

Instructions for Form 8935

(March 2009)



Department of the Treasury
Internal Revenue Service

Section references are to the Internal Revenue Code unless otherwise noted.

General Instructions

Purpose of Form

Form 8935 is used to report payments of any money or other property made by a commercial passenger airline carrier to a qualified airline employee, defined later.

Who Must File

Every commercial passenger airline carrier that pays one or more airline payment amounts, as defined later.

When to File

File Form 8935 with the Internal Revenue Service within 90 days of the date of making the airline payment(s) to a qualified airline employee. For payments made before December 24, 2008, file Form 8935 by March 23, 2009.

How to File

File Form 8935 on paper using Form 8935-T, Transmittal of Airline Payments Reports, or electronically through the Filing Information Returns Electronically (FIRE) System.

To file electronically, you must have software that can produce a file in the proper format according to the specifications in Announcement 2009-7, 2009-10 I.R.B., available at www.irs.gov/irb/2009-10_IRB/ar10.html. The FIRE System does not provide a fill-in form option for information return reporting. The FIRE System operates 24 hours a day, 7 days a week. You may access the FIRE System via the Internet at <http://fire.irs.gov>. See Pub. 1220 for more information.

You may use the 2009 General Instructions for Forms 1099, 1098, 3921, 3922, 5498, and W-2G if you have questions about filing Form 8935, either on paper or electronically, with the Internal Revenue Service. Sections E through I, M, and T contain information that is equally applicable to Form 8935.

Substitute Statements to Recipients

If you are not using the official IRS form (Copy B of Form 8935) to furnish statements to recipients, see Pub. 1179 for specific rules about providing "substitute" statements to recipients. Generally, a substitute is any statement other than Copy B of Form 8935. You can develop a substitute yourself or buy it from a private printer. However, the substitutes must comply with the format and content requirements specified in Pub. 1179, available on the IRS website at www.irs.gov.

When to Furnish Forms or Statements

Furnish Copy B of Form 8935 (or a substitute statement) to recipients within 90 days of the date of making the airline payment(s) to a qualified airline employee. For payments made before December 24, 2008, furnish Copy B (or the substitute) by March 23, 2009.

Definitions

Airline payment amount. The term airline payment amount means any money or other property paid by a commercial passenger airline carrier to a qualified airline employee under the approval of an order of a Federal bankruptcy court in a case filed after September 11, 2001, and before January 1, 2007, for the employee's interest in a bankruptcy claim against the carrier, any note of the carrier (or amount paid in lieu of a note being issued), or any other fixed obligation of the carrier to pay a lump sum amount.

The amount of such payment is determined without regard to any requirement to deduct and withhold employment taxes from such payment.

An airline payment amount does not include any amount payable on the basis of the carrier's future earnings or profits.

Qualified airline employee. A qualified airline employee is a current or former employee of a commercial passenger airline carrier who participated in the carrier's defined benefit plan that is described in section 401(a) (including a trust exempt from tax under section 501(a)) that was terminated or became subject to the restrictions contained in paragraphs (2) and (3) of section 402(b) of the Pension Protection Act of 2006.

How to Get Help

If you have questions about reporting on Form 8935, you can call the Information Reporting Customer Service Site at 1-866-455-7438 (toll free), or 304-263-8700 (not toll free). For TTY/TDD equipment, call 304-579-4827 (not toll free).

Specific Instructions

Payer's Name, Address, and Identification Number

Complete the PAYER'S identification boxes on Form 8935 with the information indicated, including a telephone number at which a recipient can reach a person having knowledge of the payment(s) being reported.

The taxpayer identification number (TIN) for a payer is the federal employer identification number (EIN). The payer's name and TIN should be consistent with the name and TIN used on the payer's other tax returns. The name of a paying agent or service bureau must not be used in place of the name of the payer. EINs have nine digits separated by only one hyphen (00-0000000).

If you do not have an EIN, you can apply for one online. Go to the IRS website www.irs.gov and enter keyword "online EIN" in the upper right corner. You can also apply by calling 1-800-829-4933 or by faxing or mailing Form SS-4, Application for Employer Identification Number, to the IRS. See the Instructions for Form SS-4 for more information.

Recipient's Name, Address, and Identification Number

Recipient's name. Show the full name and address in the boxes provided on Form 8935. Use the last known address in your official records for the recipient's address.

TINs. TINs are used to associate and verify amounts you report to the IRS with corresponding amounts on tax returns. Therefore, it is important that you furnish correct names, social security numbers (SSNs) or individual taxpayer identification numbers (ITINs) for recipients on the forms sent to the IRS.

Requesting a recipient's TIN. If the recipient is a U.S. person (including a U.S. resident alien), the IRS suggests that you request the recipient to complete Form W-9, Request for Taxpayer Identification Number and Certification, or Form W-9S, Request for Student's or Borrower's Taxpayer Identification Number and Certification, if appropriate. See the Instructions for the Requester of Form W-9 for more information on how to request a TIN.

If the recipient is a foreign person, the IRS suggests that you request the recipient complete the appropriate Form W-8. See the Instructions for the Requester of Forms W-8BEN, W-8ECI, W-8EXP, and W-8IMY.



U.S. resident aliens who rely on a "saving clause" of a tax treaty are to complete Form W-9, not Form W-8BEN. See Pub. 515, Withholding of Tax on Nonresident Aliens and Foreign Entities, and Pub. 519, U.S. Tax Guide for Aliens.

You may be subject to a penalty for an incorrect or missing TIN on an information return. You are required to maintain the confidentiality of information relating to the recipient's identity (including SSNs and ITINs), and you can use such information only to comply with the tax laws.



If the recipient does not provide a TIN, leave the box for the recipient's TIN blank on Form 8935. Only one recipient TIN can be entered on the form.

The TIN for individual recipients of information returns is the SSN or ITIN. SSNs and ITINs have nine digits separated by two hyphens (000-00-0000).

Box 1

Report the total airline payment amount paid to the recipient.

Boxes 2a–6a

Report the year(s) in which you made the payment(s).

Boxes 2b–6b

Report the annual amount(s) paid.

Privacy Act and Paperwork Reduction Act Notice

We ask for the information on these forms to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to figure and collect the right amount of tax.

P.L. 110-348, sec 125, requires you to file an information return with the IRS and furnish a statement to recipients. Section 6109 and its regulations require you to provide your TIN on what you file.

Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation, and to cities, states, and the District of Columbia for use in administering their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. If you fail to provide this information in a timely manner, you may be subject to penalties.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

Learning about the law or the form	58 min.
Preparing the form	24 min.
Copying, assembling, and sending the form to the IRS	13 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:T:SP, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. Do not send the tax form to this office. Instead, see *How To File* on page 1.