



[4830-01-p]

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Parts 1, 31, and 301

[REG-105004-16]

RIN 1545-BN35

Use of Truncated Taxpayer Identification Numbers on Forms W-2, Wage and Tax Statement, Furnished to Employees.

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice of proposed rulemaking.

SUMMARY: This document contains proposed amendments to the regulations under sections 6051 and 6052 of the Internal Revenue Code (Code). To aid employers' efforts to protect employees from identity theft, these proposed regulations would amend existing regulations to permit employers to voluntarily truncate employees' social security numbers (SSNs) on copies of Forms W-2, Wage and Tax Statement, that are furnished to employees so that the truncated SSNs appear in the form of IRS truncated taxpayer identification numbers (TTINs). These proposed regulations also would amend the regulations under section 6109 to clarify the application of the truncation rules to Forms W-2 and to add an example illustrating the application of these rules. Additionally, these proposed amendments would delete obsolete provisions and update cross references in the regulations under sections 6051 and 6052. These proposed regulations affect employers who are required to furnish Forms W-2 and employees who receive Forms W-2.

DATES: Written or electronic comments and requests for a public hearing must be received by **December 18, 2017**.

ADDRESSES: Send submissions to: CC:PA:LPD:PR (REG-105004-16), room 5203, Internal Revenue Service, P.O. Box 7604, Ben Franklin Station, Washington, DC 20044. Submissions may be hand-delivered between the hours of 8 a.m. and 4 p.m. to CC:PA:LPD:PR (REG-105004-16), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue, N.W., Washington, DC, or sent via the Federal eRulemaking Portal at www.regulations.gov (REG-105004-16).

FOR FURTHER INFORMATION CONTACT: Concerning these proposed regulations, Eliezer Mishory, (202) 317-6844; concerning submissions of comments and/or requests for a hearing, Regina Johnson (202) 317-6901 (not toll-free numbers).

SUPPLEMENTARY INFORMATION:

Background:

This document contains proposed amendments to the Income Tax Regulations (26 CFR part 1), the Employment Taxes and Collection of Income Tax at Source Regulations (26 CFR part 31), and the Procedure and Administration Regulations (26 CFR part 301) regarding statements that are required to be furnished to employees by employers or other persons under sections 6051 and 6052 of the Code. Section 6051(a) generally requires that an employer provide to each employee on or before January 31st of the succeeding year a written statement that shows the employee's total amount of wages and the total amount deducted and withheld as tax from those wages, along with other information, for each calendar year. Employers must use Form W-2 (or a substitute statement that complies with applicable revenue procedures

relating to such statements) to provide the information required by section 6051(a) to employees. See §31.6051-1(a)(1)(i); Rev. Proc. 2016-54, 2016-45 I.R.B. 685, also published as Publication 1141, “General Rules and Specifications for Substitute Forms W-2 and W-3,” or any successor guidance. Section 6051(d) provides that, when required to do so by regulations, employers must file with the Secretary duplicates of the forms required to be furnished to employees under section 6051. Section 31.6051-2(a) generally requires employers to file Social Security Administration copies of Forms W-2 with the Social Security Administration. A person making a payment of third-party sick pay to an employee of another employer (payee) is required under section 6051(f)(1) to furnish a written statement to the employer for whom services are normally rendered containing certain information, including the payee’s SSN. Under certain conditions, the employer for whom services are normally rendered is required under section 6051(f)(2) to furnish a Form W-2 to the payee. This situation may arise, for example, when an insurance company is making payments to an employee of another employer because the employee is temporarily absent from work due to injury, sickness or disability, and the insurance company has satisfied the necessary requirements under §32.1(e) of the Temporary Employment Tax Regulations under the Act of December 29, 1981 (Pub. L. 97-123) to transfer the obligation to do Form W-2 reporting to the employer. Employers also must use Form W-2 to file and furnish information regarding payment of wages in the form of group-term life insurance under section 6052.

Section 6109(a) authorizes the Secretary to prescribe regulations with respect to the inclusion in returns, statements, or other documents of an identifying number as

may be prescribed for securing proper identification of a person. On July 15, 2014, the Treasury Department and the IRS published in the **Federal Register** (79 FR 41127-02) final regulations (TD 9675) authorizing the use of TTINs on certain payee statements and certain other documents. These final regulations were in response to concerns about the risks of identity theft, including its effect on tax administration.

Section 301.6109-4(b) generally provides that a TTIN may be used to identify any person on any statement or other document that the internal revenue laws require to be furnished to another person. Under §301.6109-4(a), a TTIN is an individual's SSN, IRS individual taxpayer identification number (ITIN), IRS adoption taxpayer identification number (ATIN), or IRS employer identification number (EIN) in which the first five digits of the nine-digit number are replaced with Xs or asterisks. For example, a TTIN replacing an SSN appears in the form XXX-XX-1234 or ***-**-1234. Section 301.6109-4(b)(2)(ii) prohibits using TTINs if, among other things, a statute, regulation, other guidance published in the Internal Revenue Bulletin, form, or instructions specifically requires the use of an SSN. Additionally, §301.6109-4(b)(2)(iii) prohibits the use of TTINs on any return, statement, or other document that is required to be filed with or furnished to the IRS.

Prior to being amended by the Protecting Americans from Tax Hikes (PATH) Act of 2015, Public Law No. 114-113, div. Q, title IV, 129 Stat. 2242, section 6051(a)(2) specifically required employers to include their employees' SSNs on copies of Forms W-2 that are furnished to employees. In addition, current regulations under §31.6051-1, as well as forms and instructions, require employers to include their employees' SSNs on copies of Forms W-2 that are furnished to employees. Section 409 of the PATH Act

amended section 6051(a)(2) by striking “his social security account number” from the list of information required on Form W-2 and inserting “an identifying number for the employee” instead. This statutory amendment is effective for statements issued after December 18, 2015, the date that the PATH Act was signed into law. Because an SSN is no longer required by section 6051, the Treasury Department and the IRS propose amending the regulations to permit employers to truncate employees’ SSNs to appear in the form of TTINs on copies of Forms W-2 that are furnished to employees. If the proposed regulations are finalized without change, the IRS intends to incorporate the revised regulations into forms and instructions, permitting employers to use a TTIN on the employee copy of the Form W-2. See §301.6109-4(b)(2)(i) and (ii).

Explanation of Provisions

Truncated SSN permitted on employee’s copies of Form W-2

These proposed regulations amend §31.6051-1 to permit employers to truncate employees’ SSNs to appear in the form of a TTIN on copies of Forms W-2 that are furnished to employees under section 6051. Consistent with the rule in §301.6109-4(b)(2)(iii), prohibiting the use of TTINs on any return, statement, or other document that is required to be filed with or furnished to the IRS, these proposed regulations amend §31.6051-2 to clarify that employers may not truncate an employee’s SSN to appear in the form of a TTIN on a copy of a Form W-2 that is filed with the Social Security Administration. This result is appropriate because both the IRS and the SSA need to utilize Forms W-2 to properly identify individuals to be able to carry out their respective duties.

Consistent with the rule in §301.6109-4(b)(2)(ii) that prohibits using TTINs if,

among other things, a statute specifically requires the use of an SSN, the proposed regulations also amend §31.6051-3 to clarify that a payee's SSN may not be truncated to appear in the form of a TTIN on a statement furnished to the employer of the payee who received sick pay from a third party because section 6051(f)(1)(A)(i) specifically requires such a statement to contain the employee's SSN. Nonetheless, these proposed regulations permit employers to truncate payees' SSNs to appear in the form of TTINs on copies of Forms W-2 that are furnished under section 6051(f)(2) to payees that report such third-party sick pay, in accordance with the general rule governing the reporting of wages to employees on Forms W-2 under section 6051(a), because section 6051(f)(2) does not specifically require the use of an SSN.

Further, these proposed regulations amend §1.6052-2 to permit employers to truncate employees' SSNs to appear in the form of TTINs on copies of Forms W-2 that are furnished to employees under section 6052(b) regarding payment of wages in the form of group-term life insurance.

These proposed regulations amend §301.6109-4 to clarify that truncation is not allowed on any return, statement, or other document that is required to be filed with or furnished to the Social Security Administration under the internal revenue laws. These proposed regulations also clarify the rule prohibiting truncation if a statute, regulation, other guidance published in the Internal Revenue Bulletin, form, or instructions, specifically requires use of a SSN, ITIN, ATIN, or EIN. The proposed regulations provide that truncation is allowed if a statute or IRS guidance (e.g., regulations, forms, instructions), that specifically requires use of a SSN, ITIN, ATIN, or EIN, also specifically states that the taxpayer identifying number may be truncated. These proposed

regulations also add an example illustrating the application of these rules to Forms W-2. These proposed regulations also amend the existing example for clarity.

Miscellaneous updates to regulations under sections 6051 and 6052

In addition to the amendments relating to the truncation of employees' SSNs to appear in the form of TINs in specific circumstances, these proposed regulations eliminate obsolete provisions and update cross references in the regulations under sections 6051 and 6052, as explained below.

First, these proposed regulations amend §31.6051-1 to remove obsolete provisions regarding compensation, as defined in the Railroad Retirement Tax Act, paid during 1968, 1969, 1970, and 1971 and reported on the now obsolete Form W-2 (RR); the special rule for statements with respect to the refundable earned income credit for Form W-2 for 1987 and 1988; and references to the annual contribution base (repealed in 1993) for wages subject to the Hospital Insurance tax (commonly known as Medicare tax).

Second, these proposed regulations amend §31.6051-1 to remove obsolete cross references, including a cross reference to former §301.6676-1 relating to the penalty for failure to report an identification number or an account number, and a cross reference to section 6723 (prior to its amendment in 1989) that was relevant for Forms W-2 that were due from the beginning of 1987 through the end of 1989.

Third, these proposed regulations amend §31.6051-2 to update now inaccurate cross references resulting from statutory and regulatory changes regarding penalties for failures to file, and to remove a cross reference to section 6723 (prior to its amendment in 1989) that was relevant for Forms W-2 that were due from the beginning of 1987

through the end of 1989. These proposed regulations also change the title of §31.6051-2 from “Information returns on Form W-3 and Internal Revenue Service copies of Forms W-2” to “Information returns on Form W-3 and Social Security Administration copies of Forms W-2,” to conform with the text of the regulation that refers to the Social Security Administration copies of Form W-2. In addition, these proposed regulations remove obsolete references in §31.6051-2 to the requirements to submit information on magnetic tape and insert a reference to the requirements to submit information on magnetic media.

Fourth, these proposed regulations amend §31.6051-3 to remove the obsolete transition rule for third-party sick pay that was paid to a payee after December 31, 1980, and before May 1, 1981.

Fifth, these proposed regulations amend §1.6052-2 to remove an obsolete rule that allowed employers to use a statement other than a Form W-2 to satisfy the requirement to furnish a statement to an employee with respect to wages paid in the form of group-term life insurance. This rule was relevant for years prior to 1973, before §1.6052-1 was amended to require employers to report wages in the form of group-term life insurance on Form W-2. At the same time, to conform to this new requirement, §1.6052-2 was amended to provide that the requirement to furnish a statement to an employee with respect to wages paid in the form of group-term life insurance may be satisfied by furnishing to the employee the employee's copy of Form W-2 that was filed pursuant to §1.6052-1. Because the transition period to require employers to file Form W-2 has long since passed and because the Treasury Department and the IRS understand that copies of Forms W-2 are used to satisfy the requirement to furnish

statements to employees under §1.6052-2, these proposed regulations require employers to furnish to employees the employees' copies of Forms W-2 that were filed pursuant to §1.6052-1, and these proposed regulations make conforming changes throughout that section.

Finally, these proposed regulations update the now inaccurate cross reference resulting from statutory changes regarding penalties for failures to furnish statements under section 6052 and remove the deemed compliance rule, which applied only to years before 1972.

Proposed effective/applicability date

These proposed regulations will be effective on the date of the publication of the Treasury Decision adopting these rules as final in the **Federal Register**. These proposed regulations amend the effective/applicability date provisions in §31.6051-1, §31.6051-3, and §301.6109-4, and add applicability date provisions to §1.6052-2 and §31.6051-2. Several state tax administrators have requested additional time to develop systems to process the copies of Forms W-2 filed with state income tax returns that may contain truncated SSNs. In light of this request, these proposed regulations will not apply to Forms W-2 required to be furnished before January 1, 2019. Accordingly, these proposed regulations provide that these regulations, as amended, will be applicable for statements required to be filed and furnished under sections 6051 and 6052 after December 31, 2018.

Statement of Availability of IRS Documents

IRS Revenue Procedures, Revenue Rulings notices, and other guidance cited in this preamble are published in the Internal Revenue Bulletin (or Cumulative Bulletin)

and are available from the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402, or by visiting the IRS website at www.irs.gov.

Special Analyses

Certain IRS regulations, including this one, are exempt from the requirements of Executive Order 12866, as supplemented and reaffirmed by Executive Order 13563. Therefore, a regulatory assessment is not required. Because these proposed regulations do not impose a collection of information on small entities, the Regulatory Flexibility Act (5 U.S.C. chapter 6) does not apply. Pursuant to section 7805(f) of the Code, this notice of proposed rulemaking has been submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on its impact on small business.

Comments and Requests for Public Hearing

Before these proposed regulations are adopted as final regulations, consideration will be given to any comments that are submitted timely to the IRS as prescribed in the preamble under the ADDRESSES section. The Treasury Department and the IRS request comments on all aspects of these proposed regulations. All comments submitted will be made available at www.regulations.gov or upon request. A public hearing may be scheduled if requested in writing by any person that timely submits written comments. If a public hearing is scheduled, notice of the date, time, and place for the hearing will be published in the **Federal Register**.

Drafting Information

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

List of Subjects

26 CFR Part 1

Income taxes, Reporting and recordkeeping requirements.

26 CFR Part 31

Employment taxes, Income taxes, Penalties, Pensions, Railroad Retirement, Reporting and recordkeeping requirements, Social Security, Unemployment compensation.

26 CFR Part 301

Employment taxes, Estate taxes, Excise taxes, Gift taxes, Income taxes, Penalties, Reporting and recordkeeping requirements.

Proposed Amendments to the Regulations

Accordingly, 26 CFR parts 1, 31 and 301 are proposed to be amended as follows:

PART 1—INCOME TAXES

Paragraph 1. The authority citation for part 1 continues to read in part as follows:

Authority: 26 U.S.C. 7805, unless otherwise noted.

* * * * *

Par. 2. Section 1.6052-2 is amended by:

1. Revising paragraph (a).
2. Removing paragraph (b).
3. Redesignating paragraph (e) as new paragraph (b).
4. Revising paragraphs (c) and (d).
5. Removing paragraphs (f) and (g).

The revisions read as follows:

§1.6052-2 Statements to be furnished employees with respect to wages paid in the form of group-term life insurance.

(a) Requirement. Every employer filing a return under section 6052(a) and §1.6052-1, with respect to group-term life insurance on the life of an employee, shall furnish to the employee whose name is set forth in such return the tax return copy and the employee's copy of Form W-2. Each copy of Form W-2 must show the information required to be shown on the Form W-2 filed under §1.6052-1. An employer may truncate an employee's social security number to appear in the form of an IRS truncated taxpayer identification number (TTIN) on copies of Form W-2 furnished to the employee. For provisions relating to the use of TTINs, see §301.6109-4 of this chapter (Procedure and Administration Regulations). The rules in §31.6051-1 of this chapter (Employment Taxes and Collection of Income Tax at Source Regulations) shall apply with respect to the means and time (including extensions thereof) for furnishing the employee's copy of Form W-2 required by this section to the employee and making corrections to such form.

* * * * *

(c) Penalty. For provisions relating to the penalty provided for failure to furnish a statement under this section, see section 6722 and the regulations thereunder.

(d) Applicability date. This section is applicable for statements required to be furnished under section 6052 after December 31, 2018.

PART 31—EMPLOYMENT TAXES AND COLLECTION OF INCOME TAX AT SOURCE

Par. 3. The authority citation for part 31 is amended by adding an entry in

numerical order to read in part as follows:

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

Section 31.6051-3 also issued under 26 U.S.C. 6051.

* * * * *

Par. 4. Section 31.6051-1 is amended by:

1. Revising paragraphs (a)(1)(i)(b) and (b)(1)(ii).
2. Removing paragraph (d)(1)(ii)(C).
3. Revising paragraphs (f), (h)(2), and (i).
4. Removing paragraph (j)(8).
5. Adding paragraph (k).

The revisions and addition read as follows:

§31.6051-1 Statements for employees.

(a) * * *

(1) * * *

(i) * * *

(b) The name, address, and social security number of the employee, which may be truncated to appear in the form of an IRS truncated taxpayer identification number (TTIN) on copies of Forms W-2 that are furnished to the employee (for provisions relating to the use of TTINs, see §301.6109-4 of this chapter (Procedure and Administration Regulations)), if wages as defined in section 3121(a) have been paid or if the Form W-2 is required to be furnished to the employee,

* * * * *

(b) * * *

(1) * * *

(ii) The name, address, and social security number of the employee, which may be truncated to appear in the form of an IRS truncated taxpayer identification number (TTIN) on copies of Forms W-2 that are furnished to the employee (for provisions relating to the use of TTINs, see §301.6109-4 of this chapter (Procedure and Administration Regulations)),

* * * * *

(f) Statements with respect to compensation, as defined in the Railroad Retirement Tax Act--(1) Notification of possible credit or refund. With respect to compensation (as defined in section 3231(e)), every employer (as defined in section 3231(a)) who is required to deduct and withhold from an employee (as defined in section 3231(b)) a tax under section 3201, shall include on or with the statement required to be furnished to such employee under section 6051(a), a notice concerning the provisions of this title with respect to the allowance of a credit or refund of the tax on wages imposed by section 3101(b) and the tax on compensation imposed by section 3201 or 3211 which is treated as a tax on wages imposed by section 3101(b).

(2) Information to be supplied to employees upon request. With respect to compensation (as defined in section 3231 (e)), every employer (as defined in section 3231(a)) who is required to deduct and withhold tax under section 3201 from an employee (as defined in section 3231(b)) who has also received wages during such year subject to the tax imposed by section 3101(b), shall upon request of such employee furnish to him or her a written statement showing--

(i) The total amount of compensation with respect to which the tax imposed by section 3101(b) was deducted;

(ii) The total amount of employee tax under section 3201 deducted and withheld (increased by any adjustment in the calendar year for overcollection, or decreased by any adjustment in such year for undercollection, of such tax during any prior year); and

(iii) The proportion thereof (expressed either as a dollar amount, or a percentage of the total amount of compensation as defined in section 3231(e), or as a percentage of the total amount of employee tax under section 3201) withheld as tax under section 3201 for financing the cost of hospital insurance benefits.

(h) * * *

(2) Time for furnishing statement. The statement required by this paragraph (h) for a calendar year shall be furnished--

(i) In the case of an employee who is required to be furnished a Form W-2, Wage and Tax Statement, for the calendar year, within one week of (before or after) the date that the employee is furnished a timely Form W-2 for the calendar year (or, if a Form W-2 is not so furnished, on or before the date by which it is required to be furnished); and

(ii) In the case of an employee who is not required to be furnished a Form W-2 for the calendar year, on or before February 7 of the year succeeding the calendar year.

* * * * *

(i) Cross references. For provisions relating to the penalties provided for the willful furnishing of a false or fraudulent statement, or for the willful failure to furnish a statement, see §31.6674-1 and section 7204. For additional provisions relating to the inclusion of identification numbers and account numbers in statements on Form W-2, see §§31.6109-1 and 31.6109-4. For the penalties applicable to information returns and payee statements, see sections 6721-6724 and the regulations thereunder.

* * * * *

(k) Applicability date. This section is applicable for statements required to be furnished under section 6051 after December 31, 2018.

Par. 5. Section 31.6051-2 is amended by revising paragraphs (a) and (c) and adding paragraph (d) to read as follows:

§31.6051-2 Information returns on Form W-3 and Social Security Administration copies of Forms W-2.

(a) In general. Every employer who is required to make a return of tax under §31.6011(a)-1 (relating to returns under the Federal Insurance Contributions Act), §31.6011(a)-4 (relating to returns of income tax withheld from wages), or §31.6011(a)-5 (relating to monthly returns) for a calendar year or any period therein, shall file the Social Security Administration copy of each Form W-2 required under §31.6051-1 to be furnished by the employer with respect to wages paid during the calendar year. An employer may not truncate an employee's social security number to appear in the form of an IRS truncated taxpayer identification number (TTIN) on copies of Form W-2 filed with the Social Security Administration. Each Form W-2 and the transmittal Form W-3 shall together constitute an information return to be filed with the Social Security Administration as indicated on the instructions to such forms. For the requirement to submit the information on Form W-2 on magnetic media, see section 6011(e) and §301.6011-2 of this chapter (Procedure and Administration Regulations).

* * * * *

(c) Cross references. For provisions relating to the time for filing the information returns required by this section and to extensions of the time for filing, see sections

6071 and 6081 and the regulations thereunder. For the penalties applicable to information returns and payee statements, see sections 6721 through 6724 and the regulations thereunder.

(d) Applicability date. This section is applicable for statements required to be filed under section 6051 after December 31, 2018.

Par. 6. Section 31.6051-3 is amended by revising paragraphs (a)(1)(i), (b)(1), (e)(3), and (f) and removing paragraph (g) to read as follows:

§31.6051-3 Statements required in case of sick pay paid by third parties.

(a) * * *

(1) * * *

(i) The name and, if there is withholding from sick pay under section 3402(o) and the regulations thereunder, the social security account number of the payee (the payee's social security number may not be truncated to appear in the form of an IRS truncated taxpayer identification number (TTIN)),

(b) * * *

(1) All of the information required to be furnished under paragraph (a) of this section, but the employer may truncate the payee's social security number to appear in the form of an IRS truncated taxpayer identification number (TTIN) on copies of Forms W-2 that are furnished to the payee (for provisions relating to the use of TTINs, see §301.6109-4 of this chapter (Procedure and Administration Regulations)),

* * * * *

(e) * * *

(3) The provisions of section 6109 (relating to identifying numbers) and the

regulations thereunder shall be applicable to Form W-2 and to any payee of sick pay to whom a statement on Form W-2 is required by this section to be furnished. The employer must include the social security number of the payee on all copies of Forms W-2. The employer may truncate the payee's social security number to appear in the form of an IRS truncated taxpayer identification number (TTIN) on copies of Forms W-2 that are furnished to the payee. For provisions relating to the use of truncated taxpayer identification numbers (TTINs), see §301.6109-4 of this chapter (Procedure and Administration Regulations).

(f) Applicability date. This section is applicable for statements required to be furnished under section 6051 after December 31, 2018.

PART 301 - PROCEDURE AND ADMINISTRATION

Par. 7. The authority citation for part 301 continues to read in part as follows:

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

Par. 8. Section 301.6109-4 is amended by revising paragraphs (b)(2)(ii) and (iii), (b)(3), and (c) to read as follows:

§301.6109-4 IRS truncated taxpayer identification numbers.

* * * * *

(b) * * *

(2) * * *

(ii) A TTIN may not be used on a statement or document if a statute, regulation, other guidance published in the Internal Revenue Bulletin, form, or instructions, specifically requires use of a SSN, ITIN, ATIN, or EIN and does not specifically state that the taxpayer identifying number may be truncated. For example, a TTIN may not

be used on a Form W-8ECI or Form W-8IMY because the forms and/or form instructions specifically prescribe use of an SSN, EIN, or ITIN for the U.S. taxpayer identification number.

(iii) A TTIN may not be used on any return, statement, or other document that is required to be filed with or furnished to the Internal Revenue Service or the Social Security Administration in the case of forms required to be filed with the Social Security Administration under the internal revenue laws.

* * * * *

(3) Examples. The provisions of this paragraph (b) are illustrated by the following examples:

(i) Example 1. Pursuant to section 6051(d) and §31.6051-2(a) of this chapter, Employer files the Social Security Administration copy of Employee's Form W-2, Wage and Tax Statement, with the Social Security Administration. Employer may not truncate any identifying number on the Social Security Administration copy. Pursuant to section 6051(a) and §31.6051-1(a)(1)(i) of this chapter, Employer furnishes copies of Form W-2 to Employee. There are no applicable statutes, regulations, other published guidance, forms, or instructions that prohibit use of a TTIN on Form W-2, and §31.6051-1(a)(1)(i) specifically permits truncating employees' SSNs. Accordingly, Employer may truncate Employee's SSN to appear in the form of a TTIN on copies of Form W-2 furnished to Employee. Employer may not truncate its own EIN on copies of Form W-2 furnished to Employee.

(ii) Example 2. On April 5, year 1, Donor contributes a used car with a blue book value of \$1100 to Charitable Organization. On April 20, year 1, Charitable Organization sends Donor copies B and C of the Form 1098-C as a contemporaneous written acknowledgement of the \$1100 contribution as required by section 170(f)(12). In late-February, year 2, Charitable Organization prepares and files copy A of Form 1098-C with the IRS, reporting Donor's donation of a qualified vehicle in year 1. Charitable Organization may truncate Donor's SSN to appear in the form of a TTIN in the Donor's Identification Number box on copies B and C of the Form 1098-C because copies B and C of the Form 1098-C are documents required by the Internal Revenue Code and regulations to be furnished to another person; there are no applicable statutes, regulations, other published guidance, forms or instructions that prohibit the use of a TTIN on those copies; and there are no applicable statutes, regulations, other published guidance, forms, or instructions that specifically require use of an SSN or other identifying number on those copies. Charitable Organization may not truncate its own

EIN on copies B and C of the Form 1098-C because a person cannot truncate its own taxpayer identifying number on any statement or other document the person furnishes to another person. Charitable Organization may not truncate any identifying number on copy A of the Form 1098-C because copy A is required to be filed with the IRS.

(c) Applicability date. This section is applicable to returns, statements and other documents required to be filed or furnished after December 31, 2018.

Kirsten Wielobob,

Deputy Commissioner for Services and Enforcement.

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