wages, tips, etc.	<b>16</b> State wages, tips, etc.	<b>16</b> State wages, tips, etc.	<b>16</b> State wages, tips, etc.
<b>17</b> State income tax	<b>17</b> State income tax	<b>17</b> State income tax	<b>17</b> State income tax
<b>Locality Correction Information</b>			
<b>Previously reported</b>		<b>Correct information</b>	
<b>18</b> Local wages, tips, etc.	<b>18</b> Local wages, tips, etc.	<b>18</b> Local wages, tips, etc.	<b>18</b> Local wages, tips, etc.
<b>19</b> Local income tax	<b>19</b> Local income tax	<b>19</b> Local income tax	<b>19</b> Local income tax
<b>20</b> Locality name	<b>20</b> Locality name	<b>20</b> Locality name	<b>20</b> Locality name

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.

Copy A—For Social Security Administration

Form **W-2c** (Rev. 2-2009)

Corrected Wage and Tax Statement

Cat. No. 61437D

Department of the Treasury  
Internal Revenue Service

**Exhibit D**

**DO NOT CUT, FOLD, OR STAPLE**

<b>55555</b>		<b>a Tax year/Form corrected</b> ..... / <b>W-</b> .....		<b>For Official Use Only</b> OMB No. 1545-0008				
<b>b Employer's name, address, and ZIP code</b>		<b>c Kind of Payer (Check one)</b>		<b>Kind of Employer (Check one)</b>		<b>Third-party sick pay</b>		
		941/941-SS <input type="checkbox"/>	Military <input type="checkbox"/>	943 <input type="checkbox"/>	944/944-SS <input type="checkbox"/>	None apply <input type="checkbox"/>	501c non-govt. <input type="checkbox"/>	<input type="checkbox"/>
		CT-1 <input type="checkbox"/>	Hshld. emp. <input type="checkbox"/>	Medicare govt. emp. <input type="checkbox"/>	State/local non-501c <input type="checkbox"/>	State/local 501c <input type="checkbox"/>	Federal govt. <input type="checkbox"/>	(Check if applicable)
<b>d Number of Forms W-2c</b>		<b>e Employer's Federal EIN</b>		<b>f Establishment number</b>		<b>g Employer's state ID number</b>		
Complete boxes h, i, or j <b>only</b> if incorrect on last form filed.		<b>h Employer's incorrect Federal EIN</b>		<b>i Incorrect establishment number</b>		<b>j Employer's incorrect state ID number</b>		
<b>Total of amounts previously reported as shown on enclosed Forms W-2c.</b>		<b>Total of corrected amounts as shown on enclosed Forms W-2c.</b>		<b>Total of amounts previously reported as shown on enclosed Forms W-2c.</b>		<b>Total of corrected amounts as shown on enclosed Forms W-2c.</b>		
<b>1 Wages, tips, other compensation</b>		<b>1 Wages, tips, other compensation</b>		<b>2 Federal income tax withheld</b>		<b>2 Federal income tax withheld</b>		
<b>3 Social security wages</b>		<b>3 Social security wages</b>		<b>4 Social security tax withheld</b>		<b>4 Social security tax withheld</b>		
<b>5 Medicare wages and tips</b>		<b>5 Medicare wages and tips</b>		<b>6 Medicare tax withheld</b>		<b>6 Medicare tax withheld</b>		
<b>7 Social security tips</b>		<b>7 Social security tips</b>		<b>8 Allocated tips</b>		<b>8 Allocated tips</b>		
<b>9 Advance EIC payments</b>		<b>9 Advance EIC payments</b>		<b>10 Dependent care benefits</b>		<b>10 Dependent care benefits</b>		
<b>11 Nonqualified plans</b>		<b>11 Nonqualified plans</b>		<b>12a Deferred compensation</b>		<b>12a Deferred compensation</b>		
<b>14 Inc. tax w/h by third-party sick pay payer</b>		<b>14 Inc. tax w/h by third-party sick pay payer</b>		<b>12b HIRE exempt wages and tips</b>		<b>12b HIRE exempt wages and tips</b>		
<b>16 State wages, tips, etc.</b>		<b>16 State wages, tips, etc.</b>		<b>17 State income tax</b>		<b>17 State income tax</b>		
<b>18 Local wages, tips, etc.</b>		<b>18 Local wages, tips, etc.</b>		<b>19 Local income tax</b>		<b>19 Local income tax</b>		
Explain decreases here:								
Has an adjustment been made on an employment tax return filed with the Internal Revenue Service? <input type="checkbox"/> Yes <input type="checkbox"/> No								
If "Yes," give date the return was filed								
Under penalties of perjury, I declare that I have examined this return, including accompanying documents, and, to the best of my knowledge and belief, it is true, correct, and complete.								
Signature _____		Title _____		Date _____		<b>For Official Use Only</b> 1 0.33 in		
Employer's contact person		Employer's telephone number _____		_____				
Employer's fax number _____		Employer's email address _____		_____ 4 in _____				

Form **W-3c** (Rev. 8-2013) **Transmittal of Corrected Wage and Tax Statements** Department of the Treasury Internal Revenue Service

**Purpose of Form**

Use this form to transmit Copy A of Form(s) W-2c, Corrected Wage and Tax Statement (Rev. 2-2009). Make a copy of Form W-3c and keep it with Copy D (For Employer) of Forms W-2c for your records. File Form W-3c even if only one Form W-2c is being filed or if those Forms W-2c are being filed only to correct an employee's name and social security number (SSN) or the employer identification number (EIN). See the General Instructions for Forms W-2 and W-3 for information on completing this form.

**E-Filing**

The SSA strongly suggests employers report Form W-3c and Forms W-2c Copy A electronically instead of on paper. The SSA provides two free e-filing options on its Business Services Online (BSO) website:

- **W-2 Online.** Use fil-in forms to create, save, print, and submit up to 25 Forms W-2c at a time to the SSA.
- **File Upload.** Upload wage files to the SSA you have created using payroll or tax software that formats the files according to the SSA's *Specifications for Filing Forms W-2c Electronically (EFW2C)*.

For more information, go to [www.socialsecurity.gov/employer](http://www.socialsecurity.gov/employer) and select "First Time Filers" or "Returning Filers" under "BEFORE YOU FILE."

**For Paperwork Reduction Act Notice, see separate instructions.**

**When To File**

File this form and Copy A of Form(s) W-2c with the Social Security Administration as soon as possible after you discover an error on Forms W-2, W-2AS, W-2GU, W-2CM, W-2VI, or W-2c. Provide Copies B, C, and 2 of Form W-2c to your employees as soon as possible.

**Where To File**

If you use the U.S. Postal Service, send Forms W-2c and W-3c to the following address:

**Social Security Administration  
Data Operations Center  
P.O. Box 3333  
Wilkes-Barre, PA 18767-3333**

If you use a carrier other than the U.S. Postal Service, send Forms W-2c and W-3c to the following address:

**Social Security Administration  
Data Operations Center  
Attn: W-2c Process  
1150 E. Mountain Drive  
Wilkes-Barre, PA 18702-7997**

Cat. No. 10164R

NOTE. This revenue procedure will be reproduced as the next revision of IRS Publication 4436, General Rules and Specifications for Substitute Forms and Schedules.

## Rev. Proc. 2014-57

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#### Part 1

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#### Section 1.1 – Purpose

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**.01** The purpose of this publication is to provide general rules and specifications from the Internal Revenue Service (IRS) for paper and computer-generated substitutes for Form 941, Employer’s QUARTERLY Federal Tax Return, Schedule B (Form 941), Report of Tax Liability for Semiweekly Schedule Depositors (referred to in this publication as “Schedule B”), Schedule D (Form 941), Report of Discrepancies Caused by Acquisitions, Statutory Mergers, or Consolidations (referred to in this publication as “Schedule D”), and Schedule R (Form 941), Allocation Schedule for Aggregate Form 941 Filers (referred to in this publication as “Schedule R”).

**Note.** Substitute territorial forms (941-PR, Planilla para la Declaracion Federal TRIMESTRAL del Patrono, 941-SS, Employer’s QUARTERLY Federal Tax Return (American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, and the U.S. Virgin Islands) and Anexo B (Formulario 941-PR, Registro de la Obligación Contributiva para los Despositantes de Itinerario Bisemanal) should also conform to the specifications outlined in this revenue procedure.

**.02** This publication provides information for substitute Form 941, Schedule B, Schedule D, and Schedule R. If you need more in-depth information on who must complete the forms and how to complete them, see the Instructions for Form 941, Instructions for Schedule B (Form 941), Instructions for Schedule D, the instructions included in Schedule R, and Publication 15 (Circular E), Employer’s Tax Guide, or visit [IRS.gov](http://IRS.gov).

**Note.** Failure to produce acceptable substitutes of the forms and schedules listed in this publication may result in delays in processing and penalties.

**.03** Forms that completely follow the guidelines in this publication and are exact replicas of the official IRS forms do not need to be submitted to the IRS for specific approval. Substitute forms and schedules need to be scanned using IRS scanning equipment.

If you are uncertain of any specification and want clarification, do the following.

1. Submit a letter citing the specification.
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. Email to

*SCRIPS@irs.gov* or *substituteforms@irs.gov* or use the following address.

Internal Revenue Service  
Attn: Substitute Forms Program  
SE:W:CAR:MP:P:TP  
5000 Ellin Road, C6-440  
Lanham, MD 20706

**Note.** Allow at least 30 days for the IRS to respond.

**.04** However, software developers and form producers should send a blank copy of their substitute Form 941 and Schedule B (Form 941) in pdf format to *SCRIPS@irs.gov*. The purpose is not specifically for approval but to assist the IRS in preparing to scan these forms. Submitters will only receive comments if a significant problem is discovered through this process. Submitters are not expected to delay marketing their forms in order to receive feedback. In no case should Submitters include “live” taxpayer data.

**.05** The six-digit form ID code (beginning 950114) on Form 941, Schedule B (Form 941), and Schedule D (Form 941) identifies the official **paper** form. The six-digit form ID code (beginning 970114) identifies substitute **6x10** grid Form 941 and Schedule B (Form 941). The six-digit ID code (beginning 990114) identifies the official **IRS issued** Form 941 and Schedule B (Form 941). Generally, the last two digits of the code represent the last year in which major formatting changes were made to the layout of the forms.

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## Section 1.2 – What’s New

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**.01 Future Developments.** The IRS has created a page on *IRS.gov* for information about Form 941 at *www.irs.gov/form 941*. Information about any future development affecting form 941 (such as legislation enacted after we release it) will be posted on that page.

**.02 IRS mailing address change.** The address for the Substitute Forms Program has changed to: Internal Revenue Service, Attn: Substitute Forms Program, SE:W:CAR:MP:P:TP, 5000 Ellin Road, C6-440, Lanham, MD 20706.

**.03 IRS DVD.** The DVD containing IRS tax products will no longer be produced. Official IRS forms and information copies of federal tax materials can be obtained at local IRS offices, by calling the National Distribution Center, or by accessing *IRS.gov*. Further details are provided in Section 1.7–Order Forms and Instructions.

**.04 Form 941.** Section 4 of the payment voucher, text has been added for a business to report their foreign address, when applicable.

**.05 Form 941. Page 1, Line 3.** We added “Federal” at the beginning of the line 3 title to provide clarity. Form 941 may be filed by employers in the U.S. territories and those employers may be subject to income tax withholding that is not “federal” income tax withholding.

**.06 Form 941.** Page 1, three new fields were added to the entity section to capture, “Foreign Country Name,” “Foreign province/county,” and “Foreign postal code.”

**.07 Form 941.** Page 1, lines 12a, 12b, and 13 were removed. As a result, subsequent lines were renumbered.

**.08 Form 941.** Page 3, box 1-Employer Identification Number (EIN). It was clarified that Form SS-4 is faxed or mailed to the IRS.

**.09 Form 941.** Page 4, under *Privacy Act and Paperwork Reduction Act Notice*, the language was updated to clarify that Subtitle C, Employment Tax, of the IRC “provides for income tax withholding.”

**.10 Schedule B.** Page 1, in the introductory instructions, employers are advised NOT to change their tax liability by adjustments reported on Form 944-X.

**.11 Schedule B.** Page 1, at the bottom center of the page, a link to the product page was added.

**.12 Schedule R.** Pages 1 and 2, the reference to “COBRA payments” was removed from column (g). All references to the COBRA premium assistance credit were removed from all employment tax products (except amended returns) beginning with tax year 2014.

**.13 Schedule R.** Pages 1 and 2. We updated column (g) for the Form 941, line 13 to Form 941, line 11.

**.14 Schedule R.** Under the section Client and Employee Information, we changed the reference to Form 941, line 11 (formerly line 13), as a result of removing the COBRA premium assistance credit lines from Form 941.

**.15 COBRA premium assistance credit.** Effective for tax periods beginning after December 31, 2013, the credit for COBRA premium assistance payments cannot be claimed on 941. Instead, after filing your Form 941, file Form 941-X, Adjusted Employer’s QUARTERLY Federal Tax Return or Claim for Refund, to claim the COBRA premium assistance credit. Filing a Form 941-X before filing a Form 941 for the quarter may result in errors or delays in processing your Form 941-X. For more information, visit IRS.gov and enter “COBRA” in the search box.

**.16 Schedule R.** Page 1, at the bottom center of the page, a link to the product page was added.

**.17 Editorial Changes.** We made editorial changes throughout, including updated references. Redundancies were eliminated as much as possible.

---

### Section 1.3 – General Requirements for Reproducing IRS Official Form 941, Schedule B, Schedule D, and Schedule R

---

**.01** Submit substitute Form 941, Schedule B, Schedule D, and Schedule R to the IRS for specifications review. Substitute Form 941, Schedule B, Schedule D, and Schedule R that **completely conform** to the specifications contained in this revenue procedure do not require prior approval from the IRS, but should be submitted to [SCRIPS@irs.gov](mailto:SCRIPS@irs.gov) to ensure that they conform to IRS format and scanning specifications.

**.02** Print the form on standard 8.5 inches wide by 11-inch paper.

**.03** Use white paper that meets generally accepted weight, color, and quality standards (minimum 20 lb. white bond paper).

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

**.04** The IRS prefers printing Form 941 on both sides of a single sheet of paper, but it is acceptable to print on one side of each of two separate sheets of paper.

**.05** Make substitute paper forms as identical to the official IRS-printed forms as possible.

**.06** Print the substitute forms using nonreflective black (not blue or other-colored) ink. Printing in an ink color other than black may reduce readability in the scanning process. This may result in figures being too faint to be recognizable.

**.07** Use typefaces that are substantially identical in size and shape to the official forms and use rules and shading (if used) that are substantially identical to those on the official forms. Use font size as large as possible within the fields.

**.08** Print the six-digit form ID codes in the upper right-hand corner of each form using nonreflective black, carbon-based, 12-point. The use of non-OCR-A font may reduce readability for scanning. Use the official paper over-the-counter IRS forms to develop your substitute paper forms.

**Note.** Maintain as much white space as possible around the form ID code. Do not allow character strings to print adjacent to the code.

The year digits represent the year of the form layout and the tax year filed. For tax year 2014, print “950114” on page 1 of Form 941; “950214” on page 2 of Form 941; “960314” on Schedule B (Form 941); “950413” on page 1 of Schedule R (Form 941); “950513” on page 2 of Schedule R (Form 941) (continuation sheet); and “950613” on page 3 of Schedule R (Form 941) (instructions). See *Section 4* for information on form ID codes for software-generated forms.

**NOTE.** The last two digits of the ID code generally represent the last year in which major formatting changes were made to the layout of the forms.

Therefore, the last two digits may not always be of the current tax year. Some forms will not undergo formatting changes, and therefore will carry the ID code of a prior year. For example, the January 2014 revision of Schedule R, the ID code is “954013.” The tax year is 2014, however, the last two digits are “13” since the last extensive formatting changes occurred in 2013.

**.09** Print the OMB number in the same location as on the official forms. Be sure to include the OMB number on Form 941 and Schedules B, D, and R.

**.10** Print all entry boxes and checkboxes exactly as shown (**location and size**) on the official forms.

**Note.** Instead of a four-sided checkbox for the entry, just the bottom line of the box can be used as long as the location and size remain the same.

**.11** Print your IRS-issued three-letter substitute form source code in place of the Cat. No. on the left at the bottom of page 1 of Form 941, Schedule B, or Schedule R.

**Note.** You can obtain a three-letter substitute form source code by requesting it by email at [substituteforms@irs.gov](mailto:substituteforms@irs.gov). Please enter “Substitute Forms” on the subject line.

**.12** Print “For Privacy Act and Paperwork Reduction Act Notice, see the back of the Payment Voucher” at the bottom of page 1 of Form 941.

**.13** Print “For Paperwork Reduction Act Notice, see separate instructions” at the bottom of Schedule B, Schedule D, and Schedule R.

**.14 Do not** print the form catalog number (“Cat. No.”) at the bottom of the forms or instructions.

**.15 Do not** print the Government Printing Office (GPO) symbol at the bottom of the forms or instructions.

---

## Section 1.4 – Reproducing Form 941, Schedule B, Schedule D, and Schedule R for Software-Generated Paper Forms

---

**.01** You may use the pdf files to develop the layout for your forms. Draft forms found at <http://www.irs.gov/app/picklist/list/draftTaxForms.html> can be used to develop interim formats until the forms are finalized. When forms become finalized, they are posted and can be found at <http://www.irs.gov/app/picklist/list/formsPublications.html>. You may use 6x10 grid formats to develop software versions of Form 941 and Schedules B, D, and R. Please follow the specifications exactly to develop the fields.

**.02** If you are developing software using the 6 x 10 grid, you may make the following modifications.

- “970114” for page 1 of Form 941, “970214” for page 2 of Form 941, “970314” for Schedule B (Form 941), “970413” for page 1 of Schedule R (Form 941), “970513” for page 2 of Schedule R (Form 941) (continuation sheet), and “970613” for page 3 of Schedule R (Form 941) (instructions) as the form ID codes.

**Note.** Maintain as much white space as possible around the form ID code. Do not allow character strings to print adjacent to the code.

- Place all 6 x 10 grid boxes and entry spaces in the same field locations as indicated on the official forms.
- Use single lines for “Employer Identification Number (EIN)” and other entry areas in the entity section of page 1 of Form 941 and Schedule B, and the first page and continuation page of Schedule R.
- Reverse type is not needed as shown on the IRS official form.
- **Do not** pre-print decimal points in the data boxes. However, where the amounts are required, the amounts should be printed with decimal points and place holders for cents.
- Use a single box for “state abbreviation” on Form 941, line 16.
- Delete the pre-printed formatting in any “date” boxes.
- Use a single box for “Personal Identification Number (PIN)” on Form 941.
- You may delete all shading when using the 6 x 10 grid format.

**.03** If producing both the form and the data or the form only, print your three-letter source code at the bottom of page 1 of Form 941 and Schedule B, or the first page of Schedule R. See *Section 3.11*.

**.04** If producing only the data on the form, print your four-digit software industry form code on Form 941. The four-digit vendor code preceded by four zeros and a slash (0000/9876) must be pre-printed. If you have a valid vendor code issued to you through the National Association of Computerized Tax Processors (NACTP), you should use the code. If you do not have a valid vendor code, contact the NATCP via email at [president@natcp.org](mailto:president@natcp.org) for information on these codes.

**.05** Print “For Privacy Act and Paperwork Reduction Act Notice, see the Payment Voucher.” at the bottom of page 1 of Form 941.

**.06** Print “For Paperwork Reduction Act Notice, see separate instructions.” at the bottom of Schedule B, Schedule D, Schedule R.

**.07** Be sure to print the OMB number in the same location as on the official forms on substitute Form 941, Schedule B, and Schedule R.

**.08 Do not** print the form catalog number (“Cat. No.”) at the bottom of the forms or instructions.

**.09 Do not** print the Government Printing Office (GPO) symbol at the bottom of the forms or

instructions.

**.10** To ensure accurate scanning and processing, enter data on Form 941, Schedule B, Schedule D, and Schedule R as follows.

- Display/print the name and EIN on all pages and attachments in the proper associated fields.
- Use 12-point (minimum 10-point) Courier font (where possible).
- Omit dollar signs, but use commas when showing amounts.
- Except for lines 1 and 2 on Form 941, leave blank any data field with a value of zero.
- Enter negative amounts with a minus sign. For example, report “-10.59” instead of “(10.59).”

**Note.** The IRS prefers that you use a minus sign for negative amounts instead of parentheses or some other means. However, if your software only allows for parentheses in reporting negative amounts, you may use them.

---

### Section 1.5 – Specific Instructions for Schedule D

---

**.01** To properly file and to reduce delays and contact from the Service, Schedule D must be produced as closely as possible to the official IRS form.

**.02** Use Schedule D to explain why you have certain discrepancies. See the Instructions for Schedule D for more information. In many cases, the information on Schedule D helps the IRS resolve discrepancies without contacting you.

**.03** If a substitute Schedule D is not submitted in similar format to the official IRS schedule, the substitutes may be returned, you may be contacted by the IRS, delays in processing may occur, and you may be subject to penalties.

---

### Section 1.6 – Specific Instructions for Schedule R

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**.01** To properly file and to reduce delays and contact from the Service, Schedule R must be produced as closely as possible to the official IRS form.

**Note. Do not** present the information in spreadsheet or similar format. We may not be able to properly process nonconforming documents with an excessive number of entries. Complete as many Continuation Sheets for Schedule R as necessary. If Continuation Sheets are not used or they vary in form from the official form, processing may be delayed and you may be subject to penalties.

**.02** Use Schedule R to allocate the aggregate information reported on Form 941 to each client. If you have more than 15 clients, complete as many Continuation Sheets for Schedule R (page 2) as necessary. Attach Schedule R, including any Continuation Sheets, to your aggregate Form 941 and file it with your return. Enter your business information carefully.

Make sure all information exactly matches the information shown on the aggregate Form 941. Compare the total of each column on line 19 (including your information on line 18) of Schedule R to the amounts reported on the aggregate Form 941. For each column total of Schedule R, the relevant line from Form 941 is noted in the column heading. If the totals on line 19 of the Schedule R do not match the totals on Form 941, there is an error that must be corrected before submitting Form 941 and Schedule R.

**.03 Do:**

- Develop and submit only conforming Schedules R.
- Follow the format and fields exactly as on the official IRS Schedule R.
- Maintain the same number of entry lines on the substitute Schedule R as on the official IRS form.

**.04 Do not:**

- Add or delete entry lines.
- Submit spreadsheets, database printouts, or similar formatted documents instead of using the Schedule R format to report data.
- Reduce or expand font size to add or delete extra data or lines.

**.05** If Substitute Schedules R and Continuation Sheets for Schedule R are not submitted in similar format to the official IRS schedule, the substitutes may be returned, you may be contacted by the IRS, delays in processing may occur, and you may be subject to penalties.

---

**Section 1.7 – OMB Requirements for Substitute Forms**

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**.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 the OMB approval number, if assigned. (The official OMB numbers may be found on the official IRS-printed forms.)
- 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 forms 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.
- For Form 941, Schedule B, Schedule D, and Schedule R, the OMB number (1545-0029) must appear exactly as shown on the official IRS form.
- For Form 941, Schedule B, Schedule D, and Schedule R, the OMB number must use one of the following formats.
  1. OMB No. 1545–0029 (preferred).
  2. OMB # 1545–0029 (acceptable).

**.04** If no instructions are provided to users of your forms, you must furnish to them the exact text of the Privacy Act and Paperwork Reduction Act Notice.

---

## Section 1.8 – Order Forms and Instructions

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.01 You can obtain copies of federal tax forms by calling your local IRS location. You can access tax material and/or order official IRS Forms 941, Schedule B, Schedule D, and Schedule R, online at *IRS.gov*. Click on the *Forms and Pubs* tab, and then click on the *Order Forms and Pubs* link to the left. You may also order these forms and instructions by calling 1-800-TAX-FORM (1-800-829-3676).

---

## Section 1.9 – Effect on Other Documents

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.01 Publication 4436, Revised 05–2014, is superseded.

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## Section 1.10 – Helpful Information

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.01 Please follow the specifications and guidelines to produce substitute Form 941, Schedules B, D, and R.

.02 These forms are subject to review and possible changes as required. Therefore, employers are cautioned against overstocking supplies of privately printed substitutes.

.03 Here is a review of references that were listed throughout this document.

- Form 941, Employer’s QUARTERLY Federal Tax Return Schedule
- Schedule B (Form 941), Report of Tax Liability for Semiweekly Schedule Depositors (referred to in this publication as “Schedule B”).
- Schedule D (Form 941), Report of Discrepancies Caused by Acquisitions, Statutory Mergers, or Consolidations (referred to in this publication as “Schedule D”).
- Schedule R (Form 941), Allocation Schedule for Aggregate Form 941 Filers (referred to in this publication as “Schedule R”).
- Substitute territorial forms (941–PR, 941–SS, and Anexo B (Formulario 941–PR)).
- Instructions for Form 941.
- Instructions for Schedule B (Form 941).
- Publication 15 (Circular E), Employer’s Tax Guide.
- *SCRIPS@irs.gov* for submissions.
- *Substituteforms@irs.gov* for questions.
- For questions:

Internal Revenue Service  
Attn: Substitute Forms Program  
SE:W:CAR:MP:P:TP  
5000 Ellin Road, C6-440  
Lanham, MD 20706

- <http://www.irs.gov/app/picklist/list/draftTaxForms.html>. for draft forms.
  - <http://www.irs.gov/app/picklist/list/formsPublications.html>. for final forms.
- 

### 1.11 Exhibits

---



Name (not your trade name) Employer identification number (EIN)

Part 2: Tell us about your deposit schedule and tax liability for this quarter.

If you are unsure about whether you are a monthly schedule depositor or a semiweekly schedule depositor, see Pub. 15 (Circular E), section 11.

16 Check one: Line 10 on this return is less than \$2,500 or line 10 on the return for the prior quarter was less than \$2,500, and you did not incur a \$100,000 next-day deposit obligation during the current quarter.

You were a monthly schedule depositor for the entire quarter. Enter your tax liability for each month and total liability for the quarter, then go to Part 3.

Tax liability: Month 1, Month 2, Month 3

Total liability for quarter Total must equal line 10.

You were a semiweekly schedule depositor for any part of this quarter. Complete Schedule B (Form 941), Report of Tax Liability for Semiweekly Schedule Depositors, and attach it to Form 941.

Part 3: Tell us about your business. If a question does NOT apply to your business, leave it blank.

17 If your business has closed or you stopped paying wages . . . . . Check here, and enter the final date you paid wages

18 If you are a seasonal employer and you do not have to file a return for every quarter of the year . . . . . Check here.

Part 4: May we speak with your third-party designee?

Do you want to allow an employee, a paid tax preparer, or another person to discuss this return with the IRS? See the instructions for details.

Yes. Designee's name and phone number

Select a 5-digit Personal Identification Number (PIN) to use when talking to the IRS.

No.

Part 5: Sign here. You MUST complete both pages of Form 941 and SIGN it.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Sign your name here, Date

Print your name here, Print your title here, Best daytime phone

Paid Preparer Use Only

Check if you are self-employed

Preparer's name, Preparer's signature, Firm's name (or yours if self-employed), Address, City, State

PTIN, Date, EIN, Phone, ZIP code

Form 941-V,  
Payment Voucher

Detach Here and Mail With Your Payment and Form 941.

Form <b>941-V</b> Department of the Treasury Internal Revenue Service		<b>Payment Voucher</b>		OMB No. 1545-0029 <b>2014</b>	
<b>1</b> Enter your employer identification number (EIN).		<b>2</b> <b>Enter the amount of your payment. ♦</b> Make your check or money order payable to "United States Treasury"		Dollars	Cents
<b>3</b> Tax Period		<b>4</b> Enter your business name (individual name if sole proprietor).			
<input type="radio"/> 1st Quarter 3.45"	<input type="radio"/> 3rd Quarter	Enter your address.			
<input type="radio"/> 2nd Quarter	<input type="radio"/> 4th Quarter	Enter your city, state, and ZIP code or your city, foreign country name, foreign province/county, and foreign postal code.			
←————— 7.50" —————→					



# Schedule D (Form 941):

## Report of Discrepancies Caused by Acquisitions, Statutory Mergers, or Consolidations

(Rev. June 2011) Department of the Treasury—Internal Revenue Service

OMB No. 1545-0029

Employer Identification Number (EIN)

Trade name (if any)

Number  Street  Suite or room number

City  State  ZIP code

Phone number

**Tax Year of Discrepancies (Fill in)**

Format: YYYY

**Type of Submission (Check one)**

Original

Corrected

### About this schedule

Each year the Internal Revenue Service (IRS) and the Social Security Administration (SSA) compare the totals on your Forms 941, *Employer's QUARTERLY Federal Tax Return*, with the totals on Forms W-2, *Wage and Tax Statement*, to verify that:

- The wages you reported on Forms 941 match those you reported on Forms W-2 (Copy A) so that your employees' social security earnings records are complete for benefit purposes; and
- You have paid the appropriate taxes.

Generally, the totals on your Forms W-2 (Copy A) should equal the totals you reported on Forms 941. Use this schedule if discrepancies exist between the totals you reported on those forms ONLY as a result of an acquisition, statutory merger, or consolidation. **In many cases, the information on this schedule should help the IRS resolve discrepancies without contacting you.** If you are an eligible employer who elects to use the alternate procedure set forth in Rev. Proc. 2004-53, explained in the instructions, you should file this schedule.

Read the separate instructions before you fill out this schedule.

### Part 1: Answer these background questions.

#### 1. Are you filing this schedule —

After a statutory merger or consolidation? (See Rev. Rul. 62-60, 1962-1 C.B. 186 and Rev. Proc. 2004-53, 2004-2 C.B. 320.)

You are either:  An acquired corporation or  
 A surviving corporation.

OR

After an acquisition and you are using the alternate procedure under Rev. Proc. 2004-53, 2004-2 C.B. 320?

You are either:  A predecessor or  
 A successor.

#### 2. The effective date of the statutory merger/consolidation or acquisition is . . .

/  /   
MM / DD / YYYY

#### 3. The OTHER PARTY in this transaction is . . .

Other party's EIN   -

Other party's name

Trade name (if any)

Address

Number  Street  Suite or room number

City  State  ZIP code

Phone number

Next

For Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 38791Y

Schedule D (Form 941) (Rev. 6-2011)



**Schedule R (Form 941): Allocation Schedule for Aggregate Form 941 Filers**

950413

OMB No. 1545-0029

(Rev. January 2014)

Department of the Treasury — Internal Revenue Service 5.00"

Employer identification number (EIN) 3.30"

Name as shown on Form 941 3.90"

**Report for calendar year:**

Check the quarter (same as Form 941):

1: January, February, March 2.40"

2: April, May, June 2.10"

3: July, August, September 2.10"

4: October, November, December

Read the instructions before you complete Schedule R (Form 941). Type or print within the boxes. Complete a separate line for the amounts allocated to each of your clients.

(a) Client's Employer identification number (EIN)	(b) Wages, tips, and other compensation allocated to the listed client EIN from Form 941, line 2	(c) Federal income tax withheld from wages, tips, and other compensation allocated to the listed client EIN from Form 941, line 3	(d) Total social security and Medicare taxes allocated to the listed client EIN from Form 941, line 5e	(e) Section 3121(q) Notice and Demand-Tax due on unreported tips allocated to the listed client EIN from Form 941, line 5f	(f) Total taxes after adjustments allocated to the listed client EIN from Form 941, line 10	(g) Total deposits from Form 941, line 11, plus any payments made with the return allocated to the listed client EIN
1	.25"	.	.	.	.	.
2	.	.	.	.	.	.
3	.	.	.	.	.	.
4	.1.10"	.1.10"	.1.10"	.1.10"	.	.
5	.	.	.	.	.	.
6	.	.	.	.	.	.
7	.	.	.	.	.	.
8	.	.	.	7.50"	.	.
9	.	.	.	.	.	.
10	.	.	.	.	.	.
11	.	.	.	.	.	.
12	.	.	.	.	.	.
13	.	.	.	.	.	.
14	.	.	.	.	.	.
15	.	.	.	.	.	.
16	Subtotals for clients. Add all amounts on lines 1 through 15 .50"	.	.	.	.	.
17	Enter the combined subtotal from line 26 of all Continuation Sheets for Schedule R (Form 941) .83"	.	.	.	.	.
18	Enter Form 941 amounts for your employees .50"	.	.	.	.	.
19	Totals. Add lines 16, 17, and 18. The column totals must match the related lines on the aggregate Form 941. .83"	.	.	.	.	.

# Continuation Sheet for Schedule R (Form 941)

(Rev. January 2014)

5.00"

Employer identification number (EIN) 3.30"

Name as shown on Form 941 3.90"

**Report for calendar year:**

Check the quarter (same as Form 941):

1: January, February, March 2.20"

2: April, May, June

3: July, August, September

4: October, November, December

(a) Client's Employer identification number (EIN)	(b) Wages, tips, and other compensation allocated to the listed client EIN from Form 941, line 2	(c) Federal income tax withheld from wages, tips, and other compensation allocated to the listed client EIN from Form 941, line 3	(d) Total social security and Medicare taxes allocated to the listed client EIN from Form 941, line 5e	(e) Section 3121(q) Notice and Demand-Tax due on unreported tips allocated to the listed client EIN from Form 941, line 5f	(f) Total taxes after adjustments allocated to the listed client EIN from Form 941, line 10	(g) Total deposits from Form 941, line 11, plus any payments made with the return allocated to the listed client EIN
1	.	.	.	.	.	.
2	.	.	.	.	.	.
3	.	.	.	.	.	.
4	.	.	.	.	.	.
5	.	.	.	.	.	.
6	.	.	.	.	.	.
7	.	.	.	.	.	.
8	.	.	.	.	.	.
9	.	.	.	.	.	.
10	.	.	.	.	.	.
11	.	.	.	.	.	.
12	.	.	.	.	.	.
13	.	.	.	.	.	.
14	.	.	.	.	.	.
15	.	.	.	.	.	.
16	.	.	.	.	.	.
17	.	.	.	.	.	.
18	.	.	.	.	.	.
19	.	.	.	.	.	.
20	.	.	.	.	.	.
21	.	.	.	.	.	.
22	.	.	.	.	.	.
23	.	.	.	.	.	.
24	.	.	.	.	.	.
25	.	.	.	.	.	.
26	.	.	.	.	.	.
Subtotals for clients. Add lines 1 through 25. Include the subtotals from line 26 on line 17 of Schedule R (Form 941).						

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 I, 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. 2014-58

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### Part 1 General

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#### 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 2014 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 2014 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](mailto: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:P:TP  
5000 Ellin Rd., C6-440  
Lanham, MD 20706

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

Social Security Administration  
Data Operations Center  
**Attn: Substitute Black-and-White Copy A Forms, Room 360**  
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 will not be allowed on Forms W-3, Copy A of Forms W-2, or any employee copies reporting wages paid during the 2014 calendar year, and thereafter, 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, 2011, 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 to state other requirements of the IRS and the SSA regarding the preparation and use of substitute forms for Form W-2 and Form W-3 for wages paid during the 2014 calendar year, at a future date. 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:P:TP, 5000 Ellin Road, C6-440, Lanham, MD 20706, or [Substituteforms@irs.gov](mailto: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). You may also

email questions to [mccirp@irs.gov](mailto:mccirp@irs.gov). Do not submit employee information via email, because electronic mail is not secure and the information may be compromised.

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 Electronic Filing of Forms 1097, 1098, 1099, 3921, 3922, 5498, and W-2G, 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, (Including Forms W-2AS, W-2CM, W-2GU, W-2VI, W-3SS, W-2c, and W-3c).
- Publication 1223, General Rules and Specifications for Substitute Forms W-2C and W-3C.

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## Section 1.2 – What’s New

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

**.02 IRS Room Change.** Inquiries about the Substitute Forms Program should be sent to:

Internal Revenue Service  
**Attn: Substitute Forms Program**  
SE:W:CAR:MP:P:TP  
5000 Ellin Rd., C6-440  
Lanham, MD 20706

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

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**.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.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 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](http://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:P:TP  
5000 Ellin Rd., C6-440  
Lanham, MD 20706

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 360**  
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 2014 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. You can order current year

official IRS Forms W-2, W-2AS, W-2GU, W-2VI, W-3, and W-3SS, and the 2014 General Instructions for Forms W-2 and W-3, online at [www.irs.gov/businesses](http://www.irs.gov/businesses). Click on the *Online Ordering for Information Returns and Employer Returns* link. You may also order these forms and instructions by calling 1-800-TAX-FORM (1-800-829-3676). The IRS provides only cutsheet sets of Forms W-2 and cutsheets of Form W-3.

**.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).

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

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**.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 2014 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](http://www.socialsecurity.gov/employer/pub.htm). Enter “EFW2” in the search box.

**.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](http://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.

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

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

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**.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./sq. 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 (½ 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 2014 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.

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

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**.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, “2014”) 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 2014 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](mailto:copy.a.forms@ssa.gov) to obtain a template and further instructions in PDF or Excel format. You may also send your 2014 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 360**  
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](mailto: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](mailto:president@nactp.org).)

**Note.** Vendor codes **from the NACTP** are 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 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. If they differ, the data in the barcode will be ignored and the data displayed on the form will be considered the submission. This also occurs when the barcode is not read correctly. The information on the form needs to be manually keyed into the database.

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](mailto:copy.a.forms@ssa.gov),
- Download the "TY 14 Substitute W3/W2 2-D Barcoding Standards" from <http://www.socialsecurity.gov/employer/subBarCodeStd.pdf>.

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

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**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 2014 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 1½ inches wide x ¼ 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,
  - e) Employee’s name, and
  - f) 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, 2014) 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 2014 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 2014 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.

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## Section 2.4 – Electronic Delivery of Form W–2 and W–2c Recipient Statements

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**.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 statement electronically, the employer must provide to the employee a clear and conspicuous disclosure statement containing each of the disclosures described in Regulations Section 31.6051-1 or Publication 15–A.

- 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.

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### **Part 3** **Additional Instructions**

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#### **Section 3.1 – Additional Instructions for Form Printers**

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**.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 order 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 retain copies of the Forms W–2 filed with SSA or have the ability to reconstruct the data for at least four years. Employers must 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.

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### Section 3.2 – Instructions for Employers

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**.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.

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

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**.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.

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### Section 3.4 – Order Forms and Instructions

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**.01** You can order IRS Forms W-2, Forms W-3, the General Instructions for Forms W-2 and W-3 and other tax material, online at [IRS.gov](http://IRS.gov). Click on the *Forms and Pubs* link and then the *Order Forms and Pubs* link, or by calling 1-800-TAX-FORM (1-800-829-3676).

**.02** Copies of Form W-2 (Copy A) and Form W-3 downloaded from [irs.gov](http://irs.gov) cannot be used for filing with the SSA. These copies of Forms W-2 and W-3 are for information purposes only.

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### Section 3.5 – Effect on Other Documents.

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**.01** Publication 1141, Revised 05-2014, is superseded.

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### Section 3.6 – Exhibits

- 
- Exhibit A — Form W-2 (Copy A) (Red-Ink) 2014
  - Exhibit B — Form W-2 (Copy A) (Red-Ink) 2014
  - Exhibit C — Form W-2 (Copy B) 2014
  - Exhibit D — Form W-2 Alternative Employee Copies (Illustrating Horizontal and Vertical Formats)
  - Exhibit E — Form W-2 (Copy A) (Substitute Black-and-White) 2014
  - Exhibit F — Form W-2 (Copy A) (Substitute Black-and-White)

**Exhibit  
A  
Form  
W-2  
(Copy A)**  
(Red-Ink)

**Form W-2 Wage and Tax Statement 2014**  
 Department of the Treasury Internal Revenue Service  
 For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.  
 Cat. No. 10134D

**Form W-2 Wage and Tax Statement 2014**  
 Department of the Treasury Internal Revenue Service  
 For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.  
 Cat. No. 10134D

**Exhibit  
B  
Form  
W-3  
(Red-Ink)**

DO NOT STAPLE

333333	a Control number	For Official Use Only OMB No. 1545-0008	None appl.	501c non-govt.	third-party
b	Kind of Payer (Check one)	Kind of Employer (Check one)	State/local non-501c	State/local 501c	Federal govt.
c	Total number of Forms W-2	d Establishment number	1 Wages, tips, other compensation	2 Federal income tax withheld	
e	Employer identification number (EIN)		3 Social security wages	4 Social security tax withheld	
f	Employer's name		5 Medicare wages and tips	6 Medicare tax withheld	
			7 Social security tips	8 Allocated tips	
			9	10 Dependent care benefits	
			11 Nonqualified plans	12a Deferred compensation	
	g Employer's address and ZIP code	h Other EIN used this year	13 For third-party sick pay use only	12b	
	15 State Employer's state ID number	14 Income tax withheld by payer of third-party sick pay			
	16 State wages, tips, etc.	17 State income tax	18 Local wages, tips, etc.	19 Local income tax	
	Employer's contact person		Employer's telephone number		For Official Use Only
	Employer's fax number		Employer's email address		

Under penalties of perjury, I declare that I have examined this return and accompanying documents and, to the best of my knowledge and belief, they are true, correct, and complete.

Signature Title Date

Form **W-3 Transmittal of Wage and Tax Statements** 2014 Department of the Treasury Internal Revenue Service

**Send this entire page with the entire Copy A page of Form(s) W-2 to the Social Security Administration (SSA). Photocopies are not acceptable. Do not send Form W-3 if you filed electronically with the SSA. Do not send any payment (cash, checks, money orders, etc.) with Forms W-2 and W-3.**

**Reminder**

**Separate instructions.** See the 2014 General Instructions for Forms W-2 and W-3 for information on completing this form. Do not file Form W-3 for Form(s) W-2 that were submitted electronically to the SSA.

**Purpose of Form**

A Form W-3 Transmittal is completed only when paper Copy A of Form(s) W-2, Wage and Tax Statement, is being filed. Do not file Form W-3 alone. All paper forms must comply with IRS standards and be machine readable. Photocopies are not acceptable. Use a Form W-3 even if only one paper Form W-2 is being filed. Make sure both the Form W-3 and Form(s) W-2 show the correct tax year and Employer Identification Number (EIN). Make a copy of this form and keep it with Copy D (For Employer) of Form(s) W-2 for your records. The IRS recommends retaining copies of these forms for four years.

**E-Filing**

The SSA strongly suggests employers report Form W-3 and Forms W-2 Copy A electronically instead of on paper. The SSA provides two free e-filing options on its Business Services Online (BSO) website:

- **W-2 Online.** Use fill-in forms to create, save, print, and submit up to 50 Forms W-2 at a time to the SSA.
- **File Upload.** Upload wage files to the SSA you have created using payroll or tax software that formats the files according to the SSA's *Specifications for Filing Forms W-2 Electronically (EFW2)*.

W-2 Online fill-in forms or file uploads will be on time if submitted by March 31, 2015. For more information, go to [www.socialsecurity.gov/employer](http://www.socialsecurity.gov/employer) and select "First Time Filers" or "Returning Filers" under "BEFORE YOU FILE."

**When To File**

Mail Form W-3 with Copy A of Form(s) W-2 by March 2, 2015.

**Where To File Paper Forms**

Send this entire page with the entire Copy A page of Form(s) W-2 to:

**Social Security Administration  
Data Operations Center  
Wilkes-Barre, PA 18769-0001**

**Note.** If you use "Certified Mail" to file, change the ZIP code to "18769-0002." If you use an IRS-approved private delivery service, add "ATTN: W-2 Process, 1150 E. Mountain Dr." to the address and change the ZIP code to "18702-7997." See Publication 15 (Circular E), Employer's Tax Guide, for a list of IRS-approved private delivery services.

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

Cat. No. 10159Y

**Exhibit  
C  
Form  
W-2  
(Copy B)**

<b>a</b> Employee's social security number		Safe, accurate, FAST! Use		 Visit the IRS website at www.irs.gov/efile	
OMB No. 1545-0008					
<b>b</b> Employer identification number (EIN)		<b>1</b> Wages, tips, other compensation	<b>2</b> Federal income tax withheld		
<b>c</b> Employer's name, address, and ZIP code		<b>3</b> Social security wages	<b>4</b> Social security tax withheld		
		<b>5</b> Medicare wages and tips	<b>6</b> Medicare tax withheld		
		<b>7</b> Social security tips	<b>8</b> Allocated tips		
<b>d</b> Control number		<b>9</b>	<b>10</b> Dependent care benefits		
<b>e</b> Employee's first name and initial		Last name		Suff.	
<b>f</b> Employee's address and ZIP code		<b>11</b> Nonqualified plans		<b>12a</b> See instructions for box 12	
		<b>13</b> Statutory employee <input type="checkbox"/> Retirement plan <input type="checkbox"/> Third-party sick pay <input type="checkbox"/>		<b>12b</b>	
		<b>14</b> Other <input type="checkbox"/>		<b>12c</b>	
				<b>12d</b>	
<b>15</b> State Employer's state ID number		<b>16</b> State wages, tips, etc.	<b>17</b> State income tax	<b>18</b> Local wages, tips, etc.	<b>19</b> Local income tax
					<b>20</b> Locality name

Form **W-2** Wage and Tax Statement **2014** Department of the Treasury—Internal Revenue Service  
**Copy B—To Be Filed With Employee's FEDERAL Tax Return.**  
 This information is being furnished to the Internal Revenue Service.

**Exhibit  
D  
Form  
W-2  
Alternative  
Employee  
Copies**

(Illustrating  
Horizontal and  
Vertical Formats)

a Employee's social security number		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.				
b Employer identification number (EIN)		1 Wages, tips, other compensation		2 Federal income tax withheld		
c Employer's name, address, and ZIP code		3 Social security wages		4 Social security tax withheld		
		5 Medicare wages and tips		6 Medicare tax withheld		
		7 Social security tips		8 Allocated tips		
d Control number		9		10 Dependent care benefits		
e Employee's first name and initial Last name Suff.		11 Nonqualified plans		12a See instructions for box 12		
		13 Statutory employee Retirement plan Third-party sick pay		12b		
		14 Other		12c		
				12d		
f Employee's address and ZIP code						
15 State	Employer's state ID number	16 State wages, tips, etc.	17 State income tax	18 Local wages, tips, etc.	19 Local income tax	20 Locality name

Form **W-2** Wage and Tax Statement  
Copy C—For EMPLOYEE'S RECORDS (See Notice to Employee on the back of Copy B.)

2014

Department of the Treasury—Internal Revenue Service



▲  
Horizontal Format

1 Wages, tips, other compensation	2 Federal income tax withheld	
3 Social security wages	4 Social security tax withheld	
5 Medicare wages and tips	6 Medicare tax withheld	
Employee's social security number		
Employer identification number (EIN)		
Employer's name, address and ZIP code		
Employee's name		
Employee's address and ZIP code		
15 State	Employer's state ID number	18 Local wages, tips, etc.
16 State wages, tips, etc.		19 Local income tax
17 State income tax		20 Locality name

Copy B To Be Filed With Employee's FEDERAL Tax Return.

Form **W-2**  
Wage and Tax  
Statement

2014

Department of the Treasury—  
Internal Revenue Service

▲  
Vertical Format

Note. Exhibit D provides examples of employee copies of Form W-2 only. For examples of Copy A, see Exhibit A or Exhibit E. For the specifications of Copy A, which must be filed with the SSA, see Part B, sections 1A and 1B.

The core data boxes are 1 through 6 and, if applicable, 15 through 20. The core data must be similarly positioned, exactly number, and exactly titled as shown for each format. Other data may be placed in unoccupied areas based upon the employer's needs. Form identification may be placed before or after the core data. However, the employer's non-core elements may be positioned only between the sections of core data.

**Exhibit E  
Form W-2  
(Copy A)**

(Substitute Black-and-White)

This form may be subject to change.

**Form W-2 Wage and Tax Statement 2014**  
 Department of the Treasury—Internal Revenue Service  
 For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.  
 Cat. No. 10134D

Form Copy A For Social Security Administration — Send this entire page with Form W-3 to the Social Security Administration; photocopies are not acceptable.

Do Not Cut, Fold, or Staple Forms on This Page

**Form W-2 Wage and Tax Statement 2014**  
 Department of the Treasury—Internal Revenue Service  
 For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.  
 Cat. No. 10134D

Form Copy A For Social Security Administration — Send this entire page with Form W-3 to the Social Security Administration; photocopies are not acceptable.

Do Not Cut, Fold, or Staple Forms on This Page

**Exhibit F**

**Form W-3**

(Laser-Printed)

This form may be subject to change.

DO NOT STAPLE

33333	a Control number	For Official Use Only OMB No. 1545-0008	None apply	501c non-govt.	Third-party sick pay
b Kind of Payer (Check one)	c Kind of Employer (Check one)				
d Establishment number	1 Wages, tips, other compensation	2 Federal income tax withheld			
e Employer identification number (EIN)	3 Social security wages	4 Social security tax withheld			
f Employer's name	5 Medicare wages and tips	6 Medicare tax withheld			
	7 Social security tips	8 Allocated tips			
	9	10 Dependent care benefits			
g Employer's address and ZIP code	11 Nonqualified plans	12a Deferred compensation			
h Other EIN used this year	13 For third-party sick pay use only	12b			
15 State Employer's state ID number	14 Income tax withheld by payer of third-party sick pay				
i State wages, tips, etc.	17 State income tax	18 Local wages, tips, etc.	19 Local income tax		
j Employer's contact person	k Employer's telephone number	For Official Use Only			
l Employer's fax number	m Employer's email address				

Under penalties of perjury, I declare that I have examined this return and accompanying documents and, to the best of my knowledge and belief, they are true, correct, and complete.

Signature Title Date

**Form W-3 Transmittal of Wage and Tax Statements 2014**

Department of the Treasury  
Internal Revenue Service

Send this entire page with the entire Copy A page of Form(s) W-2 to the Social Security Administration (SSA). Photocopies are not acceptable. Do not send Form W-3 if you filed electronically with the SSA. Do not send any payment (cash, checks, money orders, etc.) with Forms W-2 and W-3.

**Reminder**

**Separate instructions.** See the 2014 General Instructions for Forms W-2 and W-3 for information on completing this form. Do not file Form W-3 for Form(s) W-2 that were submitted electronically to the SSA.

**Purpose of Form**

A Form W-3 Transmittal is completed only when paper Copy A of Form(s) W-2, Wage and Tax Statement, is being filed. Do not file Form W-3 alone. All paper forms must comply with IRS standards and be machine readable. Photocopies are not acceptable. Use a Form W-3 even if only one paper Form W-2 is being filed. Make sure both the Form W-3 and Form(s) W-2 show the correct tax year and Employer Identification Number (EIN). Make a copy of this form and keep it with Copy D (For Employer) of Form(s) W-2 for your records. The IRS recommends retaining copies of these forms for four years.

**E-Filing**

The SSA strongly suggests employers report Form W-3 and Forms W-2 Copy A electronically instead of on paper. The SSA provides two free e-filing options on its Business Services Online (BSO) website:

- **W-2 Online.** Use fil-in forms to create, save, print, and submit up to 50 Forms W-2 at a time to the SSA.
- **File Upload.** Upload wage files to the SSA you have created using payroll or tax software that formats the files according to the SSA's Specifications for Filing Forms W-2 Electronically (EFW2).

W-2 Online fil-in forms or file uploads will be on time if submitted by March 31, 2015. For more information, go to [www.socialsecurity.gov/employer](http://www.socialsecurity.gov/employer) and select "First Time Filers" or "Returning Filers" under "BEFORE YOU FILE."

**When To File**

Mail Form W-3 with Copy A of Form(s) W-2 by March 2, 2015.

**Where To File Paper Forms**

Send this entire page with the entire Copy A page of Form(s) W-2 to:

**Social Security Administration  
Data Operations Center  
Wilkes-Barre, PA 18769-0001**

**Note.** If you use "Certified Mail" to file, change the ZIP code to "18769-0002." If you use an IRS-approved private delivery service, add "ATTN: W-2 Process, 1150 E. Mountain Dr." to the address and change the ZIP code to "18702-7997." See Publication 15 (Circular E), Employer's Tax Guide, for a list of IRS-approved private delivery services.

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

Cat. No. 10159Y

## Part IV. Items of General Interest

### Notice of Proposed Rulemaking Removal of the 36-month Non-payment Testing Period Rule

#### REG-136676-13

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice of proposed rulemaking.

SUMMARY: This document contains proposed regulations that will remove a rule that a deemed discharge of indebtedness for which a Form 1099-C, “Cancellation of Debt,” must be filed occurs at the expiration of a 36-month non-payment testing period. The Department of the Treasury and the IRS are concerned that the rule creates confusion for taxpayers and does not increase tax compliance by debtors or provide the IRS with valuable third-party information that may be used to ensure taxpayer compliance. The proposed regulations will affect certain financial institutions and governmental entities.

DATES: Comments and requests for a public hearing must be received by January 13, 2015.

ADDRESSES: Send submissions to: CC:PA:LPD:PR (REG-136676-13), room 5203, Internal Revenue Service, P.O. Box 7604, Ben Franklin Station, Washington, DC 20044. Submissions may be hand-delivered Monday through Friday between the hours of 8:00 a.m. and 4:00 p.m. to CC:PA:LPD:PR (REG-136676-13), Courier’s Desk, Internal Revenue Service, 1111 Constitution Avenue, NW., Washington, DC 20224. Alternatively, taxpayers may submit comments electronically via the Federal eRulemaking Portal at [www.regulations.gov](http://www.regulations.gov) (IRS REG-136676-13).

#### FOR FURTHER INFORMATION

CONTACT: Concerning the proposed regulations, Hollie Marx, (202) 317-6844; concerning the submission of comments and requests for a public hearing, Oluwa-

funmilayo Taylor, (202) 317-6901 (not toll-free numbers).

#### SUPPLEMENTARY INFORMATION:

##### Background

This document contains proposed regulations to amend certain Income Tax Regulations (26 CFR Part 1) issued under section 6050P of the Internal Revenue Code (Code), which provide that the 36-month non-payment testing period is an identifiable event triggering an information reporting obligation for discharge of indebtedness by certain entities. The proposed regulations would remove the 36-month non-payment testing period as an identifiable event.

##### Statutory Provisions

Section 61(a)(12) provides that income from discharge of indebtedness is includible in gross income. Section 6050P was added to the Code by section 13252 of the Omnibus Budget Reconciliation Act of 1993, Public Law 103-66 (107 Stat. 312, 531-532 (1993)). Section 6050P was enacted in part “to encourage taxpayer compliance with respect to discharged indebtedness” and to “enhance the ability of the IRS to enforce the discharge of indebtedness rules.” H.R. Rep. No. 103-111, at 758 (1993). As originally enacted, section 6050P generally required applicable financial entities (generally financial institutions, credit unions, and Federal executive agencies) that discharge (in whole or in part) indebtedness of \$600 or more during a calendar year to file information returns with the IRS and to furnish information statements to the persons whose debt is discharged. In addition to other information prescribed by regulations, an applicable financial entity is required to include on the information return the debtor’s name, taxpayer identification number, the date of the discharge, and the amount discharged. *See* 26 U.S.C. 6050P(a) (1994).

The Debt Collection Improvement Act of 1996 (1996 Act), Public Law 104-134 (110 Stat. 1321, 1321-368 through 1321-369 (1996)) was enacted on April 26, 1996. Section 31001(m)(2)(B)(i) and (ii)

of the 1996 Act amended section 6050P to expand the reporting requirement to cover “applicable entities,” which includes any executive, judicial, or legislative agency, not just federal executive agencies, and any previously covered applicable financial entity. Effective for discharges of indebtedness occurring after December 31, 1999, section 533(a) of the Ticket to Work and Work Incentives Improvement Act of 1999 (1999 Act), Public Law 106-170 (113 Stat. 1860, 1931 (1999)), added subparagraph (c)(2)(D) to section 6050P, to further expand entities covered by the reporting requirements to include any organization the “significant trade or business of which is the lending of money.”

On April 4, 2000, the IRS released Notice 2000-22 (2000-1 CB 902) to provide penalty relief to organizations that were newly made subject to section 6050P by the 1999 Act (organizations with a significant trade or business of lending money and agencies other than Federal executive agencies). The relief applied to penalties for failure to file information returns or furnish payee statements for discharges of indebtedness occurring before January 1, 2001. On December 26, 2000, the IRS released Notice 2001-8 (2001-1 CB 374) to extend the penalty relief for organizations described in Notice 2000-22 for discharges of indebtedness that occurred prior to the first calendar year beginning at least two months after the date that appropriate guidance is issued.

##### Regulatory History

On December 27, 1993, temporary regulations under section 6050P relating to the reporting of discharge of indebtedness were published in the **Federal Register** (TD 8506) (58 FR 68301). The temporary regulations provided that an applicable financial entity must report a discharge of indebtedness upon the occurrence of an identifiable event that, considering all the facts and circumstances, indicated the debt would never have to be repaid. The temporary regulations provided a non-exhaustive list of three identifiable events that would give rise to the reporting requirement under section 6050P: (1) a dis-

charge of indebtedness under title 11 of the United States Code (Bankruptcy Code); (2) an agreement between the applicable financial entity and the debtor to discharge the indebtedness, provided that the last event to effectuate the agreement has occurred; and (3) a cancellation or extinguishment of the indebtedness by operation of law. These regulations were effective for discharges of indebtedness occurring after December 31, 1993.

A concurrently published notice of proposed rulemaking (IA-63-93) (58 FR 68337) proposed to adopt those and other rules in the temporary regulations. Written comments were received in response to the notice of proposed rulemaking, and testimony was given at a public hearing held on March 30, 1994. In response to the comments and testimony, the IRS provided, in Notice 94-73 (1994-2 CB 553), interim relief from penalties for failure to comply with certain of the reporting requirements of the temporary regulations for discharges of indebtedness occurring before the later of January 1, 1995, or the effective date of final regulations under section 6050P.

On January 4, 1996, prior to the amendments made by the 1996 Act, final regulations relating to the information reporting requirements of applicable financial entities for discharges of indebtedness were published in the **Federal Register** (TD 8654) (61 FR 262) (1996 final regulations). The final regulations were generally effective for discharges of indebtedness occurring after December 21, 1996, although applicable financial entities at their discretion could apply the final regulations to any discharge of indebtedness occurring on or after January 1, 1996, and before December 22, 1996. Further, the preamble to these regulations provided that the temporary regulations and the interim relief provided in Notice 94-73 remained in effect until December 21, 1996. Finally, the 36-month non-payment testing period identifiable event would not occur prior to December 31, 1997. *See* § 1.6050P-1(b)(2)(iv)(C) of the 1996 final regulations.

In response to objections by commenters, the 1996 final regulations did not adopt the facts and circumstances test to determine whether a discharge of indebtedness had occurred and information re-

porting was required. Instead, the 1996 final regulations provided that a debt is deemed to be discharged for information reporting purposes only upon the occurrence of an identifiable event specified in an exhaustive list under § 1.6050P-1(b)(2), whether or not an actual discharge has occurred on or before the date of the identifiable event. *See* § 1.6050P-1(a)(1).

Section 1.6050P-1(b)(2) of the 1996 final regulations listed eight identifiable events that trigger information reporting obligations on the part of an applicable financial entity: (1) a discharge of indebtedness under the Bankruptcy Code; (2) a cancellation or extinguishment of an indebtedness that renders the debt unenforceable in a receivership, foreclosure, or similar proceeding in a federal or state court, as described in section 368(a)(3)(A)(ii) (other than a discharge under the Bankruptcy Code); (3) a cancellation or extinguishment of an indebtedness upon the expiration of the statute of limitations for collection (but only if, and only when, the debtor's statute of limitations affirmative defense has been upheld in a final judgment or decision in a judicial proceeding, and the period for appealing it has expired) or upon the expiration of a statutory period for filing a claim or commencing a deficiency judgment proceeding; (4) a cancellation or extinguishment of an indebtedness pursuant to an election of foreclosure remedies by a creditor that statutorily extinguishes or bars the creditor's right to pursue collection of the indebtedness; (5) a cancellation or extinguishment of an indebtedness that renders a debt unenforceable pursuant to a probate or similar proceeding; (6) a discharge of indebtedness pursuant to an agreement between an applicable entity and a debtor to discharge indebtedness at less than full consideration; (7) a discharge of indebtedness pursuant to a decision by the creditor, or the application of a defined policy of the creditor, to discontinue collection activity and discharge debt; (8) the expiration of a 36-month non-payment testing period.

The first seven identifiable events are specific occurrences that typically result from an actual discharge of indebtedness. The eighth identifiable event, the expiration of a 36-month non-payment testing period, may not result from an actual dis-

charge of indebtedness. The 36-month non-payment testing period was added to the final regulations in 1996 as an additional identifiable event in response to concerns of creditors that the facts and circumstances approach taken in the temporary and proposed regulations was unclear regarding the effect of continuing collection activity. Creditors proposed (among other things) that the final regulations require reporting after a fixed time period during which there had been no collection efforts.

Section 1.6050P-1(b)(2)(iv) of the 1996 regulations sets forth the 36-month non-payment testing period rule (the 36-month rule). Under that rule, a rebuttable presumption arises that an identifiable event has occurred if a creditor does not receive a payment within a 36-month testing period. The creditor may rebut the presumption if the creditor engaged in significant bona fide collection activity at any time within the 12-month period ending at the close of the calendar year or if the facts and circumstances existing as of January 31 of the calendar year following the expiration of the non-payment testing period indicate that the indebtedness has not been discharged. A creditor's decision not to rebut the presumption that an identifiable event has occurred pursuant to the 36-month rule is not an indication that it has discharged the debt. Concluding that the debts have, in fact, been discharged, some taxpayers may include in income the amounts reported on Forms 1099-C even though creditors may continue to attempt to collect the debt after issuing a Form 1099-C as required by the 36-month rule. *See* § 1.6050P-1(a)(1) and (b)(iv).

On October 25, 2004, final regulations reflecting the amendments to section 6050P(c) were published in the **Federal Register** (TD 9160) (69 FR 62181). These regulations describe circumstances in which an organization has a significant trade or business of lending money and provide three safe harbors under which organizations will not be considered to have a significant trade or business of lending money.

On November 10, 2008, final and temporary regulations were published in the **Federal Register** (TD 9430) (73 FR 66539) (2008 regulations) to amend the regulations under section 6050P to ex-

empt from the 36-month rule entities that were not within the scope of section 6050P as originally enacted (organizations with a significant trade or business of lending money and agencies other than Federal executive agencies). The changes made by the 2008 regulations reduced the burden on these entities and protected debtors from receiving information returns that reported discharges of indebtedness from these entities before a discharge had occurred. The 2008 regulations also added § 1.6050P-1(b)(2)(v), which provided that, for organizations with a significant trade or business of lending money and agencies other than federal executive agencies that were required to file information returns pursuant to the 36-month rule in a tax year prior to 2008 and failed to file them, the date of discharge would be the first identifiable event, if any, described in § 1.6050P-1(b)(2)(i)(A) through (G) that occurs after 2007. On September 17, 2009, final regulations were published in the **Federal Register** (TD 9461) (74 FR 47728-01) adopting the 2008 regulations without change.

#### *Notice 2012-65*

Even after the amendments to the regulations in 2008 and 2009, concerns continued to arise about the 36-month rule, and taxpayers remained confused regarding whether the receipt of a Form 1099-C represents cancellation of debt that must be included in gross income. To address those concerns, in Notice 2012-65 (2012-52 IRB 773 (Dec. 27, 2012)), the Treasury Department and the IRS requested comments from the public regarding whether to remove or modify the 36-month rule as an identifiable event for purposes of information reporting under section 6050P. Ten comments were received, all recommending removal or revision of the 36-month rule. Several commenters generally expressed concerns that the expiration of a 36-month non-payment testing period does not necessarily coincide with an actual discharge of the indebtedness, leading to confusion on the part of the debtor and, in some instances, uncertainty on the part of the creditor regarding whether it may lawfully continue to pursue the debt. Additionally, commenters noted that the IRS's ability to

collect tax on discharge of indebtedness income may be undermined if the actual discharge occurs in a different year than the year of information reporting.

#### **Explanation of Provisions**

The Treasury Department and the IRS agree that information reporting under section 6050P should generally coincide with the actual discharge of a debt. Because reporting under the 36-month rule may not reflect a discharge of indebtedness, a debtor may conclude that the debtor has taxable income even though the creditor has not discharged the debt and continues to pursue collection. Issuing a Form 1099-C before a debt has been discharged may also cause the IRS to initiate compliance actions even though a discharge has not occurred. Additionally, § 1.6050P-1(e)(9) provides that no additional reporting is required if a subsequent identifiable event occurs. Therefore, in cases in which the Form 1099-C is issued because of the 36-month rule but before the debt is discharged, the IRS does not subsequently receive third-party reporting when the debt is discharged. The IRS's ability to enforce collection of tax for discharge of indebtedness income may, thus, be diminished when the information reporting does not reflect an actual cancellation of indebtedness. After considering the public comments and the effects on tax administration, the Treasury Department and the IRS propose to remove the 36-month rule.

In addition to the comments recommending removal of the 36-month rule, commenters made other suggestions to change this rule, which were not adopted. One commenter suggested that the rule should be revised to require information reporting after 24 months of non-payment, without regard to the creditor's collection efforts. The commenter suggested that most debts are not collectible after 24 months of non-payment and that requiring information reporting after 24 months would allow the IRS time to assess. This commenter also suggested that the Form 1099-C should be revised to clarify that the issuance of a Form 1099-C does not mean that the debt is discharged, and that creditors should be required to issue corrected Forms 1099-C if they receive pay-

ments after the first Form 1099-C is issued.

The revisions proposed by the commenter do not alleviate the problems to debtors, creditors, and the IRS caused by the 36-month rule. There is no indication that merely shortening the time before a Form 1099-C is required to be issued more closely comports with the actual discharge of indebtedness. For example, even if the debt has actually been discharged, the amount reported on the Form 1099-C may not be the same as the amount that the taxpayer is required to report as income because, for instance, the taxpayer may be entitled to claim an exclusion or an exemption. In addition, the Instructions for Debtor on Form 1099-C already explain that the issuance of a Form 1099-C does not necessarily mean that the debtor must include the cancellation of debt in gross income. As a result, such revisions would fail to address the fact that issuance of a Form 1099-C pursuant to the 36-month rule does not necessarily coincide with a discharge of indebtedness. Also, the commenter's suggestion that creditors be required to issue a corrected Form 1099-C if they later receive a payment from the debtor would not reduce the debtor's confusion about what receipt of a Form 1099-C issued pursuant to the 36-month rule means. The issuance of a corrected Form 1099-C after the debtor has already reported discharge of indebtedness income with respect to the discharge that is reported on the corrected Form 1099-C could require the debtor to file amended returns to report the reduced amount of cancellation indebtedness and the debtor may be entitled to a refund. Issuance of a corrected Form 1099-C would increase, not decrease, the debtor's confusion regarding how to proceed.

One commenter suggested that the rule should be retained because it eliminates the possibility of a "permanent deferral" of information reporting of a discharged debt. This commenter noted two recent Tax Court cases, *Kleber v. Commissioner*, T.C. Memo. 2011-233, and *Stewart v. Commissioner*, T.C. Sum. Op. 2012-46, in which the court used the 36-month rule to determine the year in which a debt was discharged. In both cases, the court determined that the statute of limitations for

assessment had expired before a Form 1099-C was issued. The commenter stated that confusion could result if the 36-month rule is eliminated for information reporting purposes, but the court continues to use it to determine whether there has been an actual discharge. The commenter viewed this as a reason to retain the rule in a modified form. The commenter suggested that the Treasury Department and the IRS modify the 36-month rule and § 1.6050P-1(b)(2)(i)(G) by: (1) treating a creditor's decision to discontinue collection activities as an identifiable event, whether or not that decision coincides with an actual discharge; (2) placing a 36-month time limit on a creditor's defined policy for discharging a debt under § 1.6050P-1(b)(2)(i)(G); (3) prohibiting creditors from issuing Forms 1099-C while collection activities are ongoing or while the creditor is considering selling the debt; and (4) requiring creditors to issue corrected Forms 1099-C if they engage in subsequent collection activities or receive a payment on the debt.

Because the revisions suggested by this commenter would not require information reporting only upon an actual discharge of indebtedness, the revisions would not eliminate the problems associated with issuance of Forms 1099-C under the 36-month rule. Adopting these changes could increase, not decrease, confusion, because they would modify another identifiable event, § 1.6050P-1(b)(2)(i)(G), to require that a debtor's policy for discharging debt incorporate a 36-month discharge rule. Additionally, as explained in this preamble, requiring creditors to issue corrected Forms 1099-C would neither improve tax compliance nor reduce debtors' confusion. Eliminating the 36-month rule for information reporting purposes, moreover, is likely to lead courts to cease using it as an identifiable event for purposes of determining when an actual discharge occurs, thereby eliminating the issue of the IRS being precluded from assessing tax on discharge of indebtedness before the information return has been issued.

### Effective Date

Sections 1.6050P-1(b)(2)(i)(H), § 1.6050P-1(b)(2)(iv), and § 1.6050P-1(b)(2)(v) would be removed on the date these regulations are published as final regulations in the **Federal Register**. Conforming amendments to § 1.6050P-1(h)(1) necessary as a result of the removal of the above-referenced sections would be effective on the same date.

### Special Analyses

It has been determined that this notice of proposed rulemaking is not a significant regulatory action as defined in Executive Order 12866, as supplemented by Executive Order 13563. Therefore, a regulatory assessment is not required. It also has been determined that section 553(b) of the Administrative Procedure Act (5 U.S.C. chapter 5) does not apply to these regulations. Because the regulations do not impose a collection of information on small entities, the Regulatory Flexibility Act (5 U.S.C. chapter 6) does not apply. Pursuant to section 7805(f) of the Code, this notice of proposed rulemaking has been submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on its impact on small business.

### Comments and Requests for a Public Hearing

Before these proposed regulations are adopted as final regulations, consideration will be given to any comments that are submitted timely to the IRS as prescribed in this preamble under the "Addresses" heading. The Treasury Department and the IRS request comments on all aspects of the proposed rules. All comments will be available at [www.regulations.gov](http://www.regulations.gov) or upon request.

A public hearing will be scheduled if requested by any person who timely submits comments. If a public hearing is scheduled, notice of the date, time, and

place for the hearing will be published in the **Federal Register**.

### Drafting Information

The principal author of these proposed regulations is Hollie Marx of the Office of Associate Chief Counsel (Procedure and Administration).

\* \* \* \* \*

### Proposed Amendments to the Regulations

Accordingly, 26 CFR part 1 is proposed to be amended as follows:

#### PART 1—INCOME TAXES

Paragraph 1. The authority citation for part 1 continues to read in part as follows:  
Authority: 26 U.S.C. 7805. \* \* \*

Par. 2. Section 1.6050P-1 is amended by

1. Removing paragraphs (b)(2)(i)(H), (b)(2)(iv), and (b)(2)(v).
2. Revising paragraph (h) to read as follows:

*§ 1.6050P-1 Information reporting for discharge of indebtedness by certain entities.*

\* \* \* \* \*

(h) *Effective/applicability date*— The rules in this section apply to discharges of indebtedness after December 21, 1996, except paragraphs (e)(1) and (e)(3) of this section, which apply to discharges of indebtedness after December 31, 1994, and except paragraph (e)(5) of this section, which applies to discharges of indebtedness occurring after December 31, 2004.

John Dalrymple,  
*Deputy Commissioner for Services and Enforcement.*

(Filed by the Office of the Federal Register on October 14, 2014, 8:45 a.m., and published in the issue of the Federal Register for October 15, 2014, 79 F.R. 61791)

# 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 sub-

stance 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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Ann	Announcement
CD	Court Decision
DO	Delegation Order
EO	Executive Order
PL	Public Law
PTE	Prohibited Transaction Exemption
RP	Revenue Procedure
RR	Revenue Ruling
SPR	Statement of Procedural Rules
TC	Tax Convention
TD	Treasury Decision
TDO	Treasury Department Order

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