

# PUBLICATION

---

## IRS Streamlines 83(b) Election Process with New Online Filing Option

**Authors:** Peyton H. Lacoste, Charles W. Goldberg, Jr.  
**August 22, 2025**

**The Internal Revenue Service (IRS) continued recent improvements to the process for making elections under Section 83(b) of the Internal Revenue Code of 1986 (the Code). Until last year, an 83(b) election was made in a self-drafted statement. In late 2024, the IRS released Form 15620 as a standardized form for making the election. Until recently, physical delivery of an election was required. The IRS now permits online filing of Form 15620.**

### **Background:**

When a service provider (often a founder, board member, or other service provider or independent contractor) receives property, such as an equity interest in a company, that is subject to vesting ("Restricted Property") conditioned upon their performance of future services, Section 83 of the Code requires income recognition at the time the Restricted Property becomes transferable or is no longer subject to substantial risk of forfeiture. This means the service provider will not normally recognize taxable income immediately on the receipt of Restricted Property from the company, but only as the property interest vests. However, Code Section 83(b) permits a service provider to accelerate the recognition of income and to pay income tax on the receipt of Restricted Property based on its fair market value at the time of receipt. In turn, if the Restricted Property appreciates in value between the time of receipt and the time of vesting, the service provider will benefit from its tax-free growth without later recognizing income at the time the property interest vests.

Thus, at times when Restricted Property received in connection with services is expected to appreciate, the 83(b) election has long been a strategic option to elect to pay tax before it would otherwise be due, for the benefit of tax savings at vesting.

### **Time and Manner of Election:**

Pursuant to Code Section 83(b)(2), the election must be made not later than 30 days after the date of the Restricted Property transfer (i.e., the date of receipt by the service provider from the company). Late elections are not permitted. Previously, filing of an 83(b) election was required to be made by way of physical mailing of the election (since 2024, by use of the standardized Form 15620) to the IRS Service Center where the taxpayer filed their individual income tax return. Now, the IRS permits electronic filing of Form 15620 online via the IRS website, ID.me. While the online election mechanism will ease administrative difficulties for service providers, timely and proper filing remain critical components. Parties should continue to evaluate the tax complexities associated with these elections.

If you have questions about the IRS's recent updates, please contact [Peyton H. Lacoste](#) and [Charles W. "Chuck" Goldberg Jr.](#)