

Information Return for Federal Contracts

**Submit with
 Form 8596-A.**

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|---|---|--|--|
| 1 Name and address of contractor | | 2 Contractor's taxpayer identification number | |
| 3 Name of common parent, if applicable (See instructions.) | | 4 Common parent's employer identification number, if applicable (See instructions.) | |
| 5 Name of Federal executive agency | | 6 Federal executive agency's employer identification number | |
| 7 Date of contract action | 8 Expected date of contract completion | 9 Total amount obligated under the contract \$ | |
| 10 Contract number | 11 Agency code | 12 Contract office number | 13 Contract modification number |

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of form. Section 6050M and Regulations section 1.6050M-1 require certain Federal executive agencies to file a return to report information about persons with whom they have entered into contracts. If you are not filing on magnetic media and you have not made the Federal Procurement Data Center (FPDC) election, explained later, use **Forms 8596** and **8596-A**, Quarterly Transmittal of Information Returns for Federal Contracts, to furnish the required information.

Filing on magnetic media. If you expect to enter into 250 or more reportable contracts during a 1-year period beginning October 1, you must file Forms 8596 on magnetic media for each quarter of that 1-year period. If you expect to enter into fewer than 250 reportable contracts, you are not required to file on magnetic media, but you may choose to do so. For specifications and other instructions for filing on magnetic media, see Rev. Proc. 99-9, 1999-2 I.R.B. 17.

When to file. You must file Forms 8596 quarterly. The due dates for each quarter are shown below. Do not file before the end of the quarter.

| Quarter | Due Date |
|-----------------------------|------------|
| January, February, March | April 30 |
| April, May, June | July 31 |
| July, August, September | October 31 |
| October, November, December | January 31 |

If the regular due date falls on a Saturday, Sunday, or legal holiday, file by the next business day.

Where to file. File Forms 8596 and 8596-A with Internal Revenue Service Center, Kansas City, MO 64999-2222.

Who must file. The head of every Federal executive agency or his or her delegate must file Forms 8596 and 8596-A to report Federal contracts.

Federal executive agency. A Federal executive agency is (a) any executive agency, as defined in 5 U.S.C. 105, other than the General Accounting Office, (b) any military department, as defined in 5 U.S.C. 102, and (c) the United States Postal Service and the Postal Rate Commission.

Special rules. If a subcontract is entered into by the Small Business Administration (SBA) under a prime contract between the SBA and a procuring agency under section 8(a) of the Small Business Act, the procuring agency, not the SBA, must file Forms 8596 and 8596-A.

A Federal Supply Schedule Contract or an Automated Data Processing Schedule Contract entered into by the General Services Administration (GSA), or a schedule contract entered into by the Department of Veterans Affairs (VA) on behalf of one or more Federal executive agencies, is not to be reported by the GSA or the VA at the time of execution. Rather, when a Federal executive agency, including the GSA or the VA, places an order under a schedule contract, then the Federal executive agency must file Forms 8596 and 8596-A.

FPDC election. In complying with the requirements of the Federal Procurement Data System, if you are required to submit to the FPDC the same contract information that is required by Forms 8596 and 8596-A, you may elect to have the FPDC file Forms 8596 and 8596-A on your behalf for contracts required to be reported to the FPDC. If you make the election, your agency must not file directly with the IRS to report those contracts required to be submitted to the FPDC. However, you must file with the IRS for any contracts that are required to be reported to the IRS but are not required to be submitted to the FPDC.

To make this election, attach to your FPDC submission for the quarter a signed statement that (a) the Director of the FPDC (or his or her delegate) is authorized, in accordance with an election made under 26 CFR 1.6050M-1(d)(5), on the agency's behalf, to make the required returns for that quarter and (b) under penalties of perjury, you have examined the information to be submitted by your agency to the FPDC for use in making those returns and it is certified to be, to the best of your knowledge and belief, a compilation of agency records maintained in the normal course of business for the purpose of providing the information necessary for making true, correct, and complete returns as required by section 6050M.

Contract. A contract is an obligation of a Federal executive agency to pay money or other property to a person in return for the sale of property, the rendering of services, or other consideration. A contract includes a written agreement between the agency and the contractor, an award or notice of award, a job order or task letter issued under a basic ordering agreement, a letter contract, an order that is effective only on written acceptance or performance, or certain increases in the amount obligated.

Increases in contracts. If the amount obligated under a contract is increased by more than \$25,000 in one contract action through the exercise of an option contained in the original contract or under any other contract law rule, then that action is treated as a new contract and must be reported on Form 8596 for the quarter in which the increase occurs. However, if an initial or basic contract was entered into before 1989 and an increase in such contract is \$50,000 or less, you are not required to file Form 8596 for that increase.

Exceptions. You need not file Forms 8596 and 8596-A for any:

1. Contract for \$25,000 or less.
2. Contract that provides for all payments to be made within 120 days following the date of the contract action if it is reasonable to expect that all amounts will be paid.
3. License granted by a Federal executive agency.
4. Obligation of a contractor (other than a Federal executive agency) to a subcontractor.
5. Debt instrument of the U.S. Government or a Federal agency, such as a Treasury note, Treasury bond, Treasury bill, U.S. Savings Bond, or similar instrument.
6. Obligation of a Federal executive agency to lend money, lease property to someone, or sell property.
7. Blanket purchase agreement. However, when an order is placed under a blanket purchase agreement, then a contract exists and Forms 8596 and 8596-A must be filed.
8. Contract with a contractor who, in making the agreement, is acting in his or her capacity as an employee of a Federal executive agency; for example, any employment contract under which the employee is paid wages subject to Federal income tax withholding.
9. Contract between a Federal executive agency and another Federal Government unit, or any subsidiary agency.
10. Contract with a foreign government or agency or any subsidiary agency.
11. Contract with a state or local government or agency or any subsidiary agency.
12. Contract with a person who is not required to have a taxpayer identification number, such as a nonresident alien, foreign corporation, or foreign partnership any of which does not have income effectively connected with the conduct of a trade or business in the United States and does not have an office or place of business or a fiscal or paying agent in the United States.

13. Confidential or classified contracts that meet the requirements of section 6050M(e).

14. Contract that provides that all payments made after the 120th day after the date of the contract action will be made by someone other than a Federal executive agency or its agent; for example, a contract under which the contractor will collect amounts owed to a Federal executive agency from the agency's debtor and will remit to the agency the money collected minus an amount for the contractor's consideration under the contract.

15. Contract entered into using nonappropriated funds.

Specific Instructions

Box 1. Enter the full name and address of the contractor. If the contractor is a sole proprietor, enter the name of the sole proprietor first, then the business name (if any).

Box 2. Enter the contractor's taxpayer identification number (TIN). For an individual, including a sole proprietor, the TIN is the social security number. For all others, the TIN is the employer identification number (EIN).

Box 3. If the contractor is a member of an affiliated group of corporations that files its Federal income tax returns on a consolidated basis, enter the name of the common parent of the affiliated group.

Box 4. If the name of the common parent is entered in box 3, enter the EIN of the common parent.

Boxes 5 and 6. Enter the name and EIN of the Federal executive agency that entered into the contract. If one central office is responsible for filing for the entire agency, use only one name and EIN when filing Forms 8596 and 8596-A.

Box 7. Enter the date of the contract action. If you are reporting an increase in the amount obligated under a contract, enter the date of such increase, not the original contract date.

Box 8. Enter the expected date of completion of the contract. To determine this date, use any reasonable method, such as the expected contract delivery date under the contract schedule.

Box 9. Enter the total amount obligated to the contractor under the terms of the contract.

If you are reporting an increase in the amount obligated under a contract, enter only the amount of the increase.

Boxes 10, 11, 12, and 13. Enter the contract number, agency code, contract office number, and contract modification number, if available. These numbers will help identify the contract if the IRS requests a levy.

