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MEMORANDUM

To: All Irrigation Districts Subject to the Acreage Limitation Provisions of Reclamation Law

From: Alonzo D. Knapp  
Manager, Reclamation Law, Contracts, and Repayment Office

Subject: Request for Taxpayer Identification Numbers on Certification and Reporting Forms - Reclamation Reform Act of 1982

In response to inquiries, the following provides guidance regarding the requirement to provide Taxpayer Identification Numbers (TINs), formerly referred to as Federal Employers Identification Numbers (FEINs), on certification and reporting forms.

**If an entity does not have a TIN, must it obtain one?                      *See Note 1, page 3***

Yes, if the TIN is required by the Internal Revenue Service (IRS). IRS Form SS-4 (revised December 1995) lists the following entities among those required to have a TIN.

- Estates
- Partnerships
- Corporations
- REMICs (real estate mortgage investment conduits)
- Nonprofit organizations (churches, clubs, etc.)
- Farmers' cooperatives
- Government agencies
- Trusts, EXCEPT grantor-owned trusts that meet all of the following conditions:

(1) The trust was created on or after January 1, 1981, or an election was made to file under the name of the grantor;

(2) The trust is revocable;

(3) The trust and all of its assets are located in the United States;

(4) The same individual is both grantor and trustee (or co-trustee) of the trust; AND

(5) The individual (grantor) is treated as owner of all trust assets under 26 CFR, Chapter 1, section 676 (power to revoke).

In general, 26 CFR 1.676(a)-1 specifies that the grantor is treated as the owner of any portion of a trust in which he or she has a reversionary interest in either the income or principal of the trust. It should be noted that a trust that meets the exception criteria specified above would be considered a trust whose landholdings are attributable to the grantor for RRA purposes.

The above exception to the TIN requirement also applies to certain other revocable trusts in which:

- (1) A husband and wife are the sole grantors, rather than one person being the grantor.
- (2) One spouse is trustee or co-trustee with a third party or both spouses are trustees or co-trustees with a third party, rather than the grantor being the trustee; OR
- (3) One or both spouses are treated as owners of all trust assets under the above referenced section 676.

**Is the failure to provide a TIN considered a form "error," and would the administrative fee be applied if the TIN is not provided within the 60-day timeframe?**

If the TIN is required by the IRS it must be provided on the forms. Failure to provide the TIN would be considered an "error" and, if not corrected within the 60-day timeframe, would result in application of the administrative fee. A determination regarding whether the omission is an "administrative error" or an "eligibility error" must be made on a case-by-case basis.

**Can entities use Social Security numbers instead?**

***See Note 2, page 3***

No. If an entity is required to have a TIN, it should enter that number in the space provided. If the entity is not required to have a TIN, the space may be left blank. However, the inclusion of a Social Security number for an entity NOT required to have a TIN will not be considered a form "error."

**Is it legal for Reclamation to request an entity's TIN?**

Yes, the request for TIN's has been approved by Office of Management and Budget for many years.

If you have any questions concerning the matters discussed in this memorandum, please contact your local Bureau of Reclamation office.

Alonzo D. Knapp

**Clarification Notes to October 8, 1996, letter**

- Note 1:** Effective with the 2004 water year, Taxpayer Identification Number (TIN) is referred to as “Employee Identification Number” (EIN).
- Note 2:** Effective with the 2008 water year, Social Security Numbers (SSN) were removed from the RRA Forms and Instructions.