



## Robert W. Wood

THE TAX LAWYER

Jan. 21 2012 — 6:41 am

### IRS Stock Option Reports Are Due Jan. 31

Since it's [Form 1099](#) time for companies, don't forget the *other* 1099-like reports that also need to go out before the end of January. Companies that grant incentive stock options ("ISOs"), or that have a tax advantaged employee stock purchase plan ("ESPP") also have IRS filing requirements.

**Statements to Employees.** By January 31, 2012, companies must furnish information statements to current and former employees who exercised ISOs during 2011 or transferred stock during 2011 previously acquired pursuant to an ESPP.

**Copies to the IRS.** No later than April 2, 2012 (for electronic filers) or February 28, 2012 (for paper filers), companies must provide this information to the IRS. A request for an automatic 30-day extension for providing information to the IRS is available by submitting [Form 8809](#).

**ISO Information Statements.** [Form 3921](#) is required when a current or former employee exercises an ISO stating:

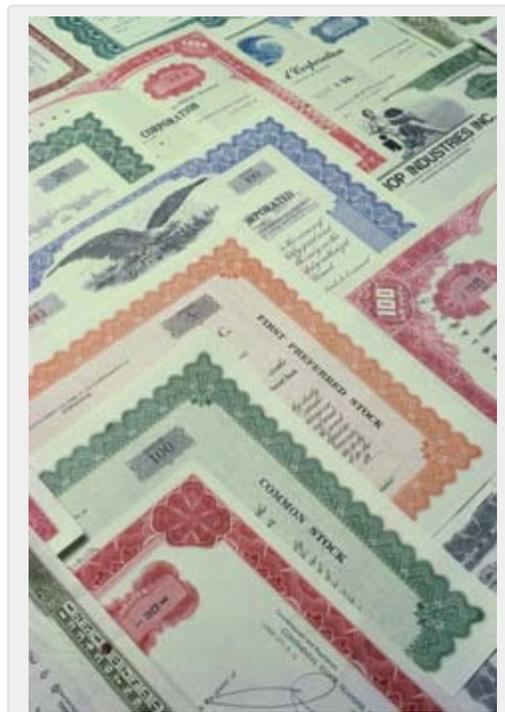


Image via [finance.laws.com](http://finance.laws.com)

1. The name, address, and EIN of the corporation transferring the stock;
2. The name, address, and identifying number of the person to whom the shares were transferred;
3. The name, address, and EIN of the corporation whose stock is the subject of the option;
4. The date the option was granted;
5. The date the shares were transferred to the person exercising the option;
6. The fair market value of the stock at the time the option was exercised;
7. The number of shares of stock transferred pursuant to the option;
8. The total exercise price per share; and
9. An account number, if multiple accounts exist for a person for whom multiple Forms 3921 are filed.

**ESPP Information Statements.** [Form 3922](#) is required when an employee transfers stock acquired under an ESPP. No reporting is required if the ESPP stock is issued directly to the employee. An additional reporting for ESPP stock is required where the exercise price is not fixed or determinable on the date of the grant. The exercise price is determined as if the option were exercised on the date of the grant. If a statement pertains to the transfer of ESPP stock after the employee or former employee has acquired it, the statement must now include the following:

1. The name, address, and EIN of the corporation whose stock was transferred;
2. The name, address, and identifying number of the transferor (i.e., the employee or former employee who transferred the previously acquired ESPP stock);
3. The date the option was granted;
4. The fair market value of the stock on the date the option was granted;

5. The actual exercise price paid per share;
6. The exercise price per share determined as if the option was exercised on the grant date (provided only in certain circumstances as described above);
7. The option exercise date;
8. The fair market value of the stock on the date the option was exercised;
9. The date the person transferred legal title of the shares;
10. The number of shares to which the person transferred legal title; and
11. An account number, if multiple accounts exist for a person for whom multiple Forms 3922 are filed. The IRS encourages designation of an account number for all filings, however.

For more, see:

[Ten Tax Tips For Stock Options](#)

[Beware Each Form 1099!](#)

[Care With Forms 1099 Helps Audit-Proof Tax Returns](#)

[I'm Sending An IRS 1099: 1099 Are You Outta Your Mind?](#)

[Let There Be Forms 1099](#)

[Is Failing To Issue IRS Forms 1099 Criminal?](#)

[Expect Flurry Of IRS Forms 1099 Soon](#)

*Robert W. Wood practices law with [Wood LLP](#), in San Francisco. The author of more than 30 books, including *Taxation of Damage Awards & Settlement Payments* (4th Ed. 2009 with 2012 Supplement, [Tax Institute](#)), he can be reached at [Wood@WoodLLP.com](mailto:Wood@WoodLLP.com). This discussion is not intended as legal advice, and cannot be relied upon for any purpose without the services of a qualified professional.*