Note: *The draft you are looking for begins on the next page.*

Caution: *DRAFT—NOT FOR FILING*

This is an early release draft of an IRS tax form, instructions, or publication, which the IRS is providing for your information. **Do not file draft forms**. We incorporate all significant changes to forms posted with this coversheet. However, unexpected issues occasionally arise, or legislation is passed—in this case, we will post a new draft of the form to alert users that changes were made to the previously posted draft. Thus, there are never any changes to the last posted draft of a form and the final revision of the form. Forms and instructions are subject to OMB approval before they can be officially released, so we post drafts of them until they are approved. Drafts of instructions and pubs usually have some additional changes before their final release. Early release drafts are at IRS.gov/DraftForms and remain there after the final release is posted at IRS.gov/LatestForms. Also see IRS.gov/Forms.

Most forms and publications have a page on IRS.gov: IRS.gov/Form1040 for Form 1040; IRS.gov/Pub501 for Pub. 501; IRS.gov/W4 for Form W-4; and IRS.gov/ScheduleA for Schedule A (Form 1040), for example, and similarly for other forms, pubs, and schedules for Form 1040. When typing in a link, type it into the address bar of your browser, not a Search box on IRS.gov.

If you wish, you can submit comments to the IRS about draft or final forms, instructions, or pubs at IRS.gov/FormsComments. Include “NTF” followed by the form or pub number (for example, “NTF1040”, “NTFW4”, “NTF501”, etc.) in the body of the message to route your message properly. We cannot respond to all comments due to the high volume we receive and may not be able to consider many suggestions until the subsequent revision of the product, but we will review each “NTF” message. If you have comments on reducing paperwork and respondent (filer) burden, with respect to draft or final forms, please respond to the relevant information collection through the Federal Register process; for more info, click here.

TREASURY/IRS AND OMB USE ONLY DRAFT

Instructions for the Requester of Form W-9

(Rev. June 2026)

Request for Taxpayer Identification Number and Certification

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

Future Developments

For the latest developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to *IRS.gov/FormW9*.

What's New

New category of exempt recipient for sales of digital assets (DA). Final regulations described in Treasury Decision 10000 dated July 9, 2024, added certain U.S. digital asset brokers (other than certain registered investment advisers that are not otherwise an exempt recipient under Regulations section 1.6045-1(c)(3)(i)(B)(1) through (11)) to the list of exempt recipients. See Notice 2024-56, available at *IRS.gov/irb/2024-29_IRB#NOT-2024-56*. Form W-9 is updated in Part II (Certification) to add a checkbox to facilitate a broker obtaining certification from another broker that the other broker is a U.S. digital asset broker within the meaning of Regulations section 1.6045-1(g)(4)(i)(A)(1) (other than a registered investment adviser that is not otherwise an exempt recipient under Regulations section 1.6045-1(c)(3)(i)(B)(1) through (11)) that is an exempt recipient under Regulations section 1.6045-1(c)(3)(i)(B)(12). See *Use of Form W-9 for Certain Exempt Recipients and the Multiple Broker Rule*, for details.

Transitional relief from certain penalties for DA brokers. Notice 2025-33 modifies and extends transitional relief for backup withholding and relief of certain penalties related to reporting of information returns outlined in Notice 2024-56. For brokers effectuating sales of DA who fail to file information returns and payee statements for sales of DA during 2025, transitional relief may be available for brokers who make a good faith effort to file accurate and timely Forms 1099-DA and payee statements. Backup withholding is not required for sales of DA effected by brokers through 2026. For additional information, see *Extension and modification of transitional relief for DA brokers under section 6045.*

Backup withholding thresholds. P.L. 119-21, commonly known as the One Big Beautiful Bill Act (OBBBA), section 70433, raises the threshold to $2,000 for information reporting under sections 6041 or 6041A for many reportable payments, as well as for backup withholding. This is effective for payments made after 2025 and the threshold is indexed for inflation for years after 2026. For the current threshold, see *IRS.gov/InflationAdjustment*.

Application of de minimis rule for third party network transactions to backup withholding. P.L. 119-21, commonly known as OBBBA, section 70432, modifies the reporting threshold for a third party settlement organization, which is generally required to report information under section 6050W for amounts over $20,000, and the number of transactions exceed 200 at the time of payment. The threshold is effective for payments made after 2024 and amends backup withholding rules to reflect the de minimis rule. For backup withholding under section 3406(b)(8)(A), an exception applies if third party network transactions in the prior year were reportable payments. For details, see *IRS Fact Sheet 2025-08*.

New reporting requirements tied to certain deductions. Additional reporting requirements beginning in 2025 are added by various provisions of the OBBBA for interest paid on certain qualified car loans, cash tips, and overtime compensation tied to several new tax deductions. See the Instructions for Schedule 1-A (Form 1040), which are included in the Instructions for Form 1040, for more information.

Reminders

Backup withholding rate. The backup withholding rate is 24% for reportable payments.

Line 3a. An LLC that is a disregarded entity should fill out line 3a by checking the appropriate box for the tax classification of its owner in the first row on line 3a. For disregarded entities completing lines 1 and 2, information for disregarded entities is reported as the owner's name on line 1 and the disregarded entity's name on line 2.

For an LLC that is not disregarded, line 3a has a single box to check and available entry space for the LLC to notate the proper tax classification as corporation, S corporation, or partnership (C, S, or P).

The Note in line 3a emphasizes this distinction for LLCs.

Line 3b. A new line has been added for partnerships (including LLCs classified as partnerships for U.S. federal tax purposes), trusts, or estates to indicate if they have foreign partners, owners, or beneficiaries when providing this form to a flow-through entity in which it owns an interest. This change provides the flow-through entity with information regarding the status of its indirect foreign partners, owners, or beneficiaries, so that it can satisfy any applicable reporting requirements.

You are only required to verify that the box on line 3b has been properly checked if you are a flow-through entity that is otherwise required to obtain a new Form W-9 from your partner, owner, or beneficiary. You may rely on the information provided on line 3b unless you know that it is incorrect. If line 3b is completed (or if it has not been completed and you know that this is incorrect), you may be required to report on Schedules K-2 and K-3 (Form 1065) or otherwise provide the relevant information to your partner, owner, or beneficiary. See Partnership Instructions for Schedules K-2 and K-3 (Form 1065).

Withholding and reporting under sections 1446(a) and (f) starting in 2023. Section 1446(f), added by P.L. 115-97, section 13501, enacted new rules for withholding on the transfer of a partnership interest.

In general, section 1446(f) applies to transfers of partnership interests occurring on or after January 1, 2018. However, certain withholding provisions of section 1446(f) apply to transfers on or after January 1, 2023, including:

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- Transfers of interests in publicly traded partnerships (PTPs) under section 1446(f);
- Distributions made by PTPs (PTP distributions); and
- Partnership withholding under section 1446(f)(4) on distributions to transferees of non-PTP interests that failed to properly withhold under section 1446(f).

The portion of the section 1446(a) regulations relating to withholding and reporting on distributions made by PTPs was expanded to allow certain additional entities to act as nominees for PTP distributions.

For applicability dates for certain regulations under sections 1446(a) and (f), see Notice 2021-51, available at *IRS.gov/irb/2021-36_IRB#NOT-2021-51*.

Foreign Account Tax Compliance Act (FATCA) and backup withholding exemptions. FATCA requires a participating foreign financial institution (FFI) to report all account holders that are specified U.S. persons (generally individuals, partnerships, certain corporations, LLCs, and certain estates and trusts). Form W-9 has space to enter an *Exempt payee code (if any)* and *Exemption from FATCA Reporting code (if any)*. The references for the appropriate codes are in the *Exemptions* section of Form W-9, and in the *Payees and Account Holders Exempt From FATCA Reporting* section of these instructions.

The *Certification* section in Part II of Form W-9 includes certification relating to FATCA reporting.

Differences in chapter 3 and chapter 4. Withholding on certain U.S. source reportable payments under chapter 3 is different than withholding on certain withholdable payments to foreign entities that fail to report U.S. owners and account holders under chapter 4. These instructions cover the basics. A review of Pub. 515, Withholding of Tax on Nonresident Aliens and Foreign Entities, is essential to learn details associated with backup withholding not covered here.

Purpose of Form

A valid Form W-9, or a substitute form, must contain the payee's name and TIN and be signed and dated under penalties of perjury by the payee or a person authorized to sign for the payee. A foreign person, including a U.S. branch of a foreign person that is treated as a U.S. person under Regulations section 1.1441-1(b)(2)(iv) or a foreign branch of a U.S. financial institution that is a qualified intermediary (QI), may not provide a Form W-9.

A properly completed and signed Form W-9 can be relied upon to avoid backup withholding to a payee. However, a payor of certain reportable payments is subject to the withholding requirements under section 3406 (backup withholding), if:

1. A payee fails to furnish a TIN;
2. IRS provides notification that a payee's TIN is incorrect;
3. There has been a notified payee underreporting of payments of interest or dividends; or
4. There has been a payee failure to certify that the payee is not subject to backup withholding.

A payor must deduct, withhold, and deposit with the IRS 24% of reportable payments made to that payee until the cause of the backup withholding is remedied.

Backup withholding liability. If you don't collect backup withholding from affected payees as required, you may become liable for any uncollected amount.

Chapters 3 and 4. Under chapter 3, withholding is generally required on a foreign person's:

- U.S. source fixed or determinable annual or periodical income (sections 1441 through 1443);
- Amount realized on the transfer of a U.S. real property interest (section 1445);
- Allocable share of effectively connected taxable income from a partnership (section 1446(a)); and
- Amount realized on a transfer of an interest in a partnership when any portion of the gain on the transfer is treated under section 864(c)(8) as effectively connected with a U.S. trade or business (section 1446(f)).

A Form W-9 may be provided to a withholding agent to establish U.S. status and to avoid withholding under chapter 3.

Under Chapter 4 (sections 1471–1474), withholding is generally required on a withholdable payment made to an FFI or a nonfinancial foreign entity (NFFE) that fails to provide documentation that the withholding agent may rely upon to treat the FFI as either a participating or deemed-compliant FFI (or otherwise exempt from withholding) or as an NFFE that has provided the information required with respect to its substantial U.S. owners (or a certification that it has no such U.S. owners). A Form W-9 may be provided to a withholding agent to establish U.S. status and to avoid withholding under chapter 4. A Form W-9 may also be used by an FFI to establish the status of an account holder (or controlling person of an account holder) as a specified U.S. person for purposes of its information reporting requirements under chapter 4.

For more information on the requirements under chapters 3 and 4, see Pub. 515.

TIN matching e-services. The IRS website offers TIN matching e-services for certain payors to validate name and TIN combinations. See *Taxpayer Identification Number (TIN) Matching*, later.

Which revision to use. Use the June 2026 revision beginning in June 2026 and until a superseding revision is issued.

Individual Taxpayer Identification Number (ITIN)

Form W-9 (or an acceptable substitute) is used by persons required to file information returns with the IRS to get the payee's (or other person's) correct name and TIN. For individuals, the TIN is generally an SSN.

However, in some cases, individuals who become U.S. resident aliens for federal tax purposes are not eligible to obtain an SSN. This includes certain resident aliens who must receive information returns but who cannot obtain an SSN.

These individuals must apply for an ITIN on Form W-7, Application for IRS Individual Taxpayer Identification Number, unless they have an application pending for an SSN. Individuals who have an ITIN must enter the ITIN in the Social security number field in Part 1 of the Form W-9.

Note: ITINs that haven't been included on a U.S. federal tax return at least once in the last 3 consecutive tax years will expire. Expired ITINs must be renewed in order to avoid delays in processing the ITIN holder's tax return. If the IRS deactivates the ITIN because it has expired, the ITIN may still be used on Form W-9. However, the ITIN holder will have to apply to renew the deactivated ITIN if there is a need to file a tax return. For more information, see the Instructions for Form W-7.

Use of a Single or Multiple Forms W-9 for Accounts of Same Payee

A payor or broker may require a payee to furnish a separate Form W-9 for each obligation, deposit, certificate, share, membership, contract, or other instrument, or one Form W-9 for all the payee's obligations or relationships with the payor or broker.

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Substitute Form W-9

You may develop and use your own Form W-9 (a substitute Form W-9) if its content is substantially similar to the official IRS Form W-9 and it satisfies certain certification requirements.

You may incorporate a substitute Form W-9 into other business forms you customarily use, such as account signature cards. However, the certifications on the substitute Form W-9 must clearly state (as shown on the official Form W-9) that under penalties of perjury:

1. The payee's TIN is correct,
2. The payee is not subject to backup withholding due to failure to report interest and dividend income,
3. The payee is a U.S. person,
4. The FATCA code entered on this form (if any) indicating that the payee is exempt from FATCA reporting is correct, and
5. Checking the box on line 5 of Part II, indicating that the U.S. digital asset broker is exempt from information reporting, is correct.

However, a substitute Form W-9 that does not include the fifth certification will be treated as a substitute Form W-9 for which the box for the fifth certification is not checked.

You may provide certification instructions on a substitute Form W-9 in a manner similar to the official form. If you are not collecting a FATCA exemption code by omitting that field from the substitute Form W-9, see *Payees and Account Holders Exempt From FATCA Reporting*, later. Notify the payee that item 4 does not apply.

You may not:

1. Use a substitute Form W-9 that requires the payee, by signing, to agree to provisions unrelated to the required certifications, or
2. Imply that a payee may be subject to backup withholding unless the payee agrees to provisions on the substitute form that are unrelated to the required certifications.

A substitute Form W-9 that contains a separate signature line just for the certifications satisfies the requirement that the certifications be clearly stated.

If a single signature line is used for the required certifications and other provisions, the certifications must be highlighted, boxed, printed in bold-face type, or presented in some other manner that causes the language to stand out from all other information contained on the substitute form. Additionally, the following statement must be presented to stand out in the same manner as described above and must appear immediately above the single signature line:

"The IRS does not require your consent to any provision of this document other than the certifications required to avoid backup withholding."

If you use a substitute form, you are required to provide the Form W-9 instructions to the payee only if he or she requests them. However, if the IRS has notified the payee that backup withholding applies, then you must instruct the payee to strike out the language in the certification that relates to underreporting. This instruction can be given orally or in writing. See item 2 of the *Certification* on Form W-9. You can replace "defined below" with "defined in the instructions" in item 3 of the *Certification* on Form W-9 when the instructions will not be provided to the payee except upon request. For more information, see Rev. Proc. 83-89,1983-2 C.B. 613, amplified by Rev. Proc. 96-26, which is on page 22 of Internal Revenue Bulletin 1996-8, available at *IRS.gov/pub/irs-irbs/irb96-08.pdf*.

TIN Applied For

For interest and dividend payments and certain payments with respect to readily tradable instruments, the payee may return a properly completed, signed Form W-9 to you with "Applied For" entered in Part I. This is an "awaiting-TIN" certificate. The payee has 60 calendar days, from the date you receive this certificate, to provide a TIN. If you do not receive the payee's TIN at that time, you must begin backup withholding on payments.

Reserve rule. You must backup withhold on any reportable payments made during the 60-day period if a payee withdraws more than $500 at one time, unless the payee reserves an amount equal to the current year's backup withholding rate on all reportable payments made to the account.

Alternative rule. You may also elect to backup withhold during this 60-day period, after a 7-day grace period, under one of the two alternative rules discussed below.

Option 1. Backup withhold on any reportable payments if the payee makes a withdrawal from the account after the close of 7 business days after you receive the awaiting-TIN certificate. Treat as reportable payments all cash withdrawals in an amount up to the reportable payments made from the day after you receive the awaiting-TIN certificate to the day of withdrawal.

Option 2. Backup withhold on any reportable payments made to the payee's account, regardless of whether the payee makes any withdrawals, beginning no later than 7 business days after you receive the awaiting-TIN certificate.

Note: The 60-day exemption from backup withholding does not apply to any payment other than interest, dividends, and certain payments relating to readily tradable instruments. Any other reportable payment, such as nonemployee compensation, is subject to backup withholding immediately, even if the payee has applied for and is awaiting a TIN.

Even if the payee gives you an awaiting-TIN certificate, you must backup withhold on reportable interest and dividend payments if the payee does not certify, under penalties of perjury, that the payee is not subject to backup withholding.

If you do not collect backup withholding from affected payees as required, you may become liable for any uncollected amount.

For payees exempt from backup withholding, see *Payees Exempt From Backup Withholding*, later. For payments exempt from backup withholding, see *Payments Exempt From Backup Withholding*, later.

How Do I Know When To Use Form W-9?

Use Form W-9 to request the TIN of a U.S. person (including a resident alien) and to request certain certifications and claims for exemption. See *Purpose of Form* on Form W-9. Withholding agents, defined later, may require signed Forms W-9 from U.S. exempt recipients to overcome a presumption of foreign status. For federal tax purposes, a U.S. person includes, but is not limited to:

- An individual who is a U.S. citizen or U.S. resident alien;
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States;
- Any estate (other than a foreign estate); or
- A domestic trust (as defined in Regulations section 301.7701-7).

Submission of a signed Form W-9 or other certification of nonforeign status may be required from a U.S. person to avoid withholding applicable to foreign persons when:

- A withholding agent makes a reportable payment of an amount subject to withholding under sections 1441–1443 or a withholdable payment under sections 1471–1474,

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- A transferor disposes of a U.S. real property interest and the amount realized is subject to withholding under section 1445(a),
- U.S. real property holding corporations, certain real estate investment trusts (REITs), regulated investment companies (RICs), or certain partnerships make a distribution subject to withholding under section 1445(e),
- A partnership is required to withhold under section 1446(a) on a partner's allocable share of the partnership's effectively connected taxable income,
- A transferor transfers an interest in a partnership engaged in a trade or business within the United States and the amount realized is subject to withholding under section 1446(f)(1).

Generally, if a Form W-9 or other certification of nonforeign status has not been received, the rules under chapters 3 and 4 require the withholding agent, transferee, or partnership (payor) to presume that the recipient, owner, transferor, or partner (payee) is subject to withholding and payment of the applicable withholding tax.

See Pub. 515 for more information.

A participating FFI should request Form W-9 from an account holder that is a U.S. person. If an account is jointly held, the participating FFI should request a Form W-9 from each holder that is a U.S. person. A recalcitrant account holder is an account holder that is not an FFI and that fails to comply with documentation or information requests from an FFI in which it holds an account. In the case of such clients, participating FFIs must withhold 30% on all U.S. withholdable payments as defined by the IRS FATCA regulations.

A partnership that receives a signed Form W-9 that has box 3b checked from any of its partners, indicating that the partner has (direct or indirect) foreign partners, owners, or beneficiaries, may be required to complete Schedules K-2 and K-3 (Form 1065).

Advise foreign persons to use the appropriate Form W-8 or Form 8233, Exemption From Withholding on Compensation for Independent (and Certain Dependent) Personal Services of a Nonresident Alien Individual. See Pub. 515 for a list of the W-8 forms.

Use of Form W-9 for Certain Exempt Recipients and the Multiple Broker Rule

Regulations section 1.6049-4(c) provides that information returns are not required for certain exempt payees. Final regulations outlined in Treasury Decision 10000 added a new category of limited exempt recipient (payee) for sales of DA, effective for DA sales effected by brokers after 2024.

A U.S. digital asset broker may claim limited, exempt recipient status in certain situations under the multiple broker rule. If the customer or beneficial holder is not an exempt recipient and more than one broker effects the sale of a DA on behalf of the customer, the multiple broker rule requires reporting under section 6045 by the broker first paying the gross proceeds or crediting the customer's wallet address or account (crediting broker). The second broker paying proceeds to the crediting broker is not required to report if, prior to the sale, the second broker obtains a certification on Form W-9 or written statement (as provided in Regulations section 31.3406(h)-3) certifying that the crediting broker is a U.S. digital asset broker described in Regulations section 1.6045-1(c)(3)(i)(B)(12). This avoids duplicate reporting by both brokers and addresses the risk of no reporting or gaps in reporting. See Notice 2024-56, available at *IRS.gov/irb/2024-29_IRB#NOT-2024-56*, for details.

A broker may require an exempt recipient to file a properly completed exemption certificate and may treat an exempt recipient that fails to do so as a recipient that is not exempt. See Treasury Decision 10000, for details.

Extension and modification of transitional relief for DA brokers under section 6045. For brokers attempting to secure certified TINs for DA sales through 2027, the IRS permits reliance on uncertified TINs by payees as long as the customer held a preexisting account with the broker before 2026 and the broker uses the TIN Matching e-services program and receives a match. See *Taxpayer Identification Number (TIN) Matching*, later.

Certain provisions also allow brokers effectuating sales of DA to treat certain customers as exempt foreign persons under certain circumstances as described in Regulations section 1.6045-1(g)(4)(vi)(F). Backup withholding is not required for these customers through 2027. For a sale of a DA for different DA other than specified nonfungible tokens, backup withholding is required for only the amount the broker receives upon the immediate liquidation of 24% of the customer's received DA, provided such liquidation is undertaken immediately after the transaction giving rise to the backup withholding liability. Because the value of DA can change, for any decrease in value penalties are not imposed for backup withholding on DA sales as long as the broker pays and reports the correct amount of withholding based on an immediate liquidation of DA assets received in the transaction. This generally applies to the requirement to file information returns and payee statements for reportable DA sales effected through 2027. See *Notice 2025-33* for details. For later years, see Regulations section 31.3406(b)(3)-2. See Treasury Decision 10000 for adjusted basis reporting rules required for DA sales by brokers effected after 2025.

Transitional relief from backup withholding for sales of digital assets. See *Notice 2025-33* for transitional relief from backup withholding for sales of digital assets effected by brokers through 2026.

Establishing U.S. Status for Purposes of Chapter 3 and Chapter 4 Withholding

Under chapters 3 and 4 of the Internal Revenue Code:

- A withholding agent that makes a payment of an amount subject to withholding or a withholdable payment to a foreign person generally must withhold and pay a withholding tax under sections 1441–1443 or 1471–1474,
- A transferee of a U.S. real property interest from a foreign transferor generally must withhold and pay a withholding tax under section 1445(a),
- A U.S. real property holding corporation, certain REITs or RICs, and certain partnerships must withhold and pay a withholding tax under section 1445(e) on certain distributions to a foreign person,
- A partnership that conducts a trade or business in the United States generally must withhold and pay a withholding tax under section 1446(a) on any foreign partner's allocable share of effectively connected taxable income from such business,
- A transferee of an interest in a partnership engaged in a trade or business within the United States from a foreign transferor generally must withhold and pay a withholding tax under section 1446(f)(1).

In the cases below, the following person must be the one that provides the Form W-9 to the payor for purposes of establishing its nonforeign status.

- In the case of a disregarded entity with a U.S. owner, the U.S. owner of the disregarded entity and not the disregarded entity.
- In the case of a grantor trust with a U.S. grantor or other U.S. owner, either the trust or other grantor or owner, depending on the requirements of the specific section of chapter 3 or 4 that applies to the payment.

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- In the case of a U.S. trust (other than a grantor trust), the U.S. trust and not the beneficiaries of the trust.

See Pub. 515 for more information.

Electronic Submission of Forms W-9

Requesters may establish a system for payees and payees' agents to submit Forms W-9 electronically, including by fax. A requester is anyone required to file an information return. A payee is anyone required to provide a TIN to the requester. A payee is the holder of the account except if there is a QI, or a foreign person acting as agent or intermediary for a payment.

Electronic system. Generally, the electronic system must:

- Ensure the information received is the information sent, and document all occasions of user access that result in the submission;
- Make reasonably certain that the person accessing the system and submitting the form is the person identified on Form W-9, the investment adviser, or the introducing broker;
- Provide the same information as the paper Form W-9;
- Be able to supply a hard copy of the electronic Form W-9 if the IRS requests it; and
- Require as the final entry in the submission an electronic signature by the payee whose name is on Form W-9 that authenticates and verifies the submission. The electronic signature must be under penalties of perjury, and the perjury statement must contain the language of the paper Form W-9.

Tip: For Forms W-9 that are not required to be signed, the electronic system need not provide for an electronic signature or a perjury statement.

For more details, see:

- Announcement 98-27, which is on page 30 of Internal Revenue Bulletin 1998-15, available at *IRS.gov/pub/irs-irbs/irb98-15.pdf*,
- Announcement 2001-91, which is on page 221 of Internal Revenue Bulletin 2001-36 at *IRS.gov/pub/irs-irbs/irb01-36.pdf*.

Responsibility of a Withholding Agent/Nominee

Payee's agent. A payee's agent can be an investment adviser (corporation, partnership, or individual) or an introducing broker. An investment adviser must be registered with the Securities and Exchange Commission (SEC) under the Investment Advisers Act of 1940. The introducing broker is a broker-dealer that is regulated by the SEC and the Financial Industry Regulatory Authority (FINRA), and that is not a payor. Except for a broker who acts as a payee's agent for "readily tradable instruments," the adviser or broker must show in writing to the payor that the payee authorized the adviser or broker to transmit the Form W-9 to the payor.

A withholding agent may be an individual, corporation, partnership, trust, association, or any other entity, including (but not limited to) any foreign intermediary, foreign partnership, or U.S. branch of certain foreign banks and insurance companies. If several persons qualify as withholding agents for a single payment, the tax must only be withheld once.

A withholding agent is any person, U.S. or foreign, in whatever capacity acting, that has the control, receipt, custody, disposal, or payment of any payment that is subject to chapter 3 or 4 withholding. Generally, a withholding agent can reliably associate a withholdable payment with valid documentation if, before the payment, it has obtained (either directly from the payee or through its agent) valid documentation appropriate to the payee's chapter 3 or 4 status, it can reliably determine how much of the payment relates to the valid documentation, and it does not know (or have reason to know) that any of the information, certifications, or statements in, or associated with, the documentation are unreliable or incorrect. A withholding agent is generally required to report on payments it makes to U.S. nonexempt recipients (generally using a Form W-9 to identify such recipients), subject to certain exceptions for foreign intermediaries and foreign flow-through entities, which may provide Forms W-9 to another withholding agent for purposes of reporting a payment on an applicable Form 1099.

Payees Exempt From Backup Withholding

Certain payees are exempt from backup withholding with respect to the payments below, and should enter the corresponding exempt payee code on Form W-9. You may rely on the payee's claim of exemption unless you have actual knowledge that the exempt payee code and/or classification selected are not valid, or if they are inconsistent with each other. In that case, you may rely on the Form W-9 for purposes of obtaining the payee's TIN, but you must treat the payee as nonexempt. If the payee failed to enter an exempt payee code, but the classification selected indicates that the payee is exempt, you may accept the classification and treat the payee as exempt unless you have actual knowledge that the classification is not valid.

If the payee is not exempt, you are required to backup withhold on reportable payments if the payee does not provide a TIN in the manner required or does not sign the certification, if required. Exempt payees include:

1. An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2);
2. The United States or any of its agencies or instrumentalities;
3. A state, the District of Columbia, a U.S. commonwealth or territory, or any of their political subdivisions, agencies, or instrumentalities;
4. A foreign government or any of its political subdivisions, agencies, or instrumentalities;
5. A corporation;
6. A dealer in securities or commodities required to register in the United States, the District of Columbia, or a U.S. commonwealth or territory;
7. A futures commission merchant registered with the Commodity Futures Trading Commission;
8. A real estate investment trust;
9. An entity registered at all times during the tax year under the Investment Company Act of 1940;
10. A common trust fund operated by a bank under section 584(a);
11. A financial institution as defined under section 581;
12. A middleman known in the investment community as a nominee or custodian;
13. A trust exempt from tax under section 664 or described in section 4947; or
14. A U.S. digital asset broker (other than a registered investment adviser that is not otherwise an exempt recipient under Regulations section 1.6045-1(c)(3)(i)(B)(1) through (11)). See Regulations section 1.6045-1(g)(4)(i)(A)(1).

The following types of payments are exempt from backup withholding as indicated for payees listed in 1 through 14 above.

Interest and dividend payments. All listed payees are exempt except the payee in item 7.

Broker transactions. All payees listed in items 1 through 4 and 6 through 11 are exempt. Also, C corporations are exempt. A person registered under the Investment Advisers Act of 1940 who regularly acts as a broker is also exempt.

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Barter exchange transactions and patronage dividends. Only payees listed in items 1 through 4 are exempt.

Payments reportable under sections 6041 and 6041A. Payees listed in items 1 through 5 generally are exempt.

However, the following payments made to a corporation and reportable on Form 1099-MISC, Miscellaneous Information, are not exempt from backup withholding.

- Medical and health care payments.
- Attorneys' fees (also gross proceeds paid to an attorney, reportable under section 6045(f)).
- Payments for services paid by a federal executive agency. See Rev. Rul. 2003-66, which is on page 1115 of Internal Revenue Bulletin 2003-26, available at *IRS.gov/pub/irs-irbs/irb03-26.pdf*.

Payments made in settlement of payment card or third party network transactions. Only payees listed in items 1 through 4 are exempt. For nonexempt payees, for payments made after 2025, the threshold increases to $20,000 with total transactions exceeding 200 at the time of the payment requires an information return under section 6050W.

Payments Exempt From Backup Withholding

Generally, payments that are not subject to information reporting also are not subject to backup withholding. For details, see sections 6041, 6041A, 6042, 6044, 6049, and 6050N and their regulations. The following payments generally are exempt from backup withholding.

Dividends and patronage dividends.

- Payments to nonresident aliens subject to withholding under section 1441.
- Payments to partnerships not engaged in a trade or business in the United States and that have at least one nonresident alien partner.
- Payments of patronage dividends not paid in money.
- Payments made by certain foreign organizations.
- Section 404(k) distributions made by an employee stock ownership plan (ESOP).

Interest payments.

- Payments of interest on obligations issued by individuals. However, if you pay $600 or more of interest in the course of your trade or business to a payee, you must report the payment. Backup withholding applies to the reportable payment if the payee has not provided a TIN or has provided an incorrect TIN.
- Payments described in section 6049(b)(5) to nonresident aliens.
- Payments on tax-free covenant bonds under section 1451.
- Payments made by certain foreign organizations.
- Mortgage or student loan interest paid to you.

Certain payments from DA transactions reportable under section 6045 through 2026. Backup withholding is not required for sales of digital assets effected by brokers through 2026. See Notice 2025-33.

Other types of payments.

- Wages.
- Distributions from a pension, annuity, profit-sharing or stock bonus plan, any IRA, an owner-employee plan, or other deferred compensation plan.
- Distributions from a medical or health savings account and long-term care benefits.
- Certain surrenders of life insurance contracts.
- Distribution from qualified tuition programs or Coverdell Education Savings Accounts (ESAs).
- Gambling winnings if regular gambling winnings withholding is required under section 3402(q). However, if regular gambling winnings withholding is not required under section 3402(q), backup withholding applies if the payee fails to furnish a TIN.
- Real estate transactions reportable under section 6045(e).
- Cancelled debts reportable under section 6050P.
- Fish purchases for cash reportable under section 6050R.

Payees and Account Holders Exempt From FATCA Reporting

Reporting under chapter 4 (FATCA) with respect to U.S. persons generally applies only to NFFEs, and FFIs (including a branch of a U.S. financial institution that is treated as an FFI under an applicable intergovernmental agreement (IGA)). For information on IGAs, see the IRS website FATCA page, available at *IRS.gov/FATCA*. See also Pub. 5118, FATCA Online Registration User Guide, for more information.

Thus, for example, a U.S. financial institution maintaining an account in the United States does not need to collect an exemption code for FATCA reporting. If you are providing a Form W-9, you may pre-populate the FATCA exemption code with "Not Applicable," "N/A," or a similar indication that an exemption from FATCA reporting does not apply. Any payee that provides such a form, however, cannot be treated as exempt from FATCA reporting. See Regulations section 1.1471-3(d)(2) for when an FFI may rely on documentary evidence to treat a U.S. person as other than a specified U.S. person, and see Regulations section 1.1471-3(f)(3) for when an FFI may apply a presumption rule and treat a U.S. person as other than a specified U.S. person.

If you receive a Form W-9 with a FATCA exemption code and you know or have reason to know the person is a specified U.S. person, you may not rely on the Form W-9 to treat the person as exempt from FATCA reporting. However, you may still rely on an otherwise completed Form W-9 to treat a person as a specified U.S. person. An exemption from FATCA reporting (or lack thereof) does not affect backup withholding as described earlier in these instructions. The following are not specified U.S. persons under chapter 4 and are thus exempt from FATCA reporting.

A. An organization exempt from tax under section 501(a), or any individual retirement plan as defined in section 7701(a)(37).

B. The United States or any of its agencies or instrumentalities.

C. A state, the District of Columbia, a U.S. commonwealth or territory, or any of their political subdivisions, agencies, or instrumentalities.

D. A corporation the stock of which is regularly traded on one or more established securities markets, as described in Regulations section 1.1472-1(c)(1)(i).

E. A corporation that is a member of the same expanded affiliated group as a corporation described in Regulations section 1.1472-1(c)(1)(i).

F. A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state.

G. A real estate investment trust.

H. A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940.

I. A common trust fund as defined in section 584(a).

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J. A bank as defined in section 581.

K. A broker.

L. A trust exempt from tax under section 664 or described in section 4947.

M. A tax-exempt trust under a section 403(b) plan or section 457(g) plan.

Joint Foreign Payees

Under chapter 4, if the first payee listed on an account gives you a form within the W-8 series, or a similar statement signed under penalties of perjury, backup withholding applies unless:

1. Every joint payee provides the statement regarding foreign status, or

2. Any one of the joint payees who has not established foreign status gives you a TIN.

If any one of the joint payees who hasn't established foreign status gives you a TIN, use that number for purposes of backup withholding and information reporting.

Generally, if a withholding agent makes a payment to joint payees and cannot reliably associate the payment with valid documentation from each payee, but all of the joint payees appear to be individuals, then the payment is presumed made to an unidentified U.S. person, and backup withholding applies. However, if one of the joint payees provides a Form W-9 in accordance with the procedures described in Regulations section 31.3406(d)-1 through 31.3406(d)-5, the payment is treated as made to that payee, and no withholding is required. See Regulations sections 1.1441-1(b)(9), and 1.1471-3(f)(7).

For more information on foreign payees, see the separate Instructions for the Requester of Forms W-8BEN, W-8BEN-E, W-8ECI, W-8EXP, and W-8IMY.

Names and TINs To Use for Information Reporting

Show the full name and address as provided on Form W-9 on the information return filed with the IRS and on the copy furnished to the payee. If the payee has marked their address "NEW," you should update your records. If you made payments to more than one payee or the account is in more than one name, enter on the first name line of the information return only the name of the payee whose TIN is shown on Form W-9. You may show the names of any other individual payees in the area below the first name line on the information return. Forms W-9 showing an ITIN must have the name exactly as shown on line 1a of the Form W-7 application. If you are a participating FFI reporting a U.S. account on Form 8966, FATCA Report, and the account is jointly held by U.S. persons, file a separate Form 8966 for each holder.

Note: For more information on the names and TINs to use for information reporting, see section J of *Pub 1099, General Instructions for Certain Information Returns*, available at *IRS.gov/Pub1099*.

Notices From the IRS

The IRS will send you a notice if the payee's name and TIN on the information return you filed don't match the IRS's records. See *Taxpayer Identification Number (TIN) Matching* next. If you receive a backup withholding notice, you may have to send a "B" notice to the payee to solicit another TIN. Pub. 1281, Backup Withholding for Missing and Incorrect Name/TIN(s), contains copies of the two types of "B" notices. If you receive a penalty notice, you may also have to send a solicitation to the payee. See Pub. 1586, Reasonable Cause Regulations & Requirements for Missing and Incorrect Name/TINs on Information Returns.

Taxpayer Identification Number (TIN) Matching

TIN matching, available at *IRS.gov/Tax-Professionals/Taxpayer-Identification-Number-TIN-Matching*, allows a payor or authorized agent who is required to file information returns to match TIN and name combinations with IRS records before submitting the forms to the IRS. See also Pub. 2108, Federal Agency TIN Matching Program, for guidance.

It is anticipated that payors who validate the TIN and name combinations before filing information returns will receive fewer backup withholding (CP2100) notices and penalty notices. Program participants will generally be able to rely on a verified TIN/name match as reasonable cause under section 6724(a), which will provide significant incentive for payors to check and correct payee TINs before filing information returns and payee statements. See Rev. Proc. 2003-9, which is on page 516 of Internal Revenue Bulletin 2003-8, available at *IRS.gov/pub/irs-irbs/irb03-08.pdf*. Any information received through the TIN matching program must be kept confidential in accordance with Regulations section 31.3406(f)-1.

Payment and Returns of Tax Withheld

Form 945. If you withhold or are required to withhold federal income tax (including backup withholding) from nonpayroll payments, you must file Form 945, Annual Return of Withheld Federal Income Tax. Report all federal income tax withholding from nonpayroll payments or distributions annually on one Form 945. Form 945 is used to report income tax withholding on nonpayroll payments including backup withholding and withholding on pensions, annuities, IRAs, military retirement, and gambling winnings. A payor must remit to the IRS all monies withheld from reportable payments based on a certain deposit schedule. Form 945-A, Annual Record of Federal Tax Liability, is used to report tax liability by payors who deposit nonpayroll income tax withheld on a semiweekly schedule, or whose tax liability on any day is $100,000 or more. See Treasury Decision 8672 for details of reporting nonpayroll withheld income taxes under section 6011. See the Instructions for Form 945, for details.

Other returns for reporting tax withheld. Depending on the applicable type of withholding, use Form 1042, Annual Withholding Tax Return for U.S. Source Income of Foreign Persons, Form 8288, U.S. Withholding Tax Return for Certain Dispositions by Foreign Persons, or Form 8804, Annual Return for Partnership Withholding Tax (Section 1446), to report tax withheld under chapter 3 on certain income of foreign persons, including nonresident aliens, foreign partnerships, foreign corporations, foreign estates, and foreign trusts. Also, use Form 1042 to report tax withheld under chapter 4 on withholdable payments. See the instructions for each of the separate forms for details.

Beginning in 2025, Qualified Intermediaries (QIs), Withholding Foreign Partnerships (WPs) and Withholding Foreign Trusts (WTs), that are required to file Form 1042, and that meet certain criteria, must file Form 1042 for tax year 2025 electronically via the Modernized E-file (MeF) platform. For more information about electronic filing with MeF, see *IRS.gov/Modernized-e-File-program-information*. For general information about electronic filing, see Pub. 4163.

Additional Information

For more information on backup withholding, see Pubs. 1281 and 515.

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