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Internal Revenue Service  
CC:PA:LPD:PR (Notice 2009-93)  
Room 5203  
P.O. Box 7604  
Ben Franklin Station, N.W.  
Washington, D.C. 20044

Dear Sir or Madam:

The Service has received many comments regarding difficulties and impracticalities with the pilot program for truncating identifying numbers on paper payee statements (Notice 2009-93). I especially concur with the practitioners who complain about incorrect SSNs on 1099's and W-2's that clients bring which we will no longer be able to identify if replaced with X's until IRS sends a penalty notice for misreporting an SSN.

That an SSN is "sensitive personal information" which can be misused and facilitate identity theft is a problem created by the Service in allowing SSNs to be used for non-government purposes. It can be cured by reclaiming exclusive government use of social security numbers. In my new book, "The Sex of a Hippopotamus: A Unique History of Taxes and Accounting," (IRS Chief Counsel librarian Mike MacDonald has several copies) I describe how this problem arose:

[Treasury Counsel and tax historian] Randolph Paul, described in 1947 "unfounded" fears about uses of social security numbers:

The *New York Sun* printed a fearsome story headed "New Deal Will Tag Workers." In a picture next to the story was a regimented victim of social security, stripped to the waist and wearing a metal tag on a chain around his neck. A Western newspaper began substituting social security numbers for by-lines over reporters' stories. The editor signed himself 525-10-9454.

Social security numbers on tax returns were optional prior to 1962. Then Congress made it mandatory "to make possible a greatly expanded use of automatic data processing equipment and to also fully utilize the information documents presently coming into the Internal Revenue Service." Following this legislation, the legend at the bottom of social security cards was revised, adding "and tax purposes" to read, "FOR SOCIAL SECURITY AND TAX PURPOSES — NOT FOR IDENTIFICATION." The legend was dropped in 1972 as social security numbers gained acceptance as a "tag."

Treasury has the authority under IRC §6109(d) to restrict use of social security numbers for government purposes only: social security, tax, medicare, unemployment, etc. and it should do so. Treasury can ban the use of social security numbers by credit agencies and others and let them create their own system.

Today, one cannot obtain gas, electric, telephone, cable service, insurance, credit card, college registration, and sometimes medical services without surrendering a social security number. So, why is the Service concerned with truncating SSNs when no commercial purpose makes such a restriction and everyone's SSN is an open secret thanks to Equifax, TransUnion, and Experian? The only real cure is to make SSNs useless for non-government purposes. This might also minimize problems TIGTA has identified with illegal alien uses of ITINs.

A 1977 New York Times article titled, "A Taxpayer's Prayer," concluded:

Bless and keep our social security numbers that we may never forget them, lest we lose the power to communicate with thee.

This program for truncating identifying numbers will disrupt communication with IRS, but has no effect on commercial abuses. Use your authority under IRC §6109(d) for a real cure: make SSNs the exclusive province of government communication with taxpayers. Disallow its use by commercial interests and you will at the same time minimize the risk of SSN use as an instrument of identity theft without the need for truncation.

Sincerely,

Jay Starkman

JS:abm:oo