Part III. Administrative, Procedural, and Miscellaneous

Interim Rules and Procedures for Partnerships Under Section 833 of the American Jobs Creation Act of 2004

Notice 2005–32

Section 1. PURPOSE

The American Jobs Creation Act of 2004, P.L. 108–357, 118 Stat. 1418 (the Act), was enacted on October 22, 2004. The Treasury Department and the Internal Revenue Service intend to issue regulations implementing §§ 833 and 834 of the Act, which amended §§ 704, 734, 743, and 6031 of the Internal Revenue Code. This notice provides interim procedures for partnerships and their partners to comply with the mandatory basis provisions of §§ 734 and 743, as amended by the Act. This notice also provides interim procedures for electing investment partnerships (EIPs) and their partners to comply with §§ 743(e) and 6031(f), as provided in § 833(b) of the Act.

Section 2. BACKGROUND

Section 833(c) of the Act requires basis adjustments to be made following certain distributions from partnerships for which no § 754 election is in effect. As amended by § 833(c) of the Act, § 734(a) and (b) requires a partnership to reduce its basis in partnership property upon a distribution of partnership property after October 22, 2004, if there is a "substantial basis reduction." Under § 734(d), there is a substantial basis reduction if a downward adjustment of more than $250,000 would be made to the basis of partnership assets if a section 754 election were in effect at the time of the distribution. EIPs, like other partnerships, are required to make any basis adjustments that are required under § 734 upon the distribution of partnership property.

Section 833(b) of the Act requires basis adjustments to be made following certain transfers of interests in partnerships for which no § 754 election is in effect. As amended by § 833(b) of the Act, § 743(a) and (b) requires a partnership to reduce the basis of partnership property upon a transfer after October 22, 2004, of an interest in the partnership by sale or exchange or upon the death of a partner, if, at the time of the relevant transfer, the partnership has a "substantial built-in loss." Section 743(d)(1) provides that, for purposes of § 743, a partnership has a substantial built-in loss with respect to a transfer of a partnership interest if the partnership's adjusted basis in the partnership's property exceeds by more than $250,000 the fair market value of the property.

Section 833(b) of the Act also provides that an EIP is not treated as having a substantial built-in loss, and thus is not required to make basis adjustments to partnership property, with respect to any transfer of a partnership interest occurring while an election to be treated as an EIP is in effect. In lieu of the partnership basis adjustments otherwise required under § 743, a partner-level loss disallowance rule applies. Section 743(e)(2) provides that, in the case of a transfer of an interest in an EIP, the transferee partner's distributive share of the losses, without regard to gains, from the sale or exchange of partnership property is not allowed, except to the extent that it is established that the losses exceed the loss recognized on the transfer of the partnership interest by the transferor partner (or by a prior transferor to the extent not fully offset by a prior disallowance under § 743(e)(2)). Under § 743(e)(3), losses disallowed under this rule do not decrease the transferee partner's basis in its partnership interest. Section 743(e) is to be applied without regard to any termination of the partnership under § 708(b)(1)(B). In the case of a basis reduction to property distributed to the transferee partner in a nonliquidating distribution, § 743(e)(5) provides that the amount of the transferor's recognized loss taken into account under § 743(e)(2) is reduced by the amount of the basis reduction under § 732(a)(2).

Section 743(e)(6), as added by the Act, provides that an EIP means any partnership if (A) the partnership makes an election to have § 743(e) apply, (B) the partnership would be an investment company under section 3(a)(1)(A) of the Investment Company Act of 1940 but for an exemption under paragraph (1) or (7) of section 3(c) of such Act, (C) the partnership has never been engaged in a trade or business, (D) substantially all of the assets of the partnership are held for investment, (E) at least 95 percent of the assets contributed to the partnership consist of money, (F) no assets contributed to the partnership had an adjusted basis in excess of fair market value at the time of contribution, (G) all partnership interests of the partnership are issued by the partnership pursuant to a private offering before the date which is 24 months after the date of the first capital contribution to the partnership, (H) the partnership agreement of the partnership has substantive restrictions on each partner's ability to cause a redemption of the partner's interest, and (I) the partnership agreement of the partnership provides for a term that is not in excess of 15 years. However, in the case of an EIP which is in existence on June 4, 2004, § 743(e)(6)(H) does not apply to the partnership, and § 743(e)(6)(I) is applied by substituting "20 years" for "15 years".

Section 743(e)(7) provides that the Secretary shall prescribe regulations as may be appropriate to carry out the purposes of § 743(e), including regulations for applying § 743(e) to tiered partnerships.

Section 6031(f) provides that in the case of any EIP, the information required under § 6031(b) to be furnished to any partner to whom § 743(e)(2) applies shall include information as is necessary to enable the partner to compute the amount of losses disallowed under § 743(e).

Section 3. INTERIM PROCEDURES RELATING TO BASIS ADJUSTMENTS REQUIRED UNDER § 833 OF THE ACT

Sections 1.734–1(d) and 1.743–1(k) of the Income Tax Regulations require partnerships and partners to provide certain statements following distributions with respect to partnership interests, and transfers of partnership interests, in partnerships for which an election under § 754 is in effect. The Treasury Department and the Service intend to amend the regulations under §§ 734 and 743 to require partnerships and partners to provide statements, similar to those contained in §§ 1.734–1(d)

and 1.743–1(k), following any distributions and transfers that trigger basis adjustments under § 833(b) or (c) of the Act.

Until further guidance is provided, partnerships that are required to reduce the bases of partnership properties under § 833(c) of the Act must comply with § 1.734–1(d) as if an election under § 754 were in effect at the time of the relevant distribution. Partnerships that are required to reduce the bases of partnership properties under § 833(b) of the Act must comply with § 1.743–1(k)(1) as if an election under § 754 were in effect at the time of the relevant transfer. The transferee of an interest in a partnership that is required to reduce the bases of partnership properties under § 833(b) of the Act must comply with § 1.743–1(k)(2), within the time prescribed under § 1.743–1(k)(2) (or, if later, by May 19, 2005), as if an election under § 754 were in effect at the time of the relevant transfer. In addition, partnerships that are required to reduce the bases of partnership properties under § 833(b) of the Act may rely on, and must comply with, § 1.743–1(k)(3), (4), and (5) as if an election under § 754 were in effect at the time of the relevant transfer.

Section 4. INTERIM PROCEDURES FOR EIP ELECTION

Until further guidance is provided, a partnership must make the election to be treated as an EIP by attaching a written statement to an original or amended partnership return for the taxable year for which the election is effective. The statement must (i) set forth the name, address, and tax identification number of the partnership making the election, (ii) contain a representation that the partnership is eligible to make the election under § 743(e)(6)(A), and (iii) contain a declaration that the partnership elects under § 743(e) to be treated as an EIP. If a partnership has filed a return with respect to a taxable year that includes October 22, 2004, and desires to elect to be treated as an EIP for transfers after October 22, 2004, but did not attach a statement satisfying the requirements of this paragraph, then the partnership must file an amended return with a statement satisfying those requirements.

For the election to be valid, the original or amended return must be filed not later than six months after the time prescribed by § 1.6031(a)–1(e) of the Procedure and Administration Regulations (excluding extensions thereof) for filing the return for the taxable year for which the election is effective. Once an election is made, it is effective for all succeeding taxable years, unless terminated or revoked, as described below. In the case of an election filed for the partnership's taxable year that includes October 22, 2004, the election is effective for all transfers occurring after October 22, 2004. In all other cases, the election is effective for all transfers during the partnership's taxable year for which the election is effective. A partnership that has an election under § 754 in effect is ineligible to make an election to be treated as an EIP. If the partnership is not otherwise required to file a partnership return, the election to be an EIP shall be made in accordance with the rules of § 1.6031(a)–1(b)(5).

The election to be treated as an EIP shall terminate if the partnership fails to meet the definition of an EIP. In this case, the partnership will become subject to the mandatory basis adjustment rules with respect to the first transfer of a partnership interest that occurs after the partnership ceases to meet the definition of an EIP and to each subsequent transfer. An EIP also may terminate its election to be treated as an EIP without the consent of the Commissioner by filing an election under § 754. In this case, the partnership will become subject to the mandatory basis adjustment rules with respect to the first transfer of a partnership interest that occurs after the effective date of the election under § 754. In all other cases, except as provided in future guidance, a partnership having an election in effect to be treated as an EIP may revoke the election only with the consent of the Commissioner. The application for consent to revoke the election must be submitted to the Service in the form of a letter ruling request. If an election to be treated as an EIP is terminated, any losses that are subsequently allocated to a partner to whom a partnership interest was transferred while the EIP election was in effect shall remain subject to disallowance under § 743(e)(2).

Section 5. INTERIM REPORTING REQUIREMENTS

A. *Transferor Partner Required to Provide Information to Transferee Partner and Partnership*

Until further guidance is provided, if a partnership interest in an EIP is transferred in a sale or exchange or upon the death of a partner, the transferor (or, in the case of a partner who dies, the partner's executor, personal representative, or other successor in interest) must notify the transferee and the EIP in writing. The notice must be provided within 30 days after the date on which the transferor partner (or the executor, personal representative or other successor in interest) receives Schedule K–1 from the EIP for the partnership's taxable year in which the transfer occurred (or, if later, by May 19, 2005). The notice must be signed under penalties of perjury and must include (i) the name, address, and tax identification number of the transferor, (ii) the name, address, and tax identification number of the transferee (if ascertainable), (iii) the name of the partnership, (iv) the date of the transfer (and, in the case of the death of a partner, the date of the death of the partner), (v) the amount of loss, if any, recognized by the transferor on the transfer of the interest, together with the computation of the loss, (vi) the amount of losses, if any, recognized by any prior transferors to the extent the losses were subject to disallowance under § 743(e)(2) in the hands of a prior transferee and have not been offset by prior loss disallowances under § 743(e)(2), and (vii) any other information necessary for the transferee to compute the amount of loss disallowed under § 743(e)(2). If the transferor is a nominee (within the meaning of § 1.6031(c)–1T), then the nominee, and not the beneficial owner of the transferred interest, must supply the information to the transferee of the interest and to the EIP.

The transferee and the EIP shall retain the notice described in this Section 5.A as long as the contents thereof may become material in the administration of any internal revenue law.

B. *Distributive Shares of Partnership Items of EIP*

Because the amount of losses disallowed under § 743(e) is determined with-

out regard to gains, an EIP is required to separately state on Schedule K and K–1 of the partnership's return (Form 1065) all allocations of losses to all of its partners under § 1.702–1(a)(8)(ii), including losses that, in the absence of § 743(e), could be netted against gains at the partnership level. If a partnership has filed a return with respect to a taxable year that includes October 22, 2004, in which gain and losses were not separately stated, the EIP must, prior to the expiration of the period for making an EIP election for that year, file an amended return in which gains and losses are separately stated. If a partnership's election to be treated as an EIP is terminated, the partnership must continue to state such gains and losses separately in future returns relating to any period during which the partnership has one or more transferee partners that are subject to § 743(e)(2). If an EIP is not required to file a partnership return, the transferee of a partnership interest in the EIP may be required to provide to the Service similar information regarding the partner's distributive share of gross gains and losses of the EIP under § 1.6031(a)–1(b)(4).

C. *Partnership Required to Provide Annual Statements to Partners*

Until further guidance is provided, an EIP must provide the following statement to all of its partners. The statement shall be attached to every statement provided to a partner or nominee under § 6031(b) that is issued with respect to any taxable year for which an election to be treated as an EIP is in effect (whether or not the election is in effect for the entire taxable year). If an EIP has provided statements under § 6031(b) with respect to a taxable year that includes October 22, 2004, and elects to be treated as an EIP for that year, but did not include the statements required by this section 5.C., then the EIP must provide amended statements under § 6031(b), prior to the expiration of the period for making an EIP election for that year, which do include the required statements.

Notice of Election. This partnership has elected to be treated as an electing investment partnership under section 743(e) of the Internal Revenue Code.

Information for Transferors. If you transfer an interest in this partnership to another person, Notice 2005–32, 2005–16 I.R.B. 895, provides that you must, within 30 days after receiving a Schedule K–1 from this partnership for the taxable year that includes the date of the transfer, provide the transferee with certain information, including the amount, if any, of loss that you recognized on the transfer of the partnership interest, and the amount of losses, if any, recognized by prior transferors with respect to the same interest. See Notice 2005–32 for more information.

Information for Transferees. If an interest in this partnership is transferred to you, section 743(e)(2) requires that you reduce your distributive share of losses from this partnership, determined without regard to gains from this partnership, to the extent of any losses recognized by the transferor partner when that partner transferred the partnership interest to you (and to the extent of other losses recognized on prior transfers of the same partnership interest that have not been offset by prior loss disallowances). Each year, you must reduce your share of losses as reported to you by this partnership by the amount of any loss recognized by the transferor partner (or any prior transferor to the extent not already offset by prior loss disallowances) until you have reduced your share of partnership losses by the total amount of losses required to be disallowed. If the transferor partner, or its legal representative in the case of a transfer by death, fails to provide you with the required statement, you must treat all losses allocated from the EIP as disallowed under § 743(e)(2) unless you obtain, from the EIP or otherwise, the information necessary to determine the proper amount of losses disallowed under § 743(e)(2). See Notice 2005–32 for more information.

D. *Effects of Failure to Notify Transferee Partner*

If the transferor partner, or its legal representative in the case of a transfer by death, fails to provide the transferee partner with the statement required by Section 5.A of this notice with respect to a transfer of an interest in the EIP, the transferee partner must treat all losses allocated from the EIP as disallowed under § 743(e)(2) unless the transferee partner obtains, from the EIP or otherwise, the information necessary to determine the proper amount of losses disallowed under § 743(e)(2). If the transferee does not have the information necessary to determine the proper amount of losses disallowed under § 743(e)(2), but does have information sufficient to determine the maximum amount of losses that could be disallowed, then the transferee may treat the amount of losses disallowed under § 743(e)(2) as being equal to that maximum amount. For example, if the transferee is able to ascertain the adjusted basis that a prior transferor had in its partnership interest, but is not able to ascertain the amount realized by that transferor, the transferee may assume, for purposes of calculating the amount of losses disallowed under § 743(e)(2), that the sales price when the prior transferor sold its interest was zero. If, following the filing of a return pursuant to the previous sentence, the transferor partner or the EIP provides the required information to the transferee partner, the transferee partner should make appropriate adjustments in an amended return for the year of the loss allocation from the EIP in accordance with § 6511 or other applicable rules.

Section 6. CHARACTER OF LOSSES DISALLOWED UNDER § 743(e)(2)

Until further guidance is issued, if an EIP allocates losses with a different character from the sale or exchange of property to the transferee (such as ordinary or § 1231 losses and capital losses) and the losses allocated to that partner are limited by § 743(e)(2), then a proportionate amount of the losses disallowed under § 743(e)(2) shall consist of each loss of a separate character that is allocated to the transferee partner.

Section 7. TRADES OR BUSINESSES OF LOWER-TIER PARTNERSHIPS

As noted above, a partnership that is engaged in a trade or business, or that has previously engaged in a trade or business, is not eligible to elect to be treated as an

EIP. The Treasury Department and the Service are studying the conditions under which a partnership ("upper-tier partnership") that holds interests in one or more partnerships ("lower-tier partnerships") that are engaged in a trade or business should be treated as engaged in a trade or business.

Until further guidance is issued, an upper-tier partnership will not be treated as engaged in the trade or business of a lower-tier partnership if, at all times during the period in which the upper-tier partnership owns an interest in the lower-tier partnership, the adjusted basis of its interest in the lower-tier partnership is less than 25 percent of the total capital that is required to be contributed to the upper-tier partnership by its partners during the entire term of the upper-tier partnership. This notice does not address the situation in which the upper-tier partnership's adjusted basis in its lower-tier partnership interest is, at any time, 25 percent or more of the total capital that is required to be contributed to the upper-tier partnership by its partners during the entire term of the upper-tier partnership.

The Treasury Department and the Service specifically request comments on rules that may be appropriate for future guidance. Factors that may be relevant in future guidance in determining whether an upper-tier partnership is treated as engaged in a trade or business that is conducted by a lower-tier partnership include (i) the relative amount of the upper-tier partnership's investment in the lower-tier partnership as compared to the total capital that is required to be contributed to the upper-tier partnership by its partners during the entire term of the upper-tier partnership, (ii) the degree to which the upper-tier partnership participates in the management of the lower-tier partnership's activities, and (iii) the motivations for the formation of the upper-tier partnership in making the investments in the lower-tier partnership.

The Treasury Department and the Service may adopt rules in future guidance that are more restrictive than the safe harbor provided for above. If a partnership that qualifies as an EIP under the safe harbor does not qualify as an EIP under future guidance, the partnership's election to be treated as an EIP will terminate for transfers occurring on or after the date on which such future guidance becomes effective.

Section 8. EXAMPLES

A. *Transfer of Partnership Interest*

PRS is a partnership which does not have an election under § 754 in effect. *PRS* has no liabilities. The fair market value of *PRS*'s assets is $4 million and the adjusted basis of *PRS*'s assets is $4.3 million. Under § 743(d), *PRS* has a substantial built-in loss because the adjusted basis of the partnership property exceeds the fair market value of the partnership property by more than $250,000. *A*, a partner of *PRS*, sells a 25 percent partnership interest in *PRS* to *B* for its fair market value of $1 million. Under § 743(b), an adjustment is required to the adjusted basis of *PRS*'s assets with respect to *B*. Under Section 3 of this notice, *B* must provide the written notice described in § 1.743–1(k)(2) to *PRS* within 30 days after the sale, and *PRS* must attach the statement described in § 1.743–1(k)(1) to the partnership return for the year of the transfer.

B. *Distribution of Partnership Property*

A and *B* each contribute $2.5 million and *C* contributes $5 million to a newly formed partnership, *PRS*, which does not have an election under § 754 in effect. *PRS* has no liabilities. *PRS* purchases *LMN* stock for $3 million and *XYZ* stock for $7 million. The value of each stock declines to $1 million. *PRS* distributes *LMN* stock to *C* in complete liquidation of *C*'s interest in *PRS*. Under § 732(b), the basis of *LMN* stock in *C*'s hands is $5 million and *C* would recognize a loss of $4 million if the *LMN* stock were sold for $1 million. There is a substantial basis reduction within the meaning of § 734(d), because the $2 million increase in the adjusted basis of *LMN* stock (described in § 734(b)(2)(B)) is greater than $250,000. Under § 734(b), PRS is required to decrease the basis of *XYZ* stock by $2 million (the amount by which the basis of *LMN* stock was increased), leaving a basis of $5 million remaining in the *XYZ* stock. Under Section 3 of this notice, *PRS* must attach the statement described in § 1.734–1(d) to the partnership return for the year of the distribution.

C. *EIP*

(i) *PRS* is a domestic partnership with a calendar year taxable year that desires to elect to be treated as an EIP for 2004 and all succeeding taxable years. *PRS* and all of its partners have a calendar year taxable year. *PRS* has no liabilities. Other than the making of the election, PRS meets all other requirements to be an EIP under § 743(e)(6). *PRS* elects to be treated as an EIP by attaching a statement to its income tax return for 2004 in accordance with Section 4 of this notice.

(ii) Between October 22 and December 31, 2004, the only transfer of a partnership interest in *PRS* occurred on November 30, 2004, when *A* transferred a 10 percent partnership interest to *C*. The purchase price for the 10 percent partnership interest was $3,000,000. *A*'s adjusted basis in *A*'s partnership interest on December 31, 2003, was $3,000,000. In 2004, the partnership's only items of income, gain, loss, and deduction are $3 million of long-term capital gain and $2 million of long-term capital loss. Because *PRS* has elected to be treated as an EIP, *PRS* must separately state this gain and loss on its return in accordance with Section 5.B of this notice.

(iii) If *A* had remained a partner for the entire year, *A*'s distributive share of the partnership's items would have been $300,000 of long-term capital gain and $200,000 of long-term capital loss. Assume that under § 706, *A*'s distributive share of these items are properly determined to be 334/365 of each of these amounts, or $274,521 of long-term capital gain and $183,014 of long-term capital loss, and that *C*'s distributive shares of these items are properly determined to be 31/365 of each of these amounts, or $25,479 of long-term capital gain and $16,986 of long-term capital loss.

(iv) *PRS* must provide a statement to all of its partners in accordance with Section 5.C of this notice. The statement must be attached to each partner's Schedule K–1 for *PRS*'s taxable year ending December 31, 2004. Assume that *A* receives *A*'s Schedule K–1 on March 12, 2005. Within 30 days after receiving this Schedule K–1, *A* must provide statements to *C* and EIP as described in Section 5.A of this notice.

(v) The adjusted basis in *A*'s partnership interest on November 30, 2004, $3,091,507, equals *A*'s adjusted basis on December 31, 2003, $3,000,000, plus *A*'s distributive share of partnership gain in 2004, $274,521, less *A*'s distributive share of partnership loss in 2004, $183,014. The amount of loss recognized by *A* on the sale of *A*'s partnership interest is $91,507, which equals the adjusted basis in *A*'s partnership interest on the date of the sale, $3,091,507, less the amount realized by *A*, $3,000,000. Thus, the first $91,507 of gross loss allocated to *C* is disallowed under § 743(e)(2). The entire amount of *C*'s long-term capital loss in 2004, $16,986, is disallowed under § 743(e)(2). The first $74,521 of any gross loss allocated to *C* in future years will also be disallowed under § 743(e)(2), regardless of whether PRS is an EIP in those future years.

(vi) *C*'s adjusted basis as of December 31, 2004, is $3,025,479, the sum of *C*'s purchase price paid for *A*'s interest, $3,000,000, plus the distributive share of gain allocated to *C*, $25,479. Under § 743(e)(3), the $16,986 loss allocated to *C*, but disallowed under § 743(e)(2), does not reduce the basis of *C*'s partnership interest.

Section 9. REQUEST FOR COMMENTS

The Treasury Department and the Service intend to issue further guidance implementing §§ 833 and 834 of the Act, including guidance addressing the application of these provisions to tiered partnership structures. Comments are requested concerning the scope and content of this guidance. In particular, comments are requested concerning the application of these provisions to tiered partnerships and the reporting obligations that should be imposed on tiered partnerships and their partners. As stated earlier, comments are also requested on the rules provided in Section 7 of this notice. Comments should be submitted in writing on or before July 19, 2005, and should include a reference to Notice 2005–32. Comments may be submitted to CC:PA:LPD:PR (Notice 2005–32), Room 5226, Internal Revenue Service, PO Box 7604, Ben Franklin

Station, Washington, DC 20044. Alternatively, comments may be submitted electronically via the following e-mail address: *Notice.Comments@irscounsel.treas.gov*. Please include "Notice 2005–32" in the subject line of any electronic communications.

Submissions may be hand delivered Monday through Friday between the hours of 8 a.m. and 5 p.m. to CC:PA:LPD:PR (Notice 2005–32), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue, NW, Washington, DC 20224.

PAPERWORK REDUCTION ACT

The collections of information contained in this notice have been reviewed and approved by the Office of Management and Budget in accordance with the Paperwork Reduction Act (44 U.S.C. 3507) under control number 1545–1939.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid OMB control number.

The collections of information in this notice are in Sections 3, 4, and 5. This information is required, and will be used, to assure compliance with the new provisions of the American Jobs Creation Act of 2004. The collections of information are required to obtain a benefit or are mandatory. The likely respondents are individuals and businesses or other for-profit institutions.

The estimated total annual reporting burden and/or recordkeeping burden is 552,100 hours.

The estimated annual average burden per respondent/recordkeeper varies from is 0.05 hours to 3 hours, depending on individual circumstances, with an estimated average of 2.07 hours.

The estimated number of respondents and/or recordkeepers is 266,400.

The estimated annual frequency of responses (used for reporting requirements only) is various.

Books or records relating to a collection of information must be retained as long as their contents may become material in the administration of any internal revenue law. Generally, tax returns and tax return information are confidential, as required by 26 U.S.C. 6103.

DRAFTING INFORMATION

The principal author of this notice is Sean I. Kahng of the Office of Associate Chief Counsel (Passthroughs & Special Industries). However, other personnel from the Treasury Department and the Service participated in its development. For further information regarding this notice, contact Mr. Kahng at (202) 622–3050 (not a toll-free call).

NOTE: This revenue procedure will be reproduced as IRS Publication 4436, *General Rules and Specifications for Substitute Form 941 and Schedule B (Form 941).*

Rev. Proc. 2005–21

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Section 1 – Purpose

.01 The purpose of this publication is to provide general rules and specifications from the Internal Revenue Service (IRS) for paper and computer-generated substitutes for the newly revised January 2005 version of Form 941, Employer's Quarterly Federal Tax Return, and Schedule B (Form 941), Report of Tax Liability for Semiweekly Schedule Depositors.

.02 This publication provides measurements and printing specifications for substitute Form 941 and Schedule B (Form 941). If you need more in-depth information on who must complete the forms and how to complete them, see the Instructions for Form 941 and Publication 15 (Circular E), Employer's Tax Guide, or visit the IRS website at *www.irs.gov*.

.03 Forms should not be submitted to the IRS for specific approval. If you are uncertain of any specification and want it clarified, you may submit a letter citing the specification and your understanding of the specification, and enclose an example of the form (if appropriate) to: