

Gentlemen,

This e-mail is in response to your request for comments on the implementation of transactional reporting required under the revisions to IRC Sec 6041 enacted in Public Law 111-148. The challenge of these requirements is that implementing the strict reporting requirements would require a record keeping burden far in excess of the amounts of many transactions involved [a concern I noted in "New IRS Reporting Requirements Have Implications for Business Large and Small" at <http://rlgsc.co/r/20100525.html>]

As an IT professional with over 30 years of experience working with large and small firms, I suggest the following:

- Payments made via vehicles subject to otherwise enacted reporting by 3rd party payment processors be excluded from duplicate reporting (this is reportedly contained in the proposed Treasury Regulations (REG-139255-08)
- With regards to Forms W-9, I suggest that the Service authorize and encourage merchants to include their Taxpayer Identification Number clearly on their normal receipts/invoices in lieu of Forms W-9. This will reduce the paperwork burden on all involved parties, particularly merchants and purchasers.

In other countries, notably Canada, tax reporting numbers are included in the heading or footer of standard invoices, obviating the need for additional paperwork [This approach was previously detailed in "For The Commissioner: Invoices as Substitute Forms W-9" at <http://rlgsc.com/r/20100614.html>]

- The service consider the cost/benefit of reporting on small transactions. Presently, de minimis transactions, those under a floor amount, need not be accompanied by documentation. Even a modest size organization may exceed the new US\$ 600 threshold by a series of otherwise minuscule (\$ 1.00) transactions during a single accounting year (e.g., petty cash purchases of incidental office supplies, meeting beverages, parking fees). The costs of aggregating these small purchases in many cases will exceed the amounts of the purchases.

Extension of the present status quo with regards to de minimis transactions would dramatically ease the burden on businesses of all sizes. Presently, the receipt threshold is \$ 25.00. In some organizations, the infrastructure cost to accumulate these small transactions exceeds the amount of the transaction. Certainly, for \$ 1.00 transactions, the cost of aggregation exceeds the transaction itself.

I will be more than happy to discuss my comments with interested members of the Counsel's office.

- Robert Gezelter

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| Robert "Bob" Gezelter               | E-Mail: xxxxxxxx@rlgsc.com                              |
| Robert Gezelter Software Consultant | Voice: +1 (718) 463 1079                                |
| 35-20 167th Street, Suite 215       | Fax: (on Request)                                       |
| Flushing, New York 11358-1731       |   |
| United States of America            | <a href="http://www.rlgsc.com">http://www.rlgsc.com</a> |