

fying numbers applicable to individuals are social security numbers, IRS individual taxpayer identification numbers, and IRS adoption taxpayer identification numbers. All three of these identifying numbers are nine-digit numbers taking the form 000-00-0000. Treas. Reg. § 301.6109-1(a)(1)(i).

A person's identifying number is sensitive personal information. A risk exists that this information could be misappropriated from a paper payee statement and misused in various ways, such as to facilitate identity theft.

### SECTION 3. SCOPE

This notice applies only to paper payee statements in the Form 1098 series (excluding Form 1098-C, *Contributions of Motor Vehicles, Boats, and Airplanes*), Form 1099 series, and Form 5498 series. Substitute and composite substitute statements (within the meaning of Treas. Reg. § 301.6722-1(a)(1)) that meet the requirements of this notice are also included. See Rev. Proc. 2009-49, 2009-51 I.R.B. 879.

This notice does not apply to any information return filed with the IRS, any payee statement furnished electronically, or any payee statement not specified in this notice.

During this extended pilot program, truncation will be permitted only for individual identifying numbers on the paper payee statements specified in this section. Truncation of payee employer identification numbers (EINs) or filer identifying numbers is not permitted. Truncation of identifying numbers is not permitted on information returns filed with the IRS or on any payee statements furnished electronically.

### SECTION 4. REQUIREMENTS

A filer must satisfy the requirements set forth in this section to be authorized to truncate identifying numbers for individuals on the paper payee statements for calendar years 2011 and 2012. The IRS will treat a filer as having satisfied any requirement in Treasury and IRS guidance, whether in a regulation, form, or form instructions, to include a payee's identifying number on a paper payee statement if the following requirements are met:

.01 The identifying number is a social security number, IRS individual taxpayer

identification number, or IRS adoption taxpayer identification number;

.02 The identifying number is truncated by replacing the first five digits of the nine-digit number with asterisks or Xs (for example, a social security number 123-45-6789 would appear on the paper payee statement as \*\*\*-\*\*-6789 or XXX-XX-6789); and

.03 The truncated identifying number appears on a paper payee statement (including substitute and composite substitute statements) in the Form 1098 series (excluding Form 1098-C, *Contributions of Motor Vehicles, Boats, and Airplanes*), Form 1099 series, or Form 5498 series for calendar years 2011 and 2012.

Truncation of an identifying number on a paper payee statement in the manner set forth in this Section 4 is authorized notwithstanding calendar year 2011 form instructions that state that the pilot program announced in Notice 2009-93 has expired.

### SECTION 5. EFFECTIVE DATE

This notice is effective upon release.

### SECTION 6. REQUEST FOR COMMENTS

The IRS invites the public to submit comments on this notice by July 29, 2011, and is particularly interested in comments from payors that furnished paper payee statements with truncated identifying numbers under the original pilot program as well as comments from payees that received paper payee statements with truncated identifying numbers for either calendar year 2009 or 2010. The IRS is interested in learning about issues encountered by payors and payees alike. The IRS also welcomes comments on whether payors should be allowed to truncate a payee's EIN, whether truncation should be permitted on additional types of payee statements, and whether payors should be allowed to truncate a payee's identifying number on electronically furnished payee statements.

Comments should be submitted to: Internal Revenue Service, CC:PA:LPD:PR (Notice 2011-38), Room 5203, P.O. Box 7604, Ben Franklin Station, N.W., Washington, D.C. 20044. Alternatively, comments may be hand delivered between the

hours of 8:00 a.m. and 4:00 p.m., Monday through Friday, to CC:PA:LPD:PR (Notice 2011-38), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue, N.W., Washington, D.C. Comments may also be transmitted electronically via the following e-mail address: [Notice.Comments@irs.counsel.treas.gov](mailto:Notice.Comments@irs.counsel.treas.gov). Please include "Notice 2011-38" in the subject line of any electronic communications. All comments will be available for public inspection and copying.

### SECTION 7. DRAFTING INFORMATION

The principal author of this notice is Tammie A. Geier of the Office of the Associate Chief Counsel (Procedure and Administration). For further information regarding this notice, please contact Tammie A. Geier at (202) 622-4940 (not a toll-free call).

---

## Public Comment Invited on Recommendations for 2011-2012 Guidance Priority List

### Notice 2011-39

The Department of Treasury and Internal Revenue Service invite public comment on recommendations for items that should be included on the 2011-2012 Guidance Priority List.

The Treasury Department's Office of Tax Policy and the Service use the Guidance Priority List each year to identify and prioritize the tax issues that should be addressed through regulations, revenue rulings, revenue procedures, notices, and other published administrative guidance. The 2011-2012 Guidance Priority List will establish the guidance that the Treasury Department and the Service intend to issue from July 1, 2011, through June 30, 2012. The Treasury Department and the Service recognize the importance of public input to formulate a Guidance Priority List that focuses resources on guidance items that are most important to taxpayers and tax administration. Published guidance plays an important role in increasing voluntary compliance by helping to clarify ambiguous areas of the tax law.

As is the case whenever significant legislation is enacted, the Treasury Department and the Service have continued to dedicate substantial resources during the current plan year to published guidance projects necessary to implement the provisions of the multitude of tax Acts that have been enacted over the past several years including, but not limited to, the American Recovery and Reinvestment Tax Act of 2009, Pub. L. No. 111–5, 123 Stat. 115, which was enacted on February 17, 2009; the Hiring Incentives to Restore Employment Act, Pub. L. No. 111–147, 124 Stat. 71, which was enacted on March 18, 2010; the Patient Protection and Affordable Care Act, Pub. L. No. 111–148, 124 Stat. 119, which was enacted on March 23, 2010; the Health Care and Education Reconciliation Act, Pub. L. 111–152, 124 Stat. 1029, which was enacted on March 30, 2010; and the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010, Pub. L. No. 111–312, 124 Stat. 3296, which was enacted on December 17, 2010. The Treasury Department and the Service will continue to evaluate the priority of each guidance project in light of the above-mentioned tax legislation and other developments occurring during the 2011–2012 plan year.

In reviewing recommendations and selecting projects for inclusion on the 2011–2012 Guidance Priority List, the Treasury Department and the Service will consider the following:

1. Whether the recommended guidance resolves significant issues relevant to many taxpayers;
2. Whether the recommended guidance promotes sound tax administration;
3. Whether the recommended guidance can be drafted in a manner that will enable taxpayers to easily understand and apply the guidance;
4. Whether the recommended guidance involves regulations that are outmoded, ineffective, insufficient, or excessively burdensome and that should be modified, streamlined, expanded, or repealed;
5. Whether the Service can administer the recommended guidance on a uniform basis; and

6. Whether the recommended guidance reduces controversy and lessens the burden on taxpayers or the Service.

Taxpayers may submit recommendations for guidance at any time during the year. Please submit recommendations by June 1, 2011, for possible inclusion on the original 2011–2012 Guidance Priority List. The Treasury Department and the Service may update the 2011–2012 Guidance Priority List periodically to reflect additional guidance that the Treasury Department and the Service intend to publish during the plan year. The periodic updates allow the Treasury Department and the Service to respond to the need for additional guidance that may arise during the plan year. Recommendations for guidance received after June 1, 2011, will be reviewed for inclusion in the next periodic update.

Taxpayers are not required to submit recommendations for guidance in any particular format. Taxpayers should, however, briefly describe the recommended guidance and explain the need for the guidance. In addition, taxpayers may include an analysis of how the issue should be resolved. It would be helpful if taxpayers suggesting more than one guidance project prioritize the projects by order of importance. If a large number of projects are being suggested, it also would be helpful if the projects were grouped in terms of high, medium or low priority.

Taxpayers should send written comments to:

Internal Revenue Service  
Attn: CC:PA:LPD:PR  
(Notice 2011–39)  
Room 5203  
P.O. Box 7604  
Ben Franklin Station  
Washington, D.C. 20044

or hand deliver comments Monday through Friday between the hours of 8 a.m. and 4 p.m. to:

Courier's Desk  
Internal Revenue Service  
Attn: CC:PA:LPD:PR  
(Notice 2011–39)  
1111 Constitution Avenue, N.W.  
Washington, D.C. 20224

Alternatively, taxpayers may submit comments electronically via

e-mail to the following address: [Notice.Comments@irs.counsel.treas.gov](mailto:Notice.Comments@irs.counsel.treas.gov). Taxpayers should include “Notice 2011–39” in the subject line. All comments submitted by the public will be available for public inspection and copying in their entirety.

For further information regarding this notice, contact Henry Schneiderman of the Office of Associate Chief Counsel (Procedure and Administration) at (202) 622–3400 (not a toll-free call).

---

*26 CFR 601.105: Examination of returns and claims for refund, credit, or abatement; determination of correct tax liability.*

## Rev. Proc. 2011–24

### SECTION 1. PURPOSE

This revenue procedure establishes a dispute resolution process for the preliminary fee calculation for the 2011 annual fee imposed on covered entities engaged in the business of manufacturing or importing branded prescription drugs. The fee was enacted by section 9008 of the Patient Protection and Affordable Care Act (ACA), Public Law 111–148 (124 Stat. 119 (2010)), as amended by section 1404 of the Health Care and Education Reconciliation Act of 2010 (HCERA), Public Law 111–152 (124 Stat. 1029 (2010)). All references in this revenue procedure to section 9008 are references to section 9008 of the ACA, as amended by section 1404 of HCERA.

### SECTION 2. BACKGROUND

.01 Section 9008 imposes an annual fee on each covered entity with gross receipts of over \$5 million from branded prescription drug sales to any specified government program or pursuant to coverage under such program (branded prescription drug sales). A covered entity is generally any manufacturer or importer with gross receipts from branded prescription drug sales. Multiple related manufacturers or importers may be treated as a single covered entity under certain circumstances. See §9008(d)(2) and Part 1 of Notice 2011–9, 2011–6 I.R.B. 459. The specified government programs are the Medicare Part D program, the Medicare Part B