

# **Appendix A**

**Notice 2015-27  
Recommendations for items  
that should be included on the  
2015-2016  
Priority Guidance Plan**



# INFORMATION REPORTING PROGRAM ADVISORY COMMITTEE (IRPAC)

---

1111 Constitution Avenue, NW, Room 7563, Washington, D.C. 20224

Mary Kallewaard,  
Chairperson

**Emerging Compliance  
Issues**

**Sub-Group:**

Julia Shanahan, Chair  
Paul Banker  
Beatriz Castaneda  
Darrell Granahan  
Keith King  
Nina Tross

Internal Revenue Service  
Attn: CC:PA:LPD:PR (Notice 2015-27)  
Room 5203  
P.O. Box 7604  
Ben Franklin Station  
Washington, D.C. 20044

May 12, 2015

**Employee Information  
Reporting/ Burden  
Reduction**

**Sub-Group:**

Robert Birch, Co-Chair  
Patricia Schmick, Co-  
Chair  
Ernesto Castro  
Michael Gangwer  
Lynne Gutierrez  
Marcia Miller  
Emily Rook  
Scott Wilkins

RE: Notice 2015-27  
Recommendations for items that should be included on the 2015-2016  
Priority Guidance Plan

Dear Commissioner Koskinen:

This letter responds to Notice 2015-27 by listing items which the Information Reporting Program Advisory Committee (IRPAC) recommends be included in the 2015-2016 Priority Guidance Plan. These are recommendations for guidance through regulations, revenue rulings, revenue procedures, notices or other appropriate guidance methods that will improve tax administration and reduce administrative burdens on taxpayers and the Internal Revenue Service.

**International Reporting &  
Withholding**

**Sub-Group:**

Frederic Bousquet, Chair  
Roseann Cutrone  
Carolyn Diehl  
Mark Druckman  
Robert Limerick  
Jonathan Sambur

IRPAC was established in 1991 in response to an administrative recommendation in the final Conference Report of the Omnibus Budget Reconciliation Act of 1989. IRPAC works closely with the IRS on a wide range of information reporting issues, but being aware of the heavy demand for new guidance necessitated by legislation including FATCA and the ACA, we are this year furnishing only a short list of projects that rank highest due to their broad impact and great likelihood of increasing voluntary compliance.

## General Recommendations

IRPAC continues to recommend that for new information reporting requirements of newly enacted legislation, the development of new guidance should take into consideration the lead times needed by the information reporting community to develop and implement new programs or changes to existing programs, the costs associated with the collection of data not previously required to be tracked or calculated or reported, and the usefulness of the data required to be reported to the IRS. In several annual Public Reports, IRPAC has advised that typically a withholding agent needs 18 months to 24 months to update its systems for new reporting requirements, including time to study the requirements, plan and obtain budget for the

project, develop business requirements and systems logic, code, and test, then implement.

IRPAC urges the Department of Treasury to strongly pursue the Administration's fiscal year 2016 recommendation for legislation amending IRC § 6103(k) "to permit the IRS to disclose to any person required to provide the TIN of another person to the Secretary whether the information matches the records maintained by the Secretary." [Treasury "Green Book" Fiscal Year 2016] The benefits to the IRS and taxpayers of expanding the TIN Matching Program, to include filers of all nonwage information returns to which incorrect-TIN penalties under IRC §§ 6721 and 6722 apply, were presented in detail in the 2014 IRPAC Public Report. Expanded use of TIN Matching will reduce IRS administrative costs, increase the amount of valid data available to match against income tax returns to prevent tax return fraud and identity theft, and eliminate a significant burden on information return filers who have been barred from performing TIN validation prior to IRS filing. Until TIN Matching is broadly available prior to information return filing, the IRS is deprived of data needed for timely cross-verification of income on tax returns. Information return types for which TIN matching currently is prohibited, and the projected number of these returns to be filed for 2015, include Forms 1098 (73.8 million), 1098-T (32.9 million), 1099-R (91 million), 5498 (119 million), 1099-G (90 million), 1099-S (2.5 million), 1042-S (4.3 million) and will include a yet unknown but multi-million number of 1095-series returns (newly required under the Affordable Care Act) for which the inability to TIN match prior to filing is a concern noted in the Taxpayer Advocate Service 2014 Annual Report to Congress.

### Specific Guidance Recommendations

#### 1) De minimis threshold for information return corrections.

IRPAC again recommends establishing under regulations a de minimis dollar threshold for corrections to original information returns which will reduce the overall burden to taxpayers, IRS tax administration and information return filers. Regulations under §§ 6721 and 6722 provide exceptions for inconsequential errors or omissions, such that an inconsequential error or omission is not considered a failure to include correct information. In §301.6721-1(c)(2)(iii) "any monetary amounts" [on the information return] and in §301.6722-1(b)(2) "a dollar amount" [on the recipient statement] are never inconsequential errors. However, these inconsequential error definitions are within regulations, not in the language of IRC §§6721 or 6722. IRPAC recommends new regulations changing the "inconsequential error" definition of §301.6721-1(c)(2)(iii) and §301.6722-1(b)(2) to "any monetary amount more than \$50." This will be a safe harbor such that no penalty will apply for failure to file or furnish a recipient statement for net changes of \$50 or less (up or down) in the reported amount. This will relieve significant burdens on taxpayers and the IRS for the cost and use of resources to report and process corrections that

generally are not the result of payer error and do not increase taxable income of the recipients.

Additional information can be found in the 2013 and 2014 IRPAC Public Reports, including information about the high volume and processing costs incurred by the IRS, information return filers and individual taxpayers as a result of small-dollar-amount corrections attributable to late change notifications from mutual funds and corporations. One common example: a fund reclassifies dividends after the Form 1099 deadline and as a result brokers must file corrected 1099s to the IRS (each subject to penalty against the broker solely due to being a corrected form) and send corrected 1099 statements to customers. For just one broker for one change in the ordinary dividend amount this required 456,559 corrected Forms 1099-DIV at a production and mailing cost of \$413,520.75; many individual taxpayers would have faced costs to amend their income tax returns; the IRS had the cost of processing the corrected filings and administering the lengthy § 6721 penalty process against the broker; and 59% of the corrections (270,275) were for changes less than \$50.

2) Identity theft deterrence: Additional guidance enabling TIN truncation on information returns as a means of preventing identity theft, and additional furnishing of electronic information return recipient statements as a means of preventing identity theft.

a) TIN truncation on recipient statements should be specifically extended to the recipient copies of all Forms 1042-S (not just Forms 1042-S that report bank deposit interest paid to certain nonresident aliens), to reduce opportunities for identity theft and tax fraud. IRPAC recommends amending § 1.1461-1T(c)(1)(i) to confirm that recipient TINs can be truncated on Form 1042-S recipient statements. Identity theft of ITINs and SSNs from Form 1042-S recipient statements is as great a threat as identity theft of other types of TINs on other types of information return recipient statements for which truncation of the payee TIN is already permitted under regulations issued in T.D. 9675. The information returns at risk are over 4.3 million Forms 1042-S that are projected to be issued for 2015 [per Publication 6961] and that number is projected to increase to over 5 million by 2021.

Regulations § 1.1461-1T(c) does not specifically require the use of a TIN on Form 1042-S recipient statements, but the form instructions are silent on the broad issue and draft 2015 instructions merely indicate “if you are reporting bank deposit interest paid to certain nonresident aliens you may truncate the recipient’s TIN on a substitute form.” Specific regulatory authority for recipient TIN truncation on 1042-S recipient statements for all types of income and without limitation to substitute statements should be issued so withholding agents are assured that truncation is permitted and they can implement this important protective measure.

b) Electronic delivery of recipient statements should be extended to the recipient copies of Forms 1042-S to reduce opportunities for identity theft and tax fraud. IRPAC recommends amending § 1.1461-1T(c) to permit electronic furnishing of Form 1042-S recipient statements in a procedure comparable to what was established for Forms W-2 in § 31.6051-1 and subsequently extended to Form 1099 series, 1098 series, 1095 series, 5498 series and other information returns. Identity theft of ITINs and SSNs from Form 1042-S recipient statements is as great a threat as identity theft of other types of TINs on other types of information return recipient statements, and it is possible that threats of kidnapping or bodily harm could arise in some geographic areas to which Form 1042-S recipient statements must, under current rules, be sent by mail which can be intercepted in the foreign country and used to identify individuals with U.S. income. As stated in 2a above, the number of Form 1042-S recipient statements issued annually is projected to be over 4.3 million for 2015 and to grow to over 5 million by 2021.

c) Issuers should be specifically permitted to truncate employer EINs on Form 1095-B statements furnished to individual policy holders (“responsible individuals”) as a preventive measure against business taxpayer identity theft. IRPAC recommends amending § 1.6055-1(g) to provide that a truncated employer identification number may be used as the identification number for the employer on recipient statements of Form 1095-B. Form 1095-B is issued by health insurers and box 11 requires reporting of the EIN of a third party that is the employer of the policy holder. This identity theft protection would protect all employers that provide minimum essential coverage.

3) Guidance under §6055 and §6724 to clarify TIN solicitation requirements for reporting under §6055 that will establish reasonable cause under §6724 regulations.

IRPAC recommends amending the regulations under §6055 to clarify that an enrollment form for minimum essential coverage required to be reported under IRC §6055 is an initial solicitation. Treasury and the IRS anticipated a need for clarification in this area by stating in the TD 9661 preamble that, “Treasury and the IRS recognize that the existing solicitation rules under section 6724 may not address certain circumstances that may arise with respect to reporting under section 6055. Although the final regulations do not revise the regulations under section 6724 to specifically address these circumstances, Treasury and the IRS will continue to study the issue and may provide additional clarification if appropriate through guidance or forms and instructions.”

In addition, IRPAC recommends new regulations under IRC §6055 such that health insurance companies may rely upon TIN solicitation performed by the sponsor of an employer-sponsored group health plan. This will avoid duplicate efforts to obtain TINs. Group health insurance enrollments usually occur by electronic processes between the employer and the insurance company, and the employer is often the party soliciting social security numbers of the employees and dependents. The avoidance of the burden of duplicate efforts is consistent with the spirit of IRC §6056(d) which provides, “To the

maximum extent feasible, the Secretary may provide that (1) any return or statement required to be provided under this section may be provided as part of any return or statement required under section 6051 or Section 6055.”

4) Guidance under §6050W, as added by §3091 of the Housing Assistance Act of 2008, to clarify terms used to determine information reporting on payment card and third-party payment transactions.

This is a Tax Administration project in the 2014-2015 Priority Guidance Plan and IRPAC recommends that it remain in the 2015-2016 plan as a high-priority guidance issue for clarification of essential terms in amended regulations to be issued in the very near term. It has been projected that 9.4 million Forms 1099-K will be filed for 2015 [IRS Publication 6961] and the lack of essential definitions is an impediment to accurate reporting.

Key terms integral to the meaning of “third party payment network” must be defined in official guidance in order for reporting organizations to reasonably apply the rules. The unclear terms include “central organization,” “guarantee,” and “substantial number of providers of goods or services.” IRPAC’s detailed recommendations relating to the definition of these terms can be found in the March 28, 2011, comment letter which is included as Appendix D of the IRPAC 2011 Public Report, and in the 2014 IRPAC Public Report. Guidance should be issued that allows a reasonably informed reader to understand when IRC § 6050W reporting is required and delineate between three-party arrangements that are subject to reporting under IRC § 6050W and ones that involve three parties but are not subject to reporting under IRC §6050W.

In addition, guidance is needed to identify the entity deemed to be the payment settlement entity when there are multiple payment settlement entities. Clarification of the scope and application of rules related to “aggregated payees” and “third party payment networks” is also needed. In current guidance these rules appear to overlap; a “third party settlement organization” (TPSO) is not required to report transactions for a payee whose aggregate transactions do not exceed \$20,000 and 200 transactions, whereas the aggregated payee rules do not include a de minimis rule. IRPAC has recommended clarification that the de minimis rules applicable to TPSOs also apply to an aggregated payee that also meets the definition of a TPSO.

5) Guidance under §6050S to clarify terms that are used by educational institutions to determine whether certain amounts are reportable in box 5 of Form 1098-T, Tuition Statement.

This is a Tax Administration project in the 2014-2015 Priority Guidance Plan and IRPAC recommends that it remain in the 2015-2016 plan.

Additional guidance is needed to clarify terms in IRC §6050S(b)(2)(B)(ii) that are used by colleges and universities to determine whether or not to report certain amounts in box 5 of Form 1098-T, Tuition Statement. Specifically, colleges and universities need clarification regarding the meaning of “costs of

attendance” and “administered and processed.” These terms are not defined in the Internal Revenue Code or Treasury Regulations, causing confusion within the college and university community and resulting in possible inconsistent reporting from institution to institution. This inconsistency may result in additional burden to the millions of taxpayers who receive Form 1098-T; in particular, those taxpayers who receive the form from different institutions who may report differing costs due to the ambiguity of the terms. This guidance would promote sound tax administration by providing consistent definitions of terms used by colleges and universities in the preparation of Form 1098-T.

The term “cost of attendance” is defined in section 472 of Title IV of the Higher Education Act of 1965. The IRS should adopt this definition to provide clarity to colleges and universities that the IRS acknowledges this as the official designation. Further, the IRS should provide a definition of “administered and processed” with specific examples of what is considered as falling within this term. A uniform definition understood by colleges and universities and the IRS will bring the regulations up to date and will reduce the burden on taxpayers and the IRS in understanding what is required to be reported in box 5.

6) FATCA guidance.

IRPAC urges the IRS and Treasury Department to continue to issue guidance on FATCA. IRPAC has identified, and discussed with IRS and Treasury, numerous topics on which correcting, clarifying, and/or new FATCA guidance is needed.

7) Free filing of Forms 1099-MISC on irs.gov.

IRPAC recommends that a free e-Services program be authorized through which small businesses can enter and electronically file up to 100 Forms 1099-MISC and up to 50 corrected Forms 1099-MISC. This electronic filing of 1099-MISC forms by small-volume, small business filers will increase the accuracy and timeliness of data available to the IRS for matching against income tax returns for the prevention of tax fraud. Small business filers are presently more likely to file paper returns to the IRS but a free on-line manual-entry 1099-MISC filing program would if adequately publicized lead to increased electronic filing.

The Electronic Tax Administration Advisory Committee to the IRS has made a similar recommendation for 1099-MISC electronic filing, and the Social Security Administration provides a similar free on-line electronic filing service for small business filers of Forms W-2.

8) Electronic delivery to U.S. Treasury of monies withheld pursuant to an IRS levy.

IRPAC recommends allowing employers to transmit federal tax levy proceeds electronically to the U.S. Treasury. The current procedure, as instructed by Form 668-W, is to mail a check payable to the U.S. Treasury on the employee’s payday and on the face of the check show the taxpayer’s name,

taxpayer's SSN, tax type and the words "proceeds of levy." The 668-W directs where the check is to be sent and many times this is to a local IRS office.

The current paper check and mail procedure creates delay and confusion because payroll departments receive the levy deduction amount only a day or two prior to the employee's pay date and then must forward the information to an accounts payable department where the check will be prepared; accounts payable departments cut checks on a weekly, biweekly or semimonthly processing cycle but not every day; checks prepared by accounts payable often go to a different department for mailing; accounts payable systems do not have the capability of showing the required notations on the face of the check (so detail is on an attachment which often is separated from the check before it is processed by the IRS); without the detail from the face of the check the amount is often misapplied to the employer's account (creating an inaccurate overpayment) and not to the taxpayer's account (subjecting the taxpayer to levy deductions continuing longer than necessary); some of the IRS offices to which checks are to be mailed have closed and employers receive telephone calls from the IRS directing them to start mailing to a different office (but checks already mailed to the closed office are delayed). Electronic deposit of levy proceeds will enable timely deposits to the correct taxpayer accounts and eliminate much time-consuming reconciliation and correction work for the IRS and employers.

IRPAC looks forward to continuing to work with the IRS on creating a more efficient and effective tax administration system. We will be glad to furnish additional information relating to each of the above recommendations, upon request.

Respectfully submitted,

A handwritten signature in black ink that reads "Mary Kallewaard". The signature is written in a cursive, flowing style.

Mary Kallewaard  
2015 IRPAC Chairperson



# **Appendix B**

## **2014 IRPAC Public Report: De Minimis Threshold for Form 1099 Corrections**



## 2014 IRPAC Public Report: De Minimis Threshold for Form 1099 Corrections

### Recommendation

IRPAC recommends establishing under regulations a de minimis dollar threshold for corrections to original information returns and original recipient statements, creating a safe harbor to provide that no penalty will apply for failure to correct net changes of \$50 or less in the reported amount. This will relieve significant burdens on taxpayers and the IRS for the cost and use of resources to report and process corrections that generally are not the result of payer error and do not increase taxable income of the recipients.

### Discussion

IRPAC again recommends that a failure to correct a de minimis amount of \$50 or less previously reported to the IRS should be defined in Reg. §301.6721-1(c) and Reg. §301.6722-1(b) as an “inconsequential error” not subject to the penalty provisions of IRC §§ 6721 and 6722.

Regulations currently require a payer to issue a corrected information return if the reported amount is incorrect in “any monetary amount” or “any dollar amount,” depending on the regulatory language used. Up to 10 corrected forms (or one and one-half percent of the filer’s total information returns for the year) can be filed without penalty. Above that number, each corrected information return triggers a penalty under IRC §6721(a)(2)(B) for having included incorrect information on the original return. The penalty under IRC §6721(a)(1) is \$100 for each such return, up to \$1.5 million for any calendar year. When corrected information returns are filed with the IRS, corrected recipient statements must be furnished and under IRC §6722 each triggers a separate \$100 penalty, up to \$1.5 million for any calendar year, for having included incorrect information on the original statement. However, Treas. Reg. §§ 301.6721-1(c) and 301.6722-1(b) provide for penalty exceptions for inconsequential errors and it is in these sections that IRPAC recommends the creation of a safe harbor for de minimis dollar amount corrections of \$50 or less (up or down).

Restatements of investment earnings are a high-volume example of corrections that are required under current rules and cause burden on Form 1099, Information Returns, filers and the IRS and the reported taxpayers, yet do not necessarily increase tax liabilities or government revenue. The filers of information returns often receive late notifications of reportable amounts from mutual funds and corporations, generally because those entities did not have the information they needed in time to pass along to 1099 filers or because a fiscal year-end after the 1099 filing deadline revealed that restatement was necessary due to insufficient accumulated earnings and profits to support dividend treatment. The volume of information returns requiring correction for small amounts has also increased significantly due to wash sales and changes on Form 8937, Report of Organizational Actions Affecting Basis of Securities. The amount of the change is often immaterial and has no impact on the recipient’s tax liability, or often results in a reduction in the recipient’s taxable income when changes are due to

reclassification of dividend distributions to return of capital.

The \$50 de minimis threshold recommended by IRPAC for information return and recipient statement corrections will significantly reduce the burden on taxpayers (who receive corrected statements after having filed their income tax returns and then face new costs for the preparation and filing of amended returns), reduce the burden on the IRS (which must process all of the corrections, then handle a higher volume of resulting penalty notices and the prolonged process of reasonable cause review and appeal) and reduce the burden on information return filers (who must reprocess, create a new IRS filing and print and mail new statements).

The cost to the IRS to handle corrections and penalties is not disclosed to IRPAC. The cost to information return filers was illustrated in the 2013 IRPAC Public Report by an example of one common type of correction: a filer issued 456,559 corrected Forms 1099-DIV, Dividends and Distributions, for tax year 2012 to retail brokerage customers to report changes in the ordinary dividend amount (box 1a) due to dividend reclassification announcements received after the original information returns were created; 59% of these (270,275) were for changes less than \$50; each recipient statement correction cost the Form 1099 filer \$1.53 to print and mail so the cost of statements for changes less than \$50 was \$413,520.75; the filer also incurred the use of resources to produce the corrected IRS file and later will incur costs to deal with IRS proposed penalties (additional illustrations were furnished in the 2012 IRPAC Public Report). The cost to individual taxpayers relates to their concern about filing amended income tax returns which for many would mean additional fees to accountants or other tax preparers.

The closing agreement process offered under IRC §7121 is not a sufficient answer to these problems because it does not reduce the burdens described above on the IRS, taxpayers or information return filers. Many months are consumed in the process at the end of which there may be no agreement, leaving the payer to issue even later corrected information returns and taxpayers facing the same burden of amended tax returns. Moreover, the closing agreement for Forms 1099 addresses underreporting of income, while most of these high-volume, small-amount restatements reduce reportable income and are not the result of 1099 filer error.

# **Appendix C**

**Questions and Answers about  
Reporting Social Security  
Numbers to Your Health  
Insurance (page from IRS.gov)**





**Affordable Care Act Topics**

- [Individuals and Families](#)
- [Employers](#)
- [ALE Info Center](#)
- [Tax Professionals](#)
- [What's Trending](#)
- [News](#)
- [Health Care Tax Tips](#)
- [Questions and Answers](#)
- [List of Tax Provisions](#)
- [Legal Guidance and Other Resources](#)
- [Affordable Care Act Tax Provisions Home](#)

## Questions and Answers about Reporting Social Security Numbers to Your Health Insurance Company

**Q1. My health insurance company has requested that I provide them with my social security number and the social security numbers of my spouse and children. Is there some new reason why they need our social security numbers?**

**A1.** Your health insurance company will be required to provide Form 1095-B to you and to the Internal Revenue Service. You will use the form to prepare your individual income tax return. The law requires SSNs to be reported on Form 1095-B.

**Q2. Why is my health insurance company asking for this information now?**

**A2.** The new reporting requirement will begin for the 2015 tax year and health insurance companies need advance time to program and test systems to make certain that this new reporting is done correctly and efficiently.

**Q3. Is there a specific Internal Revenue Service form that will be mailed to me to provide the information to my health insurance company?**

**A3.** No. Your health insurance company may mail you a written request which discusses these new rules.

**Q4. How will I use this new Form 1095-B to prepare my return?**

**A4.** Form 1095-B provides information needed to report on your income tax return that you, your spouse, and individuals you claim as dependents had qualifying health coverage (referred to as "minimum essential coverage") for some or all months during the year. Individuals who do not have minimum essential coverage and do not qualify for an exemption may be liable for the individual shared responsibility payment. You do not have to attach Form 1095-B to your tax return.

**Q5. What if I refuse to provide this information to my health insurance company?**

**A5.** The information received by the Internal Revenue Service will be used to verify information on your individual income tax return. If the information you provide on your tax return cannot be verified, you may receive an inquiry from the Internal Revenue Service. You also may receive a notice from the Internal Revenue Service indicating that you are liable for a shared responsibility payment.

*Page Last Reviewed or Updated: 25-Mar-2015*



# **Appendix D**

**Additional IRPAC  
recommendations made in  
connection with  
Chapters 3 and 4**



## Appendix D

### **Additional IRPAC recommendations made in connection with Chapters 3 and 4 International Reporting and Withholding Subgroup Report**

Below are IRPAC recommendations made in connection with Chapter 3 and 4 that are not included in the International Reporting and Withholding Subgroup Report itself:

#### *Forms W-8:*

1. Add a Qualified Securities Lender (QSL) certification to the Form W-8BEN-E to accommodate QSLs acting in a principal capacity.
2. Clarify whether trustees of a trustee-documented trusts, sponsoring entities, and entities that are non-reporting IGA FFIs by reason of qualifying as registered deemed-compliant FFIs under relevant US Treasury Regulations are required to enter their Global Intermediary Identification Number (GIIN) on line 9a of Form W-8BEN-E (or the corresponding line of other Forms W-8).
3. Clarify that if a disregarded entity is listed on Line 3 of a Form W-8BEN-E or W-8IMY and the disregarded entity is located in the same jurisdictions as its owner, it is acceptable for the disregarded entity to provide its information (including its GIIN) in Part II of the form.
4. Clarify whether an owner-documented FFI in an IGA jurisdiction should identify itself as an owner-documented FFI or as a nonreporting IGA FFI on a Form W-8BEN-E or W-8IMY.
5. Eliminate the checkboxes for the GIIN and TIN on Form W-8BEN-E (lines 9a and 9b) and W-8EXP (lines 8a and 8b) as the GIIN and TIN themselves are sufficient.

#### *Form 1042-S:*

6. Align the Chapter 4 status codes on Forms W-8 and 1042-S.
7. Regarding new income code 53 (Substitute payments-dividends from certain actively traded or publicly offered securities), add corresponding income codes for substitute interest payments and securities lending fees with respect to loans of publicly traded stocks and debt obligations.
8. Describe the intended use of Income Code "Gross income – Other" versus "Other income."
9. The 2015 Instructions for Form 1042-S instruct the filer to use the list of country codes at [irs.gov](http://www.irs.gov/Tax-Professionals/e-File-Providers-&Partners/Foreign-) to show the recipient's country in Box 13e. Clarify whether this is the list at <http://www.irs.gov/Tax-Professionals/e-File-Providers-&Partners/Foreign->

[Country-Code-Listing-for-Modernized-e-File](#). The Form 1042-S instructions should provide the relevant link, and until such time these instructions are so updated, this link should be included at <http://www.irs.gov/uac/About-Form-1042S>.

10. Provide instructions on which recipient Chapter 4 status code to enter for FFIs with a US branch entered in Part II of a Form W-8BEN-E or Form W-8IMY.
11. Clarify whether foreign TINs can be truncated on Form 1042-S recipient copies.

*Regulations:*

12. Add withholding certificates provided for a foreign simple trust or a foreign grantor trust to the list of certificates at Treas. Reg. §1.1441-1T(e)(4)(ii)(B) that have an indefinite validity period.
13. Eliminate the words “foreign” in Treas. Reg. §1.1441-7T(c)(2)(i) and “U.S.” in Treas. Reg. §1.1441-7T(c)(2)(iv).

*Other Guidance:*

14. Issue guidance that if a PFFI merges with and into another FFI intra-year, the PFFI reports on Form 8966, Foreign Account Tax Compliance Act (FATCA) Report for the pre-acquisition portion of the acquisition year and the successor FFI reports for the post-acquisition portion of the acquisition year, unless the PFFI and successor FFI agree that the successor will report for both the pre-acquisition and post-acquisition portions of the acquisition year.
15. Clarify in Publication 1187, Specifications for Electronic Filing of Form 1042-S, Foreign Person’s U.S. Source Income Subject to Withholding which value to enter in Field Position 384 (Withholding Indicator) in the “W” record if the withholding agent reports under both Chapter 3 and Chapter 4. The choices are “3 - Withholding Agent reporting under Chapter 3” or “4 - Withholding agent reporting under Chapter 4.”

# **Appendix E**

## **Notice 2015-10 Guidance on Refunds and Credits Under Chapter 3, Chapter 4 and Related Withholding Provisions**



# INFORMATION REPORTING PROGRAM ADVISORY COMMITTEE (IRPAC)

---

1111 Constitution Avenue, NW, Room 7563, Washington, D.C. 20224

,  
Mary Kallewaard,  
Chairperson

**Emerging Compliance  
Issues**

**Sub-Group:**  
Julia Shanahan, Chair  
Paul Banker  
Beatriz Castaneda  
Darrell Granahan  
Keith King  
Nina Tross

**Employee Information  
Reporting/ Burden  
Reduction**

**Sub-Group:**  
Robert Birch, Co-Chair  
Patricia Schmick, Co-  
Chair  
Ernesto Castro  
Michael Gangwer  
Lynne Gutierrez  
Marcia Miller  
Emily Rook  
Scott Wilkins

**International Reporting &  
Withholding**

**Sub-Group:**  
Frederic Bousquet, Chair  
Roseann Cutrone  
Carolyn Diehl  
Mark Druckman  
Robert Limerick  
Jonathan Sambur

Internal Revenue Service  
Attn: CC:PA:LPD:PR (NOT-2015-10)  
Room 5203  
P.O. Box 7604  
Ben Franklin Station  
Washington, D.C. 20044

June 25, 2015

RE: Notice 2015-10 – Guidance on Refunds and Credits Under Chapter 3,  
Chapter 4 and Related Withholding Provisions

Dear Commissioner Koskinen:

On behalf of the Information Reporting Program Advisory Committee (IRPAC)<sup>1</sup>, this letter responds to the request for comments in Notice 2015-10, regarding the allocation of a withholding agent's withholding deposits to the accounts of foreign payee recipients ("Payees") for purposes of refund and credit claims made by such Payees under Chapter 3 and Chapter 4.

## 1. BACKGROUND

In Notice 2015-10, the IRS announced rules under which it will reject (either in whole or in part) certain withholding tax refund claims filed by Payees if the total amount of the withholding agent's required deposit for a calendar year is less than the amount actually deposited by that withholding agent ("shortfall"). "Pro-rata" refunds will be allowed, however, based on the ratio of the amount actually deposited by the withholding agent to the total amount required to be deposited. For example, if a withholding agent has a withholding tax liability of \$100,000 with respect to payments made to all Payees, but has only deposited \$95,000 to its deposit account for the year, under these announced rules, the IRS would deny a proportional 5% of refund claims made by any and all Payees from whom that withholding agent withheld tax.

We understand the IRS is pursuing this initiative as a result of its concern about increasing numbers of fraudulent withholding tax refund claims and the IRS's inability

---

<sup>1</sup> IRPAC was established in 1991 in response to an administrative recommendation in the final Conference Report of the Omnibus Budget Reconciliation Act of 1989. IRPAC works closely with the IRS on a wide range of information reporting issues, including those rules and procedures associated with reporting for and making withholding deposits under Chapter 3 and Chapter 4 as well as backup withholding deposits.

(in certain circumstances) to recoup funds due from foreign withholding agents after the IRS refunds taxes to Payees.

## **2. COMMENTS REQUESTED BY NOTICE 2015-10**

IRPAC lauds the IRS's proactive efforts to counteract fraudulent refund claims. Fraudulent claims not only pose a risk to the federal fiscal system, but also pose a substantial drain to IRS resources. Thus, to combat these concerns, IRPAC agrees that the IRS should take appropriate steps to ensure that reported withholding taxes and deposits are legitimate before refund claims are processed and paid.

### **(a) The Pro Rata Approach**

IRPAC believes that the pro rata approach suggested by Notice 2015-10 has fundamental flaws. To begin with, the approach arguably exceeds the IRS's legal authority under section 1462, which requires the IRS to credit the amount of tax withheld against a Payee's tax paid without regard to whether the withholding agent in fact deposited the withheld taxes. Although section 6402(a) allows the IRS to credit overpaid taxes against the Payee's other tax liabilities, there is no authority within the Code that allows the IRS to hold the *Payee* liable for a *withholding agent's* failure to deposit taxes actually withheld.<sup>2</sup> This is appropriate in the case of legitimate transactions because when the withholding agent withholds from a payment made to the Payee, the withholding agent is acting as the agent of the IRS, not the Payee. Depending on the contractual arrangement between the withholding agent and the Payee, the withholding agent may not have any legal duty to the Payee to deposit the taxes withheld, but instead has a duty to the IRS to deposit those withheld taxes with the IRS.<sup>3</sup>

Because the withholding agent has no legal duty to the Payee, the Notice creates unprecedented legal and administrative issues for *Payees* who seek to obtain legitimate withholding tax refunds. For example, can such Payee seek recourse from the withholding agent, or will the IRS eventually pay the refund in full once it has resolved the shortfall with the withholding agent? Does the Payee have to file a second claim to recoup the denied portion of its refund, or will the IRS automatically make this payment once it resolves the issue with the withholding agent? What, if any, recourse does the Payee have when the IRS and the withholding agent remain at odds with respect to the appropriateness of the deposit? Finally, how is the statute of limitations impacted by these disputes? Who can the Payee sue for the denied portion of its refund claim, and by what date must that suit be brought? Forcing Payees to navigate these issues will cause potentially irreconcilable customer relations problems for withholding agents and the IRS.

The Notice's pro rata approach would negatively affect legitimate refund claims for which the likelihood of fraudulent activity is low, and will cause significant administrative problems for both the IRS and withholding agents - most of

---

<sup>2</sup> Indeed, Code section 1461 insulates the withholding agent from liability to the Payee for amounts withheld in accordance with the provisions of Chapter 3.

<sup>3</sup> I.R.C. §1461.

which have a proven track record in making accurate and timely deposits. There are many reasons why a withholding agent's tax deposit account for a year might not reflect the total deposits due for that year. For example, in certain circumstances the IRS might unilaterally debit a withholding agent's Chapter 3 (Form 1042) tax deposit account in order to settle a tax liability associated with another account of that agent (e.g., backup withholding or payroll tax account). A withholding agent might intentionally deposit less than the full amount of tax withheld in a particular year if it had made excessive deposits in the prior year, and was anticipating a corresponding credit on the current year's return. Finally, despite a withholding agent's best efforts, a shortfall could arise as a result of a legitimate (and unintentional) mistake that was made by the withholding agent (such as wrongly coding a deposit – e.g., 941 instead of 1042) or a ministerial error made by the Service (such as funds being wrongly deposited into a different account of the withholding agent).

Under the proposed rules of the Notice, a shortfall created by any of these circumstances would potentially result in a refund denial or reduction for *all* of the refund claims made by the withholding agent's Payees without regard to whether the withholding from a particular Payee's payment gave rise to the shortfall. By denying all or a portion of a Payee's refund claim as a result of a shortfall in the 1042 account of a withholding agent, the IRS proposal would penalize Payees for a withholding agent's practice over which the Payee has no control.

The Notice appears to be conflating the legitimate problem of fraudulent refund claims with collection of shortfalls in withholding deposits. Fraudulent withholding claims (and associated phantom deposits) are unlikely to be related to a legitimate withholding agent's deposit shortfall. To the extent that a fraudulent scheme somehow does target a legitimate withholding agent's deposits (e.g., by claiming that a portion of such agent's deposit should be refunded to the fraudulent claimant), the IRS's approach of denying only a pro rata portion of that claimant's refund claim does not eliminate the overall problem (indeed the claimant will still obtain an undeserved refund under these rules, diminished only by the pro rata portion of the overall shortfall). Moreover, the IRS's approach inappropriately shifts the burden of the fraud to the withholding agent's legitimate Payees, notwithstanding that these recipients are wholly unable to defend themselves against the perpetration of such a fraud.

For these reasons, among others, IRPAC believes that a pro rata allocation of a withholding agent's deposit account shortfall to all Payees is an inappropriate way to combat potential fraudulent withholding tax refund claims.

## **(b) Tracing**

The Notice specifically requests comments regarding the feasibility of developing and implementing a more precise tracing methodology in lieu of allocating a withholding agent's shortfall pro rata to all Payees.

Under the existing system, withholding agents are often asked by IRS Service Centers to show proof that the withholding agent actually deposited amounts withheld from a

particular Payee of the withholding agent, as reflected on Forms 1042-S. Given the number of Payees of a withholding agent that are subject to NRA withholding, and the magnitude and frequency of tax deposits, tracing deposits to taxes withheld from specific Payees is not administratively practical.

Moreover, given the operation of the set-off and reimbursement rules, the tax withheld from a particular Payee may not actually be deposited at all – even though the tax was properly withheld and the Payee is entitled to a full credit for the tax withheld. For example, a withholding agent might withhold (and deposit with the IRS) an excess amount of tax from Payee A, but later use its own funds to refund that excess tax to Payee A. To recoup that over-deposit of tax, the withholding agent might use the tax appropriately withheld from Payee B to reimburse itself for the tax it refunded to Payee A. Thus, although the tax withheld from Payee B was not in fact deposited, the tax withheld and deposited from Payee A has been effectively credited to Payee B. Given these administrative considerations, IRPAC believes that a tracing system would also not be an appropriate measure to combat fraudulent refund claims.

### **(c) Exceptions**

The Notice also requests comments regarding whether exceptions to the proposed pro rata shortfall allocation should apply where the potential for fraud or intentional under-deposit of withholding taxes are unlikely. Notwithstanding the concerns expressed above, to the extent the IRS believes it still appropriate to allocate (or trace) a withholding agent's shortfall to refund claims, IRPAC recommends that the following categories of withholding agents be exempt from any shortfall rule:

- Payees of U.S. withholding agents, Qualified Intermediaries, and other withholding agents that have a significant U.S. tax nexus, as the IRS should have sufficient recourse against such parties to collect any identified tax shortfall;
- Withholding agents that have an established history of compliance with their tax withholding, deposit and reporting obligations, and withholding agents that generally deposit a significant dollar amount of withholding. These agents are far less likely to be involved in fraudulent behavior, and should be responsive to IRS inquiries and collection efforts;
- Refund claims that are de minimis in relation to the total amount of tax that has been deposited should be granted, in spite of a shortfall in the withholding agent's deposit account. For example, a \$1,000 refund claim should not be denied or prorated when the withholding agent made deposits of \$9 million – even though the IRS believes there to be a \$1 million shortfall.

### 3. ALTERNATIVE APPROACHES

Notwithstanding IRPAC's view that the above exceptions to a pro rata or tracing rule would be appropriate, IRPAC remains concerned with an approach that makes use of broad exceptions without first determining if those exceptions themselves can be used by wrongdoers as a roadmap for the next fraudulent refund scheme. Thus, rather than promulgate an unworkable approach with broad exceptions for fact patterns that today reflect legitimate transactions, IRPAC recommends that Treasury and the IRS consider more targeted approaches to combating perceived withholding tax refund fraud. IRPAC would welcome the opportunity to work with the IRS in creating a more efficient and effective withholding tax refund system that can withstand the challenges raised by fraudulent activity.

\* \* \* \*

In sum, IRPAC believes that neither the pro rata nor the tracing approaches to withholding tax refunds are viable options in combating fraudulent activity in this area. IRPAC remains committed to helping the IRS craft more appropriate options to tackle this very real threat to the federal fiscal system. We would be glad to furnish additional information, upon request.

Respectfully submitted,



Mary Kallewaard  
2015 IRPAC Chairperson



## Information Reporting Program Advisory Committee 2015 Member Biographies

### Paul Banker

Mr. Banker is Vice President of Global Accounts at Convey, a Sovos Compliance Company in Minneapolis, Minn. He has over 22 years of experience within the tax information reporting sector. Mr. Banker led tax information reporting activities at US Bank and United Health Group, before joining Convey, a tax information reporting and withholding provider which services over 3,500 financial and corporate clients with annual filings of more than 300 million tax reports. In his work with clients, Mr. Banker has extensive experience with all 10 series forms as well as full direct tax filing for all the applicable states, US territories and the IRS. He currently works with global banking organizations on implementing firm-wide FATCA, CDOT, CRS, and ACA tax reporting initiatives. He has been a speaker at several Tax Information Reporting conferences. Mr. Banker received his BA in Accounting from the University of St. Thomas. **(Emerging Compliance Issues Subgroup)**

### Robert Birch

Mr. Birch is Director of Corporate Tax at Wellmark, Inc., in Des Moines, Iowa. Wellmark Blue Cross and Blue Shield is an independent Licensee of the Blue Cross and Blue Shield Association doing business in Iowa and South Dakota. He has over 35 years of experience with tax information reporting. He advises senior management on all corporate income tax and information reporting matters and is leading an internal project to implement the new information reporting that will be required of health insurance companies. He is a former member of the Board of Directors of the Tax Executives Institute, Inc. (TEI) and was the former Chair of the TEI Employee Benefits and Payroll Committee, former Region V Vice President and the first president of the Iowa TEI Chapter and the 2006 recipient of the Iowa Chapter Meritorious Service Award. Mr. Birch, a CPA, received an AA from North Iowa Community College and a BBA in Accounting from the University of Iowa. **(Co-Chair, Employer Information Reporting/Burden Reduction Subgroup)**

### Frederic M. Bousquet

Mr. Bousquet, a CPA, is Vice President in the Product Tax Department of State Street Bank and Trust Company in Boston, Mass. He has been with State Street for over 20 years and advises business areas globally on tax matters with an emphasis on US withholding and information reporting. He is a member of the Securities Industry and Financial Markets Association (SIFMA) Tax Compliance Committee. Mr. Bousquet has a MST and an MBA from Suffolk University and a BSBA from Stonehill College. **(Chair, International Reporting and Withholding Subgroup)**

### Beatriz Castaneda

Ms. Castaneda is a Managing Director of Client Reporting, Tax Reporting and Escheatment at Charles Schwab & Co., Inc. in San Francisco, Calif. She has over 16 years of tax reporting experience at Charles Schwab. She is responsible for ensuring that the firm correctly implements information reporting requirements for all new tax and cost

**Information Reporting Program Advisory Committee  
2015 Member Biographies**

basis legislation. She is a member of the Financial Information Forum (FIF) Cost Basis Working Group and FATCA Group. She is also a member of the Securities Industry and Financial Markets Association (SIFMA) Tax Compliance Committee and Cost Basis Working Group. Ms. Castaneda received her BA from Dominican College of San Rafael. **(Emerging Compliance Issues Subgroup)**

**Ernesto S. Castro**

Mr. Castro is Manager, Government Relations, of Ultimate Software Group Inc., in Santa Ana, Calif.. He has over 20 years of experience working with tax information reporting with a concentration in compliance and problem resolution. The Ultimate Software Group is a leading human resources management system services provider in the U.S. Mr. Castro has regularly attended the IRS Reporting Agents' Forum, was a private industry representative on an IRS penalty and industry task force and was a Tax Law Specialist at the IRS National Office. He is a founding member of the National Association of Tax Reporting and Payroll Management. He has also been a contributing writer for the Bureau of National Affairs (BNA). He received a BA and a JD in Comparative Law from Tulane University. **(Employer Information Reporting/Burden Reduction Subgroup)**

**Roseann M. Cutrone**

Ms. Cutrone, an attorney, is a Counsel at Skadden, Arps, Slate, Meagher & Flom LLP in Washington, D.C. Her practice includes advising clients, including large domestic and foreign commercial banks, investment funds, multi-national corporate groups and other entities with respect to all aspects of their information reporting and withholding obligations under Chapter 3, Chapter 4 (FATCA) and Chapter 61 of the Internal Revenue Code. Ms. Cutrone also represents clients in achieving voluntary disclosures agreements with the IRS for previous non-compliance with respect to information reporting/withholding obligations. Ms. Cutrone received a BA in psychology from Bucknell University and a JD from Harvard Law School. **(International Reporting and Withholding Subgroup)**

**Carolyn Diehl**

Ms. Diehl is Tax Compliance Officer and Vice President with National Financial Services LLC, a Division of Fidelity Investments, in Jersey City, N.J. She has worked in the financial industry for over 35 years as both a tax preparer and compliance officer for a leading financial services firm specializing in high net worth clients and as a compliance officer for a large broker/dealer organization. She has interpreted laws and regulations including identification of the impact of Foreign Account Tax Compliance ACT (FATCA) and the cost basis regulations on the institutional brokerage business. Ms. Diehl is a member of the Securities Industry and Financial Markets Association (SIFMA) tax compliance committee and participates in dialogue on cost basis and FATCA with the Financial Information Forum (FIF). Ms. Diehl received a BS in Economics from the Wharton School, University of Pennsylvania, and an

## Information Reporting Program Advisory Committee 2015 Member Biographies

MBA from the University of Delaware. **(International Reporting and Withholding Subgroup)**

### Mark Druckman

Mr. Druckman is an Executive Director at JPMorgan Chase in New York, N.Y. He has over 20 years of experience in the JPMorgan Chase Corporate Tax Department and provides oversight and monitoring of tax information reporting and withholding matters, including Form 1099 and Form 1042-S filing requirements and Foreign Account Tax Compliance ACT (FATCA) implementation efforts. He previously served on IRPAC in 1996-1997, and has been a guest speaker at industry association seminars and conferences on tax information withholding and reporting. He is a founding member of the TINs Subcommittee of the New York Clearing House Association and a member of the Securities Industry and Financial Markets Association (SIFMA). **(International Reporting and Withholding Subgroup)**

### Michael W. Gangwer

Mr. Gangwer is Associate Tax Advisor, Legal Department, of The Vanguard Group, Inc. in Valley Forge, Pa. He has worked at Vanguard in information reporting for over 10 years. He currently serves as the lead technical consultant for information reporting and tax withholding for Vanguard's retail, institutional retirement, brokerage and cost basis departments. These departments annually produce information returns for millions of investor accounts and retirement plan subaccounts. He also monitors legislative, regulatory and judicial developments related to information reporting and tax withholding matters, as well as advises Vanguard's tax reporting departments as they implement new tax law. He is a member of the Society of Financial Service Professionals, Investment Company Institute and the Securities Institute and Financial Markets Association (SIFMA). Mr. Gangwer received a BS in Economics from West Chester University and a Masters of Taxation & Financial Planning from Widener University. **(IRPAC Vice-Chair, Employer Information Reporting/Burden Reduction Subgroup)**

### Darrell D. Granahan

Mr. Granahan, CISA and CRISC, is a Senior Director of Implementation of Tax Information Reporting Technology for the Tax & Accounting business of Thomson Reuters. In this role he works closely with customers to help them leverage technology as effectively and efficiently as possible to address the challenges of tax information reporting in the wake of ACA and other new tax reporting requirements. Before Thomson Reuters, Mr. Granahan held the role of Vice President, Controls Officer, at First Data Corporation, working in payments processing and electronic commerce solutions. Mr. Granahan is a member of Information Systems Audit and Control (ISACA) and Institute of Internal Auditors (IIA). He received a BS in Electronics Management from Southern Illinois University and an MA in Management from Bellevue University. **(Emerging Compliance Issues Subgroup)**

## Information Reporting Program Advisory Committee 2015 Member Biographies

### **Lynne Gutierrez**

Ms. Gutierrez, CIP, is a Manager of Operations at Hilltop Securities Inc. in Dallas, Texas. She has been in the securities business for over twenty-five years. She leads teams focusing on retirement plans and government reporting. She has been involved in the implementation of Form 1099 DIV changes, the reporting of the Widely Held Fixed Investment Trust (WHFIT) products and the new Cost Basis regulations. She is a member of the Securities Industry and Financial Markets Association (SIFMA), holds a FINRA Series 99 License and is designated as a Certified IRA Professional (CIP) with Ascensus. Ms. Gutierrez has a Bachelor of Business Administration with a field of concentration in finance and accounting from the University of North Texas. **(Employer Information Reporting/Burden Reduction Subgroup)**

### **Mary C. Kallewaard**

Ms. Kallewaard is a Principal and co-founder of COKALA Tax Information Reporting Solutions, LLC, in Ann Arbor, Mich.. She has focused on tax technical advisory services for information reporting compliance for the past 18 years. Working with clients in mid-and large-size industry and the service sector, colleges and universities, and nonprofit institutions, she has developed an understanding of how current business practices and technology integrate with tax reporting and withholding requirements. She is a member of the American Payroll Association (APA) and is co-author of the APA Guide to Accounts Payable. Ms. Kallewaard has a BA in American Studies from the University of Michigan. **(IRPAC Chairperson)**

### **Keith King**

Mr. King is Senior Vice-President and Tax Executive of Bank of America in Charlotte, N.C. Mr. King has over 25 years of experience in the finance industry, having spent the last 16 years in the information reporting field. He currently co-leads Bank of America's Information Reporting and Withholding Advisory Group, which advises the bank's various lines of businesses on information and reporting regulations and its impact on their products and services. Mr. King is a current member of the American Bankers Association (ABA) Information Reporting Advisory Group and The Clearing House (TCH) Tax Withholding and Information Reporting Committee. He was also a past member of the Securities Industry and Financial Markets Association (SIFMA) Tax Compliance and Administration Committee. He holds a BS in Business Administration from the City University of New York and an MBA from Queens University of Charlotte. **(Emerging Compliance Issues Subgroup).**

### **Robert C. Limerick**

Mr. Limerick is Managing Director for the Global information Reporting Group at PricewaterhouseCoopers in New York, N.Y. He is a tax attorney specializing in tax withholding and information reporting with

## Information Reporting Program Advisory Committee 2015 Member Biographies

22 years of experience in the public and private sectors. He has assisted banking, capital markets and asset manager clients with FATCA, Chapter 3 (withholding and reporting for payments to non-U.S. persons) and Chapter 61 (withholding and reporting for payments to U.S. persons). He is a co-author of BNA Tax Management Portfolio 6565, FATCA – Information Reporting and Withholding Under Chapter 4, a former member and past chair of the Securities Industry and Financial Markets Association (SIFMA) Tax Compliance Committee, and a member of the New York, New Jersey and Florida Bar Associations. Mr. Limerick has a BA in Mathematics from the State University of New York at Binghamton, a JD from Nova Southeastern University School of Law and an LLM from the University of Florida School of Law. **(International Reporting and Withholding Subgroup)**

### **Marcia L. Miller**

Ms. Miller is President & CEO of Financial Horizons, Inc. in Ft. Lauderdale, Fla. She is an Enrolled Agent working for 35 years in accounting, tax and management consulting with an emphasis on representing small business owners. She advises clients on taxes and of federal, state and foreign mandatory reporting requirements. She is an author and speaker focusing on tax management, planning and health care reform and a former adjunct professor at Nova Southeastern University, H. Wayne Huizenga School of Business. She is a recognized leader and speaker in the world of information reporting. Ms. Miller earned a BBA and an MBA from the University of Miami. **(Employer Information Reporting/Burden Reduction Subgroup)**

### **Emily Z. Rook**

Ms. Rook is a Consultant with Circle Financial Services in Iverness, Ill. Ms. Rook has worked in the accounting and payroll industries for 40 years and currently consults with clients on payroll issues including processing, systems and accounting. She teaches courses for the American Payroll Association (APA) on processing and regulatory compliance. The training covers all payroll responsibilities including wage and payment deductions and tax depositing and reporting requirements. Ms. Rook is a past president of the APA, serves on its Board of Directors and co-chairs its Government Affairs Task Force Subcommittee on Federal Tax Forms and Publications. She is a Certified Payroll Professional and earned a BS in Commerce from Rider College. **(Employer Information Reporting/Burden Reduction Subgroup)**

### **Jonathan A. Sambur**

Mr. Sambur, an attorney, is a Partner at Mayer Brown LLP in Washington, D.C. His practice includes advising non-US financial institutions regarding compliance with US information reporting and withholding tax rules. Mr. Sambur regularly speaks before a number of non-US national banking associations and US and non-US trade groups,

## **Information Reporting Program Advisory Committee 2015 Member Biographies**

such as the American Bankers Association, the Association of Certified Anti-Money Laundering Specialists (ACAMS) and various Tax Executives Institute chapters. Prior to joining Mayer Brown LLP, Mr. Sambur was an attorney-advisor at the IRS Office of Associate Chief Counsel (International). Mr. Sambur received his B.A. in Politics from Brandeis University, a J.D. (with distinction) from Hofstra University School of Law, and an LL.M. from New York University School of Law. **(International Reporting and Withholding Subgroup)**

### **Patricia L. Schmick**

Ms. Schmick, EA, recently sold her practice to Accounting & Tax Service, Inc., a practice that has three offices in the South Puget Sound area of Washington State. She works for Accounting & Tax Services part time and also volunteers for AARP Tax Aide, preparing and reviewing tax returns at the Puyallup, Wash., library. She has been an accountant and tax professional for over 40 years, working with small businesses and individual taxpayers. She served on a Small Business Focus committee in Seattle that was formed to reduce the burden placed upon small business owners by governmental regulating agencies. Ms. Schmick is a founding member of the Washington Small Business Fair (Biz Fair) Planning Committee and has been actively involved since 1997. The Biz Fair is a free educational event for new and existing businesses drawing 500 – 900 participants each year. She is a member of the Washington State Society of Enrolled Agents and National Association of Enrolled Agents (NAEA). She was on NAEA's board of directors (1990-1999) and was NAEA President (1997-1998). She was NAEA Education Foundation Trustee (2000 – 2002) and Chair (2001 – 2002). She is a Fellow of the National Tax Practice Institute, NAEA. **(Co-Chair, Employer Information Reporting/ Burden Reduction Subgroup)**

### **Julia Shanahan**

Ms. Shanahan, an attorney, is the Executive Director, Tax, at Columbia University in the City of New York. She advises campus departments on all tax matters. Her work includes advising on international, federal, and state and local tax issues and ensuring compliance with both US and international information reporting requirements. She is a member of the Tax Council of the National Association of College and University Business Officers, a member of the Washington State Bar Association, and a former Board Member of Washington Women Lawyers. Ms. Shanahan has a BA in International Studies from Manhattanville College, a Master in International Business from Ecole Nationale Des Ponts Et Chausees, a JD from Seattle University School of Law and an LLM in Taxation from the University of Washington. **(Chair, Emerging Compliance Issues Subgroup)**

### **Nina Tross**

Ms. Tross accepted the position as Executive Director for the National Society of Tax Professionals (NSTP) after serving for 3 years on their Board of Directors. Currently, she also teaches NSTP sponsored tax seminars for tax professionals and writes several tax newsletters. She

## **Information Reporting Program Advisory Committee 2015 Member Biographies**

represents the NSTP on IRPAC and participates in the monthly National Public Liaison (NPL) committee meetings. For many years Ms. Tross owned a tax and accounting practice serving individuals and the business community. The practice was sold in 2011 but she still maintains a small client base preparing individual and business tax returns. She is a member of the National Society of Accountants, the National Federation of Independent Business, and the Arizona Association of Accounting & Tax Professionals. Ms. Tross earned her Enrolled Agent credential in 1993 and graduated with a BS in Business Administration and an MBA from Western International University. (Emerging Compliance Issues)

**Information Reporting Program Advisory Committee  
2015 Member Biographies**