

Rev. Proc. 98-65

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Chapter 1

Introduction to Substitute Forms

Overview of Revenue Procedure 98-65

Purpose This revenue procedure provides the general requirements and conditions for the development, printing, and approval of all substitute tax forms to be acceptable for filing in lieu of official IRS forms.

Unique Forms Certain unique, specialized forms require the use of other additional revenue procedures to supplement this publication. See Chapter 4.

Scope The Internal Revenue Service accepts quality substitute tax forms that are consistent with the official forms and do not have an adverse impact on our processing. The IRS Substitute Forms Program administers the formal acceptance and processing of these forms nationwide. While this program deals primarily with paper documents, it also interfaces with other processing and filing media such as:

- Magnetic tape,
- Optical character recognition, and
- Electronic filing, etc.

Only those substitute forms that comply fully with the requirements set forth herein are acceptable. Exhibit L-1 lists the form numbers mentioned in this document and their titles. This revenue procedure is updated as required to reflect pertinent tax year form changes and to meet processing and/or legislative requirements.

Forms Covered by This Revenue Procedure

The following types of forms are covered by this revenue procedure:

- IRS tax returns and their related forms and schedules.
- Applications for permission to file returns electronically and forms used as required documentation for electronically filed returns.
- Powers of Attorney.
- Estimated tax payment vouchers.
- Forms and schedules relating to partnerships, exempt organizations, and employee plans.

Forms NOT Covered by This Revenue Procedure

The following types of forms are not covered:

- W-2, W-3 (see Publication 1141 for information on these forms)
- 1096, 1098 series, 1099 series, 5498 series, and W-2G (see Publication 1179 for information on these forms)
- Federal Tax Deposit (FTD) coupons, which may not be reproduced.
- Requests for information or documentation initiated by the Service.
- Forms used internally by the Service.
- State tax forms.
- Forms developed outside IRS (except for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts).

IRS Contacts

Where To Send Substitute Forms

Send your substitute forms for approval to the following offices (DO NOT send forms with taxpayer data):

Form	Office and Address
4789, 8300, 8362, 8852, TD F 90-22.1, TD F 90-22.47	IRS Computing Center BSA Compliance Branch P.O. Box 32063 Detroit, MI 48232-0063
4461, 4461-A, 4461-B, 5300, 5303, 5307, 5310, 5310-A, and 6406	Internal Revenue Service Attn: EP OCR Forms Coordinator OP:E:EP:FC 1111 Constitution Avenue, NW Room 2232 IR Washington, DC 20224
All others (except W-2, W-3, 1096, 1098, 1099, 5498, and W-2G)	Internal Revenue Service Attn: Substitute Forms Program OP:FS:FP:F:CD 1111 Constitution Avenue, NW Room 5244 IR Washington, DC 20224

In addition, the Substitute Forms Program can be contacted via email at tfpmail@publish.no.irs.gov. Use this email address only to inquire about forms covered by this revenue procedure. DO NOT attach graphic files for approval with email.

For questions about Forms W-2 and W-3, refer to IRS Publication 1141, General Rules and Specifications for Private Printing of Substitute Forms W-2 and W-3. For Forms 1096, 1098, 1099, 5498, and W-2G, refer to IRS Publication 1179, Specifications for Paper Document Reporting and Paper Substitutes for Forms 1096, 1098, 1099, 5498, and W-2G.

Nature of Changes

Changes to the Revenue Procedure

- Information on IRS Contact offices has been revised.
 - Substitute Forms Program email address has been revised.
 - Information on advanced proofs has been changed to reflect the presence of advance drafts on the Internet.
 - The scheduled print date report is now available on the IRS Internet site.
 - IRS organizational symbols changed where appropriate.
 - Previous instructions labeled "Special Form 941 Requirements" have been removed from this revenue procedure.
 - The office phone number and address for 1040PC Project Office has been updated.
 - A paragraph has been added on Tax Fax and CD-ROM ordering instructions have been updated.
 - The instructions for ordering forms from the IRS Distribution Center have been revised.
 - Various editorial changes have been made.
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Definitions

Substitute Form	A tax form (or related schedule) that differs in any way from the official version and is intended to replace the entire form that is printed and distributed by the Service. This term also covers those approved substitute forms exhibited in this revenue procedure.
Printed (or Preprinted) Form	A form produced using conventional printing processes. Also, a printed form which has been reproduced by photocopying or similar processes.
Preprinted Pin-Fed Form	A printed form that has marginal perforations for use with automated and high-speed printing equipment.
Computer- Prepared Substitute Form	A preprinted form in which the taxpayer's tax entry information has been inserted by a computer, computer-printer, or other computer type equipment, such as word-processing equipment.
Computer- Generated Substitute Tax Return or Form	A tax return or form that is entirely designed and printed by the use of a computer printer, such as a laser printer, etc., on plain white paper. This return or form must conform to the physical layout of the corresponding Service form although the typeface may differ. The text should match the text on the officially printed form as closely as possible; condensed text and abbreviations will be considered on a case-by-case basis. Exception: All jurats (perjury statements) must be reproduced verbatim.
Manually- Prepared Form	A preprinted reproduced form in which the taxpayer's tax entry information is entered by an individual using a pen, pencil, typewriter, or other non-automated equipment.
Computer- Generated Answer Sheet Format Tax Return	A tax return that contains only the taxpayer's significant line entries, and is formatted three columns per page with tax form headings, a summary, and jurat. This return is printed on plain white paper using a computer printer.
Graphics	Those parts of a printed tax form that are not tax amount entries nor called-for information. Generally, these are line numbers, captions, shadings, instructions, special indicators, borders, rules, and strokes created by typesetting, photographics, photocomposition, etc.
Acceptable Reproduced Form	A legible photocopy of an original form.
Supporting Statement (Supplemental Schedule)	A document providing detailed information to support an entry for a line(s) on an official or approved substitute form and filed with (attached to) a tax return. (A supporting statement is not a tax form and does not take the place of an official form, unless specifically permitted elsewhere in this procedure.)
Specific Forms Terms	The following terms are used throughout this revenue procedure in reference to all substitute forms, with the exception of the 1040PC "answer sheet format" tax return.
Format	The overall physical arrangement and general layout of a substitute form.
Sequence	The same numeric and logical placement order of data, as reflected on the official form version. Sequence is an integral part of the total format requirement.
Line Reference (Code)	The line numbers, letters or alphanumerics used to identify each captioned line on the official forms, and printed to the immediate left of each caption or data entry field.
Item Caption	The textual portion of each line on the form identifying the specific data elements required.
Data Entry Field	All areas designated on a form for the insertion of data, such as dollar amounts, quantities, responses, checkboxes, etc.

Agreement

Important Stipulation of This Revenue Procedure

Any person or company who uses substitute forms and makes all or part of the changes specified in this revenue procedure agrees to the following stipulations:

- The Internal Revenue Service presumes the changes are made in accordance with these procedures and, as such, will be noninterruptive to the processing of the tax return.
 - Should any of the changes prove to be not exactly as described, and as a result become disruptive to the Internal Revenue Service during processing of the tax return, the person or company agrees to accept the determination of the IRS as to whether or not the form may continue to be used during the filing season.
 - The person or company agrees to work with the IRS in correcting noted deficiencies. Notification of deficiencies may be made by any combination of fax, letter, email, or phone contact and may include the return of unacceptable forms for resubmission of acceptable forms.
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Chapter 2

General Guidelines for Submissions and Approvals

General Specifications for Approval

Overview	If you produce any tax returns and forms using IRS guidelines on permitted changes, you can generate your own substitutes without further approval. If your changes are more extensive, you must get official approval before using substitute forms. These changes include the use of typefaces and sizes other than those found on the official form and the condensing of line item descriptions to save space.
Schedules	Schedules are considered to be an integral part of a complete tax return when assigned consecutive page numbers and printed contiguously with page 1 of the return.
Example of Schedules That Must Be Submitted With the Return	Form 706, United States Estate (and Generation-Skipping Transfer) Tax Return, is an example of this situation, where Schedules A through S have pages numbered as part of the basic return. For a Form 706 to be approved, the entire form including Schedules A through S must be submitted.
Examples of Schedules That Can Be Submitted Separately	However, Schedules 1, 2, and 3 of Form 1040A are examples of schedules that can be separately computer-generated. Although printed by the IRS as a continuation of Form 1040A, none of these schedules have page numbers that require them to be filed with Form 1040A, and may, therefore, be separated from Form 1040A and submitted as computer-generated substitute schedules.
Use and Distribution of Unapproved Forms	The Internal Revenue Service is continuing a program to identify and contact tax return preparers, forms developers, and software publishers who use or distribute unapproved forms that do not conform to this revenue procedure. The use of unapproved forms impedes processing of the returns.

Highlights of Permitted Changes and Requirements

Methods of Reproducing Internal Revenue Service Forms	<p>Official versions are supplied by the Internal Revenue Service, such as those in the taxpayer's tax package, those printed in revenue procedures, and over-the-counter forms available at IRS and other governmental public offices or buildings. Forms are also available on CD-ROM, and on-line via Fed-world and the Internet.</p> <p>There are methods of reproducing Internal Revenue Service printed tax forms suitable for use as substitute tax forms without prior approval.</p> <ul style="list-style-type: none">• You can photocopy most tax forms and use them instead of the official ones. The entire substitute form, including entries, must be legible.• You can reproduce any current tax form as cut sheets, snapsets, and marginally punched, pin-fed forms so long as you use an official IRS version as the master copy.• You can reproduce a "signature form" as a valid substitute form. Many tax forms (including returns) have a taxpayer signature requirement as part of the form layout. The jurat/perjury statement/signature line areas must be retained and worded exactly as on the official form. The requirement for a signature by itself does not prohibit a tax form from being properly computer-generated.• You can computer-generate Answer Sheet Format Tax Returns on plain bond paper using IRS-accepted software for the 1040PC format for return types 1040EZ, 1040, 1040A, and attachments, forms, and schedules.
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Vouchers

Overview

All payment vouchers (Forms 940–V, 940–EZ(V), 941–V, 943–V, 945–V, 1040–V, and 2290–V) must be reproduced. Substitute vouchers must be the same size as the officially printed vouchers. Vouchers that are prepared for printing on a laser printer may include a scanline.

Scanline Specifications

NNNNNNNNN AA AAAA NN N NNNN NNN
A B C D E F G

- A - Social Security Number/Employer Identification Number (SSN/EIN) has 9 numeric spaces.
 - B - Check Digit has 2 alpha spaces.
 - C - Name Control has 4 alphanumeric spaces.
 - D - Master File Tax (MFT) Code has 2 numeric spaces (see below).
 - E - Taxpayer Identification Number (TIN) Type has 1 numeric space (see below)
 - F - Tax period has four numeric spaces in year/month format (YYMM).
 - G - Transaction Code has 3 numeric spaces.
-

MFT Code

- Code Number for:
- Form 1040 family - 30;
 - Form 940/940–EZ - 10;
 - Form 941 - 01;
 - Form 943 - 11;
 - Form 945 - 16; and
 - Form 2290 - 60.
-

TIN Type

- Type Number for:
- Form 1040 family - 0; and
 - Forms 940, 940–EZ, 941, 943, 945, and 2290 - 2.
-

Voucher Size

The voucher size must be exactly 8.0" × 3.25". The document scanline must be vertically positioned 1.625 inches from the bottom of the scanline to the bottom of the voucher. The right most character of the scanline must be placed 3.5 inches from the right leading edge of the document. The maximum vertical displacement is .06 inches. The minimum required horizontal clear space between characters is .014 inches. The line to be scanned must have a clear band 0.25 inches in height from top to bottom of the scanline, and from border to border of the document. "Clear band" means no printing except for dropout ink.

Print and Paper Weight

Vouchers must be imaged in black ink using OCR A or OCR B, size 1 font. The paper must be 20 to 24 pound OCR bond paper weight.

Restrictions on Changes

Things You CANNOT Do to IRS Forms Suitable for Substitute Tax Forms

You cannot, without prior IRS approval, change any Internal Revenue Service tax form or use your own (non-approved) versions (preprinted labels), including graphics, unless specifically permitted by this revenue procedure.

You cannot adjust any of the graphics on Forms 1040, 1040A, and 1040EZ (except in those areas specified in Chapter 5 of this revenue procedure) without prior approval from the IRS Substitute Forms Program.

You cannot use your own preprinted label on tax returns filed with IRS, unless you fully comply with the exception criteria specified in the section on use of preaddressed IRS labels in this revenue procedure.

Guidelines for Obtaining IRS Approval

Basic Requirements

Preparers who desire to file substitute privately designed and printed tax forms and/or computer-generated and computer-prepared tax forms must develop such substitutes using the guidelines for substitute forms established in this chapter. These substitutes, unless excepted by revenue procedure, must be approved by the IRS before being filed.

1040PC Format Return

A software developer who wants to market, distribute, or use for its own clientele, a tax preparation package featuring the 1040PC tax return format, must first file an application to participate in the program. Only after successfully fulfilling test requirements will a developer's software package be accepted by the IRS to produce 1040PC tax returns.

Conditional Approval Based on Advance Drafts

The Internal Revenue Service cannot grant final approval of your substitute form until the official form has been published. However, the IRS has established a location on the Internet for the posting of advance drafts of forms. This site can be reached through the Tax Professional's Corner at http://www.irs.ustreas.gov/prod/bus_info/tax_pro.

We encourage submission of proposed substitutes of these advance draft forms, and will grant conditional approval based solely on these early drafts. These advance drafts are subject to significant change before forms are finalized. If these advance drafts are used as the basis for your substitute forms, you will be responsible for subsequently updating your final forms to agree with the final official version before use. These revisions need not be submitted for further approval.

NOTE: Approval of forms based on advance drafts will not be granted after the final version of an official form is published.

- Any alteration of forms must be within the limits acceptable to the Service. It is possible that, from one filing period to another, a change in law or a change in internal need (processing, audit, compliance, etc.) may change the allowable limits for the alteration of the official form.
 - When specific approval of any substitute form (other than those specified in Chapter 2, IRS Contacts) is desired, a sample of the proposed substitute should be forwarded for consideration by letter to the Substitute Forms Program Coordinator at the address shown in Chapter 2.
 - To expedite multiple forms approval, we prefer that your proposed forms be submitted in separate sets by return. For example, Forms 1040 and their normally related schedules or attachments should be submitted separately from Forms 1120, 1065, 5500 Series, etc., if at all possible. Schedules and forms (e.g., Forms 3468, 4136, etc.) that can be used with more than one type of return (e.g., 1040, 1041, 1120, etc.) should be submitted only once for approval, regardless of the number of different tax returns with which they may be ultimately associated. In addition, all pages of a multipage form or return should be submitted in the same package.
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Approving Offices

As no IRS office except the ones specified in this procedure (per the chart in Chapter 1) are authorized to approve substitute forms, unnecessary delay may result if forms are sent elsewhere for approval. All forms submitted to any other office must be forwarded to the appropriate office for formal control and review. The Substitute Forms Program Coordinator may then coordinate the response with the program analyst responsible for the processing of that form. Such coordination may include allowing the analyst to officially approve the form. No IRS office is authorized to allow deviations from this revenue procedure.

Service's Review of Software Programs, etc.

The IRS does not review or approve the logic of specific software programs, nor confirm the calculations entered on forms output from these programs that are submitted for approval. The accuracy of the program itself remains the responsibility of the software package developer, distributor, or user. The Substitute Forms Program is primarily concerned with the prefiling quality review of the final forms output, produced by whatever means, that are expected to be processed by IRS field offices. For the above reasons, it is suggested that you submit forms without including any "taxpayer" information such as names, addresses, monetary amounts, etc.

Guidelines for Obtaining IRS Approval, Continued

When to Send Proposed Substitutes

Proposed substitutes, which are required to be submitted per this revenue procedure, should be sent as much in advance of the filing period as possible. This is to allow adequate time for analysis and response.

Accompanying Statement

When the sample substitute is submitted, there should be an accompanying statement that lists the form number of each substitute requested and detail those items that deviate from the official form in position, arrangement, appearance, line numbers, additions, deletions, etc. Included with each of the items should be a detailed reason or justification for the change and an approximation of the number of forms expected to be filed.

When requesting approval for multiple forms, the statement should be presented as a checksheet. Checksheets are not mandatory, but do facilitate the approval process. The checksheet may look like the example (Exhibit C) displayed in the back of this procedure or may be one of your own design. Please include your fax number on the checksheet.

Approval/Non-Approval Notice

The Substitute Forms Coordinator will fax the checksheet or an approval letter back to the originator if a fax number has been provided, unless:

- the requester has asked for a formal letter; or
- significant corrections are required to the submitted forms.

Notice of approval may contain qualifications for use of the substitutes. Notices of non-approval letters may specify the changes required for approval, and may also require resubmission of the form(s) in question. Telephone contact is used when possible.

Duration of Approval

Most signature tax returns and many of their schedules and related forms have the tax (liability) year printed in the upper right corner. Approvals for these forms are usually good for one calendar year (January through December of the year of filing). Quarterly tax forms in the 94X series, and Form 720, require approval for any quarter in which the form has been revised.

- If the preprinted year is the only change made to a form, the form for the upcoming year is not subject to review.
 - Otherwise, each new filing season requires a new approval.
-

Limited Continued Use of Approved Change

Limited continued use of a change approved for one tax year may be allowed for the same form in the following tax year. Examples of such limitations and requirements are the use of abbreviated words, revised form spacing, compressed text lines, shortened captions, etc., which do not change the consistency of lines or text on the official forms.

If substantial changes are made to the form, new substitutes must be submitted for approval. If only minor editorial changes are made to the form, it is not subject to review.

If you received written approval of a previous tax year substitute form governed by this revenue procedure and continue to use the approved change on your current tax year substitute form, you may revise your form to include this change and, without additional written approval, use it as a current tax year substitute form, provided you comply with the requirements in this revenue procedure.

When Approval Is Not Required

If you received written approval for a specific change on a specific form last year, such as deleting the vertical lines used to separate dollars and cents on some forms and schedules, e.g., Schedules A&B of Form 1040, you may again make the same change on the same form this year if the item changed is still present on this year's official form.

- The new substitute does not have to be sent to the IRS and written approval is not required.
- However, the new substitute must conform to the official current year IRS form in other respects: date, Office of Management and Budget (OMB) approval number, attachment sequence number, Paperwork Reduction Act Notice statement, arrangement, item caption, line number, line reference, data sequence, etc.

Guidelines for Obtaining IRS Approval, Continued

When Approval Is Not Required (continued)

- It must also comply with this revenue procedure—which may have eliminated, added to, or otherwise changed the guideline(s) which affected the change approved last year.

Exception: Those written approvals which state that the approved change or form would not be allowed in any other tax year, or for a temporary, limited, or interim approval pending resolution of a failure to meet one or more IRS-prescribed requirements.

- This authorization for continued use of an approved change is limited to the continuation of design logic from an immediately prior tax year substitute form to a current tax year substitute form.
-

Continuous Use Forms

Forms without preprinted tax years are called “continuous use” forms. Many of these forms had expiration dates, but these are being phased out. Continuous use forms are revised when a legislative change affects the form or a change will facilitate processing.

Internet Program Chart

A chart of print dates (for annual and quarterly forms) and most current revision dates (for continuous use forms) will be maintained on the Internet. For further details, see the section on Internet access in Chapter 4 of this revenue procedure.

Required Copies

Generally, you must send us one copy of each form being submitted for approval. However, if you are producing forms for different computer systems (e.g., IBM (or compatible) vs. MacIntosh) or different types of printers (laser vs. dot matrix), and these forms differ significantly in appearance, submit one copy for each type of system or printer.

Requestor’s Responsibility After Receipt of Approval

Following the receipt of initial approval for a substitute forms package, or of a software output program to print substitute forms, it is the responsibility of the originator (designer or distributor) to provide each subsequent client firm or individual with the pertinent Service forms requirements that must be met for continuing acceptability.

Examples of this responsibility include:

- The use of prescribed print paper, font size, legibility, state tax data deletion,
 - The legal requirements of the Paperwork Reduction Act Notice for informing all users of substitute forms of the official use and collection requirements stated in the instructions for the official IRS forms, completion of documents, etc.
-

Source Code

The Substitute Forms Program Unit, OP:FS:FP:F:CD, will assign a unique source code to each firm that submits substitute paper forms for approval. This will be a permanent control number that should be used on every form created by a particular firm.

- This source code should be printed at the bottom left margin area on the first page of every approved substitute paper form.
 - The source code for paper returns consists of three alpha characters.
 - This source code should not be used on optically scanned (OCR) forms, except for certain specified Forms 1040–ES.
-

Office of Management and Budget (OMB) Requirements for All Substitute Forms

OMB Requirements for All Substitute Forms

Legal Requirements of the Paperwork Reduction Act of 1995 (“Act”). Public Law 104–13 requires that:

- OMB approve all IRS tax forms that are subject to the Act,
- Each IRS form contains (in the upper right corner) the OMB number, if any, and

Office of Management and Budget (OMB) Requirements for All Substitute Forms, Continued

OMB Requirements for All Substitute Forms (continued)

- Each IRS form (or its instructions) states why IRS needs the information, how it will be used, and whether or not the information is required to be furnished.

This information must be provided to every user of official or substitute tax forms.

Application of Act to Substitute Forms

On forms to which OMB numbers have been assigned:

- All substitute forms must contain in the upper right corner the OMB number that is on the official form.
 - Format Required - OMB No. XXXX-XXXX (Preferred) or OMB # XXXX-XXXX.
-

Required Explanation to Users

You must also inform the users of your substitute forms of the IRS use and collection requirements stated in the instructions for the official Internal Revenue Service form.

- If you provide your users or customers with the official IRS instructions, page 1 of each form must retain either the Paperwork Reduction Act Notice, or a reference to it as the IRS does on the official forms (usually in the lower left corner of the forms).
 - If the IRS instructions are not provided to users of your forms, the exact text of the Paperwork Reduction Act Notice must be furnished on the form or separately.
 - This notice reads, in part, “We ask for this information to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax...”
 - You must also include a copy of the alternative statement provided to users of your forms with the forms you submit for approval.
-

Obtaining OMB Number and Notice

The OMB number and Paperwork Reduction Act Notice may be obtained from the official form (or its instructions), or any format produced by the IRS (e.g., Compact Disc (CD), Internet download, or Bulletin Board System (BBS) download).

Chapter 3 Physical Aspects and Requirements

General Guidelines for Substitute Forms

General Information The Official Form is the standard. Because a substitute form is a variation from the official form, you should know the requirements of the official form for the year of use before you modify it to meet your needs. The Internal Revenue Service provides several means of obtaining the most frequently used tax forms. These include the Internet, fax-on-demand, CD-ROM and an electronic forms bulletin board (see chapter 4).

Design Each form must follow the design of the official form as to format arrangement, item caption, line numbers, line references, and sequence.

State Tax Information Prohibited State tax information must not appear (be visible) on the federal tax return or associated form or schedule which is filed with the Internal Revenue Service, except where amounts are claimed on or required by the federal return, e.g., state and local income taxes, Schedule A (Form 1040).

Vertical Alignment of Amount Fields

IF	THEN
a form is to be manually prepared	<ul style="list-style-type: none"> • The federal column must have a vertical line or some type of indicator in the amount field to separate dollars from cents if the official form has a vertical line. • The cents column must be at least 2/10" wide.

If a form is to be..	Then...
Computer-generated	<ul style="list-style-type: none"> • Vertically align the amount entry fields where possible. • Use one of the following amount formats: • 0,000,000. • 0,000,000.00
Computer-prepared	<ul style="list-style-type: none"> • You may remove the vertical line in the amount field that separates dollars from cents. • Use one of the following amount formats: • 0,000,000. • 0,000,000.00

Attachment Sequence Number

- Most individual income tax forms have a required "attachment sequence number" located just below the year designation in the upper right corner of the form. The Internal Revenue Service uses this number to indicate the order in which forms are to be attached to the tax return so they may be processed in that order. Some of the attachment sequence numbers may change each year.

On computer-prepared forms:

- It must be printed in no less than 12-point boldface type and centered below the form's year designation.

General Guidelines for Substitute Forms, Continued

Attachment Sequence Number (continued)

- The sequence number must be placed following the year designation for the tax form and separate with an asterisk.
 - It is not necessary to duplicate the “Attachment Sequence Number” wording, except for the actual number.
-

Paid Preparer’s Information and Signature Area

On Forms 1040EZ, 1040A, 1040, and 1120, etc., the “Paid Preparer’s Use Only” area may not be rearranged or relocated. You may, however, add three extra lines to the paid preparer’s address area without prior approval. This applies to other tax forms as well. Please note that the preparer’s area on Form 1040EZ is on the bottom of page 2. Substitute Forms 1040EZ with the preparer area in any location other than the bottom of page 2 will not be accepted.

Assembly of Forms

If developing software or forms for use by others, please inform your customers/clients that the order in which the forms are arranged may affect the processing of the package. A return must be arranged in this order:

If the Form Is	Then Sequence Is
1040	<ul style="list-style-type: none">• Form 1040• Schedules and forms in sequence number order
Any other (form 1120, 1120S, 1065, 1041, etc.)	<ul style="list-style-type: none">• The tax return• Lettered schedules (Schedule D, etc.) in alphabetical order• Number forms in numerical order

Supporting statements should then follow in the same sequence as the forms they support. Additional information required or voluntarily submitted and should be attached last.

In this way, they are received in the order in which they must be processed. If you do not send them to us in this order, the Internal Revenue Service has to delay the return package to disassemble them and place them in order before processing is continued.

Paper

Paper Content

The paper must be:

- Chemical wood writing paper that is equal to or better than the quality used for the official form,
 - At least 18 pound (17” × 22”, 500 sheets), or
 - At least 50 pound offset book (25” × 38”, 500 sheets).
-

Paper with Chemical Transfer Properties

There are several kinds of paper prohibited for substitute forms. These are:

- Carbon-bonded paper
 - Chemical transfer paper except when the following specifications are met:
 - Each ply within the chemical transfer set of forms must be labeled.
 - Only the top ply (ply one and white in color), the one that contains chemical on the back only (coated back), may be filed with the Service.
-

Example	<p>A set containing three plies would be constructed as follows: one ply (coated back), “Federal Return, File with IRS”; ply two (coated front and back), “Taxpayer’s copy”, and ply three (coated front), “Preparer’s copy.”</p> <ul style="list-style-type: none">• The file designation, “Federal Return, File with IRS,” for ply one must be printed in the bottom right margin (just below the last line of the form) in 12-point, bold-face type.• It is not mandatory, but recommended, that the file designation “Federal Return, File with IRS,” be printed in a contrasting ink for visual emphasis.
Carbon Paper	<p>Do not attach any carbon paper to any return you file with the Internal Revenue Service.</p>
Paper and Ink Color	<p>We prefer that the color and opacity of paper substantially duplicates that of the original form. This means that your substitute must be printed in black ink and may be on white or on the colored paper the IRS form is printed on. Forms 1040A and 1040 substitute reproductions may be in black ink without the colored shading. The only exception to this rule is Form 1041–ES, which should always be printed with a very light gray shading in the color screened area. This is necessary to assist us in expeditiously separating this form from the very similar Form 1040–ES.</p>
Page Size	<p>Substitute or reproduced forms and computer prepared/generated substitutes may be the same size as the official form (8” × 11” in most cases) or they may be the standard commercial size (8½” × 11”) exclusive of pin-feed holes. The thickness of the stock cannot be less than .003 inch.</p>
Printing	
Printing Medium	<p>The private printing of all substitute tax forms must be by conventional printing processes, photocopying, computer-graphics, or similar reproduction processes.</p>
Legibility	<p>All forms must have a high standard of legibility, both as to printing and reproduction and as to fill-in matter. Entries of taxpayer data may be no smaller than eight points. The Internal Revenue Service reserves the right to reject those with poor legibility. The ink and printing method used must ensure that no part of a form (including text, graphics, data entries, etc.) develops “smears” or similar quality deterioration. This includes any subsequent copies or reproductions made from an approved master substitute form, either during preparation or during IRS processing.</p>
Type Font	<p>Many federal tax forms are printed using “Helvetica” as the basic type font. We request that you use this type font when composing substitute forms.</p>
Print Spacing	<p>Substitute forms should be printed using a 6 lines/inch vertical print option. They should also be printed horizontally in 10 pitch pica (i.e., 10 print characters per inch) or 12 pitch elite (i.e., 12 print positions per inch).</p>
Image Size	<p>The image size of a printed substitute form should be as close as possible to that of the official form. You may omit any text on both computer-prepared and computer-generated forms that is solely instructional.</p>
Title Area Changes	<p>To allow a large top margin for marginal printing and more lines per page, the title line(s) for all substitute forms (not including the form’s year designation and sequence number, when present), may be photographically reduced by 40 percent or reset as one line of type. When reset as one line, the type size may be no smaller than 14-point. You may omit “Department of the Treasury, Internal Revenue Service” and all reference to instructions in the form’s title area.</p>

Printing

Remove Government Printing Office Symbol and IRS Catalog Number

When privately printing substitute tax forms, the Government Printing Office symbol and/or jacket number must be removed. In the same place, using the same type size, print the Employer Identification Number (EIN), the Social Security Number (SSN) of the printer or designer, or the IRS assigned source code. (We prefer this last number be printed in the lower left area of the first page of each form.) Also remove the IRS Catalog Number, if one is present in the bottom center margin, and the Recycle Symbol, if the substitute is not produced on recycled paper.

Printing on One Side of Paper

While it is preferred that both sides of the paper be used for substitute and reproduced forms, resulting in the same page arrangement as that of the official form or schedule, the IRS will not reject your forms if only one side of the paper is used.

Photocopy Equipment

The Internal Revenue Service does not undertake to approve or disapprove the specific equipment or process used in reproducing official forms. Photocopies of forms must be entirely legible and satisfy the conditions stated in this and other revenue procedures.

Reproductions

Reproductions of official forms and substitute forms that do not meet the requirements of this revenue procedure may not be filed instead of the official forms. Illegible photocopies are subject to being returned to the filer for resubmission of legible copies.

Removal of Instructions

You may remove all references to instructions. No prior approval is needed. One exception is that the statement, "For Paperwork Reduction Act Notice, see instructions", must be retained or a similar statement provided on each form.

MARGINS

Margin Size

The format of a reproduced tax return when printed on the page must have margins on all sides at least as large as the margins on the official form. This allows room for IRS employees to make the necessary entries on the form during processing.

- A 1/2" to 1/4" inch margin must be maintained across the top, bottom, and both sides (exclusive of any pin-fed holes) of all computer-generated substitutes.
 - The marginal, perforated strips containing the pin-fed holes must be removed from all forms prior to filing with the Internal Revenue Service.
-

Marginal Printing

Non-tax material allowed in limited areas.

- Printing is never allowed in the top right margin of the tax return form (i.e., Forms 1040, 1040A, 1040EZ, 1120, 940, 941, 5500 Series, etc.). The Service uses this area to imprint a Document Locator Number for each return.
- With the exception of the actual tax return forms (i.e., Forms 1040, 1040A, 1040EZ, 1120, 940, 941, etc.), you may print in the left vertical margin and in the left half of the bottom margin.

Prior approval is not required for the marginal printing allowed when printed on an official form or on a photocopy of an official form.

The marginal printing allowance is also the guide for the preparation of acceptable substitute forms. There is no exception to the requirement that no printing is allowed in the top right margin of the tax return form.

Examples of Approved Formats

Examples of Approved Formats From the Exhibits

Two sets of exhibits (Exhibits A-1, A-2, B-1, and B-2) are at the end of this revenue procedure. These are examples of how the guidelines in this revenue procedure may be used in some specific cases. Vertical spacing is six (6) lines to the inch.

Examples of Acceptable computer-generated formats

Examples of acceptable computer-generated formats are also shown in the Exhibits section of this revenue procedure. Exhibits CG-A and CG-B show computer-generated Schedules A and B. Vertical spacing is six (6) lines to the inch. You may also refer to them as examples of how the guidelines in this revenue procedure may be used in specific cases. A combination of upper and lower case print fonts is acceptable in producing the computer-generated forms included in this procedure. This same logic for computer-generated forms can be applied to any IRS form that is normally reproducible as a substitute form, with the exception of tax return forms as discussed elsewhere. These examples are from a prior year and are not to be used as substitute forms.

Miscellaneous Information for Substitute Forms

Filing Substitute Forms

To be acceptable for filing, a substitute return or form must print out in a format that will allow the party submitting the return to follow the same instructions as for filing official forms. These instructions are in the taxpayer's tax package or in the related form instructions. The form must be on the appropriate size paper, be legible, and include a jurat where one appears on the published form.

Caution to Software Publishers

The IRS has received returns produced by software packages with approved output where either the form heading was altered or the lines were spaced irregularly. This produces an illegible or unrecognizable return or a return with the wrong number of pages. We realize that many of these problems are caused by individual printer differences but they may delay input of return data and, in some cases, generate correspondence to the taxpayer. Therefore, in the instructions to the purchasers of your product, both individual and professional, please stress that their returns will be processed more efficiently if they are properly formatted. This includes:

- Having the correct form numbers and titles at the top of the return, and
 - Submitting the same number of pages as if the form were an official IRS form, with the line items on the proper pages.
-

Use Preaddressed IRS Label

If you are a practitioner filling out a return for a client or a software publisher who prints instruction manuals, stress the use of the preaddressed label provided in the tax package the IRS sent to the taxpayer, when available. The use of this label (or its precisely duplicated label information) is extremely important for the efficient, accurate, and economical processing of a taxpayer's return. Labeled returns indicate that a taxpayer is an established filer and permits us to automatically accelerate processing of those returns. This results in quicker refunds, more accurate names/addresses and postal deliveries, and less manual review by IRS functions.

Caution to Producers of Software Packages

If you are producing a software package that generates name and address data onto the tax return, do not under any circumstances program either the Service preprinted check digits or a practitioner-derived Name Control to appear on any return prepared and filed with the Internal Revenue Service.

Programming to Print Forms

Whenever applicable:

- Use only the following label information format for single filers:
JOHN Q. PUBLIC
310 OAK DRIVE
HOMETOWN, STATE 94000
 - Use only the following information for joint filers:
JOHN Q. PUBLIC
MARY I. PUBLIC
310 OAK DRIVE
HOMETOWN, STATE 94000
-

Chapter 4 Additional Resources

Guidance from Other Revenue Procedures

General

Guidance for the substitute tax forms not covered in this revenue procedure and the revenue procedures that govern their use are as follows:

- Revenue Procedure 94–79, IRS Publication 1355, Requirements and Conditions for the Reproduction, Private Design, and Printing of Substitute Forms 1040–ES.
 - Revenue Procedure 98–33, IRS Publication 1141, General Rules and Specifications for Private Printing of Substitute Forms W-2 and W-3.
 - Revenue Procedure 98–37, IRS Publication 1179, Specifications for Paper Document Reporting and Paper Substitutes for Forms 1096, 1098, 1099, 5498, and W-2G.
 - Revenue Procedure 96–11, IRS Publication 1187, Specifications for Filing Form 1042–S, Foreign Person’s U.S. Source Income Subject to Withholding, on Magnetic Tape.
 - Revenue Procedure 96–36, IRS Publication 1220, Specifications for Filing Forms 1098, 1099, 5498, and W-2G Magnetically or Electronically.
 - Revenue Procedure 95–18, IRS Publication 1223, Specifications for Private Printing of Substitute Forms W-2c and W-3c.
-

Ordering Publications

Sources of Publications

The publications listed below may be ordered by calling 1-800-TAX-FORM (1-800-829-3676). Identify the requested document by IRS publication number:

- Pub. 1141, the revenue procedure on specifications for private printing for Forms W-2 and W-3.
- Pub. 1167, the revenue procedure on substitute printed, computer- prepared, and computer-generated tax forms and schedules. This publication is available from the IRS Internet website.
- Pub. 1179, the revenue procedure on paper substitute information returns (Forms 1096, 1098, 1099, 5498, and W-2G).
- Pub. 1192, Catalog of Reproducible Forms and Instructions.
- Pub. 1220, the revenue procedure on electronic or magnetic tape and magnetic diskette reporting for information returns (Forms 1098, 1099 series, 5498, and W-2G).
- Pub. 1223, the revenue procedure on substitute Forms W-2c and W-3c.
- Pub. 1239, Specifications for Filing Form 8027, Employer’s Annual Information Return of Tip Income and Allocated Tips, on Magnetic Tape.
- Pub. 1245, Magnetic Tape Reporting for Forms W-4.
- Pub. 1345, Handbook for Electronic Filers of Individual Income Tax Returns (Tax Year 1997). (This is an annual publication; tax year is subject to change). This publication is available from the IRS Internet website.

Ordering Publications, Continued

Sources of Publications (continued)

Pub. 1345–A, Handbook for Electronic Filers of Individual Income Tax Returns (Tax Year 1997) (Supplement). This publication, printed in the late fall, supplements Publication 1345.

- Pub. 1355, the revenue procedure on the requirements for substitute Form 1040–ES.
-

Where To Order

If you are mailing your order, the address to use is determined by your location.

IF YOU LIVE IN THE...	THEN MAIL YOUR ORDER TO. .
Western United States	Western Area Distribution Center Rancho Cordova, CA 95743-0001
Central United States	Central Area Distribution Center P.O. Box 8903 Bloomington, IL 61702-8903
Eastern United States or or a foreign country	Eastern Area Distribution Center P.O. Box 85074 Richmond, VA 23261-5074

Electronic Tax Products

The Internet

Copies of tax forms with instructions, publications, and other tax related materials may be obtained via the Internet. Forms can be downloaded in several file formats (PDF- Portable Document Format, PS - PostScript, and PCL - Printer Control Language). Those choosing to use PDF files for viewing on personal computer can also download a free copy of the Adobe Acrobat Reader.

- World Wide Web - <http://www.irs.ustreas.gov>
- FTP - <ftp.irs.ustreas.gov>
- Telnet - <iris.irs.ustreas.gov>

Access to these sites is free but time on the Internet is subject to the fees charged by your Internet provider.

Fedworld (BBS)

The Internal Revenue Information Systems (IRIS) Bulletin Board can be reached via FedWorld, an aggregation of federal BBS maintained by the Department of Commerce. IRIS can be reached directly by modem at (703) 321-8020; FedWorld's main number is (703) 321-3339. These are toll calls.

Tax Fax

The most frequently requested tax forms, instructions, and other information are available through IRS Tax Fax at (703) 368-9694. Call from your fax machine and follow the voice prompts. Your request will be transmitted directly back to you. Each call is limited to requesting three items; users pay the telephone line charges.

Electronic Tax Products, Continued

Report of Print Dates The Service makes available a site on the Internet that shows print dates for returns processing forms. It is in three parts:

- Schedule of anticipated print dates of annual returns,
- Schedule of anticipated print dates of quarterly returns, and
- Schedule of last revision dates for continuous use only forms.

The site address is http://www.irs.ustreas.gov/prod/bus_info/tax_pro/formsch.html. The site will be updated weekly during peak printing periods and as necessary at other times.

Federal Tax Forms on CD-ROM

Information About Federal Tax Forms CD-ROM

The CD-ROM contains over 2,000 tax forms and publications for small businesses, return preparers, and others who frequently need current or prior year tax products. Most current tax forms on the CD-ROM may be filled in electronically, then printed out for submission. Other products on the CD-ROM include the Internal Revenue Bulletin, Tax Supplements, and Internet resources for the tax professional with links to the World Wide Web.

All necessary software to view the files must be installed from the CD-ROM. Software for Microsoft Windows 3.x and Macintosh System 7.5 and later is included on the disk. The software will also run under Windows 95/98/NT. All products are presented in Adobe's Portable Document Format (PDF). A copy of the Adobe Acrobat Reader is on the CD. In addition, the TIPs will be provided in the Standard Generalized Markup Language (SGML).

System Requirements and How to Order the Federal Tax Forms CD-ROM

For system requirements, contact the National Technical Information Service (NTIS) help desk at 703-487-4608.

The cost of the CD if purchased via the Internet at <http://www.ustreas.gov/cdorders> from NTIS is \$13 (plus a \$5 handling fee). If purchased using the following methods the cost is \$20 (plus a \$5 handling fee).

- by phone - 1-877-CDFORMS (1-877-233-6767)
- by fax - (703) 605-6900
- by mail using the order form contained in IRS Publication 1045 (Tax Professionals Program)
- by mail to:
National Technical Information Service
5285 Port Royal Road
Springfield, VA 22161

There is a \$7 discount per CD on orders of 50 or more copies.

Chapter 5 Requirements for Specific Tax Returns

Tax Returns (Form 1040, 1040A, 1120, Etc.)

Acceptable Forms

There are acceptable computer-generated versions of a tax return form (e.g., Form 1040, 1040A, 1120, etc., which requires a signature and that establishes tax liability) that are permitted under the following conditions:

- These substitute returns must be printed on plain white paper.
- Substitute returns and forms must conform to the physical layout of the corresponding Service form although the typeface may differ. The text should match the text on the officially published form as closely as possible; condensed text and abbreviations will be considered on a case-by-case basis.

Exception: All jurats (perjury statements) must be reproduced verbatim. No text can be added, deleted, or changed in meaning. It must be readily identifiable as a valid tax return.

- Various computer-graphic print media such as laser printing, dot matrix addressable printing, etc., may be used to produce the substitute forms.
 - The substitute return must be the same exact number of pages, and contain the same line text as the official return.
 - All computer-generated tax returns **MUST** be submitted for approval prior to their original use. Should you receive an approval letter for a return and the following year's return has no changes except the preprinted year, the latter return is not subject to approval. **Exception:** If the approval letter specifies a one-time exception for your return, the next year's return must be approved.
-

Computer- Generated Condensed Format Versions

The accepted condensed print format version for individual returns is the 1040PC "answer sheet format" tax return. The approval process for Form 1040PC differs from that of traditional forms. See Chapter 7 for additional information.

Prohibited Forms

The following are prohibited:

- Tax returns (e.g., Forms 1040, etc.) computer-generated on lined or color-barred paper.
 - Tax returns that differ from the official IRS forms in a manner that makes them not standard or processable.
-

Changes Permitted to Forms 1040 and 1040A

Certain changes (listed below) are permitted to the graphics of the form without prior approval, but these changes apply only to acceptable preprinted forms. Changes not requiring prior approval are good only for the annual filing period, which is the current Tax Year. Such changes are valid in subsequent years only if the official form does not change.

Other Changes Not Listed

All changes not listed here require prior approval from the Service **BEFORE** the form may be filed.

Changes Permitted to Graphics (Forms 1040A and 1040)

Adjustments

You may make minor vertical and horizontal spacing adjustments to allow for computer or word-processing printing. This includes widening the amount columns or tax entry areas so long as the adjustments do not exceed other provisions stated in revenue procedures. No prior approval is needed for these changes.

Changes Permitted to Graphics (Forms 1040A and 1040), Continued

Name and Address Area The horizontal rules and instructions within the name and address area may be removed and the entire area left blank; no line or instruction can remain in the area. However, the statement regarding use of the IRS mail label should be retained. The heavy ruled border (when present) that outlines the name and address area must not be removed, relocated, expanded, or contracted.

Required Format When the name and address area is left blank, the following format must be used when printing the taxpayer's name and address. Otherwise, unless the taxpayer's preprinted label is affixed over the information entered in this area, the lines must be filled in as shown:

- 1st name line (35 characters maximum)
- 2nd name line (35 characters maximum)
- In-care-of name line (35 characters maximum)
- City, State (25 char. max.), one blank char., & ZIP (five char.)

Conventional Name and Address Data When there is no in-care-of name line, the name and address will consist of only three lines (single filer) or four lines (joint filer).
Name and address (joint filer) with no in-care-of name line:

JOHN Z. JONES
MARY I. JONES
1234 ANYWHERE ST., APT 111
ANYTOWN, STATE 12321

Example of In-Care-Of Name Line Name and address (single filer) with in-care-of name line:

JOHN Z. JONES
C/O THOMAS A. JONES
4311 SOMEWHERE AVE.
SAMETOWN, STATE 54345

Social Security Number (SSN) and Employer Identification Number (EIN) Area The vertical lines separating the format arrangement of the SSN/EIN may be removed. When the vertical lines are removed, the SSN and EIN formats must be 000-00-0000 or 00-0000000, respectively.

Cents Column

- You may remove the vertical rule that separates the dollars from the cents.
- All entries in the amount column should have a decimal point following the whole dollar amounts whether or not the vertical line that separates the dollars from the cents is present.
- You may omit printing the cents, but all amounts entered on the form must follow a consistent format. You are strongly urged to round off the figures to whole dollar amounts, following the official return instructions.
- Where several amounts are summed together, the total should be rounded off subsequent to the addition (i.e., individual amounts should not be rounded off for computation purposes).
- When printing money amounts, you must use one of the following ten-character formats: (a) 0,000,000. (b) 000,000.00
- When there is no entry for a line, leave the line blank.

“Paid Preparer’s Use Only” Area On all forms, the paid preparer’s information area may not be rearranged or relocated. You may add three lines and remove the horizontal rules in the preparer’s address area.

Changes Permitted to Form 104A Graphics

General No prior approval is needed for the following changes (for use with computer-prepared forms only).

Changes Permitted to Form 104A Graphics, Continued

Line 4 of Form 1040A	This line may be compressed horizontally (to allow for same line entry for the name of the qualifying child) by using the following caption: “Head of household; child’s name” (name field).
Other Lines	Any line whose caption takes up two or more vertical lines may be compressed to one line by using contractions, etc., and by removing instructional references.
Page 2 of Form 1040A	All lines must be present and numbered in the order shown on the official form. These lines may also be compressed.
Color Screening	It is not necessary to duplicate the colorscreening used on the official form. A substitute Form 1040A may be printed in black and white only, with no color screening.
Other Changes Prohibited	No other changes to the Form 1040A graphics are allowed without prior approval, except for the removal of instructions and references to instructions.

Changes Permitted to Form 1040 Graphics

General	No prior approval is needed for the following changes (for use with computer-prepared forms only).
Line 4 of Form 1040	This line may be compressed horizontally (to allow for a larger entry area for the name of the qualifying child) by using the following caption: “Head of household; child’s name” (name field).
Line 6c of Form 1040	The vertical lines separating columns (1) through (4) may be removed. The captions may be shortened to allow a one-line caption for each column.
Other Lines	Any other line whose caption takes up two or more vertical lines may be compressed to one line by using contractions, etc., and by removing instructional references.
Line 21 - Other Income	The fill-in portion of this line may be expanded vertically to three lines. The amount entry box must remain a single entry.
Line 40 of Form 1040 - Tax	You may change the line caption to read “Tax” and computer print the words “Total includes tax from” and either “Form(s) 8814”, or “Form 4972”.
Line 47 of Form 1040	You may change the caption to read: “Other credits from Form” and computer-print only the form(s) that apply.
Color Screening	It is not necessary to duplicate the color screening used on the official form. A substitute Form 1040 may be printed in black and white only, with no color screening.
Other Changes Prohibited	No other changes to the Form 1040 graphics are permitted without prior approval except for the removal of instructions and references to instructions.

Chapter 6
Format and Content of Substitute Returns

Acceptable Formats for Computer-Generated Forms and Schedules

Exhibits and Use of Acceptable Computer-Generated Formats Exhibits of acceptable computer-generated formats for the schedules usually attached to the Form 1040 are shown in the Exhibits section of this revenue procedure.

- If your computer-generated forms appear exactly like the exhibits, no prior authorization is needed.
- Those who want to computer-generate forms not shown here may do so, but they must design such forms themselves by following the manner and style of those in the Exhibits section of this revenue procedure, and by taking care to observe other requirements and conditions stated here. The Service encourages the submission of all proposed forms covered by this revenue procedure.

Instructions The format of each substitute schedule or form must follow the format of the official schedule or form as to item captions, line references, line numbers, sequence, form arrangement and format, etc. Basically, try to make the form look like the official one, with readability and consistency being primary factors. You may use periods and/or other similar special characters to separate the various parts and sections of the form. **DO NOT** use alpha or numeric characters for these purposes. With the exceptions in the paragraph below, all line numbers and items must be printed even though an amount is not entered on the line.

Line Numbers When a line on an official form is designated by a number or a letter, that designation (reference code) must be used on a substitute form. The reference code must be printed to the left of the corresponding captioned line and also immediately preceding the data entry field even if there is no reference code immediately preceding the data entry field on the official form. If an entry field contains multiple lines but shows the line references only one time on the left and right side of the form, do not use more than the same number of line references on the substitute return.

In addition, the reference code that is immediately before the data field must either be followed by a period or enclosed in parentheses. There also must be at least two blank spaces between the period or the right parenthesis and the first digit of the data field. (See example below.)

Decimal Points A decimal point (i.e., a period) should be used for each money amount regardless of whether the amount is reported in dollars and cents or in whole dollars, or whether or not the vertical line that separates the dollars from the cents is present. The decimal points must be vertically aligned when possible.

Example:

```
5 STATE & LOCAL INC.  
  TAX.....5 495.00  
6 REAL ESTATE  
  TAXES.....6  
7 PERSONAL PROPERTY  
  TAXES.....7 198.00  
  or  
5 STATE & LOCAL INC.  
  TAX.....(5) 495.00  
6 REAL ESTATE  
  TAXES.....(6)  
7 PERSONAL PROPERTY  
  TAXES.....(7) 198.00
```

Multiple Page Forms When submitting multiple page forms, send all pages of the form in the same package. If you are not producing certain pages, please note that in your cover letter.

Additional Instructions for All Forms

Use of Your Own Internal Control Numbers and Identifying Symbols

Internal control numbers and identifying symbols of the computer preparer may be shown on the substitute, if the use of such numbers or symbols is acceptable to the taxpayer and the taxpayer's representative. If shown, such information must not be printed in the top ½" clear area of any form or schedule requiring a signature. With the exception of the actual tax return form (i.e., Forms 1040, 1120, 940, 941, 5500 Series, etc.), you may print in the left vertical and bottom left margins. The bottom left margin you may use extends 3½ inches from the left edge of the form.

Descriptions for Captions, Lines, etc.

Descriptions for captions, lines, etc., appearing on the substitute forms may be limited to one print line by using abbreviations and contractions, and by omitting articles, prepositions, etc. However, sufficient key words must be retained to permit ready identification of the caption, line, or item.

Derivation of Final Totals

Explanatory detail and/or intermediate calculations for derivation of final line totals may be included on the substitute. We prefer that such calculations be submitted in the form of a supporting statement. If intermediate calculations are included on the substitute, the line on which they appear may not be numbered or lettered. Intermediate calculations may not be printed in the right column. This column is reserved for official numbered and lettered lines that correspond to the ones on the official form. If a supporting statement is submitted, intermediate calculations or subtotals may be formatted at the preparer's option.

Instructional Text Prescribed for the Official Form

Text prescribed for the official form, which is solely instructional in nature, e.g., "Attach this schedule to Form 1040," "See instructions," etc., may be omitted from the substitute form.

Mixing of Forms on the Same Page Prohibited

Information for more than one schedule or form may not be shown on the same printout page. Both sides of the paper may be printed for multiple page official forms; but it is unacceptable to intermix single page schedules of forms, except for Schedules A and B (Form 1040), which are printed back to back by the Service.

Schedule E can be printed on both sides of the paper, because the official form is multiple page, with page 2 continued on the back. However, do not print Schedule E on the front page and Schedule SE on the back, or Schedule A on the front and Form 8615 on the back, etc. Both pages of a substitute form must match the official form version it represents, except that the back page may be blank if the Service form only contains the instructions thereon.

Identifying Computer-Prepared Substitutes

Identify all computer-prepared substitutes clearly; print the form designation ½" from the top margin and 1½" from the left margin; print the title centered on the first line of print; and print the taxable year and, where applicable, the sequence number on the same line ½ to 1" from right margin. Include the taxpayer's name and SSN on all forms and attachments. Also, print the OMB number as reflected on the official form.

Negative Amounts

Negative (or loss) monetary amount entries should be enclosed in brackets, or signed minus, to assist in the accurate computation and input of form data. On many official forms the Service preprints brackets in selected negative data fields, and these designations should be retained or inserted on affected substitute forms.

Chapter 7 OCR Forms

Special Form 1040EZ Optical Character Recognition/Image Character Recognition (OCR/ICR) Requirements

Form 1040EZ Designed in OCR/ICR Format

The Form 1040EZ is designed in OCR/ICR format. The IRS has the capability to machine read this form by optical character recognition/image character recognition (OCR/ICR) equipment. Form 1040EZ data may also be filed electronically or on a 1040PC format return.

An acceptable substitute OCR/ICR Form 1040EZ must generally be an exact replica of the official OCR/ICR reproduction proof with respect to layout, content, and required OCR/ICR characteristics.

Paper Requirements for OCR/ICR Form 1040EZ

The special paper requirements which must be met for the development of a substitute (privately printed) OCR/ICR Form 1040EZ include the following:

Property	Requirements
Color and quality of paper	Paper must be white, OCR/ICR grade bond, with no fluorescent additives or water marks, and with zero rag content.
Reflectivity of paper	Must be 80% or greater.
Opacity	The paper opacity ratio must be 80% or more.
Paper Weight	Specified paper weight is 20 lb. OCR/ICR bond (.0035”).
Dirt	Must not exceed 10 parts per million.
Finish (smoothness)	Must be between 90 and 160 units (Sheffield).
Porosity	Paper should have a Gurley reading between 15 and 95.
Gloss	Paper with shiny or lustrous appearance (glossy) should be avoided.
Size	Form trim size must be 8” × 11”.

Special Form 1040EZ Optical Character Recognition/Image Character Recognition (OCR/ICR) Requirements, Continued

Specific Ink Requirements

The specific ink requirements which must be met for this form include the following:

Property	Requirements
Print Color	The face of the form prints in black and green, the back prints in black only (70 % screen).
Ink	Green ink used must be highly reflective OCR/ICR type, such as Flint J-27975, or an exact match. Black ink used must be nonreflective.
Face Registration	Black to green must be .02" (plus or minus) both horizontally and vertically.
Face Screen	Forms contain a green-screened background equal to a 15% tone of 110-line screen. Follow registration marks on repro-proof for screen positioning. Handprinted boxes are included on Page 1 of the reproduction proof and should be printed as a 50% value of the recommended OCR/ICR green ink. Inks used for handprinted boxes must reflect at least 90% of the background on which it is printed as measured in the visible range.
Face Margins	Approximately 2/6" head from top trimmed edge to screen (1/2" to black image). 1/6" outside from trimmed edges to screen.
Back Margins	1/2" head, 5/16" foot, and 5/16" sides.
Back Screen	Back copy should be screened for 70% tone value.

Typography

Type must be substantially identical in both size and shape with corresponding type on the official form reproduction proof.

Proper Alignment and Position of Handprinted Characters

To assure proper alignment and position of handprinted characters representing return lines 1 through 10 tax data, they must be handprinted (entered) into the preprinted amount field boxes on the form. A #2 lead wooden pencil, or blue, and/or black ink pen (ball point, fountain, or felt-tipped) is recommended as the writing tool that will consistently provide the required stroke width and print contrast on entered characters.

Reading of Handprinted Character Techniques

Reading of handprinted characters requires adherence to the following techniques:

- Enter numeric amount digits carefully and clearly. Fill at least 2/3 of the individual character box height, keeping the character within the box with no overlapping or touching characters. Specific required digit constraints are shown below.
- When entering "fours", keep the top open.
- When entering "ones", do not use serifs.
- When entering "twos", do not add extra loops.
- All character lines must be connected with no gaps.

Note:

All the general and detailed provisions of this revenue procedure apply (in addition to this specific OCR/ICR Section) to the development of substitute OCR/ICR Forms 1040EZ.

Computer Generated Alternative Returns, 1040PC Format Return

Introduction	The Internal Revenue Service offers an electronic approach for filing individual income tax returns. The 1040PC Format Return is an alternative to the conventional preprinted tax return. The 1040PC is an answer sheet return, generated on a personal computer in a three-column format, that prints only tax data that is input into the software. Tax returns are filed by tax preparers and taxpayers using commercially available tax preparation software packages that include the 1040PC Format Return print option.
1040PC Format Returns	1040PC Format Returns are computer-prepared, printed on plain white paper, signed and mailed to the designated processing center, and processed like any other conventionally filed return.
Software Packages Must Be Purchased	Preparers, or taxpayers, must purchase IRS-accepted tax preparation software packages that include the 1040PC print option. All that is necessary to participate in 1040PC is a personal computer, accepted software, a printer, and plain white paper. The 1040PC is attractive to tax preparers and taxpayers who might not be interested or capable of electronic filing.
Options Available to Taxpayers	The Direct Deposit option is available to taxpayers filing 1040PC returns. Balance due returns may also be filed using 1040PC. The payment may be forwarded to the Service Center with a separate payment voucher (Form 1040-V).
Use of the 1040PC Program	All software used to generate the 1040PC Format Return must be tested and accepted by the Internal Revenue Service. Testing will validate 1040PC returns generated by the software and that the software program is in compliance with validity and consistency checks in the IRS 1040PC project specifications. Software developers who wish to participate in the 1040PC program must submit Form 9356, Application for Software Developers to Participate in the 1040PC Answer Sheet for Individual Income Tax Returns, to the 1040PC Filing Section.
Acceptance Code	Upon successful completion of software acceptance testing, the software developer will be issued a software acceptance code that will be embedded into the software and print on every 1040PC return generated. This is not the same as the Source Code issued by the Substitute Forms Program or the approval number which is generated for OCR Scannable Application Forms for Employee Plans.
References/ Information on the 1040PC Format Return	The Internal Revenue Service believes that 1040PC will prove beneficial to taxpayers, tax preparers, and the Service. For specific information about the alternative computer-generated 1040PC Format Return, refer to Publication 1678, Project 1040PC, Handbook for 1040PC Format Preparers and Publication 1630, Project 1040PC, Specifications for Software Developers. You may also call (202) 283-0823 or write: Internal Revenue Service 1040PC Filing Office, OP:FS:S:P:S 5000 Ellin Rd Lanham, MD 20706

Form 941 Requirements – OCR

Form 941 Not Machine Read	The Service is not currently machine reading (scanning) Form 941 or Schedule B (Form 941). Previous instructions labeled “Special Form 941 Requirements” have been removed from this revenue procedure.
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OCR Scannable Application Forms for Employee Plans

OCR Scannable Documents

Forms 4461, 4461–A, 4461–B, 5300, 5303, 5307, 5310–A, 5310–A, and 6406 are OCR scannable documents submitted to key district offices for employee plans matters. They may be submitted as computer-generated substitute forms if the requirements of this section are satisfied.

OCR Data Sheet Requirements

An OCR data sheet must be generated according to the following requirements:

- Set at least 1” margin at top, bottom, and both sides.
 - A data element consists of a less than sign (delimiter), information or at least 5 blank spaces, and a greater than sign (delimiter). All data elements from page one of the application forms listed above must be printed on the OCR data sheet, even if no information is entered between the delimiters.
 - Each data element must start at the left margin.
 - One line for each data field, except for employer and plan name fields which may be two lines. However, only one set of delimiters may bracket the field, even if the field is on two lines.
 - Each data element must appear on the OCR data sheet in the same sequence as printed on the preprinted form, reading top to bottom and from left to right.
 - Each data field must be sequentially numbered at left commencing with 1. See Notice 90–38 for examples of the acceptable format.
 - The data sheet must be printed on 8 ½” x 11” white nonrecycled paper suitable for use with printing equipment and duplicating machines. A photocopy is not acceptable. Heavyweight bond paper and onion skin paper are not acceptable.
 - Use 10 pitch type in a standard business font (e.g., courier, elite, pica).
 - Add at least two spaces before and after each less than and greater than sign (delimiters).
 - Do not fold or staple the OCR data sheet. It may remain loose, or be paper or spring clipped to the application.
 - At the top of the OCR data sheet add the heading “OCR Data Sheet, File With Application Form (Enter Form Number), Approval Number” (leave nine spaces for approval number).
-

Where To Send OCR Data Sheet for Approval

The OCR data sheet must be submitted for approval to EP OCR Forms Coordinator, OP:E:EP:FC, Room 2232, 1111 Constitution Ave., NW, Washington, DC 20224.

Submission Requirements

The OCR data sheet must be submitted with a complete word-for-word identical copy of the application form except as described below. This copy may be a photocopy or a computer-generated substitute form. Computer-generated substitute forms may be submitted for approval to the address above. However, except for the OCR data sheet, such approval is not required if the requirements of this revenue procedure are satisfied. If approval is requested, leave nine spaces for the approval number above the OMB approval number.

Procedures for Filing the OCR Data Sheet

The OCR data sheet replaces the first copy of page 1 of the application which must otherwise be submitted in duplicate. To avoid confusion when generating the OCR data sheet, the following wording should be deleted from page 1 of the application: “File page 1 of the form in duplicate” and “Both copies of this page must be signed”. If the Procedural Requirements Checklist is being generated, the following line item statements should be modified as indicated. The question “Has page one been submitted in duplicate” should be modified to read, “Have you submitted the OCR data sheet?”, and the question “Have you signed both copies of page 1 of the application?” should be modified to read “Have you signed the application?”

Nonscannable EP Application Forms

Nonscannable EP application forms, e.g., Form(s) 5305 and 5306, may be computer generated. They need not be submitted for approval if the requirements of this revenue procedure are satisfied. If approval is desired, these forms may be submitted to the Substitute Forms Coordinator.

Chapter 8 Miscellaneous Forms and Programs

Paper Substitutes for Form 1042-S

Paper Substitutes

Paper substitutes for Form 1042-S, Foreign Person's U.S. Source Income Subject to Withholding, that totally conform to the specifications contained in this procedure may be privately printed without prior approval from the Internal Revenue Service. Proposed substitutes not conforming to these specifications must be submitted for consideration.

**Timeframe for
Submission of Form
1042-S**

The request should be submitted by November 15 of the year prior to the year the form is to be used. This is to allow the Service adequate time to respond and the submitter adequate time to make any corrections. These requests should contain a copy of the proposed form, the need for the specific deviation(s), and the number of information returns to be printed.

Revisions

Form 1042-S is subject to annual review and possible change. Withholding agents and form suppliers are cautioned against overstocking supplies of the privately printed substitutes.

Obtaining Copies

Copies of the official form for the reporting year may be obtained from most Service offices. The Service provides only cut sheets (no carbon interleaves) of these forms. Continuous fan-fold/pin-fed forms are not provided.

**Instructions For
Withholding Agents**

Instructions for withholding agents:

- Only original copies may be filed with the Service. Carbon copies and reproductions are not acceptable.
 - The term "Recipient's U.S. taxpayer identification number" for an individual means the social security number (SSN) or individual taxpayer identification number (ITIN), consisting of nine digits separated by hyphens as follows: 000-00-0000. For all other recipients, the term means employer identification number (EIN). The EIN consists of nine digits separated by hyphen as follows: 00-0000000. The taxpayer identification number (TIN) must be in one of these formats.
 - Withholding agents are requested to type or machine print whenever possible, provide quality data entries on the forms (that is, use black ribbon and insert data in the middle of blocks well separated from other printing and guidelines), and take other measures to guarantee a clear, sharp image. Withholding agents are not required, however, to acquire special equipment solely for the purpose of preparing these forms.
 - On corrected returns, the words CORRECTED RETURN must be typed in all capital letters in the top 1/4", right of center margin. All required information must be completed on a corrected return since it replaces and supersedes the information return previously filed.
 - Substitute forms prepared in continuous or strip form must be burst and stripped to conform to the size specified for a single form before they are filed with the Service. The dimensions are found below. Computer cards are acceptable provided they meet all requirements regarding layout, content, and size.
-

**Substitute Forms
Format Requirements**

Property	Substitute Forms Format Requirements
Printing	Privately printed substitute Forms 1042-S must be exact replicas of the official forms with respect to layout and contents. Only the dimensions of the substitute form may differ and the printing of the Government Printing Office symbol must be deleted. The exact dimensions are found below.
Line Entries	Line 1 must be present, line 2 may be omitted if it is not needed. If line 2 is omitted, also omit line 3.
Boxes	None of the boxes can be omitted. Each box (a through h) must be present and in the exact order. The box for each payment amount must contain the appropriate caption.
Color Quality of Paper	<ul style="list-style-type: none"> • Paper For Copy A must be white chemical wood bond, or equivalent, 20 pound (basis 17 × 22-500), plus or minus 5 percent; or offset book paper, 50 pound (basis 25 × 38-500). No optical brighteners may be added to the pulp or paper during manufacture. The paper must consist of principally bleach chemical woodpulp or recycled printed paper. It also must be suitable sized to accept ink without feathering. • Copies B, C, D (for Recipient), and E (For Withholding Agent) are provided in the official assembly solely for the convenience of the withholding agent. Withholding agents may choose the format, design, color and quality of the paper used for these copies.
Color and Quality of Ink	All printing must be in a high quality non-gloss black ink. Bar codes should be free from picks and voids.
Typography	Type must be substantially identical in size and shape to corresponding type on the official form. All rules on the document are either 1 point (0.015”) or 3 point (0.045”). Vertical rules must be parallel to the left edge of the document; horizontal rules, parallel to the top edge.
Dimensions	<ul style="list-style-type: none"> • The official form is 8” wide × 5-1/2” deep, exclusive of a ½ snap stub on the left side of the form. The snap feature is not required on substitutes. • The width of a substitute Copy A must be a minimum of 7” and a maximum of 8”, although adherence to the size of the official form is preferred. If the width of substitute Copy A is reduced from that of the official form, the width of each field on the substitute form must be reduced proportionately. The left margin must be 1/2” and free of all printing other than that shown on the official form. • The depth of a substitute Copy A must be a minimum of 5 1/6” and a maximum of 5 1/2”.
Carbons	Carbonized forms or “spot carbons” are not permissible. Interleaved carbons, if used, must be of good quality to preclude smudging and should be black.
Other Copies	Copies B, C, and D are required to be furnished for the convenience of payees who are required to send a copy of the form with other federal and state returns they file. Copy E may be desired as a withholding agent’s record/copy.
Assembly	If all five parts are present, the parts of the assembly shall be arranged from top to bottom as follows: Copy A (Original) “For Internal Revenue Service,” Copies B, C, and D “For Recipient,” and Copy E “For Withholding Agent.”

Specifications for Filing Substitute Schedules K-1

Schedule K-1 Requirements

Prior approval is NOT required for a substitute Schedule K-1 that accompanies Form 1065 (for partnership), Form 1120S (for small business corporation), or a Form 1041 (for fiduciary) when the substitute Schedule K-1 meets all of the following requirements.

- The Schedule K-1 must contain the payer and recipient's name, address and SSN/EIN.
 - The Schedule K-1 must contain all the items required for use by the taxpayer.
 - The line items must be in the same order and arrangement as those on the official form.
 - Each taxpayer's information must be on a separate sheet of paper. Therefore, all continuously printed substitutes must be separated, by taxpayer, before filing with the Service.
 - Schedule K-1 for recipients must have instructions for required line items attached.
 - You may be subject to penalties if you file Schedules K-1 with the Service and furnish Schedules K-1 to partners, shareholders, or beneficiaries that do not conform to the specifications of this revenue procedure.
 - The amount of each partner's shareholder's or beneficiary's share of each line item must be shown. The furnishing of a total amount of each line item and a percentage (or decimal equivalent) to be applied to such total amount by the partner, shareholder, or beneficiary does not satisfy the law and the specifications of this revenue procedure.
 - If you file Schedules K-1 not conforming to the above specifications, IRS may consider these as not processable and return them to you to be filed correctly. You may also be subjected to the penalty as mentioned.
-

Procedures for Printing Internal Revenue Service Envelopes

Procedures for Printing IRS Envelopes

Organizations are permitted to produce substitute tax return envelopes. Use of substitute return envelopes that comply with the requirements set forth in this section will assist in delivery of mail by the U.S. Postal Service and facilitate internal sorting once the envelopes are received at the Internal Revenue Service Centers.

The permanent five-digit ZIP codes must be utilized when mailing returns to the prescribed service center:

Service Center	Zip Code
Atlanta, GA	39901
Kansas City, MO	64999
Austin, TX	73301
Philadelphia, PA	19255
Memphis, TN	37501
Andover, MA	05501
Cincinnati, OH	45999
Holtsville, NY	00501
Ogden, UT	84201
Fresno, CA	93888

Procedures for Printing Internal Revenue Service Envelopes, Continued

Sorting of Returns by Form Type

The sorting of returns by form type is accomplished by the preprinted bar codes on return envelopes that are included in each specific type of form or package mailed to the taxpayer. The 32 bit bar code located to the left of the address on each envelope identifies the type of form that person is filing and assists the Service in consolidating like returns for processing. Failure to use the envelopes furnished by the Service results in additional processing time and effort, and possibly delays the timely deposit of funds, processing of returns, and issuance of refund checks.

Sorting of Returns by ZIP+4 or 9 Digit ZIP Codes

The Internal Revenue Service will not furnish or sell bulk quantities of preprinted tax return envelopes to taxpayers or tax practitioners. A suitable alternative has been developed that will accommodate the sorting needs of both the IRS and the U.S. Postal Service. The new alternative is based on the use of ZIP + 4 or 9 digit ZIP codes for mailing various types of tax returns to the different area service centers. Essentially, the Postal Service will utilize the last four digits to identify and sort the various form types into separate groups for processing. The list of add-on four digits or + 4 portion of the 9 digit ZIP codes with the related form designations is provided below and is to become a permanent part of the five digit service center ZIP codes shown above.

Add-on Four Digits or + 4 Portion of the 9 Digit ZIP Codes

Form ZIP + FOUR	Package
XXXXX-0001	Reserved
XXXXX-0002	1040
XXXXX-0005	941
XXXXX-0006	940
XXXXX-0008	943
XXXXX-0011	1065
XXXXX-0012	1120
XXXXX-0013	1120S
XXXXX-0014	1040EZ
XXXXX-0015	1040A
XXXXX-0020	5500-CR
XXXXX-0024	5500EZ
XXXXX-0027	990
XXXXX-0031	2290
XXXXX-0044	5500

Reproducible Program Is Abolished

The Reproducible Program that in past years supplied the envelope Reproduction Proofs was abolished September 30, 1996. The IRS will no longer provide camera copy to practitioners for the production of envelopes. Practitioners must develop their own camera copy.

Procedures for Printing Internal Revenue Service Envelopes, Continued

Guidelines for Having Envelopes Preprinted	Use of preparer company names, addresses, and logos is permissible as long as prescribed clear areas are not invaded. The government recommends that the envelope stock have an average opacity not less than 89 percent and contain a minimum of 50 percent waste paper. Use of carbon-based ink is essential for effective address and bar code reading. Envelope construction can be of side seam or diagonal seam design. The government recommends that the size of the envelope should be 5-3/4" by 9". Continuous pin-fed construction is not desirable but is permissible if the glued edge is at the top. This requirement is firm because mail opening equipment is designed to slice or otherwise open the bottom edge of each envelope.
Envelopes/Zip Codes	The above procedures or guidelines are written for the user having envelopes preprinted. Many practitioners may not wish to have volumes of the different envelopes with differing ZIP codes/form designations preprinted for reasons of low volume, warehousing, waste, etc. In this case, the practitioner can type or machine print the addresses with the appropriate ZIP codes to accommodate sorting. If the requirements/guidelines outlined in this section cannot be met, then use of only the appropriate five digit service center ZIP code is needed.

Procedures for Substitute Form 5471 and Form 5472

Form 5471 and Form 5472	<p>This section covers instructions for producing substitutes for:</p> <ul style="list-style-type: none">• Form 5471, Information Return of U.S. Persons with Respect to Certain Foreign Corporations and accompanying Schedules J, M, N, and O.• Form 5472, Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business (Under Sections 6038A and 6038C of the Internal Revenue Code).
Paper and Computer-Generated Substitutes	Paper and computer-generated substitutes for Form 5471 and the accompanying Schedules J, M, N, and O, and Form 5472 that totally conform to the specifications contained in this procedure may be privately printed, but must have prior approval and are subject to annual review from the Internal Revenue Service.
Official Forms Can Be Obtained From Most Service Offices	Copies of the official forms for the reporting year may be obtained from most Service offices. The Service provides only cut sheets of these forms. Continuous fan-folded/pin-fed forms are not provided.
Quality Substitute Forms	The Service will accept quality substitute tax forms that are consistent with the official forms they represent AND that do not have an adverse impact on our processing. Therefore, only those substitute forms that conform to, and do not deviate from, the corresponding official forms are acceptable.
Computer- Prepared Tax Forms	If the substitute returns and schedules meet the guidelines prescribed herein, the Service will (for filing purposes) accept computer-prepared Forms 5471 and 5472 filled in by a computer, word processing equipment or similar automated equipment or a combination of computer-prepared/generated and filled in information. They may be filed separately or attached to individual or business income tax returns.
Format Arrangement	<p>The specifications for Form 5471 and 5472 are as follows:</p> <ul style="list-style-type: none">• The substitute must follow the design of the official form as to format, arrangement, item caption, line numbers, line references, and sequence. It must be an exact textual and graphic MIRROR image of the official form for it to be acceptable.• The filer must use one of the official ten character amount formats. All entries in the amount column should have a decimal point following the whole dollar amounts whether or not the vertical line that separates the dollars from the cents is present. It must follow a consistent format.

Procedures for Substitute Form 5471 and Form 5472, Continued

Format Arrangement (continued)

- The reference code must be printed to the left of the corresponding captioned line and also immediately preceding the data entry field EVEN if there is no reference code preceding the data entry field on the official form. The reference code that is immediately before the data field must either be followed by a period or enclosed in parentheses. There also must be at least two blank spaces between the period or the right parenthesis and the first digit of the data field.
- The size of the page must be the same as the official form (8 ½" × 11").
- The acceptable type is "Helvetica".
- The spacing of the type must be 6 lines/inch vertical, 10 or 12 print characters per inch horizontally.
- A ½ to 1/4" margin must be maintained across the top, bottom, and both sides (exclusive of any pin-fed holes).
- The substitute form must be of the same number of pages as the official one.
- The preprinted brackets in the money fields should be retained.
- The filer must COMPLETELY fill in all the specified numbers or referenced lines as they appear on the official form (not just totals) BEFORE attaching any supporting statement.
- Supporting statements are NEVER to be used until the required official form they support are first totally filled in (completed). A blank or incomplete form that refers to a supporting statement, in lieu of completing a tax return, is unacceptable.
- Descriptions for captions, lines, etc., appearing in the substitute forms may be limited to one print line by using abbreviations and contractions, and by omitting articles, prepositions, etc. However, sufficient key words must be retained to permit ready identification of the caption, line, or item.
- Text prescribed for the official form, which is solely instructional in nature, e.g., "Attach this schedule to Form 1040", "See instruction", etc., may be omitted from the form.

Filing Instructions

Instructions for filing substitute forms are the same as for filing official forms.

Chapter 9
Alternative Methods of Filing

Forms for Electronically Filed Returns

Electronic Filing Program

Electronic filing is a method by which qualified filers transmit tax return information directly to an IRS Service Center over telephone lines in the format of the official Internal Revenue Service forms. The Service accepts both refund and balance due individual tax returns that are filed electronically.

Applying for the Electronic Filing Program

Anyone wishing to participate in the Electronic Filing Program for individual income tax returns must submit a Form 8633, Application To Participate in the IRS e-file Program. (Note: For business returns, prospective participants must submit a Form 9041, Application For Electronic/Magnetic Media Filing of Business and Employee Benefit Plan Returns.)

Mailing Instructions

IF AN APPLICATION IS FILED FOR...	THEN MAIL IT TO:
Form 8633 for Individual Income Taxes (regular mail)	Internal Revenue Service Andover Service Center Attn: EFU Acceptance - Stop 983 P.O. Box 4099 Woburn, MA 01888-4099
Form 8633 for Individual Income Taxes (overnight mail)	Internal Revenue Service Andover Service Center Attn: EFU Acceptance -Stop 983 310 Lowell Street Andover, MA 05501
Form 9041 for Forms 1065	Internal Revenue Service Andover Service Center Attn: EFU Acceptance - Stop 983 P.O. Box 4050 Woburn, MA 01888-4050
Form 9041 for Forms 1041	Internal Revenue Service Philadelphia Service Center Attn: DP 115 11601 Roosevelt Blvd. Philadelphia, PA 19154
Form 9041 for Forms 5500, 5500-C/R, and 5500-EZ	Internal Revenue Service Attn: EFU (EPMF), Stop 261 P.O. Box 30309, A.M.F. Memphis, TN 38310

Forms for Electronically Filed Returns, Continued

Obtaining the Taxpayer Signature

The taxpayer signature does not appear on the electronically transmitted tax return and is obtained by the qualified electronic filer on Form 8453, U. S. Individual Income Tax Declaration for Electronic Filing, for Forms 1040, 1040A, and 1040EZ. Form 8453, which serves as a transmittal for the associated non electronic (paper) documents, such as Forms W-2, W-2G, and 1099-R, is a one-page form and can only be approved through the Substitute Forms Program in that format. For specific information about electronic filing, refer to Publication 1345, Handbook for Electronic Filers of Individual Income Tax Returns. (Note: For business returns, the electronic/magnetic media participants must use the official Form 8453-E, F or P, or an approved substitute that duplicates the official form in language, format, content, color, and size.)

Guidelines for Preparing Substitute Forms in the Electronic Filing Program

A participant in the electronic filing program who wants to develop a substitute form should follow the guidelines for preparing substitute forms throughout this publication, and send a sample of the form for approval to the Substitute Forms Coordinator at the address in Chapter 2. Forms 8453 prepared using a font where all IRS-approved wording will not fit on a single page will not be accepted as a substitute form. This applies primarily to dot-matrix printers, although forms prepared similarly on laser and inkjet printers will also be rejected. **PLEASE NOTE:** Use of unapproved forms could result in suspension of the participant from the electronic filing program.

FTD Magnetic Tape Payments

Instructions for Reporting Agents

Publication 1315 provides the requirements and instructions for reporting agents who submit Federal Tax Deposits (FTD) payment information on magnetic tape. Magnetic tape submissions for FTD can be made for Forms 940, 941, 942, 943, 720, CT-1, 990-PF, 990-T, 990-C, 1042, 1120, and Schedule A (Form 941) Backup Withholding.

Instructions for Banks and Fiduciaries

Revenue Procedure 89-49 (Pub. 1374) provides the requirements and instructions for certain banks and fiduciaries to submit quarterly Form 1041-ES payments on magnetic tape through the Federal Tax Deposit (FTD) system.

Effect on Other Documents

Documents Effect on Other

This revenue procedure supersedes Revenue Procedure 97-54, I.R.B. 1997-50.

Exhibit A-1 (Preferred Format)

SCHEDULES A&B
(Form 1040)

Schedule A—Itemized Deductions

(Schedule B is on back)

OMB No. 1545-0074

1998

Attachment
Sequence No. **07**

Department of the Treasury
Internal Revenue Service (99)

▶ Attach to Form 1040. ▶ See instructions for Schedules A and B (Form 1040).

Name(s) shown on Form 1040		Your social security number
Medical and Dental Expenses	Caution: Do not include expenses reimbursed or paid by others.	
1	Medical and dental expenses (see page A-1)	1
2	Enter amount from Form 1040, line 34, 2	2
3	Multiply line 2 above by 7.5% (.075)	3
4	Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-	4
Taxes You Paid		
5	State and local income taxes	5
6	Real estate taxes (see page A-2)	6
7	Personal property taxes	7
8	Other taxes. List type and amount ▶	8
9	Add lines 5 through 8	9
Interest You Paid		
10	Home mortgage interest and points reported to you on Form 1098	10
11	Home mortgage interest not reported to you on Form 1098. If paid to the person from whom you bought the home, see page A-3 and show that person's name, identifying no., and address ▶	11
12	Points not reported to you on Form 1098. See page A-3 for special rules	12
13	Investment interest. Attach Form 4952 if required. (See page A-3.)	13
14	Add lines 10 through 13	14
Gifts to Charity		
15	Gifts by cash or check. If you made any gift of \$250 or more, see page A-4	15
16	Other than by cash or check. If any gift of \$250 or more, see page A-4. You MUST attach Form 8283 if over \$500	16
17	Carryover from prior year	17
18	Add lines 15 through 17	18
Casualty and Theft Losses		
19	Casualty or theft loss(es). Attach Form 4684. (See page A-5.)	19
Job Expenses and Most Other Miscellaneous Deductions		
20	Unreimbursed employee expenses—job travel, union dues, job education, etc. You MUST attach Form 2106 or 2106-EZ if required. (See page A-5.) ▶	20
21	Tax preparation fees	21
22	Other expenses—investment, safe deposit box, etc. List type and amount ▶	22
23	Add lines 20 through 22	23
24	Enter amount from Form 1040, line 34, 24	24
25	Multiply line 24 above by 2% (.02)	25
26	Subtract line 25 from line 23. If line 25 is more than line 23, enter -0-	26
Other Miscellaneous Deductions		
27	Other—from list on page A-6. List type and amount ▶	27
Total Itemized Deductions	28 Is Form 1040, line 34, over \$124,500 (over \$62,250 if married filing separately)? NO. Your deduction is not limited. Add the amounts in the far right column for lines 4 through 27. Also, enter on Form 1040, line 36, the larger of this amount or your standard deduction. YES. Your deduction may be limited. See page A-6 for the amount to enter.	28

Exhibit A-2 (Acceptable Format)

SCHEDULES A&B
(Form 1040)

Schedule A—Itemized Deductions

(Schedule B is on back)

OMB No. 1545-0074

1998

Attachment
Sequence No. 07

Department of the Treasury
Internal Revenue Service (99)

▶ Attach to Form 1040. ▶ See Instructions for Schedules A and B (Form 1040).

Name(s) shown on Form 1040

Your social security number

Medical and Dental Expenses	1	Caution: Do not include expenses reimbursed or paid by others. Medical and dental expenses (see page A-1)	1			
	2	Enter amount from Form 1040, line 34, 2				
	3	Multiply line 2 above by 7.5% (.075)	3			
	4	Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-				4
Taxes You Paid (See page A-2.)	5	State and local income taxes	5			
	6	Real estate taxes (see page A-2)	6			
	7	Personal property taxes	7			
	8	Other taxes. List type and amount ▶	8			
	9	Add lines 5 through 8				9
Interest You Paid (See page A-3.)	10	Home mortgage interest and points reported to you on Form 1098	10			
	11	Home mortgage interest not reported to you on Form 1098. If paid to the person from whom you bought the home, see page A-3 and show that person's name, identifying no., and address ▶	11			
	12	Points not reported to you on Form 1098. See page A-3 for special rules	12			
	13	Investment interest. Attach Form 4952 if required. (See page A-3.)	13			
	14	Add lines 10 through 13				14
Gifts to Charity If you made a gift and got a benefit for it, see page A-4.	15	Gifts by cash or check. If you made any gift of \$250 or more, see page A-4	15			
	16	Other than by cash or check. If any gift of \$250 or more, see page A-4. You MUST attach Form 8283 if over \$500	16			
	17	Carryover from prior year	17			
	18	Add lines 15 through 17				18
Casualty and Theft Losses	19	Casualty or theft losses). Attach Form 4684. (See page A-5.)				19
Job Expenses and Most Other Miscellaneous Deductions (See page A-6 for expenses to deduct here.)	20	Unreimbursed employee expenses—job travel, union dues, job education, etc. You MUST attach Form 2106 or 2106-EZ if required. (See page A-5.) ▶	20			
	21	Tax preparation fees	21			
	22	Other expenses—investment, safe deposit box, etc. List type and amount ▶	22			
	23	Add lines 20 through 22	23			
	24	Enter amount from Form 1040, line 34, 24				
	25	Multiply line 24 above by 2% (.02)	25			
	26	Subtract line 25 from line 23. If line 25 is more than line 23, enter -0-				26
Other Miscellaneous Deductions	27	Other—from list on page A-6. List type and amount ▶				27
Total Itemized Deductions	28	Is Form 1040, line 34, over \$124,500 (over \$62,250 if married filing separately)? NO. Your deduction is not limited. Add the amounts in the far right column for lines 4 through 27. Also, enter on Form 1040, line 36, the larger of this amount or your standard deduction. YES. Your deduction may be limited. See page A-6 for the amount to enter.				28

	SSN	
MEDICAL AND DENTAL EXPENSES		
1	Medical and dental expenses.....(1)	_____
2	Amount from Form 1040, line 32....(2)	_____
3	Multiply line 2 by 7.5% (.075).....(3)	_____
4	Subtract line 3 from line 1, not less than zero.....(4)	_____
TAXES YOU PAID		
5	State and local income taxes.....(5)	_____
6	Real estate taxes.....(6)	_____
7	Personal property taxes.....(7)	_____
8	Other taxes. List type and amount.(8)	_____
9	Add lines 5 thru 8.....(9)	_____
INTEREST YOU PAID		
10	Home mortgage interest and points reported to you on Form 1098.....(10)	_____
11	Home mtg int not reported on Form 1098. If to seller, person's name, id no., and address: _____ _____(11)	_____
12	Points not reported to you on Form 1098....(12)	_____
13	Investment interest. Att Form 4952 if req..(13)	_____
14	Add lines 10 thru 13.....(14)	_____
GIFTS TO CHARITY		
15	Gifts by cash or check.....(15)	_____
16	Other than cash or check. If over \$500, you MUST attach Form 8283.....(16)	_____
17	Carryover from prior year.....(17)	_____
18	Add lines 15 thru 17.....(18)	_____
CASUALTY AND THEFT LOSSES		
19	Casualty or theft loss(es) from Form 4684.....(19)	_____
JOB EXPENSES & MOST OTHER MISCELLANEOUS DEDUCTIONS		
20	Unreim employee exp (Form 2106)..... _____(20)	_____
21	Tax preparation fees.....(21)	_____
22	Other expenses: _____(22)	_____
23	Add lines 20 thru 22.....(23)	_____
24	Amount from Form 1040, line 32....(24)	_____
25	Multiply line 24 by 2% (.02).....(25)	_____
26	Subtract line 25 from line 23, not less than zero....(26)	_____
OTHER MISCELLANEOUS DEDUCTIONS		
(27)	_____
TOTAL ITEMIZED DEDUCTIONS		
28	If Form 1040, line 32 more than \$114,700 (\$57,350 MFJ), see page A-5. Else add right column of lines 4-27....(28)	_____

EXHIBIT L-1 - LIST OF FORMS REFERRED TO IN REVENUE PROCEDURE

<u>FORM</u>	<u>TITLE</u>
706	United States Estate (and Generation-Skipping Transfer) Tax Return
720	Quarterly Federal Excise Tax Return
940	Employer's Annual Federal Unemployment (FUTA) Tax Return
940-EZ	Employer's Annual Federal Unemployment (FUTA) Tax Return
941	Employer's Quarterly Federal Tax Return
941 Sch. B	Employer's Record of Federal Tax Liability
943	Employer's Annual Tax Return for Agricultural Employees
945	Annual Return of Withheld Federal Income Tax
945-A	Annual Record of Federal Tax Liability
990-C	Farmers' Cooperative Association Income Tax Return
990-PF	Return of Private Foundation or Section 4947(a)(1) Trust Treated as a Private Foundation
990-T	Exempt Organization Business Income Tax Return
1040	U.S. Individual Income Tax Return
1040-ES	Estimated Tax for Individuals
1040A	U.S. Individual Income Tax Return
1040EZ	Income Tax Return for Single and Joint Filers with No Dependents
1040PC	1040PC Format U.S. Individual Income Tax Return
1041	U.S. Income Tax Return for Estates and Trusts
1041-ES	Estimated Tax for Estates and Trusts
1042	Annual Withholding Tax Return for U.S. Source Income of Foreign Persons
1042-S	Foreign Person's U.S. Source Income Subject to Withholding
1065	U.S. Partnership Return of Income
1096	Annual Summary and Transmittal of U.S. Information Returns
1098	Mortgage Interest Statement
1099-A	Acquisition or Abandonment of Secured Property
1099-B	Proceeds from Broker and Barter Exchange Transactions
1099-C	Cancellation of Debt
1099-DIV	Dividends and Distributions
1099-G	Certain Government Payments
1099-INT	Interest Income
1099-MISC	Miscellaneous Income
1099-OID	Original Issue Discount
1099-PATR	Taxable Distributions Received from Cooperatives
1099-R	Distributions from Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, Etc.
1099-S	Proceeds from Real Estate Transactions
1120	U.S. Corporation Income Tax Return

EXHIBIT L-1 - LIST OF FORMS REFERRED TO IN REVENUE PROCEDURE
(continued)

2290	Heavy Vehicle Use Tax Return
3468	Investment Credit
3975	Tax Practitioner Annual Mailing List Application Update
4136	Credit for Federal Tax Paid on Fuels
4461	Application for Approval of Master or Prototype and Regional Prototype Defined Contribution Plan
4461-A	Application for Approval of Master or Prototype and Regional Prototype Defined Benefit Plan
4461-B	Application for Approval of Master or Prototype Plan, or Regional Prototype Plan Mass Submitter Return Adopting Sponsor
5300	Application for Determination for Employee Benefit Plan
5303	Application for Determination for Collectively Bargained Plan
5305	Individual Retirement Trust Account
5306	Application for Approval of Prototype or Employer Sponsored Individual Retirement Account
5307	Application for Determination for Adopters of Master or Prototype, Regional Prototype or Volume Submitter Plans
5310	Application for Determination for Terminating Plan
5310-A	Notice of Plan Merger or Consolidation, Spinoff, or Transfer of Plan Assets or Liabilities; Notice of Qualified Separate Lines of Business
5498	Individual Retirement Arrangement Information
5500	Annual Return/Report of Employee Benefit Plan (With 100 or more participants)
5500 C/R	Annual Return/Report of Employee Benefit Plan (With fewer than 100 participants)
5500-EZ	Annual Return of One-Participant (Owners and Their Spouses) Retirement Plan
6406	Short Form Application for Determination For Minor Amendment of Employee Benefit Plan
8109	Federal Tax Deposit Coupon
8109-B	Federal Tax Deposit Coupon
8453	U.S. Individual Income Tax Declaration for Electronic Filing
8453-E	Employee Benefit Plan Declaration and Signature for Electronic/Magnetic Media Filing
8453-F	U.S. Income Tax Declaration and Signature for Electronic and Magnetic Media Filing
8453-P	U.S. Partnership Declaration and Signature for Electronic and Magnetic Media Filing
8633	Application to Participate in the IRS e-file Program
9041	Application for Electronic/Magnetic Media Filing of Business and Employee Benefit Plan Returns

EXHIBIT L-1 - LIST OF FORMS REFERRED TO IN REVENUE PROCEDURE
(continued)

CT-1	Employer's Annual Railroad Retirement Tax Return
W-2	Wage and Tax Statement
W-2G	Certain Gambling Winnings
W-3	Transmittal of Income and Tax Statements