

## Items of General Interest

### Announcement 98 - 55

#### Proposed Changes to 1999 Forms W-2 and W-3

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**Background** Based on recommendations from the Information Reporting Program Advisory Committee (IRPAC), the Social Security Administration (SSA), and others, the Internal Revenue Service (IRS) plans to revise Form W-2, Wage and Tax Statement, and Form W-3, Transmittal of Wage and Tax Statements. Some revisions will reduce reporting burden and some will enable the SSA to more accurately capture the data reported on the forms. The revisions are proposed for the 1999 Forms W-2 and W-3 to be filed in 2000.

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**Purpose** The purpose of this announcement is to request comments on the proposed 1999 Forms W-2 and W-3.  
**Note:** Forms W-2 and W-3 as shown are subject to change and OMB approval before final release.

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## Changes to Form W-2

The overall size of Form W-2 will remain the same, as shown in the draft of Copy A of the 1999 version. A summary of the proposed changes follows:

- The document code “**2222**” is relocated to the upper right corner of the form.
- A shaded box separates box a and the “Void” box, which is enlarged and repositioned.
- The “For Official Use Only” area has no top rule and is reformatted.
- The widths of boxes b through e are narrower and boxes 1 through 17 are wider.
- Box e is expanded into four distinct entry areas for employee information:
  - 1) First name and middle initial,
  - 2) Last name,
  - 3) Street address, and
  - 4) City, state, and ZIP code.
- Box f is eliminated.
- Dollar signs (\$) are added to boxes 1 through 12c, 16, and 17.
- Shading is added at the end of boxes 1 through 12c.

## Changes to Form W-2 (continued)

- Box 12, “Benefits included in box 1,” is eliminated. Employers may continue to report the lease value of an automobile provided to an employee using a separate statement or by using redesignated box 13.
  - Box 13 is redesignated as box 12 and reformatted to boxes 12a, 12b, and 12c to provide three distinct entry spaces for codes and amounts.
  - Box 14 is redesignated as box 13 and repositioned.
  - Box 15 is redesignated as box 14 and the checkboxes in box 14 are enlarged.
  - Boxes 16 through 21 are redesignated as boxes 15 through 17 and are combined and enlarged to allow employers to report **either** state **and/or** local wages and withholdings.
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**Changes to  
Form W-3**

The overall size of Form W-3 will remain the same, as shown in the draft of the 1999 version. A summary of the proposed changes follows:

- The document code "**33333**" is relocated to the upper right corner of the form.
  - The "For Official Use Only" area has no top rule and is reformatted.
  - A shaded horizontal box separates the top of the form from boxes b and 1 and 2.
  - Dollar signs (\$) are added to boxes 1 through 12 and 15.
  - Form W-3 will be a single copy with separate instructions. "YOUR COPY" is eliminated.
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**Comments  
Requested**

The IRS would like to receive comments on the proposed changes to Forms W-2 and W-3 from employers, payers, payees, and other interested parties by July 31, 1998. Substitute forms will be required to follow the same format for Copy A of Form W-2 and Form W-3. Please send comments to:

Chairman, Tax Forms Coordinating Committee  
Internal Revenue Service, OP:FS:FP, Room 5577  
1111 Constitution Avenue, NW  
Washington, DC 20224

After the end of the comment period, the IRS will evaluate the comments received and announce the changes to the 1999 Forms W-2 and W-3. Although we will not be able to respond to each comment, we will carefully consider all of them.

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