

# INTERNAL REVENUE BULLETIN



## 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.

## ADMINISTRATIVE

### **Rev. Proc. 2023-25, page 386.**

This revenue procedure provides specifications for the private printing of red-ink substitutes for the 2023 Forms W-2 and W-3. This revenue procedure will be produced as the next revision of Publication 1141. Rev. Proc. 2022-30 is superseded.

## EMPLOYEE PLANS / EXCISE TAX

### **Notice 2023-54, page 382.**

The notice provides transition relief in connection with the change to the required beginning date of required minimum distributions (RMDs) from IRAs and employer plans pursuant to section 107 of the SECURE 2.0 Act of 2022, enacted on December 29, 2022, as Division T of the Consolidated Appropriations Act, 2023, Pub. L. 117-328, 136 Stat. 4459 (2022). In addition, this notice provides guidance related to certain provisions of section 401(a)(9) that apply for 2021, 2022, and 2023, and the related excise tax under section 4974. Finally, the notice announces that the final regulations intended to be published relating to RMDs will apply for purposes of determining RMDs for calendar years beginning no earlier than 2024.

## EXEMPT ORGANIZATIONS

### **Announcement 2023-21, page 412.**

Revocation of IRC 501(c)(3) Organizations for failure to meet the code section requirements. Contributions made to the

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organizations by individual donors are no longer deductible under IRC 170(b)(1)(A).

## INCOME TAX

### **T.D. 9977, page 375.**

Section 2303 of the "Coronavirus Aid, Relief, and Economic Security Act," Pub. L. No. 116-136, 134 Stat. 281 (March 27, 2020) (the "CARES Act"), amended the carryback provisions related to net operating losses. As a result of the CARES Act amendments, which specifically extended the carryback period for certain net operating losses, temporary regulations were issued on July 2, 2020, permitting certain acquiring consolidated groups to elect to waive all or a portion of the pre-acquisition portion of the extended carryback period under section 172 for certain losses attributable to certain acquired members. These final regulations adopt without substantive change those temporary regulations.

### **Announcement 2023-17, page 411.**

Rev. Proc. 2023-3, 2023-1 I.R.B. 144 (January 3, 2023) contains an error in the second 2022-19, 2022-42 I.R.B. 282, is superseded. However, Rev. Proc. 2022-19, 2022-42 I.R.B. 282 remains in effect and is not superseded. Section 7 is corrected to read, "Rev. Proc. 2022-3, 2022-1 I.R.B. 144, is superseded. Rev. Proc. 2022-28, 2022-27 I.R.B. 65, is superseded.

# 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

26 CFR 1.1502-21: Carryback of Consolidated Net Operating Losses

## T.D. 9977

### DEPARTMENT OF THE TREASURY Internal Revenue Service 26 CFR Parts 1 and 602

### Carryback of Consolidated Net Operating Losses

**AGENCY:** Internal Revenue Service (IRS), Treasury.

**ACTION:** Final regulations; removal of temporary regulations.

**SUMMARY:** This document contains final regulations that affect corporations filing consolidated returns. These regulations permit consolidated groups that acquire new members that were members of another consolidated group to elect in a year subsequent to the year of acquisition to waive all or part of the pre-acquisition portion of the carryback period for certain losses attributable to the acquired members where there is a retroactive statutory extension of the net operating loss (NOL) carryback period. This document finalizes certain provisions in proposed regulations that were published on July 8, 2020, and removes temporary regulations published on the same date.

**DATES:** *Effective date:* These final regulations are effective on July 10, 2023.

*Applicability date:* For the date of applicability, see §1.1502-21(h)(9).

**FOR FURTHER INFORMATION CONTACT:** Stephen R. Cleary at (202) 317-5353 (not a toll-free number).  
**SUPPLEMENTARY INFORMATION:**

Background

#### I. Overview

This Treasury decision amends the Income Tax Regulations (26 CFR part 1)

under section 1502 of the Internal Revenue Code (Code). Section 1502 authorizes the Secretary of the Treasury or her delegate (Secretary) to prescribe regulations for an affiliated group of corporations that join in filing (or that are required to join in filing) a consolidated return (consolidated group, as defined in §1.1502-1(h)) to clearly reflect the Federal income tax liability of the consolidated group and to prevent avoidance of such tax liability. For purposes of carrying out those objectives, section 1502 also permits the Secretary to prescribe rules that may be different from the provisions of chapter 1 of the Code that would apply if the corporations composing the consolidated group filed separate returns. Terms used in the consolidated return regulations generally are defined in §1.1502-1.

On July 8, 2020, the Department of the Treasury (Treasury Department) and the IRS published a notice of proposed rulemaking (REG-125716-18) in the **Federal Register** (85 FR 40927) under section 1502 (2020 proposed regulations). The 2020 proposed regulations provided guidance that, in part, implemented amendments to section 172 under Public Law 115-97, 131 Stat. 2054 (Dec. 22, 2017), commonly known as the Tax Cuts and Jobs Act (TCJA), and the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), Public Law 116-136, 134 Stat. 281 (Mar. 27, 2020). Specifically, the 2020 proposed regulations provided guidance for consolidated groups regarding (i) the application of the 80-percent limitation in section 172(a)(2), as originally enacted as part of the TCJA and subsequently amended by the CARES Act, and (ii) the absorption of NOL carrybacks and carryovers.

In connection with the 2020 proposed regulations, the Treasury Department and the IRS published on the same date temporary regulations (TD 9900) in the **Federal Register** (85 FR 40892) under section 1502 (2020 temporary regulations). The Treasury Department and the IRS issued the 2020 temporary regulations to provide guidance to consolidated groups regarding the application of the NOL carryback rules under section 172(b), as amended by (i) section 2303(b) of the CARES Act, and

(ii) any similar future statutory amendments to section 172. Specifically, if there is a retroactive statutory extension of the NOL carryback period under section 172 (retroactive statutory extension), the 2020 temporary regulations permit consolidated groups that, before the enactment of the retroactive statutory extension, acquired new members that were members of another consolidated group to elect to waive, in a taxable year subsequent to the taxable year of the acquisition, all or part of the pre-acquisition portion of the carryback period for consolidated net operating losses (CNOLs) attributable to the acquired members. The preamble to the 2020 temporary regulations includes a background discussion of the rules regarding NOL carrybacks and carryovers under section 172 and the related consolidated return regulations. Part II of this Background describes the 2020 temporary regulations in greater detail.

A correction to the 2020 temporary regulations was published in the **Federal Register** (85 FR 53162) on August 28, 2020. The text of the 2020 temporary regulations also serves as the text of §1.1502-21(b)(3)(ii)(C) and (D) of the 2020 proposed regulations.

The 2020 proposed regulations, other than proposed §1.1502-21(b)(3)(ii)(C) and (D), were adopted as final regulations on October 27, 2020. See TD 9927 (85 FR 67966).

The IRS received one comment in response to the 2020 temporary regulations. A copy of the comment is available for public inspection at <https://www.regulations.gov> (type IRS-2020-0020 in the search field on the <https://www.regulations.gov> homepage) or upon request. No public hearing was requested or held.

As described in greater detail in the Summary of Comment and Explanation of Revisions, the Treasury Department and the IRS have considered the commenter's recommendations and concluded that their adoption would necessitate conforming changes to the split-waiver election provisions set forth in §1.1502-21(b)(3)(ii)(B) (general split-waiver election), which are beyond the scope of this guidance. Therefore, the Treasury Department and the IRS have determined that, aside from

non-substantive revisions to incorporate the rules regarding retroactive statutory extensions into §1.1502-21(b), improve readability, and make other perfecting edits, §1.1502-21(b)(3)(ii)(C) and (D) of the 2020 proposed regulations should be adopted as final regulations without change, and that the 2020 temporary regulations should be removed. The Treasury Department and the IRS continue to study the commenter's recommendations for purposes of potential future guidance.

## II. 2020 Temporary Regulations

On prior occasions, enacted legislation has amended section 172 to retroactively extend the carryback period for NOLs. *See* Worker, Homeownership, and Business Assistance Act of 2009, Public Law 111-92, 123 Stat. 2984 (November 6, 2009); Job Creation and Worker Assistance Act of 2002, Public Law 107-147, 116 Stat. 21 (March 9, 2002). Most recently, section 2303(b) of the CARES Act added section 172(b)(1)(D) to the Code. Section 172(b)(1)(D) requires (in the absence of a waiver under section 172(b)(3)) a five-year carryback period for an NOL that arises in a taxable year beginning after December 31, 2017, and before January 1, 2021.

Such retroactive statutory extensions of NOL carryback periods uniquely impact a consolidated group (acquiring group) that acquires one or more corporations (acquired member) before the enactment of the retroactive statutory extension of the carryback period. During the past two decades, the Treasury Department and the IRS have provided an acquiring group with certain additional elections for waiving carrybacks of losses into another consolidated group of which an acquired member previously was a member (former group). *See* 75 FR 35643 (June 23, 2010) (2010 split-waiver regulations); 67 FR 38000 (May 31, 2002) (2002 split-waiver regulations). These additional elections, while responsive to particular retroactive statutory extensions, have reflected common policy objectives of providing affected groups with the ability to waive all or a portion of the NOL carryback period of acquired members extended by retroactive statutory extensions applicable before, but enacted after, the acquisition(s).

The Treasury Department and the IRS determined that it is appropriate to provide similar rules with regard to the NOL carryback rules retroactively amended by section 2303(b) of the CARES Act in particular, or by future legislation enacting retroactive statutory amendments to NOL carryback rules more generally. Therefore, the 2020 temporary regulations provided principle-based rules, referred to in these regulations as “amended carryback rules,” applicable to CNOLs arising in taxable years to which amended carryback rules become applicable after the acquisition of a member. Under these rules, an acquiring group possesses the opportunity to waive, on a taxable-year-by-taxable-year basis, all or a portion of the carryback period with regard to CNOLs attributable to acquired members for pre-acquisition years during which the acquired members were members of a former group.

The 2020 temporary regulations provide two types of split-waiver elections for consolidated groups that (i) include one or more acquired members, and (ii) have CNOLs that, under amended carryback rules, become eligible to be carried back for a greater number of years than under statutory law in effect at the time of the acquisition (default carryback period). One type of election (amended statute split-waiver election) permits an acquiring group to relinquish that part of the carryback period during which an acquired member was a member of a former group (for the portion of a CNOL attributable to the acquired member), even though the acquiring group did not file a split-waiver election for the year in which the acquired member became a member of the acquiring group (as required by §1.1502-21(b)(3)(ii)(B)). *See* §1.1502-21T(b)(3)(ii)(C)(2)(v). The other type of election (extended split-waiver election) applies solely to the extended carryback period (that is, the additional carryback years provided under amended carryback rules). Through an extended split-waiver election, an acquiring group can ensure that amended carryback CNOLs are carried back to taxable years of former groups only to the extent those losses would have been carried back under prior law (that is, limiting CNOL carrybacks to the default carryback period). *See* §1.1502-21T(b)(3)(ii)(C)(2)(ix). These two additional types

of split-waiver elections provide relief, and are subject to conditions and procedures, consistent with the applicable split-waiver elections set forth in the 2002 and 2010 split-waiver regulations.

## Summary of Comment and Explanation of Revisions

The Treasury Department and the IRS received one comment that recommended two changes to the split-waiver election provisions set forth in the 2020 temporary regulations (2020 split-waiver elections).

As discussed in the preamble to the 2020 temporary regulations, a general split-waiver election and the 2020 split-waiver elections may be made only with respect to the portion of the carryback period for which the acquired member was a member of a former group. Thus, such an election would not be effective with respect to any portion of the carryback period during which the acquired member was a stand-alone corporation. The commenter recommended that split-waiver elections be available whenever a portion of a CNOL attributable to an acquired member would be carried back to a separate return year, regardless of whether the acquired member was a member of a former group or a stand-alone corporation in that carryback year.

The commenter also suggested that, although the rules governing split-waiver elections are too narrow insofar as they exclude acquisitions of stand-alone corporations, such rules also are too broad insofar as they apply to situations in which the acquired member was the common parent of a former group (whole-group acquisitions). *See* §1.1502-21(b)(3)(ii)(B) (allowing the acquiring group to make a general split-waiver election with respect to the portion of the carryback period for which the acquired member was “a member of another group”); §1.1502-21T(b)(3)(ii)(C)(2)(v) and (ix) (allowing the acquiring group to make a 2020 split-waiver election with respect to the portion of the carryback period for which the acquired member was “a member of any former group”); §1.1502-1(b) (defining the term “member” to include the common parent of the group).

For example, assume that P is the common parent of Group 1 in Years 1 and 2. At



the beginning of Year 3, Group 2 acquires all the stock of P. In Year 6, Group 2 incurs a CNOL, a portion of which is attributable to P. In Year 7, Congress amends section 172 by extending the carryback period for NOLs arising in Year 6 to five years. Group 2 would be eligible to make either a general split-waiver election (if it filed the requisite statement with its Federal income tax return for Year 3) or one of the 2020 split-waiver elections. The commenter contended that a split-waiver election should not be available in such a situation because disputes regarding NOL carrybacks should not arise between the former group and the acquiring group (which controls the former group after the acquisition).

The changes recommended by the commenter, if adopted, would necessitate revisions not only to the 2020 split-waiver elections, but also to the general split-waiver election provisions in §1.1502-21(b)(3)(ii)(B). Both the general split-waiver election and the 2020 split-waiver elections may be made only with respect to the portion of the carryback period for which the acquired member was a member of a former group. Moreover, both the general split-waiver election and the 2020 split-waiver elections may apply to situations in which the acquired member was the common parent of a former group (that is, whole-group acquisitions). Consequently, after considering the comment, the Treasury Department and the IRS have determined that the scope of the changes suggested by the commenter exceed the scope of §1.1502-21(b)(3)(ii)(C) and (D) of the 2020 proposed regulations.

Thus, as noted in part I of the Background, the Treasury Department

and the IRS have concluded that the split-waiver election provisions provided by the 2020 proposed regulations should be adopted without substantive change. The Treasury Department and the IRS continue to study the commenter's recommendations for purposes of potential future guidance. Accordingly, the final regulations contained in this Treasury decision adopt the provisions of §1.1502-21(b)(3)(ii)(C) and (D) of the 2020 proposed regulations without substantive change.

Although no substantive changes are made to the rules of §1.1502-21(b)(3)(ii)(C) and (D) of the 2020 proposed regulations, the final regulations make the following non-substantive changes to incorporate those rules into §1.1502-21(b) and to improve readability: (1) the provisions of §1.1502-21(b)(3)(ii)(A) have been redesignated as §1.1502-21(b)(3)(ii); (2) the provisions of §1.1502-21(b)(3)(ii)(B) have been redesignated as §1.1502-21(b)(4); (3) the provisions of §1.1502-21(b)(3)(ii)(C) and (D) of the 2020 proposed regulations have been redesignated as §1.1502-21(b)(5) and (6); (4) the provisions of §1.1502-21(b)(3)(iii) have been redesignated as §1.1502-21(b)(7); (5) the provisions of §1.1502-21(b)(3)(iv) and (v) have been removed; and (6) corresponding perfecting edits have been made.

## Special Analyses

### I. Regulatory Planning and Review

Pursuant to the Memorandum of Agreement, *Review of Treasury Regulations under Executive Order 12866* (June 9, 2023), tax regulatory actions

issued by the IRS are not subject to the requirements of section 6(b) of Executive Order 12866, as amended. Therefore, a regulatory impact assessment is not required.

### II. Paperwork Reduction Act

The collections of information in these final regulations are in §1.1502-21(b)(5)(v)(A) and (B). The information is required to inform the IRS on whether, and to what extent, an acquiring group makes either of the elections described in these final regulations.

The collection of information provided by these final regulations has been approved by the Office of Management and Budget (OMB) under control number 1545-0123. For purposes of the Paperwork Reduction Act, 44 U.S.C. 3501 *et seq.* (PRA), the reporting burden associated with the collection of information in Form 1120, *U.S. Corporation Income Tax Return*, will be reflected in the PRA Submission associated with OMB control number 1545-0123.

In general, if the acquiring group makes an election under §1.1502-21(b)(5), the acquiring group is required to attach a separate statement to its Form 1120 as provided in §1.1502-21(b)(5)(v)(A) and (B), respectively. This statement must be filed as provided in §1.1502-21(b)(5)(vi).

The following table displays the number of respondents estimated to be required to report on Form 1120 with respect to the collections of information required by these final regulations. Due to the absence of historical tax data, direct estimates of the number of respondents required to attach a statement to other types of tax returns, as applicable, are not available.

	Number of Respondents (Estimated)
<i>Amended Statute Split-Waiver Election &amp; Extended Split-Waiver Election</i>	
Form 1120	17,500

Source: RAAS:CDW

The numbers of respondents in the table were estimated by the Research, Applied Analytics, and Statistics Division (RAAS) of the IRS from the Compliance Data Warehouse (CDW). Data for Form 1120 represents estimates of the total

number of taxpayers that may attach an election statement to their Form 1120 to make the elections in §1.1502-21(b)(5)(v)(A) and (B).

It is estimated that 17,500 consolidated entities will be required to attach

a statement under these final regulations. The burden estimates associated with the information collections in these final regulations are included in aggregated burden estimates for the OMB control number 1545-0123. The burden estimates

provided in the OMB control numbers in the following table are aggregate amounts that relate to the entire package of forms associated with the OMB control number, and will in the future include, but not isolate, the estimated burden of those

information collections associated with these final regulations. To guard against over-counting the burden that consolidated tax provisions imposed prior to §1.1502-21, the Treasury Department and the IRS urge readers to recognize that

these burden estimates have also been cited by regulations that rely on the applicable OMB control numbers in order to collect information from the applicable types of filers.

Form	Type of Filer	OMB Number(s)	Status
Form 1120	Corporation	1545-0123	Published in the <b>Federal Register</b> on 12/22/2022. Public Comment period closed on 01/19/2023. Approved by OMB through 12/31/2023.
	Link: <a href="https://www.federalregister.gov/documents/2022/12/20/2022-27628/comment-request-us-business-income-tax-returns">https://www.federalregister.gov/documents/2022/12/20/2022-27628/comment-request-us-business-income-tax-returns</a>		

Source: RAAS:CDW

### III. *Regulatory Flexibility Act*

Pursuant to the Regulatory Flexibility Act (5 U.S.C. chapter 6), it is hereby certified that this rulemaking will not have a significant economic impact on a substantial number of small entities within the meaning of section 601(6) of the Regulatory Flexibility Act. This certification is based on the fact that these final regulations apply only to corporations that file consolidated Federal income tax returns, and that such corporations almost exclusively consist of larger businesses. Specifically, based on data available to the IRS, corporations that file consolidated Federal income tax returns represent only approximately two percent of all filers of Forms 1120, *U.S. Corporation Income Tax Return*. However, these consolidated Federal income tax returns account for approximately 95 percent of the aggregate amount of receipts provided on all Forms 1120. Therefore, these final regulations will not create additional obligations for, or impose an economic impact on, small entities, and a regulatory flexibility analysis under the Regulatory Flexibility Act is not required.

### IV. *Section 7805(f)*

Pursuant to section 7805(f) of the Code, the notice of proposed rulemaking that preceded these final regulations was submitted to the Chief Counsel for the Office of Advocacy of the Small Business Administration for comment on its impact on small business. No comments on that

notice of proposed rulemaking were received from the Chief Counsel for the Office of Advocacy of the Small Business Administration.

### V. *Unfunded Mandates Reform Act*

Section 202 of the Unfunded Mandates Reform Act of 1995 requires that agencies assess anticipated costs and benefits and take certain other actions before issuing a final rule that includes any Federal mandate that may result in expenditures in any one year by a State, local, or Tribal government, in the aggregate, or by the private sector, of \$100 million in 1995 dollars, updated annually for inflation. These final regulations do not include any Federal mandate that may result in expenditures by State, local, or Tribal governments, or by the private sector in excess of that threshold.

### VI. *Executive Order 13132: Federalism*

Executive Order 13132 (Federalism) prohibits an agency from publishing any rule that has federalism implications if the rule either imposes substantial, direct compliance costs on State and local governments, and is not required by statute, or preempts State law, unless the agency meets the consultation and funding requirements of section 6 of the Executive order. These final regulations do not have federalism implications, do not impose substantial direct compliance costs on State and local governments, and do not preempt State law within the meaning of the Executive order.

### VII. *Congressional Review Act*

Pursuant to the Congressional Review Act (5 U.S.C. 801 *et seq.*), the Office of Management and Budget's Office of Information and Regulatory Affairs has designated this rule as not a "major rule," as defined by 5 U.S.C. 804(2).

### Drafting Information

The principal author of these final regulations is Stephen R. Cleary of the Office of Associate Chief Counsel (Corporate). However, other personnel from the Treasury Department and the IRS participated in their development.

### List of Subjects

#### 26 CFR Part 1

Income taxes, Reporting and record-keeping requirements.

#### 26 CFR Part 602

Reporting and recordkeeping requirements.

### Adoption of Amendments to the Regulations

Accordingly, 26 CFR parts 1 and 602 are 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 1.1502-21 is amended by:

1. Removing the language “paragraph (b)(3)(iii)” in paragraph (b)(2)(iii) and adding the language “paragraph (b)(7)” in its place.

2. Revising paragraph (b)(3).

3. Adding paragraphs (b)(4) through (7).

4. Removing the language “(b)(3)(ii) (B)” in paragraph (h)(5) and adding the language “(b)(4)” in its place.

5. Revising paragraph (h)(9).

The additions and revisions read as follows:

### **§1.1502-21 Net operating losses.**

\* \* \* \* \*

(b) \* \* \*

(3) *Election to relinquish entire carryback period*—(i) *In general.* A group may make an irrevocable election under section 172(b)(3) to relinquish the entire carryback period with respect to a CNOL for any consolidated return year. Except as provided in paragraphs (b)(4) and (5) of this section, the election may not be made separately for any member (whether or not it remains a member), and must be made in a separate statement titled “THIS IS AN ELECTION UNDER §1.1502-21(b)(3)(i) TO WAIVE THE ENTIRE CARRYBACK PERIOD PURSUANT TO SECTION 172(b)(3) FOR THE [insert consolidated return year] CNOLs OF THE CONSOLIDATED GROUP OF WHICH [insert name and employer identification number of common parent] IS THE COMMON PARENT.” The statement must be filed with the group’s income tax return for the consolidated return year in which the loss arises. If the consolidated return year in which the loss arises begins before January 1, 2003, the statement making the election must be signed by the common parent. If the consolidated return year in which the loss arises begins after December 31, 2002, the election may be made in an unsigned statement.

(ii) *Groups that include insolvent financial institutions.* For rules applicable to relinquishing the entire carryback period with respect to losses attributable to insolvent financial institutions, see §301.6402-7 of this chapter.

(4) *General split-waiver election.* If one or more members of a consolidated group becomes a member of another consolidated group, the acquiring group may make an irrevocable election to relinquish, with respect to all consolidated net operating losses attributable to the member, the portion of the carryback period for which the corporation was a member of another group, provided that any other corporation joining the acquiring group that was affiliated with the member immediately before it joined the acquiring group is also included in the waiver. This election is not a yearly election and applies to all losses that would otherwise be subject to a carryback to a former group under section 172. The election must be made in a separate statement titled “THIS IS AN ELECTION UNDER §1.1502-21(b)(4) TO WAIVE THE PRE-[insert first taxable year for which the member (or members) was not a member of another group] CARRYBACK PERIOD FOR THE CNOLs attributable to [insert names and employer identification number of members].” The statement must be filed with the acquiring consolidated group’s original income tax return for the year the corporation (or corporations) became a member. If the year in which the corporation (or corporations) became a member begins before January 1, 2003, the statement must be signed by the common parent and each of the members to which it applies. If the year in which the corporation (or corporations) became a member begins after December 31, 2002, the election may be made in an unsigned statement.

(5) *Split-waiver elections to which amended carryback rules apply*—(i) *In general.* An acquiring group may make either (but not both) an amended statute split-waiver election or an extended split-waiver election with respect to a particular amended carryback CNOL. These elections are available only if the statutory amendment to the carryback period referred to in paragraph (b)(5)(ii) (D) of this section occurs after the date of acquisition of an acquired member. A separate election is available for each taxable year to which amended carryback rules apply. An acquiring group may make an amended statute split-waiver election or an extended split-waiver election only if

the acquiring group, with regard to that election—

(A) Satisfies the requirements in paragraph (b)(5)(iii) of this section; and

(B) Follows the procedures in paragraphs (b)(5)(v) and (vi) of this section, as relevant to that election.

(ii) *Definitions.* The definitions provided in this paragraph (b)(5)(ii) apply for purposes of paragraphs (b)(5) and (6) of this section.

(A) *Acquired member.* The term *acquired member* means a member of a consolidated group that joins another consolidated group.

(B) *Acquiring group.* The term *acquiring group* means a consolidated group that has acquired a former member of another consolidated group (that is, an acquired member).

(C) *Amended carryback CNOL.* The term *amended carryback CNOL* means the portion of a CNOL attributable to an acquired member (determined pursuant to paragraph (b)(2)(iv)(B) of this section) arising in a taxable year to which amended carryback rules apply.

(D) *Amended carryback rules.* The term *amended carryback rules* means the rules of section 172 of the Code after amendment by statute to extend the carryback period for NOLs attributable to an acquired member (determined pursuant to paragraph (b)(2)(iv)(B) of this section).

(E) *Amended statute split-waiver election.* The term *amended statute split-waiver election* means, with respect to any amended carryback CNOL, an irrevocable election made by an acquiring group to relinquish the portion of the carryback period (including the default carryback period and the extended carryback period) for that loss during which an acquired member was a member of any former group.

(F) *Amended statute split-waiver election statement.* The term *amended statute split-waiver election statement* has the meaning provided in paragraph (b)(5)(v) (A) of this section.

(G) *Default carryback period.* The term *default carryback period* means the NOL carryback period existing at the time the acquiring group acquired the acquired member, before the applicability of amended carryback rules.

(H) *Extended carryback period.* The term *extended carryback period* means



the additional taxable years added to a default carryback period by any amended carryback rules.

(I) *Extended split-waiver election.* The term *extended split-waiver election* means, with respect to any amended carryback CNOL, an irrevocable election made by an acquiring group to relinquish solely the portion of the extended carryback period (and no part of the default carryback period) for that loss during which an acquired member was a member of any former group.

(J) *Extended split-waiver election statement.* The term *extended split-waiver election statement* has the meaning provided in paragraph (b)(5)(v)(B) of this section.

(K) *Former group.* The term *former group* means a consolidated group of which an acquired member previously was a member.

(iii) *Conditions for making an amended statute split-waiver election or an extended split-waiver election.* An acquiring group may make an amended statute split-waiver election or an extended split-waiver election (but not both) with respect to an amended carryback CNOL only if—

(A) The acquiring group has not filed a valid election described in paragraph (b)(4) of this section with respect to the acquired member on or before the effective date of the amended carryback rules;

(B) The acquiring group has not filed a valid election described in section 172(b)(3) and paragraph (b)(3)(i) of this section with respect to a CNOL of the acquiring group from which the amended carryback CNOL is attributed to the acquired member;

(C) Any other corporation joining the acquiring group that was affiliated with the acquired member immediately before the acquired member joined the acquiring group is included in the waiver; and

(D) A former group does not claim any carryback (as provided in paragraph (b)(5)(iv) of this section) to any taxable year in the carryback period (in the case of an amended statute split-waiver election) or in the extended carryback period (in the case of an extended split-waiver election) with respect to the amended carryback CNOL on a return or other filing filed on or before the date the acquiring group files the election.

(iv) *Claim for a carryback.* For purposes of paragraph (b)(5)(iii)(D) of this section, a carryback is claimed with respect to an amended carryback CNOL if there is a claim for refund, an amended return, an application for a tentative carryback adjustment, or any other filing that claims the benefit of the NOL in a taxable year prior to the taxable year of the loss, whether or not subsequently revoked in favor of a claim based on the period provided for in the amended carryback rules.

(v) *Procedures for making an amended statute split-waiver election or an extended split-waiver election—*(A) *Amended statute split-waiver election.* An amended statute split-waiver election must be made in a separate amended statute split-waiver election statement titled “THIS IS AN ELECTION UNDER SECTION 1.1502-21(b)(5)(i) TO WAIVE THE PRE-[insert first day of the first taxable year for which the acquired member was a member of the acquiring group] CARRYBACK PERIOD FOR THE CNOLS ATTRIBUTABLE TO THE [insert taxable year of losses] TAXABLE YEAR(S) OF [insert names and employer identification numbers of members]”. The amended statute split-waiver election statement must be filed as provided in paragraph (b)(5)(vi) of this section.

(B) *Extended split-waiver election.* An extended split-waiver election must be made in a separate extended split-waiver election statement titled “THIS IS AN ELECTION UNDER SECTION 1.1502-21(b)(5)(i) TO WAIVE THE PRE-[insert first day of the first taxable year for which the acquired member was a member of the acquiring group] EXTENDED CARRYBACK PERIOD FOR THE CNOLS ATTRIBUTABLE TO THE [insert taxable year of losses] TAXABLE YEAR(S) OF [insert names and employer identification numbers of members]”. The extended split-waiver election statement must be filed as provided in paragraph (b)(5)(vi) of this section.

(vi) *Time and manner for filing statement—*(A) *In general.* Except as otherwise provided in paragraph (b)(5)(vi)(B) or (C) of this section, an amended statute split-waiver election statement or extended split-waiver election statement must be filed with the acquiring group’s timely filed consolidated return (including

extensions) for the year during which the amended carryback CNOL is incurred.

(B) *Amended returns.* This paragraph (b)(5)(vi)(B) applies if the date of the filing required under paragraph (b)(5)(vi)(A) of this section is not at least 150 days after the date of the statutory amendment to the carryback period referred to in paragraph (b)(5)(ii)(D) of this section. Under this paragraph (b)(5)(vi)(B), an amended statute split-waiver election statement or extended split-waiver election statement may be attached to an amended return filed by the date that is 150 days after the date of the statutory amendment referred to in paragraph (b)(5)(ii)(D) of this section.

(C) *Certain taxable years beginning before January 1, 2021.* This paragraph (b)(5)(vi)(C) applies to taxable years beginning before January 1, 2021, for which the date of the filing required under paragraph (b)(5)(vi)(A) of this section precedes November 30, 2020. Under this paragraph (b)(5)(vi)(C), an amended statute split-waiver election statement or extended split-waiver election statement may be attached to an amended return filed by November 30, 2020.

(6) *Examples.* The following examples illustrate the rules of paragraph (b)(5) of this section. For purposes of these examples: All affiliated groups file consolidated returns; all corporations are includible corporations that have calendar taxable years; each of P, X, and T is a corporation having one class of stock outstanding; each of P and X is the common parent of a consolidated group (P Group and X Group, respectively); neither the P Group nor the X Group includes an insolvent financial institution or an insurance company; no NOL is a farming loss; there are no other relevant NOL carrybacks to the X Group’s consolidated taxable years; except as otherwise stated, the X Group has sufficient consolidated taxable income determined under §1.1502-11 (CTI) to absorb the stated NOL carryback by T; T has sufficient SRLY register income within the X Group to absorb the stated NOL carryback by T; all transactions occur between unrelated parties; and the facts set forth the only relevant transactions.

(i) *Example 1: Computation and absorption of amended carrybacks—*(A) *Facts.* In Year 1, T became a member of the X Group. On the last day of Year 5, P acquired all the stock of T from X. At the time of P’s acquisition of T stock, the default



carryback period was zero taxable years. The P Group did not make an irrevocable split-waiver election under paragraph (b)(4) of this section to relinquish, with respect to all CNOLs attributable to T while a member of the P Group, the portion of the carryback period for which T was a member of the X Group (that is, a former group). In Year 7, the P Group sustained a \$1,000 CNOL, \$600 of which was attributable to T pursuant to paragraph (b)(2)(iv)(B) of this section. In that year, P did not make an irrevocable general waiver election under section 172(b)(3) and paragraph (b)(3)(i) of this section with respect to the \$1,000 CNOL when the P Group filed its consolidated return for Year 7. In Year 8, legislation was enacted that amended section 172 to require a carryback period of five years for NOLs arising in a taxable year beginning after Year 5 and before Year 9.

(B) *Analysis.* As a result of the amended carryback rules enacted in Year 8, the P Group's \$1,000 CNOL in Year 7 must be carried back to Year 2. Therefore, T's \$600 attributed portion of the P Group's Year 7 CNOL (that is, T's amended carryback CNOL) must be carried back to taxable years of the X Group. See paragraphs (b)(1) and (b)(2)(i) of this section. To the extent T's amended carryback CNOL is not absorbed in the X Group's Year 2 taxable year, the remaining portion must be carried to the X Group's Year 3, Year 4, and Year 5 taxable years, as appropriate. See *id.* Any remaining portion of T's amended carryback CNOL is carried to consolidated return years of the P Group. See paragraph (b)(1) of this section.

(ii) *Example 2: Amended statute split-waiver election—(A) Facts.* The facts are the same as in paragraph (b)(6)(i)(A) of this section (*Example 1*), except that, following the change in statutory carryback period in Year 8, the P Group made a valid amended statute split-waiver election under paragraph (b)(5)(i) of this section to relinquish solely the carryback of T's amended carryback CNOL.

(B) *Analysis.* Because the P Group made a valid amended statute split-waiver election, T's amended carryback CNOL is not eligible to be carried back to any taxable years of the X Group (that is, a former group). However, the amended statute split-waiver election does not prevent T's Year 7 amended carryback CNOL from being carried back to years of the P group (that is, the acquiring group) during which T was a member. See paragraph (b)(5)(ii)(E) of this section. As a result, the entire amount of T's amended carryback CNOL is eligible to be carried

back to taxable Year 6 of the P Group. Any remaining CNOL may then be carried over within the P Group. See paragraph (b)(1) of this section.

(iii) *Example 3: Computation and absorption of extended carrybacks—(A) Facts.* The facts are the same as in paragraph (b)(6)(i)(A) of this section (*Example 1*), except that the X Group had \$300 of CTI in Year 4 and \$200 of CTI in Year 5 and, at the time of the P Group's acquisition of T, the default carryback period was two years. Therefore, T's \$600 attributed portion of the P Group's Year 7 CNOL was required to be carried back to the X Group's Year 5 taxable year, and the X Group was able to offset \$200 of CTI in Year 5.

(B) *Analysis.* As a result of the amended carryback rules, the X Group must offset its \$300 of CTI in Year 4 against T's amended carryback CNOL. See paragraphs (b)(1) and (b)(2)(i) of this section. The remaining \$100 (\$600-\$300-\$200) of T's amended carryback CNOL is carried to taxable years of the P Group. See paragraph (b)(1) of this section.

(iv) *Example 4: Extended split-waiver election—(A) Facts.* The facts are the same as in paragraph (b)(6)(iii)(A) of this section (*Example 3*), except that, following the change in law in Year 8, the P Group made a valid extended split-waiver election under paragraph (b)(5)(i) of this section to relinquish the extended carryback period for T's amended carryback CNOL for years in which T was a member of the X Group.

(B) *Analysis.* As a result of the P Group's extended split-waiver election, T's amended carryback CNOL is not eligible to be carried back to any portion of the extended carryback period (that is, any taxable year prior to Year 5). See paragraph (b)(5)(ii)(I) of this section. As a result, the X Group absorbs \$200 of T's \$600 loss in Year 5, and the remaining \$400 (\$600-\$200) is carried to taxable years of the P Group. See paragraph (b)(1) of this section.

(7) *Short years in connection with transactions to which section 381(a) applies.* If a member distributes or transfers assets to a corporation that is a member immediately after the distribution or transfer in a transaction to which section 381(a) applies, the transaction does not cause the distributor or transferor to have a short year within the consolidated return year of the group in which the transaction occurred that is counted as a separate year

for purposes of determining the years to which a net operating loss may be carried.

\* \* \* \* \*

(h) \* \* \*

(9) *Amended carryback rules.* Paragraphs (b)(5) and (6) of this section apply to any CNOLs arising in a taxable year ending after July 2, 2020. However, taxpayers may apply paragraphs (b)(5) and (6) of this section to any CNOLs arising in a taxable year beginning after December 31, 2017.

\* \* \* \* \*

## §1.1502-21T [Removed]

**Par. 3.** Section 1.1502-21T is removed.

## §1.1502-78 [Amended]

**Par. 4.** Section 1.1502-78 is amended by removing the language “§ 1.1502-21(b)(3)(ii)(B)” in paragraph (a) and adding the language “§1.1502-21(b)(4)” in its place.

## PART 602—OMB CONTROL NUMBERS UNDER THE PAPERWORK REDUCTION ACT

**Par. 5.** The authority citation for part 602 continues to read as follows:

**Authority:** 26 U.S.C. 7805.

**Par. 6.** In §602.101, amend the table in paragraph (b) by:

- Revising the entry for “§1.1502-21”; and
- Removing the entry for “§1.1502.21T”.

The revision reads as follows:

## §602.101 OMB Control Numbers.

\* \* \* \* \*

(b) \* \* \*

CFR part or section where identified and described	Current OMB control No.
1.1502-21 . . . . .	1545-0123

**Douglas W. O'Donnell,**  
Deputy Commissioner for Services  
and Enforcement.

**Lily Batchelder,**  
Assistant Secretary of the Treasury  
(Tax Policy).

Approved: June 21, 2023.

(Filed by the Office of the Federal Register July 10, 2023, 4:15 p.m., and published in the issue of the Federal Register for July 12, 2023, 88 FR 44210)

# Part III

## Transition Relief and Guidance Relating to Certain Required Minimum Distributions

### Notice 2023-54

#### I. PURPOSE

This notice provides transition relief for plan administrators, payors, plan participants, IRA owners, and beneficiaries in connection with the change in the required beginning date for required minimum distributions (RMDs) under § 401(a)(9) of the Internal Revenue Code (Code) pursuant to § 107 of the SECURE 2.0 Act of 2022 (SECURE 2.0 Act), enacted on December 29, 2022, as Division T of the Consolidated Appropriations Act, 2023, Pub. L. 117-328, 136 Stat. 4459 (2022). This notice also provides guidance related to certain specified RMDs for 2023. In addition, this notice announces that the final regulations that the Department of the Treasury (Treasury Department) and the Internal Revenue Service (IRS) intend to issue related to RMDs will apply for purposes of determining RMDs for calendar years beginning no earlier than 2024.

#### II. BACKGROUND

##### A. Section 401(a)(9)

Section 401(a)(9) of the Code requires a stock bonus, pension, or profit-sharing plan described in § 401(a) (or an annuity contract described in § 403(a)) to make minimum distributions starting by the required beginning date (as well as minimum distributions to beneficiaries if the employee dies before the required beginning date). Individual retirement accounts and individual retirement annuities (IRAs) described in § 408(a) and (b), annuity contracts, custodial accounts, and retirement income accounts described in § 403(b) (§ 403(b) plans), and eligible deferred compensation plans under § 457(b), are also subject to the rules of § 401(a)(9) pursuant to §§ 408(a)(6) and (b)(3), 403(b)

(10), and 457(d)(2), respectively, and the regulations under those sections.

##### B. Required Beginning Date

Section 107 of the SECURE 2.0 Act amended § 401(a)(9) of the Code to change the required beginning date applicable to § 401(a) plans and other eligible retirement plans, including IRAs. Rather than defining the required beginning date by reference to April 1 of the calendar year following the calendar year in which an individual attains age 72, the new required beginning date for an employee or IRA owner is defined by reference to April 1 of the calendar year after the calendar year in which the individual attains the applicable age (which is either age 73 or age 75, depending on the individual's date of birth). Thus, for example, an IRA owner who was born in 1951 will have a required beginning date of April 1, 2025, rather than April 1, 2024, (and the first distribution made to that IRA owner that will be treated as an RMD will be a distribution made for 2024, rather than 2023).

##### C. RMD Distribution Period

Section 401(a)(9) provides rules for RMDs from a qualified plan during the life of the employee in § 401(a)(9)(A) and after the death of the employee in § 401(a)(9)(B). In addition to setting forth a required beginning date for distributions, these rules identify the period over which the employee's entire interest must be distributed.

Specifically, § 401(a)(9)(A)(ii) provides that the entire interest of an employee in a qualified plan must be distributed, beginning not later than the employee's required beginning date, in accordance with regulations, over the life of the employee or over the lives of the employee and a designated beneficiary (or over a period not extending beyond the life expectancy of the employee and a designated beneficiary).

Section 401(a)(9)(B)(i) provides that, if the employee dies after distributions have begun, the employee's remaining

interest must be distributed at least as rapidly as under the method of distributions being used by the employee under section 401(a)(9)(A)(ii) as of the date of the employee's death. Section 401(a)(9)(B)(ii) and (iii) provides that, if the employee dies before RMDs have begun, the employee's interest must either be: (1) distributed within 5 years after the death of the employee (5-year rule), or (2) distributed (in accordance with regulations) over the life or life expectancy of the designated beneficiary with the distributions beginning no later than 1 year after the date of the employee's death (subject to an exception in § 401(a)(9)(B)(iv) if the designated beneficiary is the employee's surviving spouse).

The rules of § 401(a)(9) are incorporated by reference in § 408(a)(6) and (b)(3) for IRAs, § 403(b)(10) for § 403(b) plans, and § 457(d) for eligible deferred compensation plans.

##### D. Section 401(a)(9)(H) as added by the SECURE Act

###### 1. Ten-year rule

Section 401(a)(9) of the Code was amended by § 401(a)(1) of the Setting Every Community Up for Retirement Enhancement Act of 2019 (SECURE Act), enacted on December 20, 2019, as Division O of the Further Consolidated Appropriations Act, 2020, Pub. L. 116-94, 133 Stat. 2534 (2019), to add § 401(a)(9)(H) to the Code. Generally, pursuant to § 401(a)(9)(H)(i), if an employee in a defined contribution plan has a designated beneficiary, the 5-year period under the 5-year rule is lengthened to 10 years (10-year rule) and the 10-year rule applies regardless of whether the employee dies before the required beginning date. In addition, pursuant to § 401(a)(9)(H)(ii), the § 401(a)(9)(B)(iii) exception to the 10-year rule (under which the 10-year rule is treated as satisfied if distributions are paid over the designated beneficiary's lifetime or life expectancy) applies only if the designated beneficiary is an eligible designated beneficiary, as that term is defined in § 401(a)(9)(E)(ii).

Section 401(a)(9)(H)(iii) provides that when an eligible designated beneficiary dies before that individual's portion of the employee's interest in the plan has been entirely distributed, the beneficiary of the eligible designated beneficiary will be subject to a requirement that the remainder of that individual's portion be distributed within 10 years of the eligible designated beneficiary's death. In addition, § 401(a)(9)(E)(iii) provides that when an eligible designated beneficiary who is a minor child of the employee reaches the age of majority, that child will no longer be considered an eligible designated beneficiary and the remainder of that child's portion of the employee's interest in the plan must be distributed within 10 years of that date.

#### *2. Section 401(a)(9)(H) effective date*

Section 401(b)(1) of the SECURE Act provides that, generally, the amendments made to § 401(a)(9)(H) of the Code apply to distributions with respect to employees who die after December 31, 2019. Pursuant to § 401(b)(2) and (3) of the SECURE Act, later effective dates apply for certain collectively bargained plans and governmental plans (as defined in § 414(d) of the Code).

Section 401(b)(4) of the SECURE Act provides that § 401(a)(9)(H) of the Code does not apply to payments under certain annuity contracts under which payment commenced (or the manner of payments was fixed) before December 20, 2019. Section 401(b)(5) of the SECURE Act provides that if an employee who participated in a plan died before § 401(a)(9)(H) of the Code became effective with respect to the plan, and the employee's designated beneficiary died after that effective date, then that designated beneficiary is treated as an eligible designated beneficiary and § 401(a)(9)(H) applies to any beneficiary of that designated beneficiary.

#### *E. Excise tax under § 4974(a)*

Section 4974(a) provides that if the amount distributed during a year to a payee under any qualified retirement plan (as defined in § 4974(c)) or any eligible deferred compensation plan (as defined in § 457(b)) is less than that year's minimum required distribution (as defined in

§ 4974(b)), then an excise tax is imposed on the payee. Pursuant to § 302 of the SECURE 2.0 Act, for taxable years beginning after December 29, 2022, this excise tax is equal to 25 percent of the amount by which the minimum required distribution for a year exceeds the amount actually distributed in that year. If a failure to take a minimum required distribution is corrected by the end of the correction window (generally, the end of the second year that begins after the year of the missed minimum required distribution), the excise tax is reduced from 25 percent to 10 percent.

#### *F. Section 401(a)(9) proposed regulations*

The Treasury Department and the IRS published proposed regulations regarding RMDs under § 401(a)(9) of the Code and related provisions in the Federal Register on February 24, 2022 (87 FR 10504), which provided that the regulations, when finalized, would apply beginning with the 2022 calendar year. Along with other matters, the proposed regulations address issues relating to the 10-year rule in § 401(a)(9)(H). Specifically, Prop. Reg. § 1.401(a)(9)-5(d)(1)(i) requires that, in the case of an employee who dies on or after the employee's required beginning date, distributions to the employee's beneficiaries for calendar years after the calendar year of the employee's death must satisfy § 401(a)(9)(B)(i). In addition, distributions to the employee's beneficiaries must also satisfy § 401(a)(9)(B)(ii) (or if applicable, § 401(a)(9)(B)(iii)), taking into account § 401(a)(9)(E)(iii), (H)(ii), and (H)(iii).

In order to satisfy § 401(a)(9)(B)(i), the beneficiary of an employee who died after the employee's required beginning date must take an annual RMD beginning in the first calendar year after the calendar year of the employee's death. In order to satisfy § 401(a)(9)(B)(ii) (applied by substituting "10 years" for "5 years"), the remaining account balance must be distributed by the 10<sup>th</sup> calendar year after the calendar year of the employee's death (subject to an exception under § 401(a)(9)(B)(iii), if applicable). In order to satisfy both of those requirements, the proposed regulations generally provide that, in the case of an employee who dies after the employee's required beginning date

with a designated beneficiary who is not an eligible designated beneficiary (and for whom the § 401(a)(9)(B)(iii) alternative to the 10-year rule is not applicable), annual RMDs must continue to be taken after the death of the employee, with a full distribution required by the end of the 10<sup>th</sup> calendar year following the calendar year of the employee's death.

In the case of a designated beneficiary who is an eligible designated beneficiary, the proposed regulations include an alternative to the 10-year rule under which annual lifetime or life expectancy payments would be made to the beneficiary beginning in the year following the year of the employee's death, in accordance with § 401(a)(9)(B)(iii). Under the proposed regulations, if an eligible designated beneficiary of an employee is using the lifetime or life expectancy payment alternative to the 10-year rule, then the eligible designated beneficiary (and, after the death of the eligible designated beneficiary, the beneficiary of the eligible designated beneficiary) would need to continue to take annual RMDs after the death of the employee (with the employee's entire interest distributed by no later than the 10<sup>th</sup> year after the year of the eligible designated beneficiary's death). The proposed regulations provide for similar treatment (that is, continued annual RMDs with a requirement that the employee's entire interest be distributed no later than the 10<sup>th</sup> year after a specified event) in the case of a designated beneficiary who is a minor child of the employee (with the specified event being the child's reaching the age of majority).

#### *G. Comments received by the Treasury Department and the IRS*

The Treasury Department and the IRS provided a 90-day comment period for the proposed regulations. Some individuals who are owners of inherited IRAs or are beneficiaries under defined contribution plans submitted comments indicating that they thought the new 10-year rule would apply differently than it would under the proposed regulations. Specifically, these commenters expected that, regardless of when an employee died, the 10-year rule would operate like the 5-year rule, such that there would not be any RMD due for



a calendar year until the last year of the 5- or 10-year period following the specified event (the death of the employee, the death of the eligible designated beneficiary, or the attainment of the age of majority for the employee's child who is an eligible designated beneficiary). Commenters who are heirs or beneficiaries of individuals who died in 2020 explained that they did not take an RMD in 2021 and were unsure of whether they would be required to take an RMD in 2022. Commenters asserted that, if final regulations adopt the interpretation of the 10-year rule set forth in the proposed regulations, the Treasury Department and the IRS should provide transition relief for failure to take distributions that are RMDs due in 2021 or 2022 pursuant to § 401(a)(9)(H) in the case of the death of an employee (or designated beneficiary) in 2020 or 2021.

In response to the comments received on the proposed regulations, the Treasury Department and the IRS issued Notice 2022-53, 2022-45 IRB 437. Notice 2022-53 announced that the final regulations will apply no earlier than the 2023 distribution calendar year and provided guidance regarding certain amounts that were not paid in 2021 or 2022. Specifically, Notice 2022-53 provided that a defined contribution plan will not fail to be qualified for failing to make a specified RMD (as defined in that notice) in 2021 or 2022 and the taxpayer who did not take a specified RMD will not be subject to the excise tax under § 4974 for failing to take the specified RMD.

#### *H. Eligible Rollover Distributions*

Section 402(c) generally provides that the payment of any portion of an employee's interest in a qualified trust to the employee or the employee's surviving spouse in an eligible rollover distribution is not includible in gross income if the distribution is rolled over to an eligible retirement plan described in § 402(c)(8) no later than the 60th day following the day of receipt. An eligible rollover distribution is defined in § 402(c)(4) as a distribution to an employee of all or any

portion of the balance to the credit of the employee in a qualified trust other than a distribution that is: (A) one of a series of substantially equal periodic payments made over a specified period; (B) a distribution required under § 401(a)(9)<sup>1</sup>; or (C) a distribution made on account of the employee's hardship. Section 402(c)(3)(B) provides that the Secretary may waive the 60-day rollover deadline under certain circumstances. Section 402(c)(11) provides for the direct rollover of a deceased employee's interest in a qualified trust to an inherited IRA established for the deceased employee's nonspouse designated beneficiary.

Section 401(a)(31) provides that a trust does not constitute a qualified trust unless the plan of which the trust is a part provides that, if the distributee of any eligible rollover distribution elects to have the distribution paid directly to an eligible retirement plan and specifies the eligible retirement plan to which the distribution is to be paid, the distribution will be made in the form of a direct trustee-to-trustee transfer. Within a reasonable period of time prior to making an eligible rollover distribution, the plan administrator of a plan qualified under § 401(a) is required to provide to the recipient the written explanation described in § 402(f)(1).

Rules similar to those described in the preceding two paragraphs apply to § 403(a) annuity plans, § 403(b) plans, and § 457 eligible governmental plans. See §§ 403(a)(4) and (5), 403(b)(8) and (10), and 457(d)(1)(C) and (e)(16).

If the recipient of an eligible rollover distribution does not elect in accordance with § 401(a)(31) to have the distribution paid directly to an eligible retirement plan described in § 402(c)(8), then under § 3405(c), the payor of the distribution is required to withhold from the distribution an amount equal to 20 percent of the distribution.

Section 408(d)(3) generally provides that an amount distributed from an IRA to the IRA owner, or to the surviving spouse of the IRA owner, is not included in gross income if the distribution is rolled over to an eligible retirement plan no later than

the 60th day following the day of receipt. A distribution of an after-tax amount may only be rolled over to another IRA. Section 408(d)(3)(B) provides that an IRA owner may roll over only one IRA distribution in a 12-month period, and § 408(d)(3)(E) provides that an RMD may not be rolled over. Section 408(d)(3)(I) provides that the Secretary may waive the 60-day rollover deadline under certain circumstances.

### III. APPLICABILITY DATE OF FINAL REGULATIONS

Final regulations regarding RMDs under § 401(a)(9) and related provisions will apply for calendar years beginning no earlier than 2024.

### IV. RELIEF RELATING TO CHANGE IN REQUIRED BEGINNING DATE UNDER SECURE 2.0 ACT

Following enactment of the SECURE 2.0 Act, plan administrators and other payors indicated that automated payment systems would need to be updated to reflect the change in the required beginning date under § 401(a)(9)(C) pursuant to § 107 of the SECURE 2.0 Act. They expressed concern that these revisions could take some time to implement and, as a result, plan participants and IRA owners who would have been required to begin receiving RMDs for calendar year 2023 but for § 107 of the SECURE 2.0 Act (i.e., those who will attain age 72 in 2023) and who receive distributions in 2023 could have had those distributions mischaracterized as RMDs (and therefore ineligible for rollover). This Section IV grants certain relief relating to certain distributions made during 2023 to individuals that were characterized as RMDs but are not actually RMDs as a result of the enactment of § 107 of the SECURE 2.0 Act.

*A. Payor and plan administrator guidance related to SECURE 2.0 Act change to required beginning date.* A payor or plan administrator will not be considered to have failed to satisfy the requirements of

<sup>1</sup> Under § 1.402(c)-2, in determining which amounts are treated as eligible rollover distributions, if a minimum distribution is required for a calendar year, the amounts distributed during that calendar year are treated as RMDs to the extent that the total RMD under § 401(a)(9) for the calendar year has not been satisfied.



§§ 401(a)(31), 402(f), and 3405(c) merely because of a failure to treat certain distributions as eligible rollover distributions. This relief applies with respect to any distribution made from a plan between January 1, 2023, and July 31, 2023, to a participant born in 1951 (or that participant's surviving spouse) that would have been an RMD but for the change in the required beginning date under § 107 of the SECURE 2.0 Act.

*B. Extension of 60-day deadline for rollover of certain distributions.* Pursuant to § 402(c)(3)(B), the Treasury Department and the IRS are extending the 60-day rollover period for any distribution described in section IV.A of this notice so that the deadline for rolling over such a distribution will be September 30, 2023. For example, if a participant who was born in 1951 received a single-sum distribution in January 2023, part of which was treated as ineligible for rollover because it was mischaracterized as an RMD, that participant will have until September 30, 2023, to roll over that mischaracterized part of the distribution.

*C. Relief relating to RMDs previously distributed from an IRA.* Pursuant to § 408(d)(3)(I), the Treasury Department and the IRS are extending the 60-day rollover period for certain IRA distributions made to an IRA owner (or the IRA owner's surviving spouse), so that the deadline for rolling over that portion of the distribution will be September 30, 2023. The distributions that are subject to this extension are distributions made from an IRA between January 1, 2023,

and July 31, 2023, to an IRA owner born in 1951 (or that individual's surviving spouse) that would have been RMDs but for the change in the required beginning date under § 107 of the SECURE 2.0 Act. This rollover is permitted even if the IRA owner or surviving spouse has rolled over a distribution within the last twelve months. However, making such a rollover of the portion of an IRA distribution mischaracterized as an RMD will preclude the IRA owner or surviving spouse from rolling over a distribution in the next twelve months. In that case, that individual could still make a direct trustee-to-trustee transfer as described in Rev. Rul. 78-406, 1978-2 CB 157.

#### V. GUIDANCE FOR SPECIFIED RMDs FOR 2023

*A. Guidance for defined contribution plans that did not make a specified RMD.* A defined contribution plan that failed to make a specified RMD (as defined in section V.C of this notice) will not be treated as having failed to satisfy § 401(a)(9) merely because it did not make that distribution.

*B. Guidance for certain taxpayers who did not take a specified RMD.* To the extent a taxpayer did not take a specified RMD (as defined in section V.C of this notice), the IRS will not assert that an excise tax is due under § 4974.

*C. Definition of specified RMD.* For purposes of this notice, a specified RMD is any distribution that, under the interpretation included in the proposed regulations,

would be required to be made pursuant to § 401(a)(9) in 2023 under a defined contribution plan or IRA that is subject to the rules of § 401(a)(9)(H) for the year in which the employee (or designated beneficiary) died if that payment would be required to be made to:

- a designated beneficiary of an employee under the plan (or IRA owner) if: (1) the employee (or IRA owner) died in 2020, 2021, or 2022, and on or after the employee's (or IRA owner's) required beginning date, and (2) the designated beneficiary is not using the lifetime or life expectancy payments exception under § 401(a)(9)(B)(iii); or
- a beneficiary of an eligible designated beneficiary (including a designated beneficiary who is treated as an eligible designated beneficiary pursuant to § 401(b)(5) of the SECURE Act) if: (1) the eligible designated beneficiary died in 2020, 2021, or 2022, and (2) that eligible designated beneficiary was using the lifetime or life expectancy payments exception under § 401(a)(9)(B)(iii) of the Code.

#### VI. DRAFTING INFORMATION

The principal author of this notice is Jessica Weinberger of the Office of Associate Chief Counsel (Employee Benefits, Exempt Organizations, and Employment Taxes). For further information regarding this notice, contact Jessica Weinberger at (202) 317-6349 (not a toll-free number).

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

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.)

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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 2023 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 2023 General Instructions for Forms W-2 and W-3 for details on how to complete these forms. See *Section 3.4*, later, for information on obtaining the official IRS forms and instructions. See *Sections 2.3* and *2.4*, later, for requirements for the copies of substitute forms furnished to employees and for electronic delivery of employee copies.

**.03** For purposes of this revenue procedure, the official IRS-printed red dropout ink Forms W-2 (Copy A) and Form W-3, and their exact substitutes, are referred to as “red-ink.” The SSA-approved black-and-white Forms W-2 (Copy A) and Form W-3 are referred to as “substitute black-and-white Forms W-2 (Copy A)” and “substitute black-and-white Form W-3,” respectively. 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:TP  
NCFB  
5000 Ellin Road  
Mail Stop C6-175  
Lanham, MD 20706

**Note.** Do not send completed forms to the Substitute Forms Program via email or mail as they are unable to process those forms. Any examples/samples of substitute forms sent to the Substitute Forms Program should not contain taxpayer information.

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

Social Security Administration  
Direct Operations Center  
**Attn: Substitute Black-and-White Copy A Forms, Room 341**  
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 considered as suspicious or altered Forms W-2 (also known as 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 Copy A of Forms W-2, Forms W-3, or any employee copies reporting wages, with the following exceptions for the employee copies.

- 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 nonintrusive 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.

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 (EIN).

Logos and slogans may be used on permissible enclosures, such as a check or account statement, but not on information returns and employee 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 2023 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:TP, NCFB, 5000 Ellin Road, Mail Stop C6-175, 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 866-455-7438 (toll free) or 304-263-8700 (not a toll-free number). Deaf or hard-of-hearing customers may call any of our toll-free numbers using their choice of relay service. You may also email questions to [mccirp@irs.gov](mailto:mccirp@irs.gov). Do not submit employee information via email because it is not secure and the information may be compromised.

File paper or electronic Forms W-2 (Copy A) with the SSA. The IRS/IRB does not process Forms W-2 (Copy A). However, the IRS/IRB does process Form 8508, Application for a Waiver from Electronic Filing of Information Returns, and 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. See Regulations section 301.6011-2 for information on when you are required to file electronically and the exclusions from the electronic filing requirements.

**.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

**.01 Electronic filing of returns.** The Department of the Treasury and the IRS issued final regulations (T.D. 9972) that reduce the threshold for mandatory electronic filing from 250 non-aggregate returns to 10 aggregate returns as authorized under the Taxpayer First Act, enacted July 1, 2019. If you file 10 or more information returns, you must file electronically. See Regulations section 301.6011-2 for more information, including exclusions from the electronic filing requirements.

**.02 Exhibits.** All of the exhibits in this publication were updated per the 2023 revisions of those forms.

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

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

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

**Note.** Substitute territorial forms (W-2AS, W-2GU, W-2VI, W-3SS) must also conform to the specifications as outlined in this revenue procedure. These forms require the form designation (“W-2AS,” “W-2GU,” “W-2VI”) on Form W-2 (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.finance.gov.mp/forms.php](http://www.finance.gov.mp/forms.php) to get Form W-2CM and instructions for completing and filing the form. For information on Forms 499R-2/W-2PR, go to [www.hacienda.gobierno.pr](http://www.hacienda.gobierno.pr).

Employers may design their own statements to furnish to employees. 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 Forms W-2 (Copy A) and Form W-3 need to be submitted to the SSA for approval prior to their use (see *Section 2.2*).

**.03** SSA-approved black-and-white Forms W-2 (Copy A) and Form W-3 may be generated using a printer by following all guidelines and specifications (also see *Section 2.2*). In general, regardless of the method of entering data, use black ink on Forms W-2 (Copy A) and Form W-3, which 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 Form 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-points.

**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 Form 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. Penalties may be assessed for not complying with the form specifications. Forms W-2 (Copy A) and Form W-3 filed with the SSA that do not conform may be returned.

**.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.

- Submit a letter or email to the appropriate address in *Section 1.3.06* (listed next) citing the specification.
- State your understanding of the specification.
- Enclose an example (if appropriate) of how the form would appear if produced using your understanding. Do not use actual employee information in the example.
- Be sure to include your name, complete address, and phone number with your correspondence. If you want the IRS to contact you via email, also provide your email address.

**.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](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:TP  
NCFB  
5000 Ellin Road  
Mail Stop C6-175  
Lanham, MD 20706

**Note.** Do not send completed forms to the Substitute Forms Program via email or mail as they are unable to process those forms. Any examples/samples of substitute forms sent to the Substitute Forms Program should not contain taxpayer information.

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

Social Security Administration  
Direct Operations Center  
**Attn: Substitute Black-and-White Copy A Forms, Room 341**  
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 2023 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 2023 General Instructions for Forms W-2 and W-3, online at [IRS.gov/OrderForms](https://www.irs.gov/OrderForms). The IRS provides only cut sheet sets of Forms W-2 and cut sheets of Form W-3.

**.09** Because substitute Forms W-2 (Copy A) and Form 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 Form W-3 (as shown in the exhibits).

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

**.01** Employers must file Forms W-2 (Copy A) with the SSA electronically if they are required to file 10 or more information returns unless the IRS grants a waiver or exemption. See Regulations section 301.6011-2 for more information. 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) in case there are any subsequent changes in specifications and procedures.

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

- Accessing the SSA website at [www.ssa.gov/employer/EFW2&EFW2C.htm](https://www.ssa.gov/employer/EFW2&EFW2C.htm).

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

**.04** Employers are encouraged to electronically file Forms W-2 (Copy A) with the SSA even if not required. Doing so will enhance the timeliness and accuracy of forms processing. You may visit the SSA's employer website at [www.ssa.gov/employer](https://www.ssa.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 or an exemption 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

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

**.01** The official IRS-printed red dropout ink Form W-2 (Copy A) and Form 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 Form 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 cut sheets and continuous-pinfed forms for substitute Forms 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 Form 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” for Forms W-2 (Copy A) and “33333” for Form W-3 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 7.50 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 (7.50 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 0.50 inches (1/2 inch). All margins must be free of printing except for the words “DO NOT STAPLE” on red-ink Form W-3. The space between the two Forms W-2 (Copy A) is 1.33 inches.

**.07** The identifying numbers are “22222” for Form W-2 (Copy 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 2023 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 social security number (SSN); employer’s name, address, and EIN) on each additional form.

**.11** The checkboxes in box 13 of Form W-2 (Copy A) and in box b of Form W-3 must be 0.14 inches each. The space before the first checkbox is 0.24 inches; the spaces between the first and second checkboxes and between the second and third checkboxes must be 0.36 inches; the space between the third checkbox to the right border of box 13 should be 0.32 inches (see Exhibit A).

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

**.12** All substitute Forms W-2 (Copy A) and Form 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 the separate instructions.” 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 the separate instructions.” 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 Form W-2 (Copy A) and Form W-3 Filed With the SSA**

**.01** Specifications for the SSA-approved substitute black-and-white Forms W-2 (Copy A) and Form W-3 are similar to the red-ink forms (*Section 2.1*) except for the items that follow (see Exhibits D and E). Exhibits are samples only and may not show the required typeface and/or font. Exhibits 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 (Copy A) (“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, “2023”) on Forms W-2 (Copy A) and Form W-3 must be in 20-point Arial bold 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 Forms W-2 (Copy A) and Form W-3 (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 Forms W-2 (Copy A) and Form W-3 to the SSA. Only black-and-white substitute Forms W-2 (Copy A) and Form W-3 for tax year 2023 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 Forms W-2 (Copy A) and Forms W-3 for approval. Data entries on the sample forms must fill the length for each box, preferably using numeric data or alpha data, depending on the requirements. The “VOID” checkbox must be electronically checked on the dummy-data

substitute black-and-white Form W-2 (Copy A). All “Xs” must show in box 13 centered under the applicable checkbox titles on the dummy-data substitute black-and-white Form W-2 (Copy A). All checkboxes on the dummy-data substitute black-and-white Form W-3 must be electronically checked in box b (Kind of Payer, Kind of Employer, and Third-party sick pay). 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 via email at [copy.a.forms@ssa.gov](mailto:copy.a.forms@ssa.gov) to obtain a template and further instructions. You can either submit your 2023 sample substitute black-and-white Forms W-2 (Copy A) and Forms W-3 in a PDF version electronically for approval to the [copy.a.forms@ssa.gov](mailto:copy.a.forms@ssa.gov) mailbox or send your paper 2023 sample substitute black-and-white Forms W-2 (Copy A) and Forms W-3 to:

Social Security Administration  
Direct Operations Center  
**Attn: Substitute Black-and-White Copy A Forms, Room 341**  
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** Vendor codes from the *National Association of Computerized Tax Processors (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 Form W-2 or W-3 to be used only for their individual company **require a vendor code issued by the SSA.**

**.06** The 4-digit vendor code preceded by four zeros and a slash (0000/9876) must be preprinted on the sample substitute black-and-white Forms W-2 (Copy A) and Forms W-3. 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 NACTP, you should use that code. If you do not have a valid vendor code, contact the SSA via email 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 NACTP via email at [president@nactp.org](mailto:president@nactp.org).)

**.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 the SSA’s dated approval notice supplied to that vendor.

**.08** 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 nonbarcoded 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 [www.ssa.gov/bsa](http://www.ssa.gov/bsa),
- Request the PDF version of the specifications by emailing [copy.a.forms@ssa.gov](mailto:copy.a.forms@ssa.gov), and
- Download the Substitute Forms W3/W2 2-D Barcoding Standards from [www.ssa.gov/employer/subBarCodeStd.pdf](http://www.ssa.gov/employer/subBarCodeStd.pdf).

If you are using a form produced by another vendor that contains a 2-D barcode, you must submit the form for approval using your own NACTP code. Prior to sending your first submission for approval, contact the SSA via email at [copy.a.forms@ssa.gov](mailto:copy.a.forms@ssa.gov) to register your NACTP code and explain what forms you want to submit.

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

**Note. Rules in Section 2.3 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 *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.** Employee copies (Copies B, C, and 2 of Form W-2) may be furnished electronically if employees give their consent (as described in 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 6.50 inches deep by no more than 8.50 inches wide.

**Note.** The maximum and minimum size specifications in this document are for tax year 2023 only and may change in future years.

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

**.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. Whatever method of separation is used, each copy should be easily distinguished.

**Note.** Perforation does not apply to printouts of copies of Forms W-2 that are furnished electronically to employees (as described in 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 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 core boxes must be printed in the exact order shown on the official IRS form. The items and box numbers that constitute the core data are:

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

Box 6 — Medicare tax withheld

- The core data boxes (1 through 6) must be placed in the upper right of the form. Substitute vertical-format copies may have the core data across the top of the form. Boxes or other information will definitely not be permitted to the right of the core data.
- The form title, number, or copy designation (B, C, or 2) may be at the top of the form. Also, a reversed or blocked-out area to accommodate a postal permit number or other postal considerations is allowed in the upper right.
- Boxes 1 through 6 must each be a minimum of 1 1/8 inches wide x 1/4 inch deep.
- Other required boxes are:

Box a — Employee’s social security number

Box b — Employer identification number (EIN)

Box c — Employer’s name, address, and ZIP code

Box e — Employee’s name

Box f — Employee’s address and ZIP code

**Note.** Employers may truncate the employee’s SSN on employee copies of Forms W-2. See the 2023 General Instructions for Forms W-2 and W-3 for more information.

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, “2023”) 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-point, 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.** Box 8 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.), and
- Box 17 (State income tax).

Local information is included in:

- Box 18 (Local wages, tips, etc.),
- Box 19 (Local income tax), and
- 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–HH (see the 2023 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 2023 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 the EIC notification requirements, see section 10 in Publication 15 (Circular E), Employer’s Tax Guide.

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

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

**.01** If you are required to furnish a Form W-2 or W-2c written statement (Copy B or an acceptable substitute) to a recipient, you may furnish the statement electronically instead of on paper.

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 they 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 any new hardware or software is put into service.

To furnish Forms W-2 electronically, you must meet the following disclosure requirements as described in Regulations section 31.6051-1(j) and Publication 15-A and provide a clear and conspicuous statement of each requirement to your employees before or at the time consent is provided.

- The employee must be informed that they will receive a paper Form W-2 if consent isn't given to receive it electronically.
- The employee must be informed of the scope and duration of the consent.
- The employee must be informed of any procedure for obtaining a paper copy of their Form W-2 and whether or not the request for a paper statement is treated as a withdrawal of the employee's consent to receiving their Form W-2 electronically.
- The employee must be notified of the right to withdraw a consent, in writing (electronically or on paper), and the employer must confirm the withdrawal in writing (electronically or on paper), as well as the date the withdrawal takes effect.
- The employee must also be notified that the withdrawn consent doesn't apply to the previously issued Forms W-2.
- The employee must be informed about any conditions under which electronic Forms W-2 will no longer be furnished (for example, termination of employment).
- The employee must be informed of any procedures for updating their contact information that enables the employer to provide electronic Forms W-2.
- The employer must notify the employee of any changes to the employer's contact information.
- The employee must be provided with a description of the hardware and software used to access the Form W-2 and the date when the Form W-2 will no longer be available on the website.
- The employee must be informed that they may be required to print the Form W-2 and attach it to a federal, state, or local income tax return.

**.03** Additionally, you must do the following.

- Ensure the electronic format complies with the guidelines in this document and contains all the required information described in the 2023 General Instructions for Forms W-2 and W-3.
- 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.



## Part 3 Additional Instructions

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### Section 3.1 – Additional Instructions for Form Printers

**.01** If paper copies are used for filing with the SSA, the substitute copies of Forms W-2 (either red-ink or substitute black-and-white forms) must be assembled in the same order as the official IRS Forms W-2. Copy A must 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** Employers must retain a copy of Forms W-2 and W-3 (or be able to reconstruct the information) for at least 4 years. Employers must also be able to generate Forms W-2 (Copy A) that meet the requirements of this revenue procedure in case of loss.

**.04** Except for copies in the official assembly, described in *Section 3.1.01* above, 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 Form 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

**.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 typeface, 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. Do not print dollar signs with money amounts on Forms W-2 (Copy A) and Form 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.

**Note.** Do not print Forms W-2 (Copy A) on double-sided paper.

**.05** Any printing in box d (Control number) on Form W-2 or box a (Control number) 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, and 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.

**.08** Employers must not truncate the employee's SSN on Copy A of Forms W-2. See the 2023 General Instructions for Forms W-2 and W-3 for more information.

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### **Section 3.3 – OMB Requirements for Both Red-Ink and Black-and-White Substitute Forms W-2 and W-3**

**.01** The Paperwork Reduction Act (the Act) of 1995 (Public Law 104-13) requires that:

- 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 in *Section 3.6*; and
- 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 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 for both Form W-2 (Copy A) and Form W-3 is 1545-0008 and 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. 1545-0008 (preferred).
  2. OMB # 1545-0008 (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 the separate instructions.” 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 in the 2023 General Instructions for Forms W-2 and W-3.

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### Section 3.4 – Order Forms and Instructions

**.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/OrderForms](https://www.irs.gov/OrderForms).

**.02** Copies of Form W-2 (Copy A) and Form W-3 downloaded from [IRS.gov](https://www.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

**.01** Revenue Procedure 2022-30, I.R.B. 2022-31, dated August 01, 2022 (reprinted as Publication 1141, Revised 08-2022), is superseded.

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### Section 3.6 – Exhibits

Exhibits A through F provide the general measurements for Forms W-2 and W-3 as discussed in this revenue procedure. Exhibits are samples only and may not show the required typeface and/or font. Exhibits must not be downloaded to meet tax obligations. Certain exhibits show a 0000/ in the location designated for your vendor code. See *Section 2.2.01*, item *11*, and *Section 2.2.05* for more information.

Exhibit A — Form W-2 (Copy A) (Red-Ink) 2023

Exhibit B — Form W-2 (Copy B) 2023

Exhibit C — Form W-3 (Red-Ink) 2023

Exhibit D — Form W-2 (Copy A) (Substitute Black-and-White) 2023

Exhibit E — Form W-3 (Substitute Black-and-White) 2023

Exhibit F — Form W-2 Alternative Employee Copies (Illustrating Horizontal and Vertical Formats)

# Exhibit A

## Form W-2 (Copy A) (Red Ink)

22222		VOID <input type="checkbox"/>		a Employee's social security number		For Official Use Only OMB No. 1545-0008		.33 in	
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 <input type="checkbox"/>		12b	
						Retirement plan <input checked="" type="checkbox"/>		12c	
						Third-party sick pay <input type="checkbox"/>		12d	
						14 Other			
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

2023

Department of the Treasury—Internal Revenue Service

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

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

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

22222		VOID <input type="checkbox"/>		a Employee's social security number		For Official Use Only OMB No. 1545-0008		4.10 in	
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 <input type="checkbox"/>		12b	
						Retirement plan <input checked="" type="checkbox"/>		12c	
						Third-party sick pay <input type="checkbox"/>		12d	
						14 Other			
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


2023

Department of the Treasury—Internal Revenue Service

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

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



<b>a</b> Employee's social security number		Safe, accurate, FAST! Use 		Visit the IRS website at <a href="http://www.irs.gov/efile">www.irs.gov/efile</a>	
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>11</b> Nonqualified plans		<b>12a</b> See instructions for box 12	
		<b>13</b> Statutory employee      Retirement plan      Third-party sick pay <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		<b>12b</b>	
		<b>14</b> Other		<b>12c</b>	
				<b>12d</b>	
<b>f</b> Employee's address and ZIP code					
<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

Copy B—To Be Filed With Employee's FEDERAL Tax Return.  
This information is being furnished to the Internal Revenue Service.

2023  
0000/

Department of the Treasury—Internal Revenue Service

# Exhibit C

## Form W-3 (Red Ink)

7.50 in				.50 in	
DO NOT STAPLE					
<div style="display: flex; align-items: center;"> <div style="border: 1px solid black; padding: 2px; margin-right: 5px;">33333</div> <div style="border: 1px solid black; padding: 2px;">a Control number</div> </div>		<div style="display: flex; align-items: center;"> <div style="border: 1px solid black; padding: 2px; margin-right: 5px;">OMB No. 1545-0008</div> <div style="border: 1px solid black; padding: 2px;">For Official Use Only:</div> </div>			
<div style="display: flex; align-items: center;"> <div style="border: 1px solid black; padding: 2px; margin-right: 5px;">b Kind of Payer (Check one)</div> <div style="display: flex; gap: 10px;"> <div style="border: 1px solid black; padding: 2px;">941</div> <div style="border: 1px solid black; padding: 2px;">Military</div> <div style="border: 1px solid black; padding: 2px;">943</div> <div style="border: 1px solid black; padding: 2px;">Hshld. emp.</div> <div style="border: 1px solid black; padding: 2px;">944</div> <div style="border: 1px solid black; padding: 2px;">Medicare govt. emp.</div> </div> </div>		<div style="display: flex; align-items: center;"> <div style="border: 1px solid black; padding: 2px; margin-right: 5px;">Kind of Employer (Check one)</div> <div style="display: flex; gap: 10px;"> <div style="border: 1px solid black; padding: 2px;">None apply</div> <div style="border: 1px solid black; padding: 2px;">501c non-govt.</div> <div style="border: 1px solid black; padding: 2px;">State/local non-501c</div> <div style="border: 1px solid black; padding: 2px;">State/local 501c</div> <div style="border: 1px solid black; padding: 2px;">Federal govt.</div> </div> </div>			
<div style="display: flex; align-items: center;"> <div style="border: 1px solid black; padding: 2px; margin-right: 5px;">c Total number of Forms W-2</div> <div style="border: 1px solid black; padding: 2px;">d Establishment number</div> </div>		<div style="display: flex; align-items: center;"> <div style="border: 1px solid black; padding: 2px; margin-right: 5px;">1 Wages, tips, other compensation</div> <div style="border: 1px solid black; padding: 2px;">2 Federal income tax withheld</div> </div>			
<div style="border: 1px solid black; padding: 2px;">e Employer identification number (EIN)</div>		<div style="display: flex; align-items: center;"> <div style="border: 1px solid black; padding: 2px; margin-right: 5px;">3 Social security wages</div> <div style="border: 1px solid black; padding: 2px;">4 Social security tax withheld</div> </div>			
<div style="border: 1px solid black; padding: 2px;">f Employer's name</div>		<div style="display: flex; align-items: center;"> <div style="border: 1px solid black; padding: 2px; margin-right: 5px;">5 Medicare wages and tips</div> <div style="border: 1px solid black; padding: 2px;">6 Medicare tax withheld</div> </div>			
<div style="border: 1px solid black; padding: 2px;">g Employer's address and ZIP code</div>		<div style="display: flex; align-items: center;"> <div style="border: 1px solid black; padding: 2px; margin-right: 5px;">7 Social security tips</div> <div style="border: 1px solid black; padding: 2px;">8 Allocated tips</div> </div>			
<div style="border: 1px solid black; padding: 2px;">h Other EIN used this year</div>		<div style="display: flex; align-items: center;"> <div style="border: 1px solid black; padding: 2px; margin-right: 5px;">9</div> <div style="border: 1px solid black; padding: 2px;">10 Dependent care benefits</div> </div>			
<div style="border: 1px solid black; padding: 2px;">15 State Employer's state ID number</div>		<div style="display: flex; align-items: center;"> <div style="border: 1px solid black; padding: 2px; margin-right: 5px;">11 Nonqualified plans</div> <div style="border: 1px solid black; padding: 2px;">12a Deferred compensation</div> </div>			
<div style="border: 1px solid black; padding: 2px;">16 State wages, tips, etc.</div>		<div style="display: flex; align-items: center;"> <div style="border: 1px solid black; padding: 2px; margin-right: 5px;">13 For third-party sick pay use only</div> <div style="border: 1px solid black; padding: 2px;">12b</div> </div>			
<div style="border: 1px solid black; padding: 2px;">17 State income tax</div>		<div style="display: flex; align-items: center;"> <div style="border: 1px solid black; padding: 2px; margin-right: 5px;">14 Income tax withheld by payer of third-party sick pay</div> </div>			
<div style="border: 1px solid black; padding: 2px;">Employer's contact person</div>		<div style="display: flex; align-items: center;"> <div style="border: 1px solid black; padding: 2px; margin-right: 5px;">18 Local wages, tips, etc.</div> <div style="border: 1px solid black; padding: 2px;">19 Local income tax</div> </div>			
<div style="border: 1px solid black; padding: 2px;">Employer's fax number</div>		<div style="display: flex; align-items: center;"> <div style="border: 1px solid black; padding: 2px; margin-right: 5px;">Employer's telephone number</div> <div style="border: 1px solid black; padding: 2px;">For Official Use Only</div> </div>			
<div style="border: 1px solid black; padding: 2px;">Employer's email address</div>		<div style="border: 1px solid black; padding: 2px;">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.</div>			
<div style="border: 1px solid black; padding: 2px;">Signature:</div>		<div style="display: flex; align-items: center;"> <div style="border: 1px solid black; padding: 2px; margin-right: 5px;">Title:</div> <div style="border: 1px solid black; padding: 2px;">Date:</div> </div>			

**Form W-3 Transmittal of Wage and Tax Statements 2023**

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 2023 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**

Complete a Form W-3 transmittal only when filing paper Copy A of Form(s) W-2, Wage and Tax Statement. Don't 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 4 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 **January 31, 2024**. For more information, go to [www.SSA.gov/bso](http://www.SSA.gov/bso). First-time filers, select "Register"; returning filers, select "Log In."

**When To File Paper Forms**

Mail Form W-3 with Copy A of Form(s) W-2 by **January 31, 2024**.

**Where To File Paper Forms**

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

**Social Security Administration  
Direct 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 Pub. 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.

# Exhibit D

## Form W-2 (Copy A) (Substitute Black-and-White)

22222		VOID <input type="checkbox"/>	a Employee's social security number		For Official Use Only OMB No. 1545-0008	
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
f Employee's address and ZIP code			13 Statutory employee Retirement plan Third-party sick pay		12b	
			14 Other		12c	
					12d	
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

**2023**

Copy A—For Social Security Administration. Send this entire page with 0000/  
Form W-3 to the Social Security Administration; photocopies are **not** acceptable.

Department of the Treasury—Internal Revenue Service  
For Privacy Act and Paperwork Reduction  
Act Notice, see the separate instructions.

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

22222		VOID <input type="checkbox"/>	a Employee's social security number		For Official Use Only OMB No. 1545-0008	
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
f Employee's address and ZIP code			13 Statutory employee Retirement plan Third-party sick pay		12b	
			14 Other		12c	
					12d	
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

**2023**

Copy A—For Social Security Administration. Send this entire page with 0000/  
Form W-3 to the Social Security Administration; photocopies are **not** acceptable.

Department of the Treasury—Internal Revenue Service  
For Privacy Act and Paperwork Reduction  
Act Notice, see the separate instructions.

# Exhibit E

## Form W-3 (Substitute Black-and-White)

33333		a Control number		For Official Use Only: OMB No. 1545-0008	
b Kind of Payer (Check one)		b Kind of Employer (Check one)		Third-party sick pay (Check if applicable)	
<input type="checkbox"/> 941 CT-1 <input type="checkbox"/> 943 Military <input type="checkbox"/> 944 Hshld. emp. <input type="checkbox"/> 943 Medicare govt. emp.		<input type="checkbox"/> None apply <input type="checkbox"/> State/local non-501c <input type="checkbox"/> State/local 501c <input type="checkbox"/> Federal govt.		<input type="checkbox"/> 501c non-govt. <input type="checkbox"/> 501c	
c Total number of Forms W-2		d Establishment number		1 Wages, tips, other compensation	
e Employer identification number (EIN)		3 Social security wages		2 Federal income tax withheld	
f Employer's name		5 Medicare wages and tips		4 Social security tax withheld	
g Employer's address and ZIP code		7 Social security tips		6 Medicare tax withheld	
h Other EIN used this year		9		8 Allocated tips	
15 State Employer's state ID number		11 Nonqualified plans		10 Dependent care benefits	
16 State wages, tips, etc.		13 For third-party sick pay use only		12a Deferred compensation	
17 State income tax		14 Income tax withheld by payer of third-party sick pay		12b	
Employer's contact person		18 Local wages, tips, etc.		19 Local income tax	
Employer's fax number		Employer's telephone number		For Official Use Only 0000/	
Employer's email address		Employer's 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 2023

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 2023 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

Complete a Form W-3 transmittal only when filing paper Copy A of Form(s) W-2, Wage and Tax Statement. Don't 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 4 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 **January 31, 2024**. For more information, go to [www.SSA.gov/bsa](http://www.SSA.gov/bsa). First-time filers, select "Register"; returning filers, select "Log In."

#### When To File Paper Forms

Mail Form W-3 with Copy A of Form(s) W-2 by **January 31, 2024**.

#### Where To File Paper Forms

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

**Social Security Administration  
Direct 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 Pub. 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.



# Exhibit F

## Form W-2 (Copy B) (Alternative Employee Copies)

<b>a</b> Employee's social security number		Safe, accurate, FAST! Use  Visit the IRS website at <a href="http://www.irs.gov/efile">www.irs.gov/efile</a>	
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 <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	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

2023  
0000/

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.

OMB No. 1545-0008

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

2023  
0000/

Department of the Treasury—  
Internal Revenue Service

**Note:** Exhibit F displays examples of how Form W-2 (Copy B) can be furnished to employees. Copy B can be furnished in horizontal or vertical format. Specifications and requirements for employee copies can be found in Section 2.3 — Requirements for Substitute Forms Furnished to Employees (Copies B, C, and 2 of Form W-2).

Although employee copies can be manipulated, Section 2.3 has specific requirements for core data boxes that must be present on substitute employee copies.

## Part IV

### Announcement 2023-17

Rev. Proc. 2023-3, 2023-1 I.R.B. 144 (January 3, 2023) contains an error in the

second sentence of section 7 on page 161. The sentence incorrectly states that Rev. Proc. 2022-19, 2022-42 I.R.B. 282, is superseded. However, Rev. Proc. 2022-19, 2022-42 I.R.B. 282 remains in effect and

is not superseded. Section 7 is corrected to read, “Rev. Proc. 2022-3, 2022-1 I.R.B. 144, is superseded. Rev. Proc. 2022-28, 2022-27 I.R.B. 65, is superseded.”

Deletions From Cumulative List of Organizations, Contributions to Which are Deductible Under Section 170 of the Code

Announcement 2023-21

The Internal Revenue Service has revoked its determination that the organizations listed below qualify as organizations described in sections 501(c)(3) and 170(c)(2) of the Internal Revenue Code of 1986. Generally, the IRS will not disallow deductions for contributions made

to a listed organization on or before the date of announcement in the Internal Revenue Bulletin that an organization no longer qualifies. However, the IRS is not precluded from disallowing a deduction for any contributions made after an organization ceases to qualify under section 170(c)(2) if the organization has not timely filed a suit for declaratory judgment under section 7428 and if the contributor (1) had knowledge of the revocation of the ruling or determination letter, (2) was aware that such revocation was imminent, or (3) was in part responsible for or was aware of the activities or omissions of the organization that brought about this revocation.

If on the other hand a suit for declaratory judgment has been timely filed, contributions from individuals and organizations described in section 170(c)(2) that are otherwise allowable will continue to be deductible. Protection under section 7428(c) would begin on July 31, 2023 and would end on the date the court first determines the organization is not described in section 170(c)(2) as more particularly set for in section 7428(c)(1). For individual contributors, the maximum deduction protected is \$1,000, with a husband and wife treated as one contributor. This benefit is not extended to any individual, in whole or in part, for the acts or omissions of the organization that were the basis for revocation.

NAME OF ORGANIZATION	Effective Date of Revocation	LOCATION
Taxes for a Cause Inc	01/01/2020	Rockville Center, NY
United Way of New York	04/02/2018	New York, NY
Step Up Youth Corp	2/06/2019	Denver, CO
National Waterfowl Alliances	02/01/2021	Oak Forest, IL
Hockey Hall Inc	01/01/2019	Tulsa, OK

# Definition of Terms

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

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

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

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

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

new ruling holds that it applies to both A and B, the prior ruling is modified because it corrects a published position. (Compare with *amplified* and *clarified*, above).

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

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

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

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

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

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

## Abbreviations

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

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

ERISA—Employee Retirement Income Security Act.  
EX—Executor.  
F—Fiduciary.  
FC—Foreign Country.  
FICA—Federal Insurance Contributions Act.  
FISC—Foreign International Sales Company.  
FPH—Foreign Personal Holding Company.  
FR—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.

## Numerical Finding List<sup>1</sup>

Bulletin 2023–31

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### Treasury Decisions:

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9977, 2023-31 I.R.B. 375

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<sup>1</sup> A cumulative list of all revenue rulings, revenue procedures, Treasury decisions, etc., published in Internal Revenue Bulletins 2023–27 through 2023–52 is in Internal Revenue Bulletin 2023–52, dated December 27, 2023.



## **Finding List of Current Actions on Previously Published Items<sup>1</sup>**

Bulletin 2023–31

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<sup>1</sup> A cumulative list of all revenue rulings, revenue procedures, Treasury decisions, etc., published in Internal Revenue Bulletins 2023–27 through 2023–52 is in Internal Revenue Bulletin 2023–52, dated December 27, 2023.

# **Internal Revenue Service**

## **Washington, DC 20224**

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Official Business  
Penalty for Private Use, \$300

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## **INTERNAL REVENUE BULLETIN**

The Introduction at the beginning of this issue describes the purpose and content of this publication. The weekly Internal Revenue Bulletins are available at [www.irs.gov/irb/](http://www.irs.gov/irb/).

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## **We Welcome Comments About the Internal Revenue Bulletin**

If you have comments concerning the format or production of the Internal Revenue Bulletin or suggestions for improving it, we would be pleased to hear from you. You can email us your suggestions or comments through the IRS Internet Home Page ([www.irs.gov](http://www.irs.gov)) or write to the Internal Revenue Service, Publishing Division, IRB Publishing Program Desk, 1111 Constitution Ave. NW, IR-6230 Washington, DC 20224.