



## National Association of State Auditors, Comptrollers and Treasurers

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April 27, 2010

Internal Revenue Service  
Attn: CC:PA:LPD:PR  
(Notice 2009-93), Room 5203  
P.O. Box 7604  
Ben Franklin Station N.W.  
Washington, DC 20044

Dear Tammie Geier:

On behalf of the National Association of State Auditors, Comptrollers and Treasurers, we appreciate the opportunity to respond to the Internal Revenue Service's notice, *Truncating Social Security Numbers on Paper Payee Statements*.

As requested, we offer the following feedback and comments in response to the IRS's notice:

**A. *Whether truncation of an individual's identifying number on paper payee statements should be required, rather than permitted.***

We agree that truncating an individual's identifying number using asterisks or Xs should be required. This will help maintain the confidentiality of individual's identifying numbers.

**B. *Whether truncation should be permitted or required for identifying numbers appearing on paper payee statements not within the scope of this notice.***

We would support the truncation of an individual's identifying number on other paper payee statements such as W-2s. This cuts down on system programming having to determine the difference between individuals and other taxable entities.

**C. *Whether truncation should be permitted or required for payee statements furnished electronically.***

Whether a payee statement is furnished electronically or on paper, identifying numbers should be required to be truncated. However, electronic records are usually encrypted and therefore the taxpayer's identifying number is safeguarded.

**D. *Whether a filer should be required to include the complete identifying number on the payee statement if requested by the payee.***

No. Systematically it will be more difficult and costly for the provider of payee statements to provide this request for specific payee statements. The forms themselves must be prepared consistently. A follow-up query can be made by the taxpayer if they need substantiation of the income or confirmation of their identifying number within the payer's records.

**E. *Whether truncation creates difficulties for filers and/or payees.***

Yes, there will be some difficulties inherent in this process. Without the entire identifying number being printed, the payee cannot identify if a transposition or incorrect number is

being used in the first five digits of the identifying number. If one of the first five numbers on a payee statement is incorrect on our system, we generally receive a call from the payee prior to our sending the information to the IRS. If the first five numbers show asterisks or Xs, we lose this control. Also, there will be some programming needed on the preparers' systems in order to comply with truncating. Additionally, when looking up vendors, there could possibly be more than one vendor that ends with the same last four digits; therefore, an additional filter will need to be used in addition to the last four digits of the identifying number.

We appreciate the opportunity to provide our comments. Should you have any questions or need additional information regarding our response, please contact Kim O'Ryan of NASC at (859) 276-1147 or me at (304) 558-2251.

Sincerely,

A handwritten signature in black ink, appearing to read "Glen B. Gainer III". The signature is fluid and cursive, with a horizontal line at the end.

Glen B. Gainer III  
NASACT President