

## IRS Deadline for Reporting ISO Exercises and ESPP Stock Transfers for 2010 is Approaching

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January 14, 2011

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Section 6039 of the Internal Revenue Code requires companies to furnish a written statement to any employee or former employee who either (i) exercised an incentive stock option (ISO) during 2010 or (ii) acquired shares under an employee stock purchase plan (ESPP) during 2010. The company must furnish these statements to employees on IRS Forms 3921 (for ISO exercises) and Form 3922 (for ESPP transfers) or an acceptable substitute, no later than January 31, 2011. In addition, beginning for ISO exercises and ESPP transfers occurring in 2010, companies must file returns with the Internal Revenue Service on IRS Forms 3921 and 3922 no later than February 28, 2011, for paper filings, or March 31, 2011, for electronic filings. Failure to file proper reports with the IRS or to provide information statements may result in penalties under the Internal Revenue Code. A copy of the Form 3921 and 3922 are available on the IRS' [website](#). Employers should be aware, however, that the forms downloaded from the website are not scannable and may not be submitted to the IRS. For paper filings, official printed forms must be obtained from the IRS by calling 1-800-TAX-FORM (1-800-829-3676).