

Part IV - Items of General Interest

The Internal Revenue Service Will Permit Electronic Submission of Forms W-9 and W-9S

Announcement 98-27

Form W-9

The Internal Revenue Service will allow payers to establish a system to electronically receive Forms W-9, Request for Taxpayer Identification Number and Certification. In general, the electronic system must meet the requirements described in paragraphs (1) through (5) below. However, for Forms W-9 that are not required to be signed, the electronic system need not meet the requirements described in paragraph (3). The IRS will revise the "Instructions for the Requester of Form W-9" to reflect the provisions of this announcement.

For purposes of this announcement, "payer" refers to a person required to file an information return. "Payee" refers to the person required to submit Form W-9 to the payer.

Form W-9S

The Internal Revenue Service will also allow educational and lending institutions to establish a system for students and borrowers to electronically submit Form W-9S, Request for Student's or Borrower's Social Security Number and Certification. The IRS will revise the instructions for Form W-9S to reflect the provisions of this announcement. In general, the electronic system must meet the requirements described in paragraphs (1), (2), (4), and (5) below. Further, if an electronic Form W-9S is used to certify that the borrower will use the loan proceeds to pay for qualified

higher education expenses, the lending institution's electronic system must also meet the requirements described in paragraph (3)(A) below.

Requirements

(1) In general. The electronic system must ensure that the information received by the payer or educational or lending institution is the information sent by the payee, student, or borrower. The system must document all occasions of user access that result in the submission. In addition, the design and operation of the electronic system, including access procedures, must make it reasonably certain that the person accessing the system and submitting the Form W-9 or W-9S is the person identified in the form.

(2) Same information as paper Form W-9 or W-9S. The electronic submission must provide the payer or educational or lending institution with exactly the same information as the paper Form W-9 or W-9S.

(3) Signature requirements and perjury statement. The electronic submission must be signed with an electronic signature by the payee whose name is on the Form W-9 or by the borrower whose name is on the Form W-9S.

(A) Electronic signature. The electronic signature must identify the payee or borrower submitting the electronic form and must authenticate and verify the submission. For this purpose, the terms "authenticate" and "verify" have the same meanings as they do when applied to a written signature on a paper Form W-9 or W-9S. An electronic signature can be in any form that satisfies the foregoing requirements. The electronic signature must be the final entry in the submission.

(B) Perjury statement. The electronic signature on Form W-9 must be under penalties of perjury. The perjury statement must contain the language that appears on the paper Form W-9. The electronic system must inform the payee that he or she makes the declaration contained in the perjury statement and that the declaration is made by signing the Form W-9. The instructions and the language of the perjury statement must immediately follow the payee's certifying statements and immediately precede the electronic signature.

(4) Copies of electronic Forms W-9 or W-9S. Upon request by the Internal Revenue Service, the payer or educational or lending institution must supply a hard copy of the electronic Form W-9 or W-9S and a statement that, to the best of the payer's or educational or lending institution's knowledge, the electronic Form W-9 or W-9S was submitted by the named payee, student, or borrower. The hard copy of the electronic Form W-9 or W-9S must provide exactly the same information as, but need not be a facsimile of, the paper Form W-9 or W-9S.

(5) Effective date. This announcement applies to Forms W-9 and W-9S submitted electronically by payees, students, or borrowers on or after April 13, 1998.

For further information regarding this announcement, contact Donna Welch of the Office of the Assistant Chief Counsel (Income Tax and Accounting) at (202) 622-4910 (not a toll-free call).

Approved:

National Director, Tax Forms and Publications Division

Date