

## IRS Releases Sample Language for Making 83(b) Elections

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The Internal Revenue Service recently released Revenue Procedure 2012-29 to provide sample language for taxpayers' use when making an election under Section 83(b) of the Internal Revenue Code. Section 83(a) generally provides that when the service provider's rights in property received in connection with the performance of services become transferable and no longer subject to a substantial risk of forfeiture, then he must include the excess of the fair market value over the basis in property in income. Section 83(b) permits the service provider to elect to include in income the excess of the fair market value of the property at the time of the transfer over the amount paid for the property, as compensation for services, provided the election is made within 30 days after the transfer. The Revenue Procedure provides sample language that may be (but is not required to be) used for making such an election. The Revenue Procedure also includes examples of income tax consequences of making an 83(b) election. A copy of the Revenue Procedure can be found [here](#).