



OFFICE OF  
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DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
WASHINGTON, D.C. 20224

AUG 4 1999

CC:DOM:IT&A:4MCPorter  
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MEMORANDUM FOR NATIONAL DIRECTOR, SUBMISSIONS PROCESSING  
OP:FS:S  
Attn: Harry Anderson

FROM: Acting Assistant Chief Counsel (Income Tax & Accounting)  
CC:DOM:IT&A

SUBJECT: Business Master File (BMF) Forms – Transaction of Dollars-  
Only Amounts

This responds to your June 4, 1999, request for advice regarding the feasibility of implementing the transcription of dollars-only amounts for Business Master File (BMF) returns, similar to the program implemented for the Individual Master File (IMF) program.

Section 6102(a) of the Code provides that the Secretary is authorized to provide with respect to any amount required to be shown on a form prescribed for any internal revenue return, statement, or other document, that if such amount of such item is other than a whole-dollar amount, either – (1) the fractional part of a dollar shall be disregarded; or (2) the fractional part of a dollar shall be disregarded unless it amounts to one-half dollar or more, in which case the amount (determined without regard to the fractional part of a dollar) shall be increased by \$1. Section 301.6102-1(a) of the Regulations on Procedure and Administration requires that the amount reported on any return be entered to the nearest whole dollar amount. In other words the regulations required the rounding of cents to whole dollars on returns. The Code does not, however, dictate how the Service shall maintain its internal records generated from taxpayer returns.

There is one exception to the requirement that cents be rounded to the nearest whole dollar on returns. Section 6102(b) provides, any person making a return, statement, or other document shall be allowed, under regulations prescribed by the Secretary, to make such return statement, or other document without regard to § 6102(a). Section 301.6102-1(b)(1) provides that where any internal revenue form, or the instructions issued with respect to such form, provide that whole dollar

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amounts shall be reported, any person making a return, declaration, statement, or other document on such form may elect not to use whole dollar amounts by reporting thereon all amounts in full, including cents. Thus, taxpayers are permitted to disregard the rounding instructions and file their return calculated in dollars and cents. Again, nothing in the statute requires the Service to enter amounts on its internal records generated from taxpayer returns calculated in dollars and cents.

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There are no legal impediments to implementation of a transcription of dollars-only amounts for BMF returns.

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If you have any questions regarding this memorandum, please contact Marc C. Porter at (202) 622-4940.

HEATHER C. MALOY

By: \_\_\_\_\_  
Judith M. Wall  
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