

Publication 1220

Specifications for Filing Forms 1098, 1099, 5498 and W-2G Electronically or Magnetically

Including IBM 3480, 3490, 3590, compatible tape cartridges
or 3½ inch diskettes



Rev. Proc. 2004-50

Reprinted from IR Bulletin - dated
August 16, 2004 (and containing copies of
Forms 4419, 4804, 8809, 8508, Notice 210,
and General Instructions for Forms 1099,
1098, 5498 and W-2G for taxpayers' use)

FIRST TIME FILERS QUICK REFERENCE GUIDE

- 1) FORM 4419 - Submit Form 4419, Application For File Information Returns Electronically/Magnetically (see the forms section in the back of Pub 1220) to IRS/MCC no later than thirty days before the due date of your information returns. IRS/MCC will issue a Transmitter Control Code (TCC). The TCC is required on all files, transmittals and correspondence.
- 2) FILING METHOD - File information returns (Forms 1098, 1099, 5498 and W-2G) electronically via the Internet (See Part B), or by mailing an acceptable type of magnetic media (See Part C).
- 3) FILE FORMAT - The format must conform to the specifications in Publication 1220, Part D. Filers may contact an outside vendor to purchase software or transmit files (see Publication 1582, Information Returns Vendor List).
- 4) TEST FILES - IRS/MCC encourages first-time electronic/magnetic filers to submit a test file (see Pub 1220, Part A, Section 7). A test file is **only** required when applying to participate in the Combined Federal/State Filing Program (see Pub 1220, Part A, Section 13).
- 5) COMMON PROBLEMS – Review Part A, Sec. 16 to avoid common processing and/or format errors before submitting your file.
- 6) SUBMIT FILE – Before sending a magnetic media file, review the “Before You Mail Check List” located with the Forms in the back of the Publication 1220.

FOR ASSISTANCE - Contact the IRS/MCC Information Reporting Program Customer Service Section (IRP/CSS)
toll-free at 1-866-455-7438,
Monday through Friday from 8:30 am to 4:30 EST,
or email at *mccirp@irs.gov*.

NOTE

Following is a list of related instructions and forms for filing Information Returns Electronically/Magnetically provided in the back of this publication:

- **General Instructions for Forms 1099, 1098, 5498, and W-2G**
- **Form 4419 - Application for Filing Information Returns Electronically/Magnetically**
- **Form 4804 - Transmittal of Information Returns Reported Magnetically**
- **Form 8508 – Request for Waiver From Filing Information Returns on Magnetic Media**
- **Form 8809 – Request for Extension of Time to File Information Returns**
- **Notice 210 - Preparation Instructions for Media Labels**

The Internal Revenue Service, Martinsburg Computing Center encourages filers to make copies of the blank forms in the back of this publication for future use. These forms can also be obtained by calling 1-800-829-3676 or on the IRS Website at www.irs.gov.

Use this Revenue Procedure to prepare Tax Year 2004 and prior year information returns for submission to Internal Revenue Service (IRS) using any of the following:

- Electronic Filing
- Tape Cartridge
- 3½-Inch Diskette

Caution to filers:

Please read this publication carefully. Persons or businesses required to file information returns electronically or magnetically may be subject to penalties for failure to file or include correct information if they do not follow the instructions in this Revenue Procedure.

IMPORTANT NOTES:

IRS/MCC now offers an Internet connection at <http://fire.irs.gov>. The FIRE System will be down from Dec. 23, 2004, through Jan. 4, 2005 for upgrading. It is not operational during this time for submissions.

Beginning in Tax Year 2006 processing year 2007, IRS/MCC will no longer accept 3½-inch diskettes for filing information return.

Table of Contents

Part A. General

Section 1. Purpose.....	7
Section 2. Nature of Changes - Current Year (Tax Year 2004).....	8
Section 3. Where to File and How to Contact the IRS, Martinsburg Computing Center.....	9
Section 4. Filing Requirements.....	11
Section 5. Vendor List	12
Section 6. Form 4419, Application for Filing Information Returns Electronically/Magnetically	13
Section 7. Test Files.....	14
Section 8. Filing of Information Returns Magnetically and Retention Requirements.....	15
Section 9. Due Dates	16
Section 10. Replacement Magnetic Media	17
Section 11. Corrected Returns.....	17
Section 12. Effect on Paper Returns and Statements to Recipients	22
Section 13. Combined Federal/State Filing Program	22
Section 14. Penalties Associated with Information Returns	25
Section 15. State Abbreviations	26
Section 16. Major Problems Encountered	27

Part B. Electronic Filing Specifications

Section 1. General	29
Section 2. Advantages of Filing Electronically.....	29
Section 3. Electronic Filing Approval Procedure.....	29
Section 4. Test Files.....	30
Section 5. Electronic Submissions.....	30
Section 6. PIN Requirements.....	31
Section 7. Electronic Filing Specifications	31
Section 8. Connecting to the FIRE System	31
Section 9. Common Problems and Questions Associated with Electronic Filing	33

Part C. Magnetic Media Filing Specifications

Section 1. Tape Cartridge Specifications.....	35
Section 2. 3½-Inch Diskette Specifications.....	36

Part D. Record Format Specifications and Record layouts

Section 1.	General	37
Section 2.	Transmitter “T” Record - General Field Descriptions.....	37
Section 3.	Transmitter “T” Record - Record Layout	42
Section 4.	Payer “A” Record - General Field Descriptions	42
Section 5.	Payer “A” Record - Record Layout	55
Section 6.	Payee “B” Record - General Field Descriptions and Record Layouts	55
(1)	Payee “B” Record - Record Layout Positions 544-750 for Forms 1098.....	65
(2)	Payee “B” Record - Record Layout Positions 544-750 for Form 1098-E	65
(3)	Payee “B” Record - Record Layout Positions 544-750 for Form 1098-T	66
(4)	Payee “B” Record - Record Layout Positions 544-750 for Form 1099-A.....	67
(5)	Payee “B” Record - Record Layout Positions 544-750 for Form 1099-B	68
(6)	Payee “B” Record - Record Layout Positions 544-750 for Form 1099-C.....	70
(7)	Payee “B” Record - Record Layout Positions 544-750 for Form 1099-CAP	71
(8)	Payee “B” Record - Record Layout Positions 544-750 for Form 1099-DIV	72
(9)	Payee “B” Record - Record Layout Positions 544-750 for Form 1099-G.....	74
(10)	Payee “B” Record - Record Layout Positions 544-750 for Form 1099-H	75
(11)	Payee “B” Record - Record Layout Positions 544-750 for Form 1099-INT.....	76
(12)	Payee “B” Record - Record Layout Positions 544-750 for Form 1099-LTC.....	77
(13)	Payee “B” Record - Record Layout Positions 544-750 for Form 1099-MISC.....	79
(14)	Payee “B” Record - Record Layout Positions 544-750 for Form 1099-OID	80
(15)	Payee “B” Record - Record Layout Positions 544-750 for Form 1099-PATR	82
(16)	Payee “B” Record - Record Layout Positions 544-750 for Form 1099-Q	83
(17)	Payee “B” Record - Record Layout Positions 544-750 for Form 1099-R.....	84
(18)	Payee “B” Record - Record Layout Positions 544-750 for Form 1099-S.....	88
(19)	<i>Payee “B” Record - Record Layout Positions 544-750 for Form 1099-SA</i>	<i>90</i>
(20)	Payee “B” Record - Record Layout Positions 544-750 for Form 5498	92
(21)	Payee “B” Record - Record Layout Positions 544-750 for Form 5498-ESA.....	93
(22)	<i>Payee “B” Record - Record Layout Positions 544-750 for Form 5498-SA</i>	<i>93</i>
(23)	Payee “B” Record - Record Layout Positions 544-750 for Form W-2G.....	94
Section 7.	End of Payer “C” Record - General Field Descriptions and Record Layout.....	96
Section 8.	State Totals “K” Record - General Field Descriptions and Record Layout.....	98
Section 9.	End of Transmission “F” Record - General Field Descriptions and Record Layout	100
Section 10.	File Layout Diagram	102

Part E. Extensions of Time and Waivers

- Section 1. General - Extensions 103
- Section 2. Specifications for Electronic Filing or Magnetic Media Extensions of Time..... 104
- Section 3. Record Layout - Extension of Time 104
- Section 4. Extension of Time for Recipient Copies of Information Returns 106
- Section 5. Form 8508, Request for Waiver From Filing Information Returns on Magnetic Media 107

Part A. General

Revenue Procedures are generally revised annually to reflect legislative and form changes. Comments concerning this Revenue Procedure, or suggestions for making it more helpful, can be addressed to:

Internal Revenue Service
Martinsburg Computing Center
Attn: Information Reporting Program
230 Murall Drive
Kearneysville, WV 25430

Sec. 1. Purpose

.01 The purpose of this Revenue Procedure is to provide the specifications for filing Forms 1098, 1099, 5498, and W-2G with IRS electronically through the IRS FIRE System or magnetically, using IBM 3480, 3490, 3490E, 3590, or 3590E or 3½-inch diskettes. This Revenue Procedure must be used for the preparation of Tax Year 2004 information returns and information returns for tax years prior to 2004 **filed beginning January 1, 2005, and postmarked by December 1, 2005**. Specifications for filing the following forms are contained in this Revenue Procedure.

- (a) Form 1098, Mortgage Interest Statement
- (b) Form 1098-E, Student Loan Interest Statement
- (c) Form 1098-T, Tuition Statement
- (d) Form 1099-A, Acquisition or Abandonment of Secured Property
- (e) Form 1099-B, Proceeds From Broker and Barter Exchange Transactions
- (f) Form 1099-C, Cancellation of Debt
- (g) Form 1099-CAP, Changes in Corporate Control and Capital Structure
- (h) Form 1099-DIV, Dividends and Distributions
- (i) Form 1099-G, Certain Government Payments
- (j) Form 1099-H, Health Insurance Advance Payments
- (k) Form 1099-INT, Interest Income
- (l) Form 1099-LTC, Long-Term Care and Accelerated Death Benefits
- (m) Form 1099-MISC, Miscellaneous Income
- (n) Form 1099-OID, Original Issue Discount
- (o) Form 1099-PATR, Taxable Distributions Received From Cooperatives
- (p) Form 1099-Q, Payments From Qualified Education Programs (Under Section 529 and 530)
- (q) Form 1099-R, Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.
- (r) Form 1099-S, Proceeds From Real Estate Transactions
- (s) *Form 1099-SA, Distributions From a HSA, Archer MSA, or Medicare+Choice MSA*
- (t) Form 5498, IRA Contribution Information
- (u) Form 5498-ESA, Coverdell ESA Contribution Information
- (v) *Form 5498-SA, HSA, Archer MSA, or Medicare+Choice MSA Information*
- (w) Form W-2G, Certain Gambling Winnings

- .02 All data received at IRS/MCC for processing will be given the same protection as individual income tax returns (Form 1040). IRS/MCC will process the data and determine if the records are formatted and coded according to this Revenue Procedure.
- .03 Specifications for filing Forms W-2, Wage and Tax Statements, magnetically/electronically are **only** available from the Social Security Administration (SSA). Filers can call 1-800-SSA-6270 to obtain the telephone number of the SSA Employer Service Liaison Officer for their area.
- .04 IRS/MCC does **not** process Forms W-2. Paper **and/or** magnetic media for Forms W-2 must be sent to SSA. IRS/MCC does, however, process waiver requests (Form 8508) and extension of time to file requests (Form 8809) for Forms W-2 and requests for an extension of time to provide the employee copies of Forms W-2.
- .05 Generally, the box numbers on the paper forms correspond with the amount codes used to file electronically/magnetically; however, if discrepancies occur, the instructions in this Revenue Procedure govern.
- .06 This Revenue Procedure also provides the requirements and specifications for electronic or magnetic media filing under the Combined Federal/State Filing Program.
- .07 The following Revenue Procedures and publications provide more detailed filing procedures for certain information returns:
 - (a) *2004 General Instructions for Forms 1099, 1098, 5498, and W-2G* and individual form instructions.
 - (b) Publication 1179, General Rules and Specifications for Substitute Forms 1096, 1098, 1099, 5498, and W-2G
 - (c) Publication 1239, Specifications for Filing Form 8027, Employer's Annual Information Return of Tip Income and Allocated Tips, Magnetically or Electronically
 - (d) Publication 1187, Specifications for Filing Form 1042-S, Foreign Person's U.S. Source Income Subject to Withholding, Electronically or Magnetically
 - (e) Publication 1245, Specifications for Filing Form W-4, Employee's Withholding Allowance Certificate, Magnetically or Electronically.
- .08 This Revenue Procedure supersedes Rev. Proc. 2003-52 published as Publication 1220 (Rev. 9-2003), Specifications for Filing Forms 1098, 1099, 5498, and W-2G Electronically or Magnetically.

Sec. 2. Nature of Changes-Current Year (Tax Year 2004)

- .01 In this publication, all pertinent changes for Tax Year *2004* are emphasized by the use of *italics*. Portions of text that require special attention are in boldface text. Filers are always encouraged to read the publication in its entirety.
- .02 **Programming Changes**
 - (a) General
 - (1) Part B, Electronic Filing Specifications, was completely revised. Please read carefully. We now offer an internet connection at <http://fire.irs.gov>.
 - (2) Clarifying information is included in the Payee 'B' Record, the Payer's Account Number for Payee, positions 21-40.
 - (3) Several forms have been revised including Forms 1099-B, 1099-CAP, and 1099-DIV. Because several fields on each of these forms were deleted, the prior year correction process will be impacted. If you are required to make corrections contact the Information Reporting Program Customer Service Section for instructions toll-free at 866-455-7438.
 - (b) Programming Changes - Transmitter "T" Record
 - (1) For all forms, Payment Year, Field Positions 2-5, must be incremented to update the four-digit report year (*2003 to 2004*), unless reporting prior year data.

- (c) Programming Changes - Payer "A" Record
- (1) For all forms, Payment Year, Field Positions 2-5, must be incremented to update the four-digit report year (2003 to 2004), unless reporting prior year data.
 - (2) For Form 1099-B, Amount Code A, Proceeds From Broker and Barter Exchange Transactions Post – 05/05/2003 Profit or (loss) realized and Amount Code B, Post – 05/05/2003 Aggregate profit or (loss) were deleted.
 - (3) Form 1099-CAP, Amount Code 8, Fair Market Value of Stock Received and Amount Code 9, Fair Market Value of Other Property Received were deleted. The title of Amount Code 3 was changed to Aggregate Amount Received.
 - (4) For Form 1099-DIV, Dividends and Distributions, Amount Code 4, Post – May 5 capital gain distribution and Amount Code 5, Qualified 5-year gain, were deleted.
 - (5) Form 1099-MSA is changed to 1099-SA, Distributions From a HSA, Archer MSA, or Medicare+Choice MSA. All references in the publication to 1099-MSA have changed to 1099-SA.
 - (6) Form 5498-MSA is changed to 5498-SA, HSA, Archer MSA, or Medicare+Choice MSA Information. The titles of Amount Codes 1, 3 and 5 have changed to include HSA. All references in the publication to 5498-MSA have changed to 5498-SA
- (d) Programming Changes - Payee "B" Record
- (1) For all forms, Payment Year, Field Positions 2-5, must be incremented to update the four digit report year (2003 to 2004), unless reporting prior year data.
 - (2) For Form 1099-B, positions 608-626, provide specific formatting for the following information: Number of Shares Exchanged, Class of Stocks, and Recipient Indicator. The Corporation's Name, Street Address, City, State and ZIP can be entered in the Special Data Entry Fields, positions 663-722.
 - (3) For Form 1099-CAP, the following fields were deleted : Second TIN Notice, position 544, Gross Proceeds Indicator, position 547, CUSIP Number, positions 556-568, Description, positions 569-607 and Filed by Broker Indicator, position 626.
 - (4) For Form 1099-Q, field position 547, the title of the field has changed to "Trustee to Trustee Transfer Indicator.
 - (5) For Form 1099-R, distribution codes 5, Q and T can not be used with any other distribution code. Code J can be used with codes 8 or P.
 - (6) For Form 5498, use the Special Data Entry field, to report military service codes. Refer to 2004 Instructions for Forms 1099-R and 5498 for specific code information.
 - (7) For Form 1099-SA, two new indicator fields, position 548, HSA Indicator and position 549, Archer MSA Indicator were added.
 - (8) For Form 5498-SA, two new indicator fields, position 548, HSA Indicator and position 549, Archer MSA Indicator were added.

Sec. 3. Where To File and How to Contact the IRS, Martinsburg Computing Center

- .01 All information returns filed electronically or magnetically are processed at IRS/MCC. Files containing information returns and requests for IRS electronic and magnetic media filing information should be sent to the following address:

IRS-Martinsburg Computing Center
 Information Reporting Program
 230 Murall Drive
 Kearneysville, WV 25430

- .02 All requests for an extension of time to file information returns with IRS/MCC or to the recipients and requests for undue hardship waivers filed on Form 8508 should be sent to the following address:
- IRS-Martinsburg Computing Center
Information Reporting Program
Attn: Extension of Time Coordinator
240 Murall Drive
Kearneysville, WV 25430
- .03 The telephone numbers for magnetic media inquiries or electronic submissions are:

Information Reporting Program Customer Service Section

TOLL-FREE 1-866-455-7438 or
outside the U.S. 1-304-263-8700
email at mccirp@irs.gov

304-267-3367 - TDD
(Telecommunication Device for the Deaf)
304-264-5602 - Fax Machine

Electronic Filing – FIRE system
<http://fire.irs.gov>

TO OBTAIN FORMS:
1-800-TAX-FORM (1-800-829-3676)

www.irs.gov - IRS Website access to forms (See Note.)

- ☛ **Note:** Because paper forms are scanned during processing, you cannot file with the IRS Form 1096, and Copy A of Forms 1098, 1099, 5498 or W-2G that you download and print from the IRS website.
- .04 The *2004 General Instructions for Forms 1099, 1098, 5498, and W-2G* has been included in the Publication 1220 for your convenience. Form 1096 is used only to transmit Copy A of paper Forms 1099, 1098, 5498, and W-2G. If filing paper returns, follow the mailing instructions on Form 1096 and submit the paper returns to the appropriate IRS Service Center.
- .05 Make requests for paper Forms 1096, 1098, 1099, 5498, and W-2G, and publications related to electronic/magnetic filing by calling the IRS toll-free number **1-800-TAX-FORM (1-800-829-3676)** or on the IRS Website at **www.irs.gov**.
- .06 Questions pertaining to magnetic media filing of Forms W-2 **must** be directed to the Social Security Administration (SSA). Filers can call 1-800-772-6270 to obtain the phone number of the SSA Employer Service Liaison Officer for their area.

- .07 Payers **should not** contact IRS/MCC if they have received a penalty notice and need additional information or are requesting an abatement of the penalty. A penalty notice contains an IRS representative's name and/or telephone number for contact purposes; or, the payer may be instructed to respond in writing to the address provided. IRS/MCC does **not** issue penalty notices and does **not** have the authority to abate penalties. For penalty information, refer to the Penalties section of the *2004 General Instructions for Forms 1099, 1098, 5498, and W-2G*.
- .08 A taxpayer or authorized representative may request a copy of a tax return, including Form W-2 filed with a return, by submitting Form 4506, Request for Copy of Tax Form, to IRS. This form may be obtained by calling **1-800-TAX-FORM (1-800-829-3676)**. For any questions regarding this form, call 1-800-829-1040.
- .09 The Information Reporting Program Customer Service Section (IRP/CSS), located at IRS/MCC, answers electronic/magnetic media, paper filing, and tax law questions from the payer community relating to the correct preparation and filing of business information returns (Forms 1096, 1098, 1099, 5498, 8027, W-2G, and W-4). IRP/CSS also answers questions relating to the electronic/magnetic media filing of Forms 1042-S and to the tax law criteria and paper filing instructions for Forms W-2 and W-3. Inquiries dealing with backup withholding and reasonable cause requirements due to missing and incorrect taxpayer identification numbers are also addressed by IRP/CSS. Assistance is available year-round to payers, transmitters, and employers nationwide, Monday through Friday, 8:30 a.m. to 4:30 p.m. Eastern time, by calling toll-free **1-866-455-7438** or via email at mccirp@irs.gov. **Do not include SSNs or EINs on emails since this is not a secure line.** The Telecommunications Device for the Deaf (TDD) toll number is **304-267-3367**. Call as soon as questions arise to avoid the busy filing seasons at the end of January and February. Recipients of information returns (payees) should continue to contact 1-800-829-1040 with any questions on how to report the information returns data on their tax returns.
- .10 Form 4419, Application for Filing Information Returns Electronically/Magnetically, Form 8809, Application for Extension of Time to File Information Returns, and Form 8508, Request for Waiver From Filing Information Returns on Magnetic Media may be faxed to IRS/MCC at 304-264-5602. Form 4804, Transmittal of Information Returns Filed Magnetically **must** always be included with media shipments.

Sec. 4. Filing Requirements

- .01 The regulations under section 6011(e)(2)(A) of the Internal Revenue Code provide that any person, including a corporation, partnership, individual, estate, and trust, who is required to file 250 or more information returns must file such returns electronically/magnetically. **The 250* or more requirement applies separately for each type of return and separately to each type of corrected return.** *Even though filers may submit up to 249 information returns on paper, IRS encourages filers to transmit those information returns electronically or magnetically.
- .02 All filing requirements that follow apply individually to each reporting entity as defined by its separate Taxpayer Identification Number (TIN), Social Security Number (SSN), Employer Identification Number (EIN), or Individual Taxpayer Identification Number (ITIN). For example, if a corporation with several branches or locations uses the same EIN, the corporation must aggregate the total volume of returns to be filed for that EIN and apply the filing requirements to each type of return accordingly.
- .03 Payers who are required to submit their information returns on magnetic media may choose to submit their documents by electronic filing. Payers, who submit their information returns electronically by March 31, 2005, are considered to have satisfied the magnetic media filing requirements.
- .04 IRS/MCC has one method for filing information returns electronically; see Part B.

- .05 The following requirements apply separately to both originals and corrections filed electronically/magnetically:

1098	250 or more of any of these forms require magnetic media filing with IRS.
1098-E	Filing electronically will also meet this requirement. These are stand-alone documents and are not to be aggregated for purposes of determining the 250 threshold example, if you must file 100 Forms 1099-B and 300 Forms 1099-INT, Forms 1099-B need not be filed electronically or magnetically since they do not meet the threshold of 250. However, Forms 1099-INT must be filed electronically or magnetically since they meet the threshold of 250
1098-T	
1099-A	
1099-B	
1099-C	
1099-CAP	
1099-DIV	
1099-G	
1099-H	
1099-INT	
1099-LTC	
1099-MISC	
1099-SA	
1099-OID	
1099-PATR	
1099-Q	
1099-R	
1099-S	
5498	
5498-ESA	
5498-SA	
W-2G	

- .06 The above requirements do not apply if the payer establishes undue hardship (See Part E, Sec. 5).

Sec. 5. Vendor List

- .01 IRS/MCC prepares a list of vendors who support electronic or magnetic media filing. The Vendor List (Pub. 1582) contains the names of service bureaus that will produce or submit files for electronic filing or on the prescribed types of magnetic media. It also contains the names of vendors who provide software packages for payers who wish to produce electronic files or magnetic media on their own computer systems. This list is compiled as a courtesy and in no way implies IRS/MCC approval or endorsement.
- .02 If filers meeting the filing requirements engage a service bureau to prepare media on their behalf, the filers should be careful not to report duplicate data, which may cause penalty notices to be generated.
- .03 The Vendor List, Publication 1582, is updated periodically. The most recent revision will be available on the IRS Website at www.irs.gov.
- .04 A vendor, who offers a software package, or has the capability to electronically file information returns, or has the ability to produce magnetic media for customers, and who would like to be included on the list must submit a letter or email to IRS/MCC. The request should include:
- Company name
 - Address (include city, state, and ZIP code)

- (c) Telephone and FAX number (include area code)
- (d) Email address
- (e) Contact person
- (f) Type(s) of service provided (e.g., service bureau and/or software)
- (g) Type(s) of media offered (e.g., tape cartridge, 3½-inch diskette, or electronic filing)
- (h) Type(s) of return(s)

Sec. 6. Form 4419, Application for Filing Information Returns Electronically/Magnetically

- .01 Transmitters are required to submit Form 4419, Application for Filing Information Returns Electronically/Magnetically, to request authorization to file information returns with IRS/MCC. A single Form 4419 should be filed no matter how many types of returns the transmitter will be submitting electronically/magnetically. For example, if a transmitter plans to file Forms 1099-INT, one Form 4419 should be submitted. If, at a later date, another type of form (Forms 1098, 1099, 5498 and W-2G) is to be filed, the transmitter does not need to submit a new Form 4419.
 - ☛ **Note: EXCEPTIONS – An additional Form 4419 is required for filing each of the following types of returns: Form 1042-S, Foreign Person’s U.S. Source Income Subject to Withholding, Form 8027, Employer’s Annual Information Return of Tip Income and Allocated Tips, and Form W-4, Employee’s Withholding Allowance Certificate. See the back of Form 4419 for detailed instructions.**
- .02 Tape cartridge, diskette, and electronically filed returns may not be submitted to IRS/MCC until the application has been approved. Please read the instructions on the back of Form 4419 carefully. Form 4419 is included in the Publication 1220 for the filer’s use. This form may be photocopied. Additional forms may be obtained by calling **1-800-TAX-FORM (1-800-829-3676)**. The form is also available on the IRS Website at **www.irs.gov**.
- .03 Upon approval, a five-character alpha/numeric Transmitter Control Code (TCC) will be assigned and included in an approval letter. The TCC **must** be coded in the Transmitter “T” Record. IRS/MCC uses the TCC to identify payer/transmitters and to track their files through the processing system. The same TCC can be used regardless of the method of filing. For example, a payer may send their production data on a tape cartridge and then later file a correction file electronically. The same TCC can be used for each filing.
- .04 IRS/MCC encourages transmitters who file for multiple payers to submit one application and to use the assigned TCC for all payers. While not encouraged, multiple TCCs can be issued to payers with multiple TINs. If a transmitter uses more than one TCC to file, each TCC must be reported in separate transmissions if filing electronically or on separate media if filing magnetically.
- .05 If a payer’s files are prepared by a service bureau, the payer may not need to submit an application to obtain a TCC. Some service bureaus will produce files, code their own TCC in the file, and send it to IRS/MCC for the payer. Other service bureaus will prepare the file and return the file to the payer for submission to IRS/MCC. These service bureaus may require the payer to obtain a TCC, which is coded in the Transmitter “T” Record. Payers should contact their service bureaus for further information.
- .06 Form 4419 may be submitted anytime during the year; however, it **must** be submitted to IRS/MCC at least 30 days before the due date of the return(s) for current year processing. This will allow IRS/MCC the minimum amount of time necessary to process and respond to applications. In the event that computer equipment or software is not compatible with IRS/MCC, a waiver may be requested to file returns on paper documents (See Part E, Sec. 5).
- .07 Once a transmitter is approved to file electronically/magnetically, it is not necessary to reapply **unless**:
 - (a) The payer has discontinued filing electronically or magnetically for two consecutive years. The payer’s TCC may have been reassigned by IRS/MCC. Payers who are aware the TCC assigned will no longer be used are requested to notify IRS/MCC so these numbers may be reassigned.

- (b) The payer's files were transmitted in the past by a service bureau using the service bureau's TCC, but now the payer has computer equipment compatible with that of IRS/MCC and wishes to prepare his or her own files. The payer must request a TCC by filing Form 4419.
- .08 In accordance with Regulations Section 1.6041-7(b), payments by separate departments of a health care carrier to providers of medical and health care services may be reported on separate returns filed electronically or magnetically. In this case, the headquarters will be considered the transmitter, and the individual departments of the company filing reports will be considered payers. A single Form 4419 covering all departments filing electronically/magnetically should be submitted. One TCC may be used for all departments.
- .09 Annually, a Publication 1220 containing the current Revenue Procedure, forms, and instructions will be sent to the attention of the contact person indicated on Form 4419. Additional copies can be obtained by downloading from the IRS Website at www.irs.gov or by calling 1-800-829-3676.
- .10 If **any** of the information (name, TIN or address) on Form 4419 changes, please notify IRS/MCC in writing so the IRS/MCC database can be updated. You may use our email address, mccirp@irs.gov, for basic name and address changes. IRS/MCC does not recommend sending TIN information via email. A change in the method by which information returns are submitted is not information that needs to be updated (e.g., diskette to electronic). The transmitter should include the TCC in all correspondence.
- .11 Approval to file does not imply endorsement by IRS/MCC of any computer software or of the quality of tax preparation services provided by a service bureau or software vendor.

Sec. 7. Test Files

- .01 IRS/MCC encourages first time electronic or magnetic media filers to submit a test. Test files are **required** for filers wishing to participate in the Combined Federal/State Filing Program. See Part A, Sec. 13, for further information on the Combined Federal/State Filing Program.
- .02 The test file **must** consist of a sample of each type of record:
- (a) Transmitter "T" Record (all fields marked required must include transmitter information)
 - (b) Payer "A" Record (must not be fictitious data)
 - (c) Multiple Payee "B" Records (**at least 11 "B" Records per each "A" Record**)
 - (d) End of Payer "C" Record
 - (e) State Totals "K" Record, if participating in the Combined Federal/State Filing Program
 - (f) End of Transmission "F" Record (See Part D for record formats.)
- .03 Use the Test Indicator "T" in Field Position 28 of the "T" Record to show this is a test file.
- .04 IRS/MCC will check the file to ensure it meets the specifications of this Revenue Procedure. For current filers, sending a test file will provide the opportunity to ensure their software reflects any programming changes.
- .05 Electronic tests may be submitted *November 1, 2004, through February 15, 2005*. See Part B, Sec. 4.03, for information on electronic test results.
- .06 Tests submitted on magnetic media should be **postmarked** no earlier than *October 1, 2004, and no later than December 1, 2004*. Tests must be **received** at MCC by December 15 in order to be processed. Test processing will not begin until November 1. For tests filed on tape cartridge, and 3½-inch diskette, the transmitter must include the signed Form 4804 in the same package with the corresponding magnetic media. The "TEST" box in Block 1 on Form 4804 must be marked and the external media label must denote "TEST".
- .07 IRS/MCC will send a letter of acknowledgment to indicate the magnetic media test results. Unacceptable magnetic media test filers will receive a letter and/or documentation identifying the errors. Resubmission of magnetic media test files must be **received** by IRS/MCC no later than *December 15, 2004*.

TESTING PERIODS

MAGNETIC MEDIA	ELECTRONIC FILES
November 1, 2004, through December 15, 2004*	November 1, 2004, through February 15, 2005
* Postmark media by Dec. 1 in order for media to be received at MCC by December 15	

Sec. 8. Filing of Information Returns Magnetically and Retention Requirements

- .01 Form 4804, Transmittal of Information Returns Reported Magnetically, or a computer-generated substitute, must accompany all magnetic media shipments except for replacements, when Form 4804 is not always necessary (See Part A, Sec. 10).
- .02 IRS/MCC allows for the use of computer-generated substitutes for Form 4804. The substitutes must contain all information requested on the original forms including the affidavit and signature line. Photocopies are acceptable, however, an original signature is required. When using computer-generated forms, be sure to clearly mark the tax year being reported. This will eliminate a telephone communication from IRS/MCC to question the tax year.
- .03 Form 4804 may be signed by the payer or the transmitter, service bureau, paying agent, or disbursing agent (all hereafter referred to as agent) on behalf of the payer. Failure to sign the affidavit on Form 4804 may delay processing or could result in the files being unprocessed. An agent may sign Form 4804 if the agent has the authority to sign the affidavit under an agency agreement (either oral, written, or implied) that is valid under state law and adds the caption "FOR: (name of payer)."
- .04 Although an authorized agent may sign the affidavit, the payer is responsible for the accuracy of Form 4804 and the returns filed. The payer will be liable for penalties for failure to comply with filing requirements.
- .05 Multiple types of media may be submitted in a shipment. However, a separate Form 4804 must be submitted for each type of media.
- .06 Current and prior year data may be submitted in the same shipment; however, each tax year must be on separate media, and a separate Form 4804 must be prepared to clearly indicate each tax year.
- .07 Filers who have prepared their information returns in advance of the due date are encouraged to submit this information to IRS/MCC no earlier than January 1 of the year the returns are due.
- .08 **Do not report duplicate information. If a filer submits returns electronically/magnetically, identical paper documents must not be filed. This may result in erroneous penalty notices.**
- .09 A self-adhesive external media label, created by the filer, must be affixed to each piece of magnetic media. For instructions on how to prepare an external media label, refer to Notice 210 in the forms section of this publication. If diskettes are used, be certain that only MS-DOS compatible operating systems were used to prepare the diskettes. **Non MS-DOS diskettes are no longer acceptable at IRS/MCC.**
- .10 When submitting files include the following:
 - (a) A **signed** Form 4804
 - (b) External media label (created by filer) affixed to magnetic media
 - (c) IRB Box _____ of _____ labeled on outside of each package
- .11 IRS/MCC will not return media after successful processing. Therefore, if the transmitter wants proof that IRS/MCC received a shipment, the transmitter should select a service with tracking capabilities or one that will provide proof of delivery. Do not use special shipping containers for mailing media to IRS/MCC. Shipping containers will not be returned.

- .12 IRS/MCC will not pay for or accept “Cash-on-Delivery” or “Charge to IRS” shipments of tax information that an individual or organization is legally required to submit.
- .13 **Payers should retain a copy of the information returns filed with IRS or have the ability to reconstruct the data for at least 3 years from the reporting due date, with the exception of:**
- A 4-year retention period is required for all information returns when backup withholding is imposed.
 - A financial entity must retain a copy of Form 1099-C, Cancellation of Debt, or have the ability to reconstruct the data required to be included on the return, for at least 4 years from the date such return is required to be filed.

Sec. 9. Due Dates

- .01 The due dates for filing paper returns with IRS also apply to magnetic media. Filing of information returns is on a calendar year basis, except for Forms 5498 and 5498-SA, which are used to report amounts contributed during or after the calendar year (but not later than April 15). The following due dates will apply to Tax Year 2004:

Due Dates

Electronic Filing Forms 1098, 1099, and W-2G Recipient Copy – January 31, 2005 IRS Copy – March 31, 2005	Magnetic Filing (See Note.) Forms 1098, 1099, and W-2G Recipient Copy – January 31, 2005 IRS Copy – February 28, 2005
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Electronic/Magnetic Filing Forms 5498*, 5498-SA* and 5498-ESA** IRS Copy - May 31, 2005 Participant Copy – May 31, 2005* Participant Copy – May 2, 2005**
* Participants’ copies of Forms 5498 and 5498-SA to furnish fair market value information - January 31, 2005

- .02 If any due date falls on a Saturday, Sunday, or legal holiday, the return or statement is considered timely if filed or furnished on the next day that is not a Saturday, Sunday, or legal holiday.
- .03 Magnetic media returns postmarked by the United States Postal Service (USPS) on or before March 1, 2004, and delivered by United States mail to the IRS/MCC after the due date, are treated as timely under the “timely mailing as timely filing” rule. Refer to the *2004 General Instructions for Forms 1099, 1098, 5498, and W-2G*, When to File, located in the back of this publication for more detailed information. Notice 97-26, 1997-1 C.B. 413, provides rules for determining the date that is treated as the postmark date. For items delivered by a non-designated Private Delivery Service (PDS), the actual date of receipt by IRS/MCC will be used as the filing date. For items delivered by a designated PDS, but through a type of service not designated in Notice 99-41, the actual date of receipt by IRS/MCC will be used as the filing date. The timely mailing rule also applies to furnishing statements to recipients and participants.
- ☛ **Note: Due to security regulations at MCC, the Internal Revenue police officers will only accept media from PDSs or couriers from 7:00 a.m. to 5:00 p.m., Monday through Friday.**
- .04 Use this Revenue Procedure to prepare information returns filed electronically or magnetically beginning *January 1, 2005*, and postmarked no later than *December 1, 2005*.

- .05 Media postmarked December 1, 2004 or later **must** have the Prior Year Data Indicator coded with a “P” in position 6 of the Transmitter “T” Record.

Sec. 10 Replacement Magnetic Media

- ☛ **Note:** Replacement Electronic files is detailed in Part B, Sec. 5.
- .01 A replacement is an information return file sent by the filer **at the request of IRS/MCC** because of errors encountered while processing the filer’s original file or correction file. After the necessary changes have been made, the entire file must be returned for processing along with the Media Tracking Slip (Form 9267) which was included in the correspondence from IRS/MCC. (**See Note.**)
- ☛ **Note:** Filers should never send anything to IRS/MCC marked “Replacement” unless IRS/MCC has requested a replacement file in writing or via the FIRE System.
- .02 Magnetic Media filers will receive a Media Tracking Slip (Form 9267), listing, and letter detailing the reason(s) their media could not be processed. It is imperative that filers maintain backup copies and/or recreate capabilities for their information return files. Open all correspondence from IRS/MCC immediately.
- .03 When possible, sample records identifying errors encountered will be provided with the returned information. It is the responsibility of the transmitter to check the entire file for similar errors.
- .04 Before sending replacement media make certain the following items are in place:
- (a) Make the required changes noted in the enclosed correspondence and check entire file for other errors.
 - (b) Code Transmitter “T” record, in positions 21-22 for replacement. See Part D, Sec. 3.
 - (c) Code Payer “A” record in position 49 with “1” for replacement file. See Part D, Sec. 4.
 - (d) Enclose Form 9267, Media Tracking Slip, with your replacement media.
 - (e) Label your Media “**Replacement Data**” and indicate the appropriate Tax Year.
 - (f) Complete a new Form 4804 **if any of your information has changed.**
- .05 Replacement files must be corrected and returned to IRS/MCC within 45 days from the date of the letter. Refer to Part B, Sec. 5 .05, for procedures for files submitted electronically. A penalty for failure to return a replacement file by the due date will be assessed if the files are not corrected and returned within the 45 days **or if filers are notified by IRS/MCC of the need for a replacement file more than two times.** A penalty for intentional disregard of filing requirements will be assessed if a replacement file is not received. (For penalty information, refer to the Penalty section of the *2004 General Instructions for Forms 1099, 1098, 5498, and W-2G.*)

Sec. 11. Corrected Returns

- A correction is an information return submitted by the transmitter to correct an information return that was previously submitted to and processed by IRS/MCC, but contained erroneous information.
 - While we encourage you to file your corrections electronically/magnetically, you may file up to 249 paper corrections even though your originals were filed electronically or magnetically.
 - **DO NOT SEND YOUR ENTIRE FILE AGAIN.** Only send the information returns in need of correction.
 - Information returns omitted from the original file must not be coded as corrections. Submit them under a separate Payer “A” Record as original returns.
 - Be sure to use the same Payee Account Number that was used on the original submission. The account number is used to match a correction record to the original information return.
 - Before creating your correction file, review the following guidelines chart carefully.
- .01 The magnetic media filing requirement of information returns of 250 or more applies separately to both original and corrected returns.

If a payer has 100 Forms 1099-A to be corrected, they can be

- E filed on paper because they fall under the 250 threshold. However,
- X if the payer has 300 Forms 1099-B to be corrected, they must be
- A filed electronically or magnetically because they meet the 250 threshold.
- M If for some reason a payer cannot file the 300 corrections electronically or
- P magnetically, to avoid penalties, a request for a waiver must be submitted before
- L filing on paper. If a waiver is approved for original documents, any corrections
- E for the same type of return will be covered under this waiver.

- .02 Corrections should be filed **as soon as possible**. Corrections filed after August 1 may be subject to the maximum penalty of \$50 per return. Corrections filed by August 1 may be subject to a lesser penalty. (For information on penalties, refer to the Penalties section of the *2004 General Instructions for Forms 1099, 1098, 5498, and W-2G*.) However, if payers discover errors after August 1, they should file corrections, as prompt correction is a factor considered in determining whether the intentional disregard penalty should be assessed or whether a waiver of the penalty for reasonable cause may be granted. All fields must be completed with the correct information, not just the data fields needing correction. Submit corrections only for the returns filed in error, not the entire file. Furnish corrected statements to recipients as soon as possible.
- ☛ **Note: Do NOT resubmit your entire file as corrections. This will result in duplicate filing and erroneous notices may be sent to payees. Submit only those returns which need to be corrected.**
- .03 There are numerous types of errors, and in some cases, more than one transaction may be required to correct the initial error. If the original return was filed as an aggregate, the filers must consider this in filing corrected returns.
- .04 The payee's account number must be included on **all** correction records. This is especially important when more than one information return of the same type is reported for a payee. The account number is used to determine which information return is being corrected. It is vital that each information return reported for a payee have a unique account number. See Part D, Sec.6, Payer's Account Number For Payee.
- .05 Corrected returns may be included on the same media as original returns; however, separate "A" Records are required. Corrected returns must be identified on Form 4804 and the external media label by indicating "Correction." If filers discover that certain information returns were omitted on their original file, they must not code these documents as corrections. The file must be coded and submitted as originals.
- .06 If a payer realizes duplicate reporting has occurred, IRS/MCC should be contacted **immediately** for instructions on how to avoid notices. The standard correction process will not resolve duplicate reporting.
- .07 If a payer discovers errors that affect a large number of payees, in addition to sending IRS the corrected returns and notifying the payees, IRS/MCC underreporter should be contacted toll-free at 1-866-455-7438 for additional requirements. The corrections must be submitted on actual information return documents or filed electronically/magnetically. Form 4804 must be submitted with corrected files submitted magnetically. If filing magnetically, provide the correct tax year in Block 2 of Form 4804 and on the external media label. All references to Form 4804 in the guidelines apply only to files submitted magnetically. Form 4804 is not required for electronic filing.
- .08 Prior year data, original and corrected, **must** be filed according to the requirements of this Revenue Procedure. If submitting prior year corrections, use the record format for the current year and submit on separate media. However, use the actual year designation of the correction in Field Positions 2-5 of the "T", "A", and "B" Records. If filing electronically, a separate transmission must be made for each tax year.
- .09 In general, filers should submit corrections for returns filed within the last 3 calendar years (4 years if the payment is a reportable payment subject to backup withholding under section 3406 of the Code and also for Form 1099-C, Cancellation of Debt).

- .10 All paper returns, whether original or corrected, must be filed with the appropriate service center.
- .11 If a payer discovers an error(s) in reporting the payer name and/or TIN, write a letter to IRS/MCC (See Part A, Sec.3) containing the following information:
 - (a) Name and address of payer
 - (b) Type of error (please include the incorrect payer name/TIN that was reported)
 - (c) Tax year
 - (d) Payer TIN
 - (e) TCC
 - (f) Type of Return
 - (g) Number of payees
 - (h) Filing method, paper, electronic, or magnetic media
- .12 The “B” Record provides a 20-position field for a unique Payer’s Account Number for the Payee. If a payee has more than one reporting of the same document type, it is vital that each reporting have a unique account number. This number will help identify the appropriate incorrect return if more than one return is filed for a particular payee. **Do not enter a TIN in this field.** A payer’s account number for the payee may be a checking account number, savings account number, serial number, or any other number assigned to the payee by the payer that will distinguish the specific account. This number should appear on the initial return and on the corrected return in order to identify and process the correction properly.
- .13 The record sequence for filing corrections is the same as for original returns.
- .14 Review the chart that follows. Errors normally fall under one of the two categories listed. Next to each type of error is a list of instructions on how to file the corrected return.

Guidelines for Filing Corrected Returns Electronically/Magnetically	
Error Made on the Original Return	How To File the Corrected Return
<p>☛ Note: References to Form 4804 apply to magnetically filed media only. Form 4804 is not required for files submitted electronically through the FIRE System.</p>	
<p>One transaction is required to make the following corrections properly. (See Note 3.)</p>	
<p><u>ERROR TYPE 1</u></p> <p>1. Original return was filed with one or more of the following errors:</p> <ul style="list-style-type: none"> (a) Incorrect payment amount codes in the Payer “A” Record (b) Incorrect payment amounts in the Payee “B” Record 	<p><u>CORRECTION</u></p> <ul style="list-style-type: none"> A. Prepare a new Form 4804 that includes information relating to this new file. B. Mark “Correction” in Block 1 of Form 4804. C. Prepare a new file. The first record on the file will be the Transmitter “T” Record.

Guidelines for Filing Corrected Returns Electronically/Magnetically (Continued)	
Error Made on the Original Return	How To File the Corrected Return
<p>(c) Incorrect code in the distribution code field in the Payee “B” Record</p> <p>(d) Incorrect payee address</p> <p>(e) Incorrect payee indicator</p> <p>☛ Note: For information on correcting errors to the payer’s name and TIN see Sec. 11.</p>	<p>D. Make a separate “A” Record for each type of return and each payer being reported. Information in the “A” Record may be the same as it was in the original submission. However, remove the “1” (one) in Field Position 48 and set the Correction File Indicator (Field Position 50), to “1” (one).</p> <p>E. The Payee “B” Records must show the correct record information as well as a Corrected Return Indicator Code of “G” in Field Position 6.</p> <p>F. Corrected returns submitted to IRS/MCC using “G” coded “B” Records may be on the same file as those returns submitted without the “G” coded “B” Records; however, separate “A” Records are required.</p> <p>G. Prepare a separate “C” Record for each type of return and each payer being reported</p> <p>H. The last record on the file will be the End of Transmission “F” Record.</p> <p>I. Indicate “Correction” on the external media label.</p>

File layout one step corrections					
Transmitter “T” Record	Payer “A” Record	“G” coded Payee “B” Record	“G” coded Payee “B” Record	End of Payer “C” Record	End of Transmission “F” Record

Guidelines for Filing Corrected Returns Electronically/Magnetically	
Error Made on the Original Return	How To File the Corrected Return
<p>Two (2) separate transactions are required to make the following corrections properly. Follow the directions for both Transactions 1 and 2. (See Note 2.)</p> <p>DO NOT use the two step correction process to correct money amounts.</p>	
<p><u>ERROR TYPE 2</u></p> <p>1. Original return was filed with one or more of the following errors:</p>	<p><u>CORRECTION</u></p> <p><u>Transaction 1: Identify incorrect return</u></p> <p>A. Prepare a new Form 4804 that includes information relating to this new file.</p>

<p style="text-align: center;">Guidelines for Filing Corrected Returns Electronically/Magnetically (Continued)</p> <p>Error Made on the Original Return</p>	<p style="text-align: center;">How To File the Corrected Return</p>
<ul style="list-style-type: none"> (a) No payee TIN (SSN, ITIN or EIN) (b) Incorrect payee TIN (c) Incorrect payee name <i>and address</i> (d) Wrong type of return indicator 	<ul style="list-style-type: none"> B. Mark “Correction” in Block 1 of Form 4804. C. Prepare a new file. The first record on the file will be the Transmitter “T” Record. D. Make a separate “A” Record for each type of return and each payer being reported. The information in the “A” Record will be exactly the same as it was in the original submission with one exception; remove the “1” from Field Position 48, and set the Correction File Indicator (Field Position 50) to “1” (one). (<i>See Note 1.</i>). E. The Payee “B” Records must contain exactly the same information as submitted previously, except, insert a Corrected Return Indicator Code of “G” in Field Position 6 of the “B” Records, and enter “0” (zeros) in all payment amounts. (<i>See Note 1.</i>). F. Corrected returns submitted to IRS/MCC using “G” coded “B” Records may be on the same file as those returns submitted with a “C” code; however, separate “A” Records are required G. Prepare a separate “C” Record for each type of return and each payer being reported H. Continue with Transaction 2 to complete the correction..
<p>Transaction 2: Report the correct information.</p>	
	<ul style="list-style-type: none"> A. Make a separate “A” Record for each type of return and each payer being reported. Remove the “1” in Field Position 48 and set the Correction File Indicator (Field Position 50), to “1” (one) B. The Payee “B” Records must show the correct information as well as a Corrected Return Indicator Code of “C” in Field Position 6. C. Corrected returns submitted to IRS/MCC using “C” coded “B” Records may be on the same file as those returns submitted with “G” codes; however, separate “A” Records are required. D. Prepare a separate “C” Record for each type of return and each payer being reported.

Guidelines for Filing Corrected Returns Electronically/Magnetically (Continued)	
Error Made on the Original Return	How To File the Corrected Return
	<p>E. The last record on the file will be the End of Transmission "F" Record.</p> <p>F. Indicate "Correction" on the external media label</p>
<p>Note 1: The Record Sequence Number will be different since this is a counter number and is unique to each file. For 1099-R corrections, if the corrected amounts are zeros, certain indicators will not be used.</p> <p>Note 2: See the <i>2004 General Instructions for Forms 1099, 1098, 5498, and W-2G</i> for additional information on regulations affecting corrections and related penalties.</p>	

File layout two step corrections					
Transmitter "T" Record	Payer "A" Record	"G" coded Payee "B" Record	"G" coded Payee "B" Record	End of Payer "C" Record	Payer "A" Record

"C" coded Payee "B" Record	"C" coded Payee "B" Record	End of Payer "C" Record	End of Transmission "F" Record
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Note 3: If a filer is correcting the name and/or TIN in addition to any errors listed in item 2 of the chart, two transactions will be required. If a filer is reporting "G" coded, "C" coded, and/or "Non-coded" (original) returns on the same media, each category must be reported under separate "A" Records.

Sec. 12. Effect on Paper Returns and Statements to Recipients

- .01 Electronic/Magnetic reporting of information returns eliminates the need to submit paper documents to the IRS. **CAUTION: Do not send Copy A of the paper forms to IRS/MCC for any forms filed electronically or magnetically.** This will result in duplicate filing; therefore, erroneous notices could be generated.
- .02 Payers are responsible for providing statements to the payees as outlined in the *2004 General Instructions for Forms 1099, 1098, 5498, and W-2G*. Refer to those instructions for filing information returns on paper with the IRS and furnishing statements to recipients.
- .03 Statements to recipients should be clear and legible. If the official IRS form is not used, the filer must adhere to the specifications and guidelines in Publication 1179, Rules and Specifications for Private Printing of Substitute Forms 1096, 1098, 1099, 5498, and W-2G.

Sec. 13. Combined Federal/State Filing Program

- Through the Combined Federal/State Filing (CF/SF) Program, IRS/MCC will forward original and corrected information returns filed electronically or magnetically to participating states for approved filers.

- For approval, the filer must submit a test file coded for this program. See Part A, Sec. 7, Test Files.
 - For magnetic media test files, attach a letter to Form 4804 requesting approval to participate in the CF/SF Program. Form 4804 or letter is not required for tests sent electronically.
 - Approved filers are sent Form 6847, Consent for Internal Revenue Service to Release Tax Information, which must be completed and returned to IRS/MCC. A separate form is required for each payer.
- .01 The Combined Federal/State Filing (CF/SF) Program was established to simplify information returns filing for the taxpayer. IRS/MCC will forward this information to participating states free of charge for approved filers. Separate reporting to those states is not necessary. The following information returns may be filed under the Combined Federal/State Filing Program:
- | | |
|----------------|---|
| Form 1099-DIV | Dividends and Distributions |
| Form 1099-G | Certain Government Payments |
| Form 1099-INT | Interest Income |
| Form 1099-MISC | Miscellaneous Income |
| Form 1099-OID | Original Issue Discount |
| Form 1099-PATR | Taxable Distributions Received From Cooperatives |
| Form 1099-R | Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc. |
| Form 5498 | IRA Contribution Information |
- .02 To request approval to participate, a magnetic media test file coded for this program **must** be submitted to IRS/MCC between *November 1, 2004, and December 15, 2004*. *Media must be **postmarked** no later than December 1, 2004 in order to be received at MCC by December 15 for processing*. Electronic test files coded for this program must be submitted between *November 1, 2004, and February 15, 2005*.
- .03 Attach a letter to Form 4804 submitted with the test file to indicate a desire to participate in the Combined Federal/State Filing Program. Test files sent electronically do not require Form 4804 or letter. If the test file is coded for the Combined Federal/State Filing Program and is acceptable, an approval letter and Form 6847, Consent For Internal Revenue Service to Release Tax Information, will be sent to the filer.
- .04 A test file is only required for the **first** year when you apply to participate in the Program. Each record, both in the test and the actual data file, must conform to this Revenue Procedure.
- .05 If the test file is acceptable, IRS/MCC will send the filer an approval letter, and Form 6847, Consent for Internal Revenue Service to Release Tax Information, which the payer **must** complete, sign, and return to IRS/MCC before any tax information can be released to the state. Filers must write their TCC on Form 6847.
- .06 If the test file is not acceptable, IRS/MCC will send magnetic media filers information indicating the problems. Electronic filers must log on to the FIRE System within two business days to check the acceptability of their test file. The new test file must be postmarked no later than December 1, 2004 for magnetic media, or February 15, 2005 for an electronically filed test.
- .07 A separate Form 6847 is **required** for each payer. A transmitter may not combine payers on one Form 6847 even if acting as Attorney-in-Fact for several payers. Form 6847 may be computer-generated as long as it includes all information that is on the original form or it may be photocopied. If Form 6847 is signed by an Attorney-in-Fact, the written consent from the payer must clearly indicate that the Attorney-in-Fact is empowered to authorize release of the information.
- .08 Only code the records for participating states and for those payers who have submitted Form 6847.
- .09 *If a payee has a reporting requirement for more than one state, separate “B” records must be created for each state. Pro-rate the reporting, allocating what should be reported to each state. Do **not** report the total amount to each state. This will cause duplicate reporting.*
- .10 Some participating states require separate notification that the payer is filing in this manner. Since IRS/MCC acts as a forwarding agent only, it is the payer’s responsibility to contact the appropriate states for further information.

- .11 All corrections properly coded for the Combined Federal/State Filing Program will be forwarded to the participating states. *Only send corrections which affect the Federal reporting. Errors which apply only to the state filing requirement should be sent directly to the state.*
- .12 Participating states and corresponding valid state codes are listed in **Table 1** of this section. The appropriate state code **must** be entered for those documents that meet the state filing requirements; **do not use state abbreviations.**
- .13 Each state’s filing requirements are subject to change by the state. It is the payer’s responsibility to contact the participating states to verify their criteria.
- .14 Upon submission of the actual files, the transmitter **must** be sure of the following:
 - (a) All records are coded exactly as required by this Revenue Procedure.
 - (b) A State Total “K” Record(s) for each state(s) being reported follows the “C” Record.
 - (c) Payment amount totals and the valid participating state code are included in the State Totals “K” Record(s).
 - (d) The last “K” Record is followed by an “A” Record or an End of Transmission “F” Record (if this is the last record of the entire file).

Table 1. Participating States and Their Codes *

State	Code	State	Code	State	Code
Alabama	01	Indiana	18	Nebraska	31
Arizona	04	Iowa	19	New Jersey	34
Arkansas	05	Kansas	20	New Mexico	35
California	06	Louisiana	22	North Carolina	37
Colorado	07	Maine	23	North Dakota	38
Connecticut	08	Maryland	24	Ohio	39
Delaware	10	Massachusetts	25	South Carolina	45
District of Columbia	11	Minnesota	27	Virginia	51
Georgia	13	Mississippi	28	Wisconsin	55
Hawaii	15	Missouri	29		
Idaho	16	Montana	30		

* *The codes listed above are correct for the IRS Combined Federal/State Filing Program and may not correspond to the state codes of other Agencies or programs.*

Sample File Layout for Combined Federal/State Filer

Transmitter “T” Record	Payer “A” Record coded with 1 in position 26	Payee “B” Record with state code 15 in position 747-748	Payee “B” Record with state code 06 in position 747-748	Payee “B” Record no state code	End of Payer “C” Record
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State Total “K” Record for “B” records coded 15. “K” record coded 15 in positions 747-748.	State Total “K” Record for “B” records coded 06. “K” record coded 06 in positions 747-748.	End of Transmission “F” Record
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Sec. 14. Penalties Associated With Information Returns

.01 The following penalties generally apply to the person required to file information returns. The penalties apply to electronic/magnetic media filers as well as to paper filers.

.02 **Failure To File Correct Information Returns by the Due Date (Section 6721).**

If you fail to file a correct information return by the due date and you cannot show reasonable cause, you may be subject to a penalty. The penalty applies if you fail to file timely, you fail to include all information required to be shown on a return, or you include incorrect information on a return. The penalty also applies if you file on paper when you were required to file on magnetic media, you report an incorrect TIN or fail to report a TIN, or you fail to file paper forms that are machine readable.

The amount of the penalty is based on when you file the correct information return. The penalty is:

- \$15 per information return if you correctly file within 30 days of the due date of the return (See Part A, Sec. 9 .01); maximum penalty \$75,000 per year (\$25,000 for small businesses).
- \$30 per information return if you correctly file more than 30 days after the due date but by August 1; maximum penalty \$150,000 per year (\$50,000 for small businesses).
- \$50 per information return if you file after August 1 or you do not file required information returns; maximum penalty \$250,000 per year (\$100,000 for small businesses).

.03 A late filing penalty may be assessed for a replacement file which is not returned by the required date. Files which require replacement more than two times will also be subject to penalty. See Part A, Sec. 10, for more information on replacement files.

.04 **Intentional disregard of filing requirements.** If any failure to file a correct information return is due to intentional disregard of the filing or correct information requirements, the penalty is at least \$100 per information return with no maximum penalty.

.05 **Failure To Furnish Correct Payee Statements (Section 6722) .** For information regarding penalties which may apply to failure to furnish correct payee statements, see *2004 General Instructions for Forms 1099, 1098, 5498, and W-2G*.

Sec. 15. State Abbreviations

- .01 The following state and U.S. territory abbreviations are to be used when developing the state code portion of address fields. This table provides state and territory abbreviations only, and does not represent those states participating in the Combined Federal/State Filing Program.

State	Code	State	Code	State	Code
Alabama	AL	Kentucky	KY	No. Mariana Islands	MP
Alaska	AK	Louisiana	LA	Ohio	OH
American Samoa	AS	Maine	ME	Oklahoma	OK
Arizona	AZ	Marshall Islands	MH	Oregon	OR
Arkansas	AR	Maryland	MD	Pennsylvania	PA
California	CA	Massachusetts	MA	Puerto Rico	PR
Colorado	CO	Michigan	MI	Rhode Island	RI
Connecticut	CT	Minnesota	MN	South Carolina	SC
Delaware	DE	Mississippi	MS	South Dakota	SD
District of Columbia	DC	Missouri	MO	Tennessee	TN
Federated States of Micronesia	FM	Montana	MT	Texas	TX
Florida	FL	Nebraska	NE	Utah	UT
Georgia	GA	Nevada	NV	Vermont	VT
Guam	GU	New Hampshire	NH	Virginia	VA
Hawaii	HI	New Jersey	NJ	(U.S.) Virgin Islands	VI
Idaho	ID	New Mexico	NM	Washington	WA
Illinois	IL	New York	NY	West Virginia	WV
Indiana	IN	North Carolina	NC	Wisconsin	WI
Iowa	IA	North Dakota	ND	Wyoming	WY
Kansas	KS				

- .02 Filers must adhere to the city, state, and ZIP Code format for U.S. addresses in the “B” Record. This also includes American Samoa, Federated States of Micronesia, Guam, Marshall Islands, Northern Mariana Islands, Puerto Rico, and the U. S. Virgin Islands.
- .03 For foreign country addresses, filers may use a 51 position free format which should include city, province or state, postal code, and name of country in this order. This is allowable only if a “1” (one) appears in the Foreign Country Indicator, Field Position 247, of the “B” Record.
- .04 When reporting APO/FPO addresses, use the following format:

EXAMPLE:

Payee Name	PVT Willard J. Doe
Mailing Address	Company F, PSC Box 100 167 Infantry REGT
Payee City	APO (or FPO)
Payee State	AE, AA, or AP*
Payee ZIP Code	098010100

- * AE is the designation for ZIPs beginning with 090-098, AA for ZIP 340, and AP for ZIPs 962-966.

Sec. 16. Major Problems Encountered

IRS/MCC encourages filers to verify the format and content of each type of record to ensure the accuracy of the data. This may eliminate the need for IRS/MCC to request replacement files. This may be important for those payers who have either had their files prepared by a service bureau or who have purchased preprogrammed software packages.

Filers who engage a service bureau to prepare media on their behalf should be careful not to report duplicate data, which may generate penalty notices.

The Major Problems Encountered lists some of the most frequently encountered problems with electronic/magnetic files submitted to IRS/MCC. These problems may result in IRS/MCC requesting replacement files. Some of the problems resulted from not referring to this publication for instructions.

1. Incorrect Format

- Multiple Files on diskettes – Each diskette must contain only ONE file, named IRSTAX. A file consists of one Transmitter “T” Record followed by a Payer “A” Record, Payee “B” Records, End of Payer “C” Record, State Totals “K” Record (if applicable for CF/SF Program), and the End of Transmission “F” Record. A file can contain multiple Payer “A” Records, but only one Transmitter “T” Record. See Part D, Sec. 10, for file layout diagram.
- Invalid record length – ALL Records must be 750 Positions in length.
- Prior tax year data **must** be formatted in the **current** tax year format. Be sure to use the **current Revenue Procedure (Publication 1220)** for formatting prior tax year data.

2. Unable to read tape cartridge.

Please review all tape cartridge specifications carefully (See Part C, Sections 1 and 2.)

3. No Form 4804, Transmittal of Information Returns Reported Magnetically

Each shipment of media sent to IRS/MCC must include a signed Form 4804. More than one type of media may be sent in the same shipment, (i.e., diskette, and tape cartridge) but must have a separate Form 4804 to accompany **each type of media**.

4. Discrepancy Between IRS/MCC Totals and Totals in Payer “C” Records

The “C” Record is a summary record for a type of return for a given payer. IRS compares the total number of payees and payment amounts in the “B” records with totals in the “C” Records. The two totals must agree. Do NOT enter negative amounts except when reporting Forms 1099-B or 1099-Q. Money amounts must be all numeric, right-justified and zero (0) filled. Do Not Use Blanks.

5. The Payment Amount Fields in the “B” Record Do Not Correspond to the Amount Codes in the “A” Record

The Amount Codes used in the “A” record **MUST** correspond with the payment amount fields used in the “B” records. The amount codes must be left-justified, in ascending order with the unused positions blank. For Example: If the “B” records show payment amounts in payment amount fields 2, 4, and 7, then the “A” record must correspond with 2, 4, and 7 in the amount codes field.

6. Incorrect TIN in Payer “A” Record

The Payer’s TIN reported in positions 12-20 of the “A” record must be nine numeric characters only. **(Do Not Enter Hyphen.)** The TIN and the First Payer Name Line provided in the “A” record must correspond.

7. Incorrect Tax Year in the Transmitter “T” Record, Payer “A” Record and the Payee “B” Records

The tax year in the transmitter, payer and payee records should reflect the tax year of the information return being reported. For prior tax year data, there must be a “P” in position 6 of the Transmitter “T” record. Media postmarked December 1, 2004 or later **must** have the Prior Year Data Indicator coded with a “P” in position 6 of the Transmitter “T” Record. This position must be blank for current tax year data.

8. Incorrect Reporting of Form W-2 Information to IRS

Form W-2 information is submitted to SSA and **not** to IRS/MCC. **Any media received at IRS/MCC that contains W-2 information will be forwarded to SSA. The filer will be notified of this action by letter.** To inquire about filing Form W-2 information magnetically/electronically, call 1-800-SSA-6270.

9. Incorrect use of Test Indicator

When sending a test file, position 28 of the Transmitter “T” record must contain a “T”, otherwise blank fill.

10. Incorrect Format for TINs in the Payee “B” Record

TINs entered in position 12-20 of the Payee “B” record must consist of nine numerics only. **(Do Not Enter Hyphens.)** Incorrect formatting of TINs may result in a penalty.

Payers/Transmitters who submit data with missing TINs, and have taken the required steps to obtain this information are encouraged to attach a letter of explanation to the required Form 4804. This letter, however, will not prevent backup withholding notices (CP2100 and CP2100A Notices) or proposed penalties (Notice 972CG) for missing or incorrect TINs. For penalty information, refer to the Penalties section of the *2004 General Instructions for Forms 1099, 1098, 5498, and W-2G*.

11. Distribution Codes for Form 1099-R Reported Incorrectly

For Forms 1099-R, there must be valid Distribution Code(s) in position 545-546 of the Payee “B” record. For valid codes (and combinations), see Guide to Distribution Codes in Part D. If only one distribution code is required, it must be entered in position 545 and position 546 must be blank. A blank in position 545 is not acceptable.

12. Incorrect Record Totals Listed on Form 4804

The Combined Total Payee Records listed on Form 4804 (Block 6) are used in the verification process of information returns. The figure in this block **must** be the total number of payee “B” records contained on each individual piece of media submitted. A separate Form 4804 should be sent for each piece of media that contains a file.

13. Missing Correction Indicator in Payee “B” Record

When a file is submitted as a correction file, there must be a correction indicator, “G” or “C” in position 6 of the Payee “B” record. See Part A, Sec. 11

Part B. Electronic Filing Specifications

☛ Note: The FIRE System is now on the Internet at <http://fire.irs.gov>. It is no longer a dial-up connection.

Sec. 1. General

- .01 Electronic filing of Forms 1098, 1099, 5498, and W-2G information returns, originals, corrections, and replacements is offered as an alternative to magnetic media (tape cartridge or diskette) or paper filing. Filing electronically will fulfill the magnetic media requirements for those payers who are required to file magnetically. Payers who are under the filing threshold requirement, are encouraged to file electronically. If the original file was sent magnetically, but IRS/MCC has requested a replacement file, the replacement may be transmitted electronically. Also, if the original file was submitted via magnetic media, any corrections may be transmitted electronically.
- .02 All electronic filing of information returns are received at IRS/MCC via the FIRE (Filing Information Returns Electronically) System. To connect to the FIRE System, point your browser to <http://fire.irs.gov>. The system is designed to support the electronic filing of information returns only.
- .03 The electronic filing of information returns is not affiliated with any other IRS electronic filing programs. Filers must obtain separate approval to participate in each of them. Only inquiries concerning electronic filing of information returns should be directed to IRS/MCC.
- .04 Files submitted to IRS/MCC electronically must be in standard ASCII code. Do not send magnetic media or paper forms with the same information as electronically submitted files. This would create duplicate reporting resulting in penalty notices.
- .05 The record formats of the “T”, “A”, “B”, “C”, “K”, and “F” records are the same for both electronically or magnetically filed records. See Part D, Record Format Specifications and Record Layouts.

Sec. 2. Advantages of Filing Electronically

Some of the advantages of filing electronically are:

- (1) Paperless, no Form 4804 requirements.
- (2) Security – Secure Socket Layer (SSL) 128-bit encryption.
- (3) Results available within 1-2 workdays regarding the acceptability of the data transmitted. It is the filer’s responsibility to log into the system and check results.
- (4) Later due date than magnetic media or paper for electronically filed Forms 1098, 1099, and W-2G (refer to Part A, Sec. 9.01).
- (5) Allows more attempts than magnetic media filing to replace bad files within a specific time frame before imposing penalties (refer to Part B, Sec. 5.05).
- (6) Better customer service due to on-line availability of transmitter’s files for research purposes.
- (7) Extended period to test electronic files: November 1, 2004 to February 15, 2005.

Sec. 3. Electronic Filing Approval Procedure

- .01 Filers must obtain a Transmitter Control Code (TCC) prior to submitting files electronically. Filers who currently have a TCC for magnetic media filing may use their assigned TCC for electronic filing. Refer to Part A, Sec. 6, for information on how to obtain a TCC.
- .02 Once a TCC is obtained, electronic filers assign their own user ID, password and PIN (Personal Identification Number) and do not need prior or special approval. See Part B, Sec. 6, for more information on the PIN.
- .03 If a filer is submitting files for more than one TCC, it is not necessary to create a separate logon and password for each TCC.

- .04 For all passwords, it is the user's responsibility to remember the password and not allow the password to be compromised. Passwords are user assigned at first logon and must be 8 alpha/numerics containing at least 1 uppercase, 1 lowercase, and 1 numeric. However, filers who forget their password or PIN, can call **toll-free 1-866-455-7438** for assistance. The FIRE System may require users to change their passwords on a yearly basis.

Sec. 4. Test Files

- .01 Filers are not required to submit a test file; however, the submission of a test file is encouraged for all new electronic filers to test hardware and software. If filers wish to submit an electronic test file for Tax Year 2004 (returns to be filed in 2005), it **must** be submitted to IRS/MCC **no earlier than** November 1, 2004, and **no later than** February 15, 2005.
- .02 Filers who encounter problems while transmitting the electronic test file can contact IRS/MCC **toll-free at 1-866-455-7438** for assistance.
- .03 Filers must verify the status of the transmitted test data by going to <http://fire.irs.gov> and verifying the status of their file by clicking on CHECK FILE STATUS. This information will be available within 1-2 workdays after the transmission is received by IRS/MCC.
- .04 Form 4804 is not required for test files submitted electronically. See Part B, Sec.6.
- .05 **A test file is required from filers who want approval for the Combined Federal/State Filing Program. See Part A, Sec. 13, for further details.**

Sec. 5. Electronic Submissions

- .01 Electronically filed information may be submitted to IRS/MCC 24 hours a day, 7 days a week. Technical assistance will be available Monday through Friday between 8:30 a.m. and 4:30 p.m. Eastern time by calling **toll-free at 1-866-455-7438**.
- .02 **The FIRE System will be down from December 23, 2004, through January 4, 2005.**
This allows IRS/MCC to update its system to reflect current year changes.
 - ☛ **Note: If you are sending a TY2003 file electronically, do not enter a 'P' in position 6 of the 'T' record (for prior year) unless you are sending the file after 12/22/2004. After 12/22/2004, any file submitted electronically for TY2003 or earlier will need to be coded with a 'P' in position 6 of the 'T' record.**
- .03 If you are sending files larger than 10,000 records electronically, data compression is encouraged. If you are considering sending files larger than 5 million records, please contact IRS/MCC for specifics. WinZip and PKZip are the only acceptable compression packages. IRS/MCC cannot accept self-extracting zip files or compressed files containing multiple files. The time required to transmit information returns electronically will vary depending upon the type of connection to the internet and if data compression is used. **The time required to transmit a file can be reduced by as much as 95 percent by using compression.**
- .04 Transmitters may create files using self assigned files name(s). Files submitted electronically will be assigned a new unique file name by the FIRE System. The filename assigned by the FIRE System will consist of submission type (TEST, ORIG [original], CORR [correction], and REPL [replacement]), the filer's TCC and a four digit number sequence. The sequence number will be incremented for every file sent. For example, if it is your first original file for the calendar year and your TCC is 44444, the IRS assigned filename would be ORIG.44444.0001. **Record the filename.** This information will be needed by MCC to identify the file, if assistance is required.
- .05 If a file was submitted timely and is bad, the filer will have up to 60 days from the day the file was transmitted or 4 replacement attempts within that 60 day period, whichever comes first, to transmit an acceptable file. If an acceptable file is not received within 60 days, or within 4 replacement attempts, then the payer could be subject to late filing penalties. This only applies to files originally submitted electronically.

- .06 The following definitions have been provided to help distinguish between a correction and a replacement:
- A **correction** is an information return submitted by the transmitter to correct an information return that was previously submitted to and processed by IRS/MCC, but contained erroneous information. (See Note.)
- ☛ Note: Corrections should only be made to records that have been submitted incorrectly, not the entire file.
- A **replacement** is an information return file sent by the filer because the CHECK FILE STATUS option on the FIRE System indicated the original file was bad. After the necessary changes have been made, the file must be transmitted through the FIRE System. (See Note.)
- ☛ Note: Filers should never transmit anything to IRS/MCC as a “Replacement” file unless the CHECK FILE STATUS option on the FIRE System indicates the file is bad.
- .07 The TCC in the Transmitter “T” Record must be the TCC used to transmit the file; otherwise, the file will be considered an error.

Sec. 6. PIN Requirements

- .01 Form 4804 is not required for electronic files. Instead, the user will be prompted to create a PIN consisting of 10 numerics when establishing their initial logon name and password.
- .02 The PIN is required each time an ORIGINAL, CORRECTION, or REPLACEMENT file is sent electronically and is permission to release the file. It is not needed for a TEST file. An authorized agent may enter their PIN, however, the payer is responsible for the accuracy of the returns. The payer will be liable for penalties for failure to comply with filing requirements. If you forget your PIN, please call **toll-free at 1-866-455-7438** for assistance.
- .03 If the file is good, it is released for mainline processing after 10 calendar days from receipt. Contact us **toll-free at 1-866-455-7438** within this 10-day period if there is a reason the file should not be released for further processing. If the file is bad, follow normal replacement procedures.

Sec. 7. Electronic Filing Specifications

- .01 The FIRE System is designed exclusively for the filing of Forms 1042-S, 1098, 1099, 5498, 8027, W-2G and Questionable W-4.
- .02 A transmitter must have a TCC (see Part A, Sec. 6) before a file can be transmitted. A TCC assigned for magnetic media filing should also be used for electronic filing.
- .03 The results of the electronic transmission will be available in the CHECK FILE STATUS area of the FIRE System within 1-2 business days. It is the filer’s responsibility to verify the acceptability of files submitted by selecting the CHECK FILE STATUS option. Forms 1042-S, 8027 and Questionable W-4 require a longer processing time.

Sec. 8. Connecting to the FIRE System

- .01 Point your browser to <http://fire.irs.gov> to connect to the FIRE System.
- .02 When running Norton Internet Security or similar software, you may need to disable this feature if your file transfer does not complete properly.
- .03 Before connecting, have your TCC and EIN available.
- .04 Your browser must support SSL 128-bit encryption.
- .05 Your browser must be set to receive “cookies”. Cookies are used to preserve your User ID status.

First time connection to The FIRE System (If you have logged on previously, skip to Subsequent Connections to the FIRE System.)

Click **“Create New Account”**.

Fill out the registration form and click **“Submit”**.

Enter your **User ID** (most users logon with their first and last name).

Enter and verify your **password** (the password is user assigned and must be 8 alpha/numerics, containing at least 1 uppercase, 1 lowercase and 1 numeric). FIRE may require you to change the password once a year.

Click **“Create”**.

If you receive the message **“Account Created”**, click **“OK”**.

Enter and verify your 10 digit self-assigned PIN (Personal Identification Number).

Click **“Submit”**.

If you receive the message **“Your PIN has been successfully created!”**, click **“OK”**.

Read the bulletin(s) and/or click **“Start the FIRE application”**.

Subsequent connections to The FIRE System

Click **“Log On”**.

Enter your **User ID** (most users logon with their first and last name).

Enter your **password** (the password is user assigned and is case sensitive).

Uploading your file to the FIRE System

At Menu Options:

Click **“Send Information Returns”**

Enter your **TCC**:

Enter your **EIN**:

Click **“Submit”**.

The system will then display the company name, address, city, state, ZIP code, phone number, contact and email address. This information will be used to contact or send correspondence (if necessary) regarding this transmission. Update as appropriate and/or Click **“Accept”**.

Click one of the following:

Original File

Correction File

Test File

Replacement File (if you select this option, select one of the following):

NEW FIRE Replacement (file was originally transmitted on this system)

Click the file to be replaced.

Magnetic Media Replacement

Enter the alpha character from Form 9267, Media Tracking Slip, that was sent with the request for replacement file. Click **“Submit”**.

Enter your 10 digit PIN.

Click **“Submit”**.

Click **“Browse”** to locate the file and open it.

Click **“Upload”**.

When the upload is complete, the screen will display the total bytes received and tell you the name of the file you just uploaded.

If you have more files to upload for that TCC:
Click **"File Another?"**; otherwise,
Click **"Main Menu"**.

It is your responsibility to check the acceptability of your file; therefore, be sure to check back into the system in 1-2 business days using the CHECK FILE STATUS option.

Checking your FILE STATUS

At the Main Menu:
Click **"Check File Status"**.
Enter your *TCC*:
Enter your *EIN*:
Click **"Search"**.

If "Results" indicate:

"Good, Not Released" and you agree with the "Count of Payees", you are finished with this file. The file will automatically be released after 10 calendar days unless you contact us within this timeframe.

"Good, Released" – File has been released to our mainline processing.

"Bad" - Correct the errors and timely resubmit the file as a "replacement".

"Not yet processed" - File has been received, but we do not have results available yet. Please check back in a few days.

Click on the desired file for a detailed report of your transmission.
When you are finished, click on **Main Menu**.
Click **"Log Out"**
Close your Web Browser.

Sec. 9. Common Problems and Questions Associated with Electronic Filing

.01 Refer to Part A, Sec. 16, for common format errors associated with electronic/magnetic files.

.02 The following are the major errors associated with electronic filing:

NON-FORMAT ERRORS

1. Transmitter does not check the FIRE System to determine file acceptability.

The results of your file transfer are posted to the FIRE System within two business days. It is your responsibility to verify file acceptability and, if the file contains errors, you can get an online listing of the errors. Date received and number of payee records are also displayed. If the file is good, but you do not want the file processed, you must contact IRS/MCC within 10 calendar days from the transmission of your file.

2. Incorrect file is not replaced timely.

If your file is bad, correct the file and timely resubmit as a replacement.

3. Transmitter compresses several files into one.

Only compress one file at a time. For example, if you have 10 uncompressed files to send, compress each file separately and send 10 separate compressed files.

4. Transmitter sends a file and CHECK FILE STATUS indicates that the file is good, but the transmitter wants to send a replacement or correction file to replace the original/correction/replacement file.

Once a file has been transmitted, you cannot send a replacement file unless CHECK FILE STATUS indicates the file is bad (1-2 business days after file was transmitted). If you do not want us to process the file, you must first contact us **toll-free at 1-866-455-7438** to see if this is a possibility.

5. Transmitter sends an original file that is good, and then sends a correction file for the entire file even though there are only a few changes.

The correction file, containing the proper coding, should only contain the records needing correction, not the entire file.

6. File is formatted as EBCDIC.

All files submitted electronically must be in standard ASCII code.

7. Transmitter has one TCC number, but is filing for multiple companies, which EIN should be used when logging into the system to send the file?

When sending the file electronically, you will need to enter the EIN of the company assigned to the TCC. When you upload the file, it will contain the EIN's for the other companies that you are filing for. This is the information that will be passed forward.

8. Transmitter sent the wrong file, what should be done?

Call us as soon as possible **toll-free at 1-866-455-7438**. We may be able to stop the file before it has been processed. **Please do not send a replacement for a file that is marked as a good file.**

Part C. Magnetic Media Filing Specifications

- .01 Transmitters should be consistent in the use of recording codes and density on files. If the media does not meet these specifications, IRS/MCC will request a replacement file. Filers are encouraged to submit a test prior to submitting the actual file. Contact IRS/MCC **toll-free at 1-866-455-7438 extension 5** for further information. Transmitters should also check media for viruses before submitting to IRS/MCC.

Sec. 1. Tape Cartridge Specifications

- .01 In most instances, IRS/MCC can process tape cartridges that meet the following specifications:
- (a) Must be IBM 3480, 3490, 3490E, 3590, or 3590E.
 - (b) Must meet American National Standard Institute (ANSI) standards, and have the following characteristics:
 - (1) Tape cartridges must be ½-inch tape contained in plastic cartridges that are approximately 4-inches by 5-inches by 1-inch in dimension.
 - (2) Magnetic tape must be chromium dioxide particle based ½-inch tape.
 - (3) Cartridges must be 18-track, 36-track, 128-track or 256-track parallel (**See Note.**)
 - (4) Cartridges will contain 37,871 CPI, 75,742 CPI, or 3590 CPI (characters per inch).
 - (5) Mode will be full function.
 - (6) The data may be compressed using EDRC (Memorex) or IDRC (IBM) compression.
 - (7) Either EBCDIC (Extended Binary Coded Decimal Interchange Code) or ASCII (American Standard Coded Information Interchange) may be used.
- .02 The tape cartridge records defined in this Revenue Procedure may be blocked subject to the following:
- (a) A block **must not** exceed 32,250 tape positions.
 - (b) If the use of blocked records would result in a short block, all remaining positions of the block must be filled with 9s; however, the last block of the file may be filled with 9s or truncated. **Do not pad a block with blanks.**
 - (c) All records, except the header and trailer labels, may be blocked or unblocked. A record may not contain any control fields or block descriptor fields, which describe the length of the block or the logical records within the block. The number of logical records within a block (the blocking factor) must be constant in every block with the exception of the last block, which may be shorter (see item (b) above). The block length must be evenly divisible by 750.
 - (d) Records may not span blocks.
- .03 Tape cartridges may be labeled or unlabeled.
- .04 For the purposes of this Revenue Procedure, the following must be used:
- Tape Mark:
- (a) Signifies the physical end of the recording on tape.
 - (b) For even parity, use BCD configuration 001111 (8421).
 - (c) May follow the header label and precede and/or follow the trailer label.
- ☛ **Note:** Filers should indicate on the external media label whether the cartridge is 18-track, 36-track, 128-track or 256-track.

Sec. 2. 3½-Inch Diskette Specifications

- .01 To be compatible, a diskette file must meet the following specifications:
- (a) 3½-inches in diameter.
 - (b) Data **must** be recorded in standard ASCII code.
 - (c) Records must be a fixed length of 750 bytes per record.
 - (d) Delimiter character commas (,) must not be used.
 - (e) Positions 749 and 750 of each record have been reserved for use as carriage return/line feed (cr/lf) characters, if applicable.
 - (f) Filename of IRSTAX must be used. Do not enter any other data in this field. If a file will consist of more than one diskette, the filename IRSTAX will contain a three-digit extension. This extension will indicate the sequence of the diskettes within the file. For example, if the file consists of three diskettes, the first diskette will be named IRSTAX.001, the second will be IRSTAX.002, and the third will be IRSTAX.003. The first diskette, IRSTAX.001 will begin with a “T” Record and the third diskette, IRSTAX.003 will have an “F” Record at the end of the file.
 - (g) A diskette can not contain multiple files. A file can have only **ONE** Transmitter “T” Record.
 - (h) Failure to comply with instructions will result in IRS/MCC requesting a replacement file.
 - (i) Diskettes must meet one of the following specifications:
- | Capacity | Tracks | Sides/Density | Sector Size |
|----------|--------|---------------|-------------|
| 1.44 mb | 96tpi | hd | 512 |
| 1.44 mb | 135tpi | hd | 512 |
- .02 IRS/MCC encourages transmitters to use blank or currently formatted diskettes when preparing files. If extraneous data follows the End of Transmission “F” Record, IRS/MCC will request a replacement file.
- .03 IRS/MCC will **only** accept 3½-inch diskettes created using MS-DOS.
- .04 **3½-inch diskettes created on a System 36 or iSeries(AS400) are not acceptable.**

Part D· Record Format Specifications and Record Layouts

Sec. 1. General

- .01 The specifications contained in this part of the Revenue Procedure define the required formation and contents of the records to be included in the electronic or magnetic media files.
- .02 A provision is made in the “B” Records for entries which are optional. If the field is not used, enter blanks to maintain a fixed record length of 750 positions. Each field description explains the intended use of specific field positions.

Sec. 2. Transmitter “T” Record - General Field Descriptions

- .01 The Transmitter “T” Record identifies the entity transmitting the electronic/magnetic media file and contains information which is critical if it is necessary for IRS/MCC to contact the filer.
- .02 The Transmitter “T” Record is the first record on each file and is followed by a Payer “A” Record. A file format diagram is located at the end of Part D. A replacement file will be requested by IRS/MCC if the “T” Record is not present. For transmitters with multiple diskettes, refer to Part C, Sec. 2, 3½-Inch Diskette Specifications.
- .03 For all fields marked “**Required**”, the transmitter must provide the information described under Description and Remarks. For those fields not marked “**Required**”, a transmitter must allow for the field, but may be instructed to enter blanks or zeros in the indicated field positions and for the indicated length.
- .04 All records must be a fixed length of 750 positions.
- .05 All alpha characters entered in the “T” Record must be upper-case, except email addresses which may be case sensitive. **Do not** use punctuation in the name and address fields.

Record Name: Transmitter “T” Record

Field Position	Field Title	Length	Description and Remarks
1	Record Type	1	Required. Enter “T”
2-5	Payment Year	4	Required. Enter “2004” (unless reporting prior year data; report the year which applies [2002, 2003 etc.] and set the Prior Year Data Indicator in field position 6).
6	Prior Year Data Indicator	1	Required. Enter “P” only if reporting prior year data; otherwise, enter blank. Do not enter a “P” if tax year is 2004. (See Note.)
<p>☛ Note: Current year data MAILED December 2 or later or electronic files SENT December 23 or later must be coded with a “P”. Current year processing ends in December and programs are converted for the next processing year.</p>			
7-15	Transmitter’s TIN	9	Required. Enter the transmitter’s nine-digit Taxpayer Identification Number (TIN). May be an EIN or SSN.
16-20	Transmitter Control Code	5	Required. Enter the five-character alpha/numeric Transmitter Control Code (TCC) assigned by IRS/MCC. A TCC must be obtained to file data with this program.

Record Name: Transmitter "T" Record (Continued)

Field Position	Field Title	Length	Description and Remarks
21-22	Replacement Alpha Character	2	Required for magnetic media replacement files only. Enter the alpha/numeric character which appears immediately following the TCC number on the Media Tracking Slip (Form 9267). Form 9267 accompanies correspondence sent by IRS/MCC when files can not be processed. This field must be blank unless a replacement file has been requested. If the file is being replaced magnetically, information is required in this field. If the file was originally sent magnetically, but the replacement is being sent electronically, the information is required in this field. Otherwise, leave blank for electronic files. Left-justify information and fill unused positions with blanks. If this is not a replacement file, enter blanks.
23-27	Blank	5	Enter blanks.
28	Test File Indicator	1	Required for test files only. Enter a "T" if this is a test file; otherwise, enter a blank.
29	Foreign Entity Indicator	1	Enter a "1" (one) if the transmitter is a foreign entity. If the transmitter is not a foreign entity, enter a blank.
30-69	Transmitter Name	40	Required. Enter the name of the transmitter in the manner in which it is used in normal business. Left-justify and fill unused positions with blanks.
70-109	Transmitter Name (Continuation)	40	Required. Enter any additional information that may be part of the name. Left-justify information and fill unused positions with blanks.
110-149	Company Name	40	Required. Enter the name of the company to be associated with the address where correspondence should be sent.
150-189	Company Name (Continuation)	40	Enter any additional information that may be part of the name of the company where correspondence should be sent.
190-229	Company Mailing Address	40	Required. Enter the mailing address where correspondence should be sent.

Note: Any correspondence relating to problem media or electronic files will be sent to this address. This should be the same address as in box 5 of Form 4804. For U.S. addresses, the payer city, state, and ZIP Code must be reported as a 40, 2, and 9-position field, respectively. Filers must adhere to the correct format for the payer city, state, and ZIP Code.

For foreign addresses, filers may use the payer city, state, and ZIP Code as a continuous 51-position field. Enter information in the following order: city, province or state, postal code, and the name of the country. When reporting a foreign address, the Foreign Entity Indicator in position 29 must contain a "1" (one).

Record Name: Transmitter "T" Record (Continued)

Field Position	Field Title	Length	Description and Remarks
230-269	Company City	40	Required. Enter the city, town, or post office where correspondence should be sent.
270-271	Company State	2	Required. Enter the valid U. S. Postal Service state abbreviation. Refer to the chart for valid state codes in Part A, Sec. 15.
272-280	Company ZIP Code	9	Required. Enter the valid nine-digit ZIP assigned by the U.S. Postal Service. If only the first five digits are known, left-justify information and fill unused positions with blanks.
281-295	Blank	15	Enter blanks.
296-303	Total Number of Payees	8	Enter the total number of Payee "B" Records reported in the file. Right-justify information and fill unused positions with zeros.
304-343	Contact Name	40	Required. Enter the name of the person to be contacted if IRS/MCC encounters problems with the file or transmission.
344-358	Contact Phone Number & Extension	15	Required. Enter the telephone number of the person to contact regarding electronic or magnetic files. Omit hyphens. If no extension is available, left-justify information and fill unused positions with blanks. For example, the IRS/MCC Customer Service Section phone number of 866-455-7438 with an extension of 52345 would be 866455743852345 .
359-393	Contact Email Address	35	Required if available. Enter the email address of the person to contact regarding electronic or magnetic files. Left-justify information. If no email address is available, enter blanks.
394-395	Cartridge Tape File Indicator	2	Required for tape cartridge filers only. Enter the letters "LS" (in uppercase only). Use of this field by filers using other types of media will be acceptable but is not required.
396-410	Electronic File Name For a Replacement File	15	Required. Use for an electronic file which "FILE STATUS" has indicated was rejected. Enter the ORIGINAL or CORRECTION electronic file name assigned by the IRS electronic FIRE System. If you are sending an original, correction, or test file, enter blanks.

EXAMPLE: If you have sent an original file, the TCC is 44444 and it is your first original file, then the filename would be ORIG.44444.0001.

Record Name: Transmitter “T” Record (Continued)

Field Position	Field Title	Length	Description and Remarks
411-416	Transmitter’s Media Number	6	For magnetic media filers only. If your organization uses an in-house numbering system to identify media, enter that number; otherwise, enter blanks.
417-499	Blank	83	Enter blanks.
500-507	Record Sequence Number	8	Required. Enter the number of the record as it appears within your file. The record sequence number for the “T” record will always be “1” (one), since it is the first record on your file and you can have only one “T” record in a file. Each record, thereafter, must be incremented by one in ascending numerical sequence, i.e., 2, 3, 4, etc. Right-justify numbers with leading zeroes in the field. For example, the “T” record sequence number would appear as “00000001” in the field, the first “A” record would be “00000002”, the first “B” record, “00000003”, the second “B” record, “00000004” and so on until you reach the final record of the file, the “F” record
508-517	Blank	10	Enter blanks.
518	Vendor Indicator	1	Required. Enter the appropriate code from the table below to indicate if your software was provided by a vendor or produced in-house.

<u>Indicator</u>	<u>Usage</u>
V	Your software was purchased from a vendor or other source.
I	Your software was produced by in-house programmers.

☛ **Note:** In-house programmer is defined as an employee or a hired contract programmer. If your software is produced in-house, the following Vendor information fields are not required.

519-558	Vendor Name	40	Required. Enter the name of the company from whom you purchased your software.
559-598	Vendor Mailing Address	40	Required. Enter the mailing address.

For U.S. addresses, the vendor city, state, and ZIP Code must be reported as a 40, 2, and 9-position field, respectively. **Filers must adhere to the correct format for the payer city, state, and ZIP Code.** **For foreign addresses,** filers may use the payer city, state, and ZIP Code as a continuous 51-position field. Enter information in the following order: city, province or state, postal code, and the name of the country.

Record Name: Transmitter "T" Record (Continued)

Field Position	Field Title	Length	Description and Remarks
599-638	Vendor City	40	Required. Enter the city, town, or post office.
639-640	Vendor State	2	Required. Enter the valid U.S. Postal Service state abbreviation. Refer to the chart of valid state codes in Part A, Sec. 15.
641-649	Vendor ZIP Code	9	Required. Enter the valid nine-digit ZIP Code assigned by the U.S. Postal Service. If only the first five digits are known, left-justify information and fill unused positions with blanks.
650-689	Vendor Contact Name	40	Required. Enter the name of the person who can be contacted concerning any software questions.
690-704	Vendor Contact Phone Number & Extension	15	Required. Enter the telephone number of the person to contact concerning software questions. Omit hyphens. If no extension is available, left-justify information and fill unused positions with blanks.
705-739	Vendor Contact Email Address	35	Required. Enter the email address of the person to contact concerning software questions. Left-justify information and fill unused positions with blanks.
740	Vendor Foreign Entity Indicator	1	Enter a "1" (one) if the vendor is a foreign entity. Otherwise, enter a blank.
741-748	Blank	8	Enter blanks.
749-750	Blank	2	Enter blanks, or carriage return/line feed characters (CR/LF).

Sec. 3. Transmitter “T” Record - Record Layout

Record Type	Payment Year	Prior Year Data Indicator	Transmitter’s TIN	Transmitter Control Code	Replacement Alpha Character	Blank
1	2-5	6	7-15	16-20	21-22	23-27

Test File Indicator	Foreign Entity Indicator	Transmitter Name	Transmitter Name (Continuation)	Company Name	Company Name (Continuation)
28	29	30-69	70-109	110-149	150-189

Company Mailing Address	Company City	Company State	Company ZIP Code	Blank	Total Number of Payees	Contact Name
190-229	230-269	270-271	272-280	281-295	296-303	304-343

Contact Phone Number & Extension	Contact Email Address	Cartridge Tape File Indicator	Electronic File Name For a Replacement File	Transmitter’s Media Number	Blank	Record Sequence Number
344-358	359-393	394-395	396-410	411-416	417-499	500-507

Blank	Vendor Indicator	Vendor Name	Vendor Mailing Address	Vendor City	Vendor State
508-517	518	519-558	559-598	599-638	639-640

Vendor ZIP Code	Vendor Contact Name	Vendor Contact Phone Number & Extension	Vendor Contact Email Address	Vendor Foreign Entity Indicator	Blank	Blank or CR/LF
641-649	650-689	690-704	705-739	740	741-748	749-750

Sec. 4. Payer “A” Record - General Field Descriptions

- .01 The Payer “A” Record identifies the person making payments, a recipient of mortgage or student loan interest payments, an educational institution, a broker, a person reporting a real estate transaction, a barter exchange, a creditor, a trustee or issuer of any IRA or MSA plan, and a lender who acquires an interest in secured property or who has a reason to know that the property has been abandoned. The payer will be held responsible for the completeness, accuracy, and timely submission of electronic/magnetic files.
- .02 The second record on the file must be an “A” Record. A transmitter may include Payee “B” records for more than one payer in a file. However, **each group** of “B” records must be preceded by an “A” Record and followed by an End of Payer “C” Record. A single file may contain different types of returns but the types of returns **must not** be intermingled. A separate “A” Record is required for each payer and each type of return being reported.

- .03 The number of “A” Records depends on the number of payers and the different types of returns being reported. Do not submit separate “A” Records for each payment amount being reported. For example, if a payer is filing Form 1099-DIV to report Amount Codes 1, 2, and 3, all three amount codes should be reported under one “A” Record, not three separate “A” Records.
- .04 The maximum number of “A” Records allowed on a file is 90,000.
- .05 All records must be a fixed length of 750 positions.
- .06 All alpha characters entered in the “A” Record must be upper case.
- .07 For all fields marked “**Required**”, the transmitter must provide the information described under Description and Remarks. For those fields not marked “**Required**”, a transmitter must allow for the field, but may be instructed to enter blanks or zeros in the indicated media position(s) and for the indicated length.

Record Name: Payer “A” Record

Field Position	Field Title	Length	Description and Remarks
1	Record Type	1	Required. Enter an “A”.
2-5	Payment Year	4	Required. Enter “2004” (unless reporting prior year data; report the year which applies [2002, 2003, etc.]).
6-11	Blank	6	Enter blanks.
12-20	Payer’s Taxpayer Identification Number(TIN)	9	Required. Must be the valid nine-digit Taxpayer Identification Number assigned to the payer. Do not enter blanks, hyphens, or alpha characters. All zeros, ones, twos, etc., will have the effect of an incorrect TIN.

☛ **Note: For foreign entities that are not required to have a TIN, this field must be blank. However, the Foreign Entity Indicator, position 52 of the “A” Record, must be set to “1”(one).**

21-24	Payer Name Control	4	The Payer Name Control can be obtained only from the mail label on the Package 1099 that is mailed to most payers each December. Package 1099 contains Form 7018-C, Order Blank for Forms, and the mail label on the package contains a four (4) character name control. If a Package 1099 has not been received, you can determine your name control using the following simple rules or you can leave the field blank. For a business, use the first four significant characters of the business name. Disregard the word “the” when it is the first word of the name, unless there are only two words in the name. A dash (-) and an ampersand (&) are the only acceptable special characters. Names of less than four (4) characters should be left-justified, filling the unused positions with blanks.
25	Last Filing Indicator	1	Enter a “1” (one) if this is the last year this payer name and TIN will file information returns electronically, magnetically or on paper; otherwise, enter blank.

Record Name: Payer "A" Record (Continued)

Field Position	Field Title	Length	Description and Remarks
26	Combined Federal/State Filer	1	Required for the Combined Federal/State Filing Program. Enter "1" (one) if approved or submitting a test to participate in the Combined Federal/State Filing Program; otherwise, enter blank.

Note: If you entered one in this field position, be sure to code the Payee "B" Records with the appropriate state code. Refer to Part A, Sec. 13, for further information.

27	Type of Return	1	<p>Required. Enter the appropriate code from the table below:</p> <table border="1"> <thead> <tr> <th>Type of Return</th> <th>Code</th> </tr> </thead> <tbody> <tr><td>1098</td><td>3</td></tr> <tr><td>1098-E</td><td>2</td></tr> <tr><td>1098-T</td><td>8</td></tr> <tr><td>1099-A</td><td>4</td></tr> <tr><td>1099-B</td><td>B</td></tr> <tr><td>1099-C</td><td>5</td></tr> <tr><td>1099-CAP</td><td>P</td></tr> <tr><td>1099-DIV</td><td>1</td></tr> <tr><td>1099-G</td><td>F</td></tr> <tr><td>1099-H</td><td>J</td></tr> <tr><td>1099-INT</td><td>6</td></tr> <tr><td>1099-LTC</td><td>T</td></tr> <tr><td>1099-MISC</td><td>A</td></tr> <tr><td>1099-OID</td><td>D</td></tr> <tr><td>1099-PATR</td><td>7</td></tr> <tr><td>1099-Q</td><td>Q</td></tr> <tr><td>1099-R</td><td>9</td></tr> <tr><td>1099-S</td><td>S</td></tr> <tr><td>1099-SA</td><td>M</td></tr> <tr><td>5498</td><td>L</td></tr> <tr><td>5498-ESA</td><td>V</td></tr> <tr><td>5498-SA</td><td>K</td></tr> <tr><td>W-2G</td><td>W</td></tr> </tbody> </table>	Type of Return	Code	1098	3	1098-E	2	1098-T	8	1099-A	4	1099-B	B	1099-C	5	1099-CAP	P	1099-DIV	1	1099-G	F	1099-H	J	1099-INT	6	1099-LTC	T	1099-MISC	A	1099-OID	D	1099-PATR	7	1099-Q	Q	1099-R	9	1099-S	S	1099-SA	M	5498	L	5498-ESA	V	5498-SA	K	W-2G	W
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W-2G	W																																																		

28-41	Amount Codes (See Note.)	14	<p>Required. Enter the appropriate amount codes for the type of return being reported. In most cases, the box numbers on paper information returns correspond with the amount codes used to file electronically or magnetically. However, if discrepancies occur, this Revenue Procedure governs for filing electronically/magnetically. Enter the amount codes in ascending sequence numerics followed by alphas, left-justify, and fill unused positions with blanks.</p>
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Note: A type of return and an amount code must be present in every Payer "A" Record even if no money amounts are being reported. For a detailed explanation of the information to be reported in each amount code, refer to the appropriate paper instructions for each form.

Record Name: Payer "A" Record (Continued)

Field Position	Field Title	Length	Description and Remarks														
Amount Codes Form 1098 - Mortgage Interest Statement			For Reporting Mortgage Interest Received From Payers/ Borrowers (Payer of Record) on Form 1098:														
			<p align="center">Amount</p> <table border="0"> <thead> <tr> <th><u>Code</u></th> <th><u>Amount Type</u></th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Mortgage interest received from payer(s)/ borrower(s)</td> </tr> <tr> <td>2</td> <td>Points paid on purchase of principal residence</td> </tr> <tr> <td>3</td> <td>Refund (or credit) of overpaid interest</td> </tr> <tr> <td>4</td> <td>Blank (Filer's use)</td> </tr> </tbody> </table>	<u>Code</u>	<u>Amount Type</u>	1	Mortgage interest received from payer(s)/ borrower(s)	2	Points paid on purchase of principal residence	3	Refund (or credit) of overpaid interest	4	Blank (Filer's use)				
<u>Code</u>	<u>Amount Type</u>																
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3	Refund (or credit) of overpaid interest																
4	Blank (Filer's use)																
Amount Codes Form 1098-E - Student Loan Interest			For Reporting Interest on Student Loans on Form 1098-E:														
			<p align="center">Amount</p> <table border="0"> <thead> <tr> <th><u>Code</u></th> <th><u>Amount Type</u></th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Student loan interest received by lender</td> </tr> </tbody> </table>	<u>Code</u>	<u>Amount Type</u>	1	Student loan interest received by lender										
<u>Code</u>	<u>Amount Type</u>																
1	Student loan interest received by lender																
Amount Codes Form 1098-T – Tuition Statement			For Reporting Tuition Statements on Form 1098-T:														
			<p align="center">Amount</p> <table border="0"> <thead> <tr> <th><u>Code</u></th> <th><u>Amount Type</u></th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Payments received for qualified tuition and related expenses</td> </tr> <tr> <td>2</td> <td>Amounts billed for qualified tuition and related expenses</td> </tr> <tr> <td>3</td> <td>Adjustments made for prior year</td> </tr> <tr> <td>4</td> <td>Scholarships or grants</td> </tr> <tr> <td>5</td> <td>Adjustments to scholarships or grants for a prior year</td> </tr> <tr> <td>7</td> <td><i>Reimbursements or refunds of qualified tuition and related expenses from an insurance contract</i></td> </tr> </tbody> </table>	<u>Code</u>	<u>Amount Type</u>	1	Payments received for qualified tuition and related expenses	2	Amounts billed for qualified tuition and related expenses	3	Adjustments made for prior year	4	Scholarships or grants	5	Adjustments to scholarships or grants for a prior year	7	<i>Reimbursements or refunds of qualified tuition and related expenses from an insurance contract</i>
<u>Code</u>	<u>Amount Type</u>																
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5	Adjustments to scholarships or grants for a prior year																
7	<i>Reimbursements or refunds of qualified tuition and related expenses from an insurance contract</i>																
			<p>Note: Amount codes 3 and 5 are assumed to be negative. It is not necessary to code with an over punch or dash to indicate a negative reporting. See the 2004 Instructions for Forms 1098-E and T for further Information.</p>														
			<p>Note: For Amount Codes 1 and 2 enter either payments received OR amounts billed. DO NOT report both.</p>														
Amount Codes Form 1099-A – Acquisition or Abandonment of Secured Property			For Reporting the Acquisition or Abandonment of Secured Property on Form 1099-A:														
			<p align="center">Amount</p> <table border="0"> <thead> <tr> <th><u>Code</u></th> <th><u>Amount Type</u></th> </tr> </thead> <tbody> <tr> <td>2</td> <td>Balance of principal outstanding</td> </tr> <tr> <td>4</td> <td>Fair market value of property</td> </tr> </tbody> </table>	<u>Code</u>	<u>Amount Type</u>	2	Balance of principal outstanding	4	Fair market value of property								
<u>Code</u>	<u>Amount Type</u>																
2	Balance of principal outstanding																
4	Fair market value of property																
See the 2004 Instructions for Forms 1099-A and 1099-C for further information on coordination with Form 1099-C																	

Record Name: Payer "A" Record (Continued)

Field Position	Field Title	Length	Description and Remarks
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Amount Codes Form 1099-B -			For Reporting Payments on Form 1099-B:
Proceeds From Broker and Barter Exchange Transactions			
	Amount Code	Amount Type	
	2	Stocks, bonds, etc. (For forward contracts, See Note 1.)	
	3	Bartering (Do not report negative amounts.)	
	4	Federal income tax withheld (backup withholding) (Do not report negative amounts.)	
	6	Profit (or loss) realized in 2004	
	7	Unrealized profit (or loss) on open contracts - 12/31/2003 (See Note 2.)	
	8	Unrealized profit (or loss) on open contracts - 12/31/2004 (See Note 2.)	
	9	Aggregate profit (or loss) (See Note 2.)	

☛ **Note 1:** The payment amount field associated with Amount Code 2 may be used to report a loss from a closing transaction on a forward contract. Refer to the "B" Record – General Field Descriptions and Record Layouts, Payment Amount Fields, for instructions on reporting negative amounts.

☛ **Note 2:** Payment Amount Fields 6, 7, 8, and 9 are to be used for the reporting of regulated futures or foreign currency contracts.

Amount Codes Form 1099-C -			For Reporting Payments on Form 1099-C:
Cancellation of Debt			
	Amount Code	Amount Type	
	2	Amount of debt canceled	
	3	Interest, if included in Amount Code 2	
	7	Fair market value of property (See Note.)	

☛ **Note:** Use Amount Code 7 only if a combined Form 1099-A and 1099-C is being filed.

Amount Codes Form 1099-CAP -			For Reporting Payments on Form 1099-CAP:
Changes in Corporate Control and Capital Structure			
	Amount Code	Amount Type	
	2	Aggregate amount received	

Part D. Record Format Specifications and Record Layouts

Record Name: Payer "A" Record (Continued)

Field Position	Field Title	Length	Description and Remarks
	Amount Codes Form 1099-DIV -Dividends and Distributions		For Reporting Payments on Form 1099-DIV:
			Amount
		Code	Amount Type
		1	Total ordinary dividends
		2	Qualified dividends
		3	Total capital gain distribution
		6	Unrecaptured Section 1250 gain
		7	Section 1202 gain
		8	Collectibles (28%) rate gain
		9	Nontaxable distributions
		A	Federal income tax withheld
		B	Investment expenses
		C	Foreign tax paid
		D	Cash liquidation distributions
		E	Non-cash liquidation distributions
	See the <i>2004 Instructions for Form 1099-DIV</i> for further information		
	Amount Codes Form 1099-G - Certain Government Payments		For Reporting Payments on Form 1099-G:
			Amount
		Code	Amount Type
		1	Unemployment compensation
		2	State or local income tax refunds, credits, or offsets
		4	Federal income tax withheld (backup withholding or voluntary withholding on unemployment compensation or Commodity Credit Corporation Loans, or certain crop disaster payments)
		6	Taxable grants
		7	Agriculture payments

Record Name: Payer "A" Record (Continued)

Field Position	Field Title	Length	Description and Remarks																														
	Amount Codes Form 1099-H - Health Insurance Advance Payments		For Reporting Payments on Form 1099-H: <table border="0"> <thead> <tr> <th align="left" colspan="2">Amount</th> </tr> <tr> <th align="left"><u>Code</u></th> <th align="left"><u>Amount Type</u></th> </tr> </thead> <tbody> <tr><td>1</td><td>Gross amount of health insurance advance payments</td></tr> <tr><td>2</td><td>Amount of advance payment for January</td></tr> <tr><td>3</td><td>Amount of advance payment for February</td></tr> <tr><td>4</td><td>Amount of advance payment for March</td></tr> <tr><td>5</td><td>Amount of advance payment for April</td></tr> <tr><td>6</td><td>Amount of advance payment for May</td></tr> <tr><td>7</td><td>Amount of advance payment for June</td></tr> <tr><td>8</td><td>Amount of advance payment for July</td></tr> <tr><td>9</td><td>Amount of advance payment for August</td></tr> <tr><td>A</td><td>Amount of advance payment for September</td></tr> <tr><td>B</td><td>Amount of advance payment for October</td></tr> <tr><td>C</td><td>Amount of advance payment for November</td></tr> <tr><td>D</td><td>Amount of advance payment for December</td></tr> </tbody> </table>	Amount		<u>Code</u>	<u>Amount Type</u>	1	Gross amount of health insurance advance payments	2	Amount of advance payment for January	3	Amount of advance payment for February	4	Amount of advance payment for March	5	Amount of advance payment for April	6	Amount of advance payment for May	7	Amount of advance payment for June	8	Amount of advance payment for July	9	Amount of advance payment for August	A	Amount of advance payment for September	B	Amount of advance payment for October	C	Amount of advance payment for November	D	Amount of advance payment for December
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	Amount Codes Form 1099-INT - Interest Income		For Reporting Payments on Form 1099-INT: <table border="0"> <thead> <tr> <th align="left" colspan="2">Amount</th> </tr> <tr> <th align="left"><u>Code</u></th> <th align="left"><u>Amount Type</u></th> </tr> </thead> <tbody> <tr><td>1</td><td>Interest income not included in Amount Code 3</td></tr> <tr><td>2</td><td>Early withdrawal penalty</td></tr> <tr><td>3</td><td>Interest on U.S. Savings Bonds and Treasury obligations</td></tr> <tr><td>4</td><td>Federal income tax withheld (backup withholding)</td></tr> <tr><td>5</td><td>Investment expenses</td></tr> <tr><td>6</td><td>Foreign tax paid</td></tr> </tbody> </table>	Amount		<u>Code</u>	<u>Amount Type</u>	1	Interest income not included in Amount Code 3	2	Early withdrawal penalty	3	Interest on U.S. Savings Bonds and Treasury obligations	4	Federal income tax withheld (backup withholding)	5	Investment expenses	6	Foreign tax paid														
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	Amount Codes Form 1099-LTC - Long-Term Care and Accelerated Death Benefits		For Reporting Payments on Form 1099-LTC: <table border="0"> <thead> <tr> <th align="left" colspan="2">Amount</th> </tr> <tr> <th align="left"><u>Code</u></th> <th align="left"><u>Amount Type</u></th> </tr> </thead> <tbody> <tr><td>1</td><td>Gross long-term care benefits paid</td></tr> <tr><td>2</td><td>Accelerated death benefits paid</td></tr> </tbody> </table>	Amount		<u>Code</u>	<u>Amount Type</u>	1	Gross long-term care benefits paid	2	Accelerated death benefits paid																						
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<u>Code</u>	<u>Amount Type</u>																																
1	Gross long-term care benefits paid																																
2	Accelerated death benefits paid																																

Record Name: Payer "A" Record (Continued)

Field Position	Field Title	Length	Description and Remarks
	Amount Codes Form 1099-MISC - Miscellaneous Income (See Note 1.)		For Reporting Payments on Form 1099-MISC:
		Amount Code	Amount Type
		1	Rents
		2	Royalties (See Note 2.)
		3	Other income
		4	Federal income tax withheld (backup withholding or withholding on Indian gaming profits)
		5	Fishing boat proceeds
		6	Medical and health care payments
		7	Nonemployee compensation
		8	Substitute payments in lieu of dividends or interest
		A	Crop insurance proceeds
		B	Excess golden parachute payments
		C	Gross proceeds paid to an attorney in connection with legal service

☛ **Note 1: When using the Direct Sales Indicator in position 547 of the Payee "B" Record, use Type of Return Code A and Amount Code 1 in the Payer "A" Record. All payment amount fields in the Payee "B" Record will contain zeros.**

☛ **Note 2: Do not report timber royalties under a "pay-as-cut" contract; these must be reported on Form 1099-S.**

Amount Codes Form 1099-OID - Original Issue Discount			For Reporting Payments on Form 1099-OID:
See the 2004 Instructions for Forms 1099-INT and 1099-OID for further reporting information		Amount Code	Amount Type
		1	Original issue discount for 2004
		2	Other periodic interest
		3	Early withdrawal penalty
		4	Federal income tax withheld (backup withholding)
		6	Original issue discount on U.S. Treasury Obligations
		7	Investment expenses

Record Name: Payer "A" Record (Continued)

Field Position	Field Title	Length	Description and Remarks
	Amount Codes Form 1099-PATR - Taxable Distributions Received From Cooperatives		For Reporting Payments on Form 1099-PATR: Amount <u>Code</u> <u>Amount Type</u> 1 Patronage dividend 2 Nonpatronage distributions 3 Per-unit retain allocations 4 Federal income tax withheld (backup withholding) 5 Redemption of nonqualified notices and retain allocations Pass-Through Credits 6 For filer's use for pass-through credits 7 Investment credit 8 Work opportunity credit 9 Patron's alternative minimum tax (AMT) adjustment
	Amount Codes Form 1099-Q - Payments From Qualified Education Programs (Under Section 529 and 530)		For Reporting Payments From Qualified Education Programs on a Form 1099-Q: Amount <u>Code</u> <u>Amount Type</u> 1 Gross distribution 2 Earnings 3 Basis
	Amount Codes Form 1099-R - Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.		For Reporting Payments on Form 1099-R: Amount <u>Code</u> <u>Amount Type</u> 1 Gross distribution 2 Taxable amount (See Note 1.) 3 Capital gain (included in Amount Code 2) 4 Federal income tax withheld 5 Employee contributions or insurance premiums 6 Net unrealized appreciation in employer's securities 8 Other 9 Total employee contributions A Traditional IRA/SEP/SIMPLE distribution or Roth conversion (See Note 2.)

☛ **Note 1:** If the taxable amount cannot be determined, enter a "1" (one) in position 547 of the "B" Record. Payment Amount 2 must contain zeroes.

☛ **Note 2:** For Form 1099-R, report the Roth conversion or total amount distributed from an IRA, SEP, or SIMPLE in Payment Amount Field A (IRA/SEP/SIMPLE distribution or Roth conversion) of the Payee "B" Record, and generally, the same amount in Payment Amount Field 1 (Gross Distribution). The IRA/SEP/SIMPLE indicator should be set to "1" (one) in Field Position 548 of the Payee "B" Record.

Record Name: Payer “A” Record (Continued)

Field Position	Field Title	Length	Description and Remarks
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Amount Codes **Form 1099-S** -
Proceeds From Real Estate Transactions

For Reporting Payments on Form 1099-S:

<u>Amount Code</u>	<u>Amount Type</u>
2	Gross proceeds (See Note.)
5	Buyer’s part of real estate tax

☛ **Note: Include payments of timber royalties made under a “pay-as-cut” contract, reportable under IRC section 6050N. If timber royalties are being reported, enter “TIMBER” in the description field of the “B” Record.**

Amount Codes **Form 1099-SA** - *Distributions From a HSA, Archer MSA or Medicare+Choice MSA*

For Reporting Distributions from a HSA, Archer Medical Savings Account, or Medicare+Choice MSA on Form 1099-SA:

<u>Amount Code</u>	<u>Amount Type</u>
1	Gross distribution
2	Earnings on excess contributions
4	Fair market value of the account on date of death

Amount Codes **Form 5498** -
IRA Contribution Information

For Reporting Information on Form 5498

<u>Amount Code</u>	<u>Amount Type</u>
1	IRA contributions (other than amounts in Amount Codes 2, 3, 4, 8, 9, and A) (See Notes 1 and 2.)
2	Rollover contributions
3	Roth conversion amount
4	Recharacterized contributions
5	Fair market value of account
6	Life insurance cost included in Amount Code 1
8	SEP contributions
9	SIMPLE contributions
A	Roth IRA contributions

☛ **Note 1: If reporting IRA contributions for a participant in a military operation, see 2004 Instructions for Forms 1099-R and 5498.**

☛ **Note 2: Also include employee contributions to an IRA under a SEP plan but not salary reduction contributions. DO NOT include EMPLOYER contributions; these are included in Amount Code 8.**

Record Name: Payer "A" Record (Continued)

Field Position	Field Title	Length	Description and Remarks
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Amount Codes Form 5498-ESA-
Coverdell ESA Contribution Information

For Reporting Information on Form 5498-ESA

Amount Code Amount Type

- 1 Coverdell ESA contributions
- 2 Rollover contributions

Amount Codes Form 5498-SA -
HSA, Archer MSA or Medicare+Choice MSA Information

For Reporting Information on Form 5498-SA:

Amount Code Amount Type

- 1 *Employee or self-employed person's HSA/Archer MSA contributions made in 2004 and 2005 for 2004*
- 2 *Total contributions made in 2004 (See current 2004 Instructions.)*
- 3 *Total HSA/MSA contributions made in 2005 for 2004*
- 4 *Rollover contributions (See Note.)*
- 5 *Fair market value of HSA, Archer MSA or M+C MSA account on Dec. 31 2004*

☛ **Note:** For detailed information on reporting, see the *2004 Instructions for Forms 1099-SA and 5498-SA*.

Amount Codes Form W-2G -
Certain Gambling Winnings

For Reporting Payments on Form W-2G:

Amount Code Amount Type

- 1 Gross winnings
- 2 Federal income tax withheld
- 7 Winnings from identical wagers

42-47	Blank	6	Enter blanks.
48	Original File Indicator	1	Required for original files only. Enter "1" (one) if the information is original data. Otherwise, enter a blank.
49	Replacement File Indicator	1	Required for replacement files only. Enter "1" (one) if this file is to replace a file that IRS/MCC has informed you in writing can not be processed or the FIRE System indicated a FILE STATUS of bad. Otherwise, enter a blank.

☛ **Note:** If selecting the Replacement File Indicator in Position 49, Field Positions 48 and 50 must be blank. **Only one** indicator may be selected in positions 48, 49, and 50 for each Payer "A" Record.

Record Name: Payer “A” Record (Continued)

Field Position	Field Title	Length	Description and Remarks						
50	Correction File Indicator	1	Required for correction files only. Enter “1” (one) if this file is to correct information which was previously submitted to IRS/MCC, was processed, but contained erroneous information. Any information return which was inadvertently omitted from a file must be submitted as original. Otherwise, enter a blank.						
51	Blank	1	Enter a blank.						
52	Foreign Entity Indicator	1	Enter a “1” (one) if the payer is a foreign entity and income is paid by the foreign entity to a U. S. resident. Otherwise, enter a blank.						
53-92	First Payer Name Line	40	Required. Enter the name of the payer whose TIN appears in positions 12-20 of the “A” Record. Any extraneous information must be deleted. Left-justify information, and fill unused positions with blanks. (Filers should not enter a transfer agent’s name in this field. Any transfer agent’s name should appear in the Second Payer Name Line Field.)						
93-132	Second Payer Name Line	40	If the Transfer (or Paying) Agent Indicator (position 133) contains a “1” (one), this field must contain the name of the transfer (or paying) agent. If the indicator contains a “0” (zero), this field may contain either a continuation of the First Payer Name Line or blanks. Left-justify information and fill unused positions with blanks.						
133	Transfer Agent Indicator	1	Required. Identifies the entity in the Second Payer Name Line Field.						
			<table border="0"> <thead> <tr> <th><u>Code</u></th> <th><u>Meaning</u></th> </tr> </thead> <tbody> <tr> <td>1</td> <td>The entity in the Second Payer Name Line Field is the transfer (or paying) agent.</td> </tr> <tr> <td>0 (zero)</td> <td>The entity shown is not the transfer (or paying) agent (i.e., the Second Payer Name Line Field contains either a continuation of the First Payer Name Line Field or blanks).</td> </tr> </tbody> </table>	<u>Code</u>	<u>Meaning</u>	1	The entity in the Second Payer Name Line Field is the transfer (or paying) agent.	0 (zero)	The entity shown is not the transfer (or paying) agent (i.e., the Second Payer Name Line Field contains either a continuation of the First Payer Name Line Field or blanks).
<u>Code</u>	<u>Meaning</u>								
1	The entity in the Second Payer Name Line Field is the transfer (or paying) agent.								
0 (zero)	The entity shown is not the transfer (or paying) agent (i.e., the Second Payer Name Line Field contains either a continuation of the First Payer Name Line Field or blanks).								
134-173	Payer Shipping Address	40	Required. If the Transfer Agent Indicator in position 133 is a “1” (one), enter the shipping address of the transfer (or paying) agent. Otherwise, enter the actual shipping address of the payer. The street address should include number, street, apartment or suite number, or PO Box if mail is not delivered to street address. Left-justify information, and fill unused positions with blanks.						

Record Name: Payer “A” Record (Continued)

Field Position	Field Title	Length	Description and Remarks
<p>For U.S. addresses, the payer city, state, and ZIP Code must be reported as a 40, 2, and 9-position field, respectively. Filers must adhere to the correct format for the payer city, state, and ZIP Code.</p> <p>For foreign addresses, filers may use the payer city, state, and ZIP Code as a continuous 51-position field. Enter information in the following order: city, province or state, postal code, and the name of the country. When reporting a foreign address, the Foreign Entity Indicator in position 52 must contain a “1” (one).</p>			
174-213	Payer City	40	Required. If the Transfer Agent Indicator in position 133 is a “1” (one), enter the city, town, or post office of the transfer agent. Otherwise, enter the city, town, or post office of the payer. Left-justify information, and fill unused positions with blanks. Do not enter state and ZIP Code information in this field.
214-215	Payer State	2	Required. Enter the valid U.S. Postal Service state abbreviations. Refer to the chart of valid state abbreviations in Part A, Sec.15.
216-224	Payer ZIP Code	9	Required. Enter the valid nine-digit ZIP Code assigned by the U.S. Postal Service. If only the first five-digits are known, left-justify information and fill the unused positions with blanks. For foreign countries, alpha characters are acceptable as long as the filer has entered a “1” (one) in the Foreign Entity Indicator, located in Field Position 52 of the “A” Record.
225-239	Payer Number & Extension	15	Enter the payer’s phone number and extension. Omit hyphens. Left-justify information and fill unused positions with blanks.
240-499	Blank	260	Enter blanks.
500-507	Record Sequence Number	8	Required. Enter the number of the record as it appears within your file. The record sequence number for the “T” record will always be “1” (one), since it is the first record on your file and you can have only one “T” record in a file. Each record, thereafter, must be incremented by one in ascending numerical sequence, i.e., 2, 3, 4, etc. Right-justify numbers with leading zeroes in the field. For example, the “T” record sequence number would appear as “00000001” in the field, the first “A” record would be “00000002”, the first “B” record, “00000003”, the second “B” record, “00000004” and so on until you reach the final record of the file, the “F” record.
508-748	Blank	241	Enter blanks.
749-750	Blank	2	Enter blanks or carriage return/line feed (CR/LF) characters.

Sec. 5. Payer “A” Record - Record Layout

Record Type	Payment Year	Blank	Payer TIN	Payer Name Control	Last Filing Indicator
1	2-5	6-11	12-20	21-24	25

Combined Federal/State Filer	Type of Return	Amount Codes	Blank	Original File Indicator	Replacement File Indicator	Correction File Indicator
26	27	28-41	42-47	48	49	50

Blank	Foreign Entity Indicator	First Payer Name Line	Second Payer Name Line	Transfer Agent Indicator	Payer Shipping Address
51	52	53-92	93-132	133	134-173

Payer City	Payer State	Payer ZIP Code	Payer Phone Number and Extension	Blank	Record Sequence Number	Blank	Blank or CR/LF
174-213	214-215	216-224	225-239	240-499	500-507	508-748	749-750

Sec. 6. Payee “B” Record - General Field Descriptions and Record Layouts

- .01 The “B” Record contains the payment information from the information returns. The record layout for field positions 1 through 543 is the same for all types of returns. Field positions 544 through 750 vary for each type of return to accommodate special fields for individual forms. In the “B” Record, the filer must allow for all fourteen Payment Amount Fields. **For those fields not used, enter “0s” (zeros).**
- .02 The following specifications include a field in the payee records called “Name Control” in which the first four characters of the payee’s surname are to be entered by the filer;
- (a) If filers are unable to determine the first four characters of the surname, the Name Control Field may be left blank. Compliance with the following will facilitate IRS computer programs in identifying the correct name control:
 1. The surname of the payee whose TIN is shown in the “B” Record should always appear first. If, however, the records have been developed using the first name first, the filer must leave a blank space between the first and last names.
 2. In the case of multiple payees, only the surname of the payee whose TIN (SSN, EIN, ITIN, or ATIN) is shown in the “B” Record must be present in the First Payee Name Line. Surnames of any other payees may be entered in the Second Payee Name Line.
- .03 For all fields marked “**Required**”, the transmitter must provide the information described under “Description and Remarks”. For those fields not marked “Required”, the transmitter must allow for the field, but may be instructed to enter blanks or zeros in the indicated field position(s) and for the indicated length.
- .04 All records must be a fixed length of 750 positions.
- .05 A field is also provided in these specifications for Special Data Entries. This field may be used to record information required by state or local governments, or for the personal use of the filer. IRS does not use the data provided in the Special Data Entries Field; therefore, the IRS program does not check the content or format of the data entered in this field. It is the filer’s option to use the Special Data Entry Field.

- .06 Following the Special Data Entries Field in the “B” Record, payment fields have been allocated for State Income Tax Withheld and Local Income Tax Withheld. These fields are for the convenience of the filers. The information will not be used by IRS/MCC.
- .07 Those payers participating in the Combined Federal/State Filing Program must adhere to all of the specifications in Part A, Sec. 13, to participate in this program.
- .08 All alpha characters in the “B” Record must be uppercase.
- .09 Do not use decimal points (.) to indicate dollars and cents. Payment Amount Fields must be all numerics.

Record Name: Payee “B” Record

Field Position	Field Title	Length	Description and Remarks								
1	Record Type	1	Required. Enter “B”.								
2-5	Payment Year	4	Required. Enter “2004” (unless reporting prior year data; report the year which applies [2002, 2003, etc.]).								
6	Corrected Return Indicator (See Note.)	1	<p>Required for corrections only. Indicates a corrected return.</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; width: 15%;">Code</th> <th style="text-align: left;">Definition</th> </tr> </thead> <tbody> <tr> <td>G</td> <td>If this is a one-transaction correction or the first of a two-transaction correction</td> </tr> <tr> <td>C</td> <td>If this is the second transaction of a two transaction correction</td> </tr> <tr> <td>Blank</td> <td>If this is not a return being submitted to correct information already processed by IRS.</td> </tr> </tbody> </table>	Code	Definition	G	If this is a one-transaction correction or the first of a two-transaction correction	C	If this is the second transaction of a two transaction correction	Blank	If this is not a return being submitted to correct information already processed by IRS.
Code	Definition										
G	If this is a one-transaction correction or the first of a two-transaction correction										
C	If this is the second transaction of a two transaction correction										
Blank	If this is not a return being submitted to correct information already processed by IRS.										

☛ **Note:** C, G, and non-coded records must be reported using separate Payer “A” Records. Refer to Part A, Sec. 11, for specific instructions on how to file corrected returns.

Record Name: Payee “B” Record (Continued)

Field Position	Field Title	Length	Description and Remarks
7-10	Name Control	4	If determinable, enter the first four characters of the surname of the person whose TIN is being reported in positions 12-20 of the “B” Record; otherwise, enter blanks . This usually is the payee. If the name that corresponds to the TIN is not included in the first or second payee name line and the correct name control is not provided, a backup withholding notice may be generated for the record. Surnames of less than four characters should be left-justified, filling the unused positions with blanks. Special characters and imbedded blanks should be removed. In the case of a business, other than a sole proprietorship, use the first four significant characters of the business name. Disregard the word “the” when it is the first word of the name, unless there are only two words in the name. A dash (-) and an ampersand (&) are the only acceptable special characters. Surname prefixes are considered, e.g., for Van Elm, the name control would be VANE. For a sole proprietorship, use the name of the owner to create the name control and report the owner’s name in positions 248-287, First Payee Name Line.

☛ **Note:** Imbedded blanks, extraneous words, titles, and special characters (i.e., Mr., Mrs., Dr., period [.], apostrophe [’]) should be removed from the Payee Name Lines. This information may be dropped during subsequent processing at IRS/MCC. A dash (-) and an ampersand (&) are the only acceptable special characters.

Record Name: Payee "B" Record (Continued)

Field Position	Field Title	Length	Description and Remarks
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The following examples may be helpful to filers in developing the Name Control:

<u>Name</u>	<u>Name Control</u>
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Individuals:

Jane Brown	BROW
John A. Lee	LEE*
James P. En , Sr.	EN*
John O'Neil	ONEI
Mary Van Buren	VANB
Juan De Jesus	DEJE
Gloria A. El-Roy	EL-R
Mr. John Smith	SMIT
Joe McCarthy	MCCA
Pedro Torres-Lopes **	TORR
Maria Lopez Moreno**	LOPE
Binh To La	LA*
Nhat Thi Pham	PHAM

Corporations:

The First National Bank	FIRS
The Hideaway	THEH
A & B Cafe	A&BC
11TH Street Inc.	11TH

Sole Proprietor:

Mark Hemlock	HEML
DBA The Sunshine Club	
Mark D'Allesandro	DALL

Partnership:

Robert Aspen and Bess Willow	ASPE
Harold Fir , Bruce Elm, and Joyce Spruce et al Ptr	FIR*

Estate:

Frank White Estate	WHIT
Estate of Sheila Blue	BLUE

Trusts and Fiduciaries:

Daisy Corporation Employee Benefit Trust	DAIS
Trust FBO The Cherryblossom Society	CHER

Record Name: Payee “B” Record (Continued)

Field Position	Field Title	Length	Description and Remarks
	Exempt Organization:		
	L aborer’s Union, AFL-CIO		LABO
	S t. Bernard’s Methodist Church Bldg. Fund		STBE

* Name Controls of less than four significant characters must be left-justified and blank-filled.

**For Hispanic names, when two last names are shown for an individual, derive the name control from the first last name.

11	Type of TIN	1	This field is used to identify the Taxpayer Identification Number (TIN) in positions 12-20 as either an Employer Identification Number (EIN), a Social Security Number (SSN), an Individual Taxpayer Identification Number (ITIN) or an Adoption Taxpayer Identification Number (ATIN). Enter the appropriate code from the following table:																		
			<table border="1"> <thead> <tr> <th><u>Code</u></th> <th><u>Type of TIN</u></th> <th><u>Type of Account</u></th> </tr> </thead> <tbody> <tr> <td>1</td> <td>EIN</td> <td>A business, organization, some sole proprietors, or other entity</td> </tr> <tr> <td>2</td> <td>SSN</td> <td>An individual, including some sole proprietors</td> </tr> <tr> <td>2</td> <td>ITIN</td> <td>An individual required to have a taxpayer identification number, but who is not eligible to obtain an SSN</td> </tr> <tr> <td>2</td> <td>ATIN</td> <td>An adopted individual prior to the assignment of a social security number</td> </tr> <tr> <td>Blank</td> <td>N/A</td> <td>If the type of TIN is not determinable, enter a blank.</td> </tr> </tbody> </table>	<u>Code</u>	<u>Type of TIN</u>	<u>Type of Account</u>	1	EIN	A business, organization, some sole proprietors, or other entity	2	SSN	An individual, including some sole proprietors	2	ITIN	An individual required to have a taxpayer identification number, but who is not eligible to obtain an SSN	2	ATIN	An adopted individual prior to the assignment of a social security number	Blank	N/A	If the type of TIN is not determinable, enter a blank.
<u>Code</u>	<u>Type of TIN</u>	<u>Type of Account</u>																			
1	EIN	A business, organization, some sole proprietors, or other entity																			
2	SSN	An individual, including some sole proprietors																			
2	ITIN	An individual required to have a taxpayer identification number, but who is not eligible to obtain an SSN																			
2	ATIN	An adopted individual prior to the assignment of a social security number																			
Blank	N/A	If the type of TIN is not determinable, enter a blank.																			

12-20	Payee’s Taxpayer Identification Number (TIN)	9	Required. Enter the nine-digit Taxpayer Identification Number of the payee (SSN, ITIN, ATIN, or EIN). If an identification number has been applied for but not received, enter blanks. Do not enter hyphens or alpha characters. All zeros, ones, twos, etc., will have the effect of an incorrect TIN. If the TIN is not available, enter blanks.
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Note: If you are required to report payments made through Foreign Intermediaries and Foreign Flow-Through Entities on Form 1099, see the 2004 General Instructions for Forms 1099, 1098, 5498 and W-2G for reporting requirements.

Record Name: Payee "B" Record (Continued)

Field Position	Field Title	Length	Description and Remarks
21-40	Payer's Account Number For Payee	20	Required if submitting more than one information return of the same type for the same payee. Enter any number assigned by the payer to the payee that can be used by the IRS to distinguish between information returns. <i>This number must be unique for each information return of the same type for the same payee.</i> If a payee has more than one reporting of the same document type, it is vital that each reporting have a unique account number. For example, if a payer has 3 separate pension distributions for the same payee and 3 separate Forms 1099-R are filed, 3 separate unique account numbers are required. A payee's account number may be given a unique sequencing number, such as, 01, 02 or A, B, etc., to differentiate each reported information return. Do not use the payee's TIN since this will not make each record unique. This information is critical when corrections are filed. This number will be provided with the backup withholding notification and may be helpful in identifying the branch or subsidiary reporting the transaction. Do not define data in this field in packed decimal format. If fewer than twenty characters are used, filers may either left or right-justify, filling the remaining positions with blanks.
41-44	Payer's Office Code	4	Enter office code of payer; otherwise, enter blanks. For payers with multiple locations, this field may be used to identify the location of the office submitting the information return. This code will also appear on backup withholding notices.
45-54	Blank	10	Enter blanks.
	Payment Amount Fields (Must be numeric)		Required. Filers should allow for all payment amounts. For those not used, enter zeros. Each payment field must contain 12 numeric characters. Each payment amount must contain U.S. dollars and cents. The right-most two positions represent cents in the payment amount fields. Do not enter dollar signs, commas, decimal points, or negative payments, except those items that reflect a loss on Form 1099-B or 1099-Q. Positive and negative amounts are indicated by placing a "+" (plus) or "-" (minus) sign in the left-most position of the payment amount field. A negative over punch in the unit's position may be used, instead of a minus sign, to indicate a negative amount. If a plus sign, minus sign, or negative over punch is not used, the number is assumed to be positive. Negative over punch cannot be used in PC created files. Payment amounts must be right-justified and unused positions must be zero-filled.
55-66	Payment Amount 1*	12	The amount reported in this field represents payments for Amount Code 1 in the "A" Record.

Record Name: Payee “B” Record (Continued)

Field Position	Field Title	Length	Description and Remarks
67-78	Payment Amount 2*	12	The amount reported in this field represents payments for Amount Code 2 in the “A” Record.
79-90	Payment Amount 3*	12	The amount reported in this field represents payments for Amount Code 3 in the “A” Record.
91-102	Payment Amount 4*	12	The amount reported in this field represents payments for Amount Code 4 in the “A” Record.
103-114	Payment Amount 5*	12	The amount reported in this field represents payments for Amount Code 5 in the “A” Record.
115-126	Payment Amount 6*	12	The amount reported in this field represents payments for Amount Code 6 in the “A” Record.
127-138	Payment Amount 7*	12	The amount reported in this field represents payments for Amount Code 7 in the “A” Record.
139-150	Payment Amount 8*	12	The amount reported in this field represents payments for Amount Code 8 in the “A” Record.
151-162	Payment Amount 9*	12	The amount reported in this field represents payments for Amount Code 9 in the “A” Record.
163-174	Payment Amount A*	12	The amount reported in this field represents payments for Amount Code A in the “A” Record.
175-186	Payment Amount B*	12	The amount reported in this field represents payments for Amount Code B in the “A” Record.
187-198	Payment Amount C*	12	The amount reported in this field represents payments for Amount Code C in the “A” Record.
199-210	Payment Amount D*	12	The amount reported in this field represents payments for Amount Code D in the “A” Record.
211-222	Payment Amount E*	12	The amount reported in this field represents payments for Amount Code E in the “A” Record.
<p>☛ If there are discrepancies between the payment amount fields and the boxes on the paper forms, the instructions in this Revenue Procedure must be followed for electronic/magnetic filing.</p>			
223-246	Reserved	24	Enter blanks.

Record Name: Payee “B” Record (Continued)

Field Position	Field Title	Length	Description and Remarks
247	Foreign Country Indicator	1	If the address of the payee is in a foreign country, enter a “1” (one) in this field; otherwise, enter blank. When filers use this indicator, they may use a free format for the payee city, state, and ZIP Code. Enter information in the following order: city, province or state, postal code, and the name of the country. Address information must not appear in the First or Second Payee Name Line.
248-287	First Payee Name Line	40	Required. Enter the name of the payee (preferably surname first) whose Taxpayer Identification Number (TIN) was provided in positions 12-20 of the “B” Record. Left-justify and fill unused positions with blanks. If more space is required for the name, use the Second Payee Name Line Field. The names of any other payees may be entered in the Second Payee Name Line Field. If reporting information for a sole proprietor, the individual’s name must always be present on the First Payee Name Line. The use of the business name is optional in the Second Payee Name Line Field. End the First Payee Name Line with a full word. Use appropriate spacing. Extraneous words, titles, and special characters (i.e., Mr., Mrs., Dr., period, apostrophe) should be removed from the Payee Name Lines. This information may be dropped during subsequent processing at IRS/MCC. A dash (-) and an ampersand (&) are the only acceptable special characters for First and Second Payee Name Lines.
<p>☛ Note: If you are required to report payments made through Foreign Intermediaries and Foreign Flow-Through Entities on Form 1099, see the <i>2004 General Instruction for Forms 1099, 1098, 5498, and W-2G</i> for reporting requirements.</p>			
288-327	Second Payee Name Line	40	If there are multiple payees (e.g., partners, joint owners, or spouses), use this field for those names not associated with the TIN provided in positions 12-20 of the “B” Record, or if not enough space was provided in the First Payee Name Line, continue the name in this field. Do not enter address information. It is important that filers provide as much payee information to IRS/MCC as possible to identify the payee associated with the TIN. Left-justify and fill unused positions with blanks. See Note above in First Payee Name Line.
328-367	Blank	40	Enter blanks.

Record Name: Payee “B” Record (Continued)

Field Position	Field Title	Length	Description and Remarks
368-407	Payee Mailing Address	40	Required. Enter mailing address of payee. Street address should include number, street, apartment or suite number, or PO Box if mail is not delivered to street address. Left-justify information and fill unused positions with blanks. This field must not contain any data other than the payee’s mailing address.
408-447	Blank	40	Enter blanks.
448-487	Payee City	40	Required. Enter the city, town or post office. Left-justify information and fill the unused positions with blanks. Enter APO or FPO if applicable. Do not enter state and ZIP Code information in this field.
488-489	Payee State	2	Required. Enter the valid U.S. Postal Service state abbreviations for states or the appropriate postal identifier (AA, AE, or AP) described in Part A, Sec. 15.
490-498	Payee ZIP Code	9	Required. Enter the valid ZIP Code (nine or five digit) assigned by the U.S. Postal Service. If only the first five-digits are known, left-justify information and fill the unused positions with blanks. For foreign countries, alpha characters are acceptable as long as the filer has entered a “1” (one) in the Foreign Country Indicator, located in position 247 of the “B” Record.
499	Blank	1	Enter blank.
500-507	Record Sequence Number	8	Required. Enter the number of the record as it appears within your file. The record sequence number for the “T” record will always be “1” (one), since it is the first record on your file and you can have only one “T” record in a file. Each record, thereafter, must be incremented by one in ascending numerical sequence, i.e., 2, 3, 4, etc. Right-justify numbers with leading zeroes in the field. For example, the “T” record sequence number would appear as “00000001” in the field, the first “A” record would be “00000002”, the first “B” record, “00000003”, the second “B” record, “00000004” and so on until you reach the final record of the file, the “F” record.
508-543	Blank	36	Enter blanks.

**Standard Payee “B” Record Format For
All Types of Returns, Positions 1-543**

Record Type	Payment Year	Corrected Return Indicator	Name Control	Type of TIN	Payee’s TIN	Payer’s Account Number For Payee
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1 2-5 6 7-10 11 12-20 21-40

Payer’s Office Code	Blank	Payment Amount 1	Payment Amount 2	Payment Amount 3	Payment Amount 4	Payment Amount 5
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41-44 45-54 55-66 67-78 79-80 91-102 103-114

Payment Amount 6	Payment Amount 7	Payment Amount 8	Payment Amount 9	Payment Amount A	Payment Amount B
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115-126 127-138 139-150 151-162 163-174 175-186

Payment Amount C	Payment Amount D	Payment Amount E	Reserved	Foreign Country Indicator	First Payee Name Line	Second Payee Name Line	Blank
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187-198 199-210 211-222 223-246 247 248-287 288-327 328-367

Payee Mailing Address	Blank	Payee City	Payee State	Payee ZIP Code	Blank	Record Sequence Number	Blank
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368-407 408-447 448-487 488-489 490-498 499 500-507 508-543

The following sections define the field positions for the different types of returns in the Payee “B” Record (positions 544-750):

- (1) Form 1098
- (2) Form 1098-E
- (3) Form 1098-T
- (4) Form 1099-A
- (5) Form 1099-B
- (6) Form 1099-C
- (7) Form 1099-CAP
- (8) Form 1099-DIV*
- (9) Form 1099-G*
- (10) Form 1099-H
- (11) Form 1099-INT*
- (12) Form 1099-LTC
- (13) Form 1099-MISC*
- (14) Form 1099-OID*
- (15) Form 1099-PATR*
- (16) Form 1099-Q

- (17) Form 1099-R*
- (18) Form 1099-S
- (19) Form 1099-SA
- (20) Form 5498*
- (21) Form 5498-ESA
- (22) Form 5498-SA
- (23) Form W-2G

* These forms may be filed through the Combined Federal/State Filing Program. IRS/MCC will forward these records to participating states for filers who have been approved for the program. See Part A, Sec. 13, for information about the program, including specific codes for the record layouts.

(1) Payee “B” Record - Record Layout Positions 544-750 for Form 1098

Field Position	Field Title	Length	Description and Remarks
544-662	Blank	119	Enter blanks.
663-722	Special Data Entries	60	This portion of the “B” Record may be used to record information for state or local government reporting or for the filer’s own purposes. Payers should contact the state or local revenue departments for filing requirements. If this field is not utilized, enter blanks.
723-748	Blank	26	Enter blanks.
749-750	Blank	2	Enter blanks, or carriage return/line feed (CR/LF) characters.

Payee “B” Record - Record Layout Positions 544-750 for Forms 1098

Blank	Special Data Entries	Blank	Blank or CR/LF
544-662	663-722	723-748	749-750

(2) Payee “B” Record - Record Layout Positions 544-750 for Form 1098-E

Field Position	Field Title	Length	Description and Remarks
544-546	Blank	3	Enter blanks.
547	Origination Fees/ Capitalized Interest Indicator	1	Enter “1” (one) if the amount reported in Payment Amount Field 1 includes loan origination fees and/or capitalized interest. Otherwise, enter a blank.
548-662	Blank	115	Enter blanks.

(2) Payee “B” Record - Record Layout Positions 544-750 for Form 1098-E (Continued)

Field Position	Field Title	Length	Description and Remarks
663-722	Special Data Entries	60	This portion of the “B” Record may be used to record information for state or local government reporting or for the filer’s own purposes. Payers should contact the state or local revenue departments for the filing requirements. If this field is not utilized, enter blanks.
723-748	Blank	26	Enter blanks.
749-750	Blank	2	Enter blanks or carriage return/line feed (CR/LF) characters.

Payee “B” Record - Record Layout Positions 544-750 for Forms 1098-E

Blank	Origination Fees/ Capitalized Interest Indicator	Blank	Special Data Entries	Blank	Blank or CR/LF
544-546	547	548-662	663-722	723-748	749-750

(3) Payee “B” Record - Record Layout Positions 544-750 for Form 1098-T

Field Position	Field Title	Length	Description and Remarks
544-546	Blank	3	Enter blanks.
547	Half-time Student Indicator	1	Enter “1” (one) if the student was at least a half-time student during any academic period that began in 2004. Otherwise, enter a blank.
548	Graduate Student Indicator	1	Enter “1” (one) if the student is enrolled exclusively in a graduate level program. Otherwise, enter a blank.
549	Academic Period Indicator	1	Enter “1” (one) if the amount in Payment Amount Field 1 or Payment Amount Field 2 includes amounts for an academic period beginning January through March 2005. Otherwise, enter a blank
550-662	Blank	113	Enter blanks.
663-722	Special Data Entries	60	This portion of the “B” Record may be used to record information for state or local government reporting or for the filer’s own purposes. Payers should contact the state or local revenue departments for the filing requirements. If this field is not utilized, enter blanks.
723-748	Blank	26	Enter blanks.

(3) Payee “B” Record - Record Layout Positions 544-750 for Form 1098-T (Continued)

Field Position	Field Title	Length	Description and Remarks
749-750	Blank	2	Enter blanks or carriage return/line feed (CR/LF) characters.

**Payee “B” Record – Record Layout Positions 544-750
for Form 1098-T**

Blank	Half-time Student Indicator	Graduate Student Indicator	Academic Period Indicator	Blank	Special Data Entries	Blank	Blank or CR/LF
544-546	547	548	549	550-662	663-722	723-748	749-750

(4) Payee “B” Record – Record Layout Positions 544-750 for Form 1099-A

Field Position	Field Title	Length	Description and Remarks						
544-546	Blank	3	Enter blanks.						
547	Personal Liability Indicator	1	Enter the appropriate indicator from the table below: <table border="0"> <thead> <tr> <th><u>Indicator</u></th> <th><u>Usage</u></th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Borrower was personally liable for repayment of the debt.</td> </tr> <tr> <td>Blank</td> <td>Borrower was not personally liable for repayment of the debt.</td> </tr> </tbody> </table>	<u>Indicator</u>	<u>Usage</u>	1	Borrower was personally liable for repayment of the debt.	Blank	Borrower was not personally liable for repayment of the debt.
<u>Indicator</u>	<u>Usage</u>								
1	Borrower was personally liable for repayment of the debt.								
Blank	Borrower was not personally liable for repayment of the debt.								
548-555	Date of Lender’s Acquisition or Knowledge of Abandonment	8	Enter the acquisition date of the secured property or the date the lender first knew or had reason to know the property was abandoned, in the format YYYYMMDD (e.g., January 5, 2004 would be 20040105). Do not enter hyphens or slashes.						
556-594	Description of Property	39	Enter a brief description of the property. For real property, enter the address, or, if the address does not sufficiently identify the property, enter the section, lot and block. For personal property, enter the type, make and model (e.g., Car-1999 Buick Regal or Office Equipment). Enter “CCC” for crops forfeited on Commodity Credit Corporation loans. If fewer than 39 positions are required, left-justify information and fill unused positions with blanks.						
595-662	Blank	68	Enter blanks.						

(4) Payee “B” Record – Record Layout Positions 544-750 for Form 1099-A (Continued)

Field Position	Field Title	Length	Description and Remarks
663-722	Special Data Entries	60	This portion of the “B” Record may be used to record information for state or local government reporting or for the filer’s own purposes. Payers should contact the state or local revenue departments for the filing requirements. If this field is not utilized, enter blanks.
723-748	Blank	26	Enter blanks.
749-750	Blank	2	Enter blanks, or carriage return/line feed (CR/LF) characters.

Payee “B” Record – Record Layout Positions 544-750 for Form 1099-A

Blank	Personal Liability Indicator	Date of Lender’s Acquisition or Knowledge of Abandonment	Description of Property	Blank
544-546	547	548-555	556-594	595-662

Special Data Entries	Blank	Blank or CR/LF
663-722	723-748	749-750

(5) Payee “B” Record – Record Layout Positions 544-750 for Form 1099-B

Field Position	Field Title	Length	Description and Remarks
544	Second TIN Notice (Optional)	1	Enter “2” (two) to indicate notification by IRS twice within three calendar years that the payee provided an incorrect name and/or TIN combination; otherwise, enter a blank.
545-546	Blank	2	Enter blanks.
547	Gross Proceeds Indicator	1	Enter the appropriate indicator from the following table, to identify the amount reported in Amount Code 2; otherwise, enter a blank.

<u>Indicator</u>	<u>Usage</u>
1	Gross proceeds
2	Gross proceeds less commissions and options premiums

(5) Payee “B” Record – Record Layout Positions 544-750 for Form 1099-B (Continued)

Field Position	Field Title	Length	Description and Remarks
548-555	Date of Sale or Exchange	8	For broker transactions, enter the trade date of the transaction. For barter exchanges, enter the date when cash, property, a credit, or scrip is actually or constructively received in the format YYYYMMDD (e.g., January 5, 2004, would be 20040105). Enter blanks if this is an aggregate transaction. Do not enter hyphens or slashes.
556-568	CUSIP Number	13	For broker transactions only, enter the CUSIP (Committee on Uniform Security Identification Procedures) number of the item reported for Amount Code 2 (stocks, bonds, etc.). Enter blanks if this is an aggregate transaction. Enter “0s” (zeros) if the number is not available. Right-justify information and fill unused positions with blanks.
569-607	Description	39	If fewer than 39 characters are required, left-justify information and fill unused positions with blanks. For broker transactions, enter a brief description of the disposition item (e.g., 100 shares of XYZ Corp). For regulated futures and forward contracts, enter “RFC” or other appropriate description. For bartering transactions, show the services or property provided.
608-615	Number of Shares Exchanged	8	Enter the number of shares of the corporation’s stock which were exchanged in the transaction. Report whole number only. Right-justify information and fill unused positions with zeros.
616-625	Classes of Stock Exchanged	10	Enter the class of stock that was exchanged. Left-justify the information and fill unused positions with blanks.
626	Recipient Indicator	1	Enter a ‘1’ (one) if recipient is unable to claim a loss on their tax return. Otherwise, enter a blank.
627-662	Blank	37	Enter blanks.
663-722	Special Data Entries	60	This portion of the “B” Record may be used to record information for state or local government reporting or for the filer’s own purposes. Payers should contact the state or local revenue departments for filing requirements. If this field is not utilized, enter blanks.
723-734	State Income Tax Withheld	12	State income tax withheld is for the convenience of the filers. This information does not need to be reported to IRS. The payment amount must be right-justified and unused positions must be zero-filled. If not reporting state tax withheld, this field may be used as a continuation of the Special Data Entries Field.

(5) Payee “B” Record – Record Layout Positions 544-750 for Form 1099-B (Continued)

Field Position	Field Title	Length	Description and Remarks
735-746	Local Income Tax Withheld	12	Local income tax withheld is for the convenience of the filers. This information does not need to be reported to IRS. The payment amount must be right-justified and unused positions must be zero-filled. If not reporting local tax withheld, this field may be used as a continuation of the Special Data Entries field
747-748	Blank	2	Enter blanks.
749-750	Blank	2	Enter blanks, or carriage return/line feed (CR/LF) characters.

☛ Note: Report the Corporation’s Name, Address, City, State, and ZIP in the Special Data Entry field.

Payee “B” Record - Record Layout Positions 544-750 for Form 1099-B

Second TIN Notice (Optional)	Blank	Gross Proceeds Indicator	Date of Sale	CUSIP Number	Description	Number of Shares Exchanged
544	545-546	547	548-555	556-568	569-607	608-615

Classes of Stock Exchanged	Recipient Indicator	Blank	Special Data Entries	State Income Tax Withheld	Local Income Tax Withheld	Blank	Blank or CR/LF
616-625	626	627-662	663-722	723-734	735-746	747-748	749-750

(6) Payee “B” Record - Record Layout Positions 544-750 for Form 1099-C

Field Position	Field Title	Length	Description and Remarks
544-546	Blank	3	Enter blanks.
547	Bankruptcy Indicator	1	Enter “1” (one) to indicate the debt was discharged in bankruptcy, if known. Otherwise, enter a blank.
548-555	Date Canceled	8	Enter the date the debt was canceled in the format of YYYYMMDD (e.g., January 5, 2004, would be 20040105). Do not enter hyphens or slashes.
556-594	Debt Description	39	Enter a description of the origin of the debt, such as student loan, mortgage or credit card expenditure. If a combined Form 1099-C and 1099-A is being filed, also enter a description of the property.

(6) Payee “B” Record - Record Layout Positions 544-750 for Form 1099-C (Continued)

Field Position	Field Title	Length	Description and Remarks
595-662	Blank	68	Enter blanks.
663-722	Special Data Entries	60	This portion of the “B” Record may be used to record information for state or local government reporting or for the filer’s own purposes. Payers should contact the state or local revenue departments for filing requirements. If this field is not utilized, enter blanks.
723-748	Blank	26	Enter blanks.
749-750	Blank	2	Enter blanks, or carriage return/line feed (CR/LF) characters.

**Payee “B” Record - Record Layout Positions 544-750
for Form 1099-C**

Blank	Bankruptcy Indicator	Date Canceled	Debt Description	Blank	Special Data Entries
544-546	547	548-555	556-594	595-662	663-722

Blank	Blank or CR/LF
723-748	749-750

(7) Payee “B” Record - Record Layout Positions 544-750 for Form 1099-CAP

Field Position	Field Title	Length	Description and Remarks
544-547	Blank	4	Enter blanks.
548-555	Date of Sale or Exchange	8	Enter the date the stock was exchanged for cash, stock in the successor corporation, or other property received in the format YYYYMMDD (e.g., January 5, 2004, would be 20040105). Do not enter hyphens or slashes.
556-607	Blank	52	Enter blanks.
608-615	Number of Shares Exchanged	8	Enter the number of shares of the corporation’s stock which were exchanged in the transaction. Report whole number only. Right-justify information and fill unused positions with zeros.

(7) Payee “B” Record - Record Layout Positions 544-750 for Form 1099-CAP (Continued)

Field Position	Field Title	Length	Description and Remarks
616-625	Classes of Stock Exchanged	10	Enter the class of stock that was exchanged. Left-justify the information and fill unused positions with blanks.
626	Blank	1	Enter a blank.
627	Shareholder Indicator	1	Enter a “1” (one) if the shareholder cannot take a loss on their tax return. Otherwise, enter a blank.
628-662	Blank	35	Enter blanks.
663-722	Special Data Entries	60	This portion of the “B” Record may be used to record information for state or local government reporting or for the filer’s own purposes. Payers should contact the state or local revenue departments for filing requirements. If this field is not utilized, enter blanks.
723-748	Blank	26	Enter blanks.
749-750	Blank	2	Enter blanks, or carriage return/line feed (CR/LF) characters.

Payee “B” Record - Record Layout Positions 544-750 for Form 1099-CAP

Blank	Date of Sale or Exchange	Blank	Number of Shares Exchanged	Classes of Stock Exchanged	
544-547	548-555	556-607	608-615	616-625	
Blank	Shareholder Indicator	Blank	Special Data Entries	Blank	Blank or CR/LF
626	627	628-662	663-722	723-748	749-750

(8) Payee “B” Record - Record Layout Positions 544-750 for Form 1099-DIV

Field Position	Field Title	Length	Description and Remarks
544	Second TIN Notice (Optional)	1	Enter “2” (two) to indicate notification by IRS twice within three calendar years that the payee provided an incorrect name and/or TIN combination; otherwise, enter a blank.
545-546	Blank	2	Enter blanks.

(8) Payee “B” Record - Record Layout Positions 544-750 for Form 1099-DIV (Continued)

Field Position	Field Title	Length	Description and Remarks
547-586	Foreign Country or U.S. Possession	40	Enter the name of the foreign country or U.S. possession to which the withheld foreign tax (Amount Code C) applies. Otherwise, enter blanks.
587-662	Blank	76	Enter blanks.
663-722	Special Data Entries	60	This portion of the “B” Record may be used to record information for state or local government reporting or for the filer’s own purposes. Payers should contact the state or local revenue departments for filing requirements. If this field is not utilized, enter blanks.
723-734	State Income Tax Withheld	12	State income tax withheld is for the convenience of the filers. This information does not need to be reported to IRS. The payment amount must be right-justified and unused positions must be zero-filled. If not reporting state tax withheld, this field may be used as a continuation of the Special Data Entries Field.
735-746	Local Income Tax Withheld	12	Local income tax withheld is for the convenience of the filers. This information does not need to be reported to IRS. The payment amount must be right-justified and unused positions must be zero-filled. If not reporting local tax withheld, this field may be used as a continuation of the Special Data Entries Field.
747-748	Combined Federal/State Code	2	If this payee record is to be forwarded to a state agency as part of the Combined Federal/State Filing Program enter the valid state code from Part A, Sec. 13, Table 1. For those payers or states not participating in this program, enter blanks.
749-750	Blank	2	Enter blanks, or carriage return/line feed (CR/LF) characters.

Payee “B” Record - Record Layout Positions 544-750 for Form 1099-DIV

Second TIN Notice (Optional)	Blank	Foreign Country or U.S. Possession	Blank	Special Data Entries
544	545-546	547-586	587-662	663-722

State Income Tax Withheld	Local Income Tax Withheld	Combined Federal/State Code	Blank or CR/LF
723-734	735-746	747-748	749-750

(9) Payee “B” Record - Record Layout Positions 544-750 for Form 1099-G

Field Position	Field Title	Length	Description and Remarks						
544-546	Blank	3	Enter blanks.						
547	Trade or Business Indicator	1	Enter “1” (one) to indicate the state or local income tax refund, credit, or offset (Amount Code 2) is attributable to income tax that applies exclusively to income from a trade or business. <table><thead><tr><th><u>Indicator</u></th><th><u>Usage</u></th></tr></thead><tbody><tr><td>1</td><td>Income tax refund applies exclusively to a trade or business.</td></tr><tr><td>Blank</td><td>Income tax refund is a general tax refund.</td></tr></tbody></table>	<u>Indicator</u>	<u>Usage</u>	1	Income tax refund applies exclusively to a trade or business.	Blank	Income tax refund is a general tax refund.
<u>Indicator</u>	<u>Usage</u>								
1	Income tax refund applies exclusively to a trade or business.								
Blank	Income tax refund is a general tax refund.								
548-551	Tax Year of Refund	4	Enter the tax year for which the refund, credit, or offset (Amount Code 2) was issued. The tax year must reflect the tax year for which the payment was made, not the tax year of Form 1099-G. The tax year must be in the four-position format of YYYY (e.g., 2001). The valid range of years for the refund is 1994 through 2003.						
Note: This data is not considered prior year data since it is required to be reported in the current tax year. Do NOT enter “P” in field position 6 of the Transmitter “T” Record.									
552-662	Blank	111	Enter blanks.						
663-722	Special Data Entries	60	This portion of the “B” Record may be used to record information for state or local government reporting or for the filer’s own purposes. Payers should contact the state or local revenue departments for filing requirements. You may enter your routing and transit number (RTN) here. If this field is not utilized, enter blanks.						
723-734	State Income Tax Withheld	12	State income tax withheld is for the convenience of the filers. This information does not need to be reported to IRS. The payment amount must be right-justified and unused positions must be zero-filled. If not reporting state tax withheld, this field may be used as a continuation of the Special Data Entries Field.						
735-746	Local Income Tax Withheld	12	Local income tax withheld is for the convenience of the filers. This information does not need to be reported to IRS. The payment amount must be right-justified and unused positions must be zero-filled. If not reporting local tax withheld, this field may be used as a continuation of the Special Data Entries Field.						
747-748	Combined Federal/State Code	2	If this payee record is to be forwarded to a state agency as part of the Combined Federal/State Filing Program, enter the valid state code from Part A, Sec. 13, Table 1. For those payers or states not participating in this program, enter blanks.						
749-750	Blank	2	Enter blanks, or carriage return/line feed (CR/LF) characters.						

**Payee “B” Record - Record Layout Positions 544-750
for Form 1099-G**

Blank	Trade or Business Indicator	Tax Year of Refund	Blank	Special Data Entries	State Income Tax Withheld
544-546	547	548-551	552-662	663-722	723-734

Local Income Tax Withheld	Combined Federal/ State Code	Blank or CR/LF
735-746	747-748	749-750

(10) Payee “B” Record - Record Layout Positions 544-750 for Form 1099-H

Field Position	Field Title	Length	Description and Remarks
544-546	Blank	3	Enter blanks.
547-548	Number of Months Eligible	2	Required. Enter the total number of months recipient is eligible for health insurance advance payments. Right-justify and blank fill any remaining position.
549-662	Blank	114	Enter blanks
663-722	Special Data Entries	60	This portion of the “B” Record may be used to record information for state or local government reporting or for the filer’s own purposes. Payers should contact the state or local revenue departments for filing requirements. If this field is not utilized, enter blanks.
723-748	Blank	26	Enter blanks.
749-750	Blank	2	Enter blanks, or carriage return/line feed (CR/LF) characters.

**Payee “B” Record - Record Layout Positions 544-750
for Form 1099-H**

Blank	Number of Months Eligible	Blank	Special Data Entries	Blank	Blank or CR/LF
544-546	547-548	549-662	663-722	723-748	749-750

(11) Payee “B” Record - Record Layout Positions 544-750 for Form 1099-INT

Field Position	Field Title	Length	Description and Remarks
544	Second TIN Notice (Optional)	1	Enter “2” (two) to indicate notification by IRS twice within three calendar years that the payee provided an incorrect name and/or TIN combination; otherwise, enter a blank.
545-546	Blank	2	Enter blanks.
547-586	Foreign Country or U.S. Possession	40	Enter the name of the foreign country or U.S. possession to which the withheld foreign tax (Amount Code 6) applies. Otherwise, enter blanks.
587-662	Blank	76	Enter blanks.
663-722	Special Data Entries	60	This portion of the “B” Record may be used to record information for state or local government reporting or for the filer’s own purposes. Payers should contact the state or local revenue departments for filing requirements. You may enter your routing and transit number (RTN) here. If this field is not utilized, enter blanks.
723-734	State Income Tax Withheld	12	State income tax withheld is for the convenience of the filers. This information does not need to be reported to IRS. The payment amount must be right-justified and unused positions must be zero-filled. If not reporting state tax withheld, this field may be used as a continuation of the Special Data Entries Field.
735-746	Local Income Tax Withheld	12	Local income tax withheld is for the convenience of the filers. This information does not need to be reported to IRS. The payment amount must be right-justified and unused positions must be zero-filled. If not reporting local tax withheld, this field may be used as a continuation of the Special Data Entries Field.
747-748	Combined Federal/ State Code	2	If this payee record is to be forwarded to a state agency as part of the Combined Federal/State Filing Program, enter the valid state code from Part A, Sec. 13, Table 1. For those payers or states not participating in this program, enter blanks.
749-750	Blank	2	Enter blanks or carriage return/line feed (CR/LF) characters.

**Payee “B” Record - Record Layout Positions 544-750
for Form 1099-INT**

Second TIN Notice (Optional)	Blank	Foreign Country or U.S. Possession	Blank	Special Data Entries	State Income Tax Withheld
544	545-546	547-586	587-662	663-722	723-734

Local Income Tax Withheld	Combined Federal/ State Code	Blank or CR/LF
735-746	747-748	749-750

(12) Payee “B” Record - Record Layout Positions 544-750 for Form 1099-LTC

Field Position	Field Title	Length	Description and Remarks						
544-546	Blank	3	Enter blanks.						
547	Type of Payment Indicator	1	Enter the appropriate indicator from the following table; otherwise, enter blanks. <table border="0"> <tr> <td><u>Indicator</u></td> <td><u>Usage</u></td> </tr> <tr> <td>1</td> <td>Per diem</td> </tr> <tr> <td>2</td> <td>Reimbursed amount</td> </tr> </table>	<u>Indicator</u>	<u>Usage</u>	1	Per diem	2	Reimbursed amount
<u>Indicator</u>	<u>Usage</u>								
1	Per diem								
2	Reimbursed amount								
548-556	Social Security Number of Insured	9	Required. Enter the Social Security Number of the insured.						
557-596	Name of Insured	40	Required. Enter the name of the insured.						
597-636	Address of Insured	40	Required. Enter the address of the insured. Street address should include number, street, apartment or suite number (or PO Box if mail is not delivered to street address). Left-justify information and fill unused positions with blanks. This field must not contain any data other than payee’s address.						
<p>For U.S. addresses, the payee city, state, and ZIP Code must be reported as a 40, 2, and 9-position field, respectively. Filers must adhere to the correct format for the insured’s city, state, and ZIP Code.</p> <p>For foreign addresses, filers may use the insured’s city, state, and ZIP Code as a continuous 51-position field. Enter information in the following order: city, province or state, postal code, and the name of the country. When reporting a foreign address, the Foreign Country Indicator in position 247 must contain a “1” (one).</p>									
637-676	City of Insured	40	Required. Enter the city, town, or post office. Left-justify information and fill the unused positions with blanks. Enter APO or FPO, if applicable. Do not enter state and ZIP Code information in this field.						
677-678	State of Insured	2	Required. Enter the valid U.S. Postal Service state abbreviations for states or the appropriate postal identifier (AA, AE, or AP) described in Part A, Sec. 15.						

(12) Payee “B” Record - Record Layout Positions 544-750 for Form 1099-LTC (Continued)

Field Position	Field Title	Length	Description and Remarks						
679-687	ZIP Code of Insured	9	Required. Enter the valid nine-digit ZIP Code assigned by the U.S. Postal Service. If only the first five-digits are known, left-justify information and fill the unused positions with blanks. For foreign countries, alpha characters are acceptable as long as the filer has entered a “1” (one) in the Foreign Country Indicator, located in position 247 of the “B” Record.						
688	Status of Illness Indicator (Optional)	1	Enter the appropriate code from the table below to indicate the status of the illness of the insured; otherwise, enter blank: <table><thead><tr><th>Indicator</th><th>Usage</th></tr></thead><tbody><tr><td>1</td><td>Chronically ill</td></tr><tr><td>2</td><td>Terminally ill</td></tr></tbody></table>	Indicator	Usage	1	Chronically ill	2	Terminally ill
Indicator	Usage								
1	Chronically ill								
2	Terminally ill								
689-696	Date Certified (Optional)	8	Enter the latest date of a doctor’s certification of the status of the insured’s illness. The format of the date is YYYYMMDD (e.g., January 5, 2004, would be 20040105). Do not enter hyphens or slashes.						
697	Qualified Contract Indicator (Optional)	1	Enter a “1” (one) if benefits were from a qualified long-term care insurance contract; otherwise, enter blank.						
698-722	Blank	25	Enter blanks.						
723-734	State Income Tax Withheld	12	State income tax withheld is for the convenience of the filers. This information does not need to be reported to IRS. The payment amount must be right-justified and unused positions must be zero-filled.						
735-746	Local Income Tax Withheld	12	Local income tax withheld is for the convenience of the filers. This information does not need to be reported to IRS. The payment amount must be right-justified and unused positions must be zero-filled.						
747-748	Blank	2	Enter blanks.						
749-750	Blank	2	Enter blanks, or carriage return/line feed (CR/LF) characters.						

**Payee “B” Record - Record Layout Positions 544-750
for Form 1099-LTC**

Blank	Type of Payment Indicator	SSN of Insured	Name of Insured	Address of Insured	City of Insured	State of Insured	ZIP Code of Insured
544-546	547	548-556	557-596	597-636	637-676	677-678	679-687
Status of Illness Indicator (Optional)	Date Certified (Optional)	Qualified Contract Indicator (Optional)	Blank	State Income Tax Withheld	Local Income Tax Withheld	Blank	Blank or CR/LF
688	689-696	697	698-722	723-734	735-746	747-748	749-750

(13) Payee “B” Record - Record Layout Positions 544-750 for Form 1099-MISC

Field Position	Field Title	Length	Description and Remarks
544	Second TIN Notice (Optional)	1	Enter “2” (two) to indicate notification by IRS twice within three calendar years that the payee provided an incorrect name and/or TIN combination; otherwise, enter a blank.
545-546	Blank	2	Enter blanks.
547	Direct Sales Indicator (See Note.)	1	Enter a “1” (one) to indicate sales of \$5,000 or more of consumer products to a person on a buy-sell, deposit-commission, or any other commission basis for resale anywhere other than in a permanent retail establishment. Otherwise, enter a blank.
548-662	Blank	115	Enter blanks.
663-722	Special Data Entries	60	This portion of the “B” Record may be used to record information for state or local government reporting or for the filer’s own purposes. Payers should contact the state or local revenue departments for filing requirements. If this field is not used, enter blanks.
723-734	State Income Tax Withheld	12	State income tax withheld is for the convenience of the filers. This information does not need to be reported to IRS. The payment amount must be right- justified and unused positions must be zero-filled. If not reporting state tax withheld, this field may be used as a continuation of the Special Data Entries Field.

Note: If reporting a direct sales indicator only, use Type of Return “A” in Field Position 27, and Amount Code 1 in Field Position 28 of the Payer “A” Record. All payment amount fields in the Payee “B” Record will contain zeros.

(13) Payee “B” Record - Record Layout Positions 544-750 for Form 1099-MISC (Continued)

Field Position	Field Title	Length	Description and Remarks
735-746	Local Income Tax Withheld	12	Local income tax withheld is for the convenience of the filers. This information does not need to be reported to IRS. The payment amount must be right- justified and unused positions must be zero-filled. If not reporting local tax withheld, this field may be used as a continuation of the Special Data Entries Field.
747-748	Combined Federal/ State Code	2	If this payee record is to be forwarded to a state agency as part of the Combined Federal/State Filing Program, enter the valid state code from Part A, Sec. 13, Table 1. For those payers or states not participating in this program, enter blanks.
749-750	Blank	2	Enter blanks, or carriage return/line feed (CR/LF) characters.

Payee “B” Record - Record Layout Positions 544-750 for Form 1099-MISC

Second TIN Notice (Optional)	Blank	Direct Sales Indicator	Blank	Special Data Entries	State Income Tax Withheld	Local Income Tax Withheld
544	545-546	547	548-662	663-722	723-734	735-746

Combined Federal/ State Code	Blank or CR/LF
747-748	749-750

(14) Payee “B” Record - Record Layout Positions 544-750 for Form 1099-OID

Field Position	Field Title	Length	Description and Remarks
544	Second TIN (Optional)	1	Enter “2” (two) to indicate notification by IRS twice within three calendar years that the payee provided an incorrect name and/or TIN combination; otherwise, enter a blank.
545-546	Blank	2	Enter blanks.

(14) Payee “B” Record - Record Layout Positions 544-750 for Form 1099-OID (Continued)

Field Position	Field Title	Length	Description and Remarks
547-585	Description	39	Required. Enter the CUSIP number, if any. If there is no CUSIP number, enter the abbreviation for the stock exchange and issuer, the coupon rate, and year (must be 4-digit year) of maturity (e.g., NYSE XYZ 12/2004). Show the name of the issuer if other than the payer. If fewer than 39 characters are required, left-justify information and fill unused positions with blanks.
586-662	Blank	77	Enter blanks.
663-722	Special Data Entries	60	This portion of the “B” Record may be used to record information for state or local government reporting or for the filer’s own purposes. Payers should contact the state or local revenue departments for filing requirements. If this field is not utilized, enter blanks.
723-734	State Income Tax Withheld	12	State income tax withheld is for the convenience of the filers. This information does not need to be reported to IRS. The payment amount must be right-justified and unused positions must be zero-filled. If not reporting state tax withheld, this field may be used as a continuation of the Special Data Entries Field.
735-746	Local Income Tax Withheld	12	Local income tax withheld is for the convenience of the filers. This information does not need to be reported to IRS. The payment amount must be right-justified and unused positions must be zero-filled. If not reporting local tax withheld, this field may be used as a continuation of the Special Data Entries Field.
747-748	Combined Federal/ State Code	2	If this payee record is to be forwarded to a state agency as part of the Combined Federal/State Filing Program, enter the valid state code from Part A, Sec. 13, Table I. For those payers or states not participating in this program, enter blanks.
749-750	Blank	2	Enter blanks, or carriage return/line feed (CR/LF) characters.

**Payee “B” Record - Record Layout Positions 544-750
for Form 1099-OID**

Second TIN Notice (Optional)	Blank	Description	Blank	Special Data Entries	State Income Tax Withheld
544	545-546	547-585	586-662	663-722	723-734

Local Income Tax Withheld	Combined Federal/ State Code	Blank or CR/LF
735-746	747-748	749-750

(15) Payee “B” Record - Record Layout Positions 544-750 for Form 1099-PATR

Field Position	Field Title	Length	Description and Remarks
544	Second TIN Notice (Optional)	1	Enter “2” (two) to indicate notification by IRS twice within three calendar years that the payee provided an incorrect name and/or TIN combination; otherwise, enter a blank.
545-662	Blank	118	Enter blanks.
663-722	Special Data Entries	60	This portion of the “B” Record may be used to record information for state or local government reporting or for the filer’s own purposes. Payers should contact the state or local revenue departments for filing requirements. If field is not utilized, enter blanks
723-734	State Income Tax Withheld	12	State income tax withheld is for the convenience of the filers. This information does not need to be reported to IRS. The payment amount must be right- justified and unused positions must be zero-filled. If not reporting state tax withheld, this field may be used as a continuation of the Special Data Entries Field.
735-746	Local Income Tax Withheld	12	Local income tax withheld is for the convenience of the filers. This information does not need to be reported to IRS. The payment amount must be right- justified and unused positions must be zero-filled. If not reporting local tax withheld, this field may be used as a continuation of the Special Data Entries Field.
747-748	Combined Federal/ State Code	2	If this payee record is to be forwarded to a state agency as part of the Combined Federal/State Filing Program, enter the valid state code from Part A, Sec. 13, Table 1. For those payers or states not participating in this program, enter blanks.

(15) Payee “B” Record - Record Layout Positions 544-750 for Form 1099-PATR (Continued)

Field Position	Field Title	Length	Description and Remarks
749-750	Blank	2	Enter blanks, or carriage return/line feed (CR/LF) characters.

Payee “B” Record - Record Layout Positions 544-750 for 1099-PATR

Second TIN Notice (Optional)	Blank	Special Data Entries	State Income Tax Withheld	Local Income Tax Withheld	Combined Federal/ State Code	Blank or CR/LF
544	545-662	663-722	723-734	735-746	747-748	749-750

(16) Payee “B” Record - Record Layout Positions 544-750 for Form 1099-Q

Field Position	Field Title	Length	Description and Remarks								
544-546	Blank	3	Enter blanks.								
547	Trustee to Trustee Transfer Indicator	1	Required. Enter a “1” (one) if reporting a trustee to trustee transfer; otherwise, enter blank.								
548	Type of Tuition Payment	1	<p>Required. Enter the appropriate code from the table below to indicate the type of tuition payment; otherwise, leave blank.</p> <table border="0"> <thead> <tr> <th><u>Indicator</u></th> <th><u>Usage</u></th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Private payment</td> </tr> <tr> <td>2</td> <td>State payment</td> </tr> <tr> <td>3</td> <td>Coverdell ESA distribution</td> </tr> </tbody> </table>	<u>Indicator</u>	<u>Usage</u>	1	Private payment	2	State payment	3	Coverdell ESA distribution
<u>Indicator</u>	<u>Usage</u>										
1	Private payment										
2	State payment										
3	Coverdell ESA distribution										
549	Designated Beneficiary	1	Required. Enter a “1” (one) if the recipient is not the designated beneficiary; otherwise, enter a blank.								
550-662	Blank	113	Enter blanks.								
663-722	Special Data Entries	60	This portion of the “B” Record may be used to record information for state or local government reporting or for the filer’s own purposes. Payers should contact the state or local revenue departments for filing requirements. If this field is not utilized, enter blanks.								

(16) Payee "B" Record - Record Layout Positions 544-750 for Form 1099-Q (Continued)

Field Position	Field Title	Length	Description and Remarks
723-748	Blank	26	Enter blanks.
749-750	Blank	2	Enter blanks, or carriage return/line feed (CR/LF) characters.

**Payee "B" Record - Record Layout Positions 544-750
for Form 1099-Q**

Blank	Trustee to Trustee Transfer Indicator	Type of Tuition Payment	Designated Beneficiary	Blank	Special Data Entries	Blank	Blank or CR/LF
544-546	547	548	549	550-662	663-722	723-748	749-750

(17) Payee "B" Record - Record Layout Positions 544-750 for Form 1099-R

Field Position	Field Title	Length	Description and Remarks
544	Blank	1	Enter blank.
545-546	Distribution Code (For a detailed explanation of distribution codes, see the <i>2004 Instructions for Forms 1099-R and 5498.</i>) See chart at the end of this record layout for a diagram of valid combinations of Distribution Codes.	2	Required. Enter at least one distribution code from the table below. More than one code may apply. If only one code is necessary, it must be entered in position 545 and position 546 will be blank. When using Code P for an IRA distribution under section 408(d)(4) of the Internal Revenue Code, the filer may also enter Code 1, 2, 4, or J if applicable. Only three numeric combinations are acceptable, Codes 8 and 1, 8 and 2, and 8 and 4, on one return. These three combinations can be used only if both codes apply to the distribution being reported. If more than one numeric code is applicable to different parts of a distribution, report two separate "B" Records. Distribution Codes 3, 5, 6, 9, E, F, N, Q, R, S and T cannot be used with any other codes. Distribution Code G may be used with Distribution Code 4 only if applicable.

(17) Payee “B” Record - Record Layout Positions 544-750 for Form 1099-R (Continued)

Field Position	Field Title	Length	Description and Remarks
	Note: Codes 1, 2, J, Q and T have been revised for 2004. See the Guide to Distribution Codes in the 2004 Instructions for Forms 1099-R and 5498 for more information.		
		Code	Category
		1	*Early distribution, no known exception (in most cases, under age 59 ½)
		2	*Early distribution, exception applies (Under age 59 ½)
		3	*Disability
		4	*Death
		5	*Prohibited transaction Section 1035 exchange (a tax-free exchange of life insurance, annuity, or endowment contracts)
		6	Section 1035 exchange (a tax-free exchange of life insurance, annuity, or endowment contracts)
		7	*Normal distribution
		8	*Excess contributions plus earnings/excess deferrals (and/or earnings) taxable in 2004
		9	Cost of current life insurance protection (premiums paid by a trustee or custodian for current insurance protection)
		A	May be eligible for 10-year tax option
		D	*Excess contributions plus earnings/excess deferrals taxable in 2002
		E	Excess annual additions under section 415/certain excess amounts under section 403(b) plans
		F	Charitable gift annuity
		G	Direct rollover and rollover contribution
		J	Early distribution from a Roth IRA. (This code may be used with Code 8, or P.)
		L	Loans treated as deemed distributions under section 72(p)
		N	Recharacterized IRA contribution made for 2004
		P	*Excess contributions plus earnings/excess deferrals taxable in 2003
		Q	Qualified distribution from a Roth IRA. (Distribution from a Roth IRA when the 5-year holding period has been met, and the recipient has reached 59 ½, has died, or is disabled.)
		R	Recharacterized IRA contribution made for 2003 (See Note.)
		S	*Early distribution from a SIMPLE IRA in first 2 years, no known exception
		T	Roth IRA distribution, exception applies if participant died or is disabled.

* If reporting a traditional IRA, SEP, or SIMPLE distribution or a Roth conversion, use the IRA/SEP/SIMPLE Indicator of “1” (one) in position 548 of the Payee “B” Record.

☛ Note: The trustee of the first IRA must report the recharacterization as a distribution on Form 1099-R (and the original contribution and its character on Form 5498).

Part D. Record Format Specifications and Record Layouts

(17) Payee “B” Record - Record Layout Positions 544-750 for Form 1099-R (Continued)

Field Position	Field Title	Length	Description and Remarks
547	Taxable Amount Not Determined Indicator	1	Enter “1” (one) only if the taxable amount of the payment entered for Payment Amount Field 1 (Gross distribution) of the “B” Record cannot be computed; otherwise, enter blank. (If Taxable Amount Not Determined Indicator is used, enter “0’s” [zeros] in Payment Amount Field 2 of the Payee “B” Record.) Please make every effort to compute the taxable amount.
548	IRA/SEP/SIMPLE Indicator	1	Enter “1” (one) for a traditional IRA, SEP, or SIMPLE distribution or Roth conversion; otherwise, enter a blank. (See Note.) If the IRA/SEP/SIMPLE Indicator is used, enter the amount of the Roth conversion or distribution in Payment Amount Field A of the Payee “B” Record. Do not use the indicator for a distribution from a Roth or for an IRA recharacterization.
<p>☛ Note: For Form 1099-R, generally, report the Roth conversion or total amount distributed from a traditional IRA, SEP, or SIMPLE in Payment Amount Field A (traditional IRA/SEP/SIMPLE distribution or Roth conversion), as well as Payment Amount Field 1 (Gross Distribution) of the “B” Record. Refer to the 2004 Instructions for Forms 1099-R and 5498 for exceptions (Box 2a instructions).</p>			
549	Total Distribution Indicator (See Note.)	1	Enter a “1” (one) only if the payment shown for Distribution Amount Code 1 is a total distribution that closed out the account; otherwise, enter a blank.
<p>☛ Note: A total distribution is one or more distributions within one tax year in which the entire balance of the account is distributed. Any distribution that does not meet this definition is not a total distribution.</p>			
550-551	Percentage of Total Distribution	2	Use this field when reporting a total distribution to more than one person, such as when a participant is deceased and a payer distributes to two or more beneficiaries. Therefore, if the percentage is 100, leave this field blank. If the percentage is a fraction, round off to the nearest whole number (for example, 10.4 percent will be 10 percent; 10.5 percent will be 11 percent). Enter the percentage received by the person whose TIN is included in positions 12-20 of the “B” Record. This field must be right-justified, and unused positions must be zero-filled. If not applicable, enter blanks. Filers are not required to enter this information for any IRA distribution or for direct rollovers.
552-662	Blank	111	Enter blanks.

(17) Payee “B” Record - Record Layout Positions 544-750 for Form 1099-R (Continued)

Field Position	Field Title	Length	Description and Remarks
663-722	Special Data Entries	60	This portion of the “B” Record may be used to record information for state or local government reporting or for the filer’s own purposes. The state/payer’s state number, state distribution, name of locality, and/or local distribution can be entered in this field. Payers should contact the state or local revenue departments for filing requirements. If this field is not utilized, enter blanks.
723-734	State Income Tax Withheld	12	State income tax withheld is for the convenience of the filer. This information does not need to be reported to IRS. The payment amount must be right-justified and unused positions must be zero-filled. If not reporting state tax withheld, this field may be used as a continuation of the Special Data Entries Field.
735-746	Local Income Tax Withheld	12	Local income tax withheld is for the convenience of the filers. This information does not need to be reported to IRS. The payment amount must be right-justified and unused positions must be zero-filled. If not reporting local tax withheld, this field may be used as a continuation of the Special Data Entries Field.
747-748	Combined Federal/State Code	2	If this payee record is to be forwarded to a state agency as part of the Combined Federal/State Filing Program, enter the valid state code from Part A, Sec. 13, Table 1. For those payers or states not participating in this program, enter blanks.
749-750	Blank	2	Enter blanks, or carriage return/line feed (CR/LF) characters.

FORM 1099-R DISTRIBUTION CODE CHART 2004

POSITION 546

	blank	1	2	3	4	5	6	7	8	9	A	D	E	F	G	J	L	N	P	Q	R	S	T
P 1	X								X			X					X		X				
O 2	X								X			X							X				
S 3	X																						
I 4	X								X		X	X			X		X		X				
T 5	X																						
I 6	X																						
O 7	X										X												
N 8	X	X	X		X											X							
9	X																						
5 A					X			X															
4 D	X	X	X		X																		
5 E	X																						
F	X																						
G	X				X																		
J	X								X										X				
L	X	X			X																		
N	X																						
P	X	X	X		X											X							
Q	X																						
R	X																						
S	X																						
T	X																						

X - Denotes valid combinations

**Payee "B" Record - Record Layout Positions 544-750
for Form 1099-R**

Blank	Distribution Code	Taxable Amount Not Determined Indicator	IRA/SEP/SIMPLE Indicator	Total Distribution Indicator	Percentage of Total Distribution
544	545-546	547	548	549	550-551

Blank	Special Data Entries	State Income Tax Withheld	Local Income Tax Withheld	Combined Federal/State Code	Blank or CR/LF
552-662	663-722	723-734	735-746	747-748	749-750

(18) Payee "B" Record - Record Layout Positions 544-750 for Form 1099-S

Field Position	Field Title	Length	Description and Remarks
544-546	Blank	3	Enter blanks.

Part D. Record Format Specifications and Record Layouts

(18) Payee “B” Record - Record Layout Positions 544-750 for Form 1099-S (Continued)

Field Position	Field Title	Length	Description and Remarks
547	Property or Services Indicator	1	Required. Enter “1” (one) if the transferor received or will receive property (other than cash and consideration treated as cash in computing gross proceeds) or services as part of the consideration for the property transferred. Otherwise, enter a blank.
548-555	Date of Closing	8	Required. Enter the closing date in the format YYYYMMDD (e.g., January 5, 2004, would be 20040105). Do not enter hyphens or slashes.
556-594	Address or Legal Description	39	Required. Enter the address of the property transferred (including city, state, and ZIP Code). If the address does not sufficiently identify the property, also enter a legal description, such as section, lot, and block. For timber royalties, enter “TIMBER.” If fewer than 39 positions are required, left-justify information and fill unused positions with blanks.
595-662	Blank	68	Enter blanks.
663-722	Special Data Entries	60	This portion of the “B” Record may be used to record information for state or local government reporting or for the filer’s own purposes. Payers should contact the state or local revenue departments for filing requirements. If this field is not utilized, enter blanks.
723-734	State Income Tax Withheld	12	State income tax withheld is for the convenience of the filers. This information does not need to be reported to IRS. The payment amount must be right-justified and unused positions must be zero-filled. If not reporting state tax withheld, this field may be used as a continuation of the Special Data Entries Field.
735-746	Local Income Tax Withheld	12	Local income tax withheld is for the convenience of the filers. This information does not need to be reported to IRS. The payment amount must be right-justified and unused positions must be zero-filled. If not reporting local tax withheld, this field may be used as a continuation of the Special Data Entries Field.
747-748	Blank	2	Enter blank.
749-750	Blank	2	Enter blanks, or carriage return/line feed (CR/LF) characters.

**Payee “B” Record - Record Layout Positions 544-750
for Form 1099-S**

Blank	Property or Services Indicator	Date of Closing	Address or Legal Description	Blank	Special Data Entries
544-546	547	548-555	556-594	595-662	663-722

State Income Tax Withheld	Local Income Tax Withheld	Blank	Blank or CR/LF
723-734	735-746	747-748	749-750

(19) Payee “B” Record - Record Layout Positions 544-750 for Form 1099-SA

Field Position	Field Title	Length	Description and Remarks														
544	Blank	1	Enter blank.														
545	Distribution Code	1	Required. Enter the applicable code to indicate the type of payment: <table style="margin-left: 40px;"> <thead> <tr> <th style="text-align: left;"><u>Code</u></th> <th style="text-align: left;"><u>Category</u></th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Normal distribution</td> </tr> <tr> <td>2</td> <td>Excess contribution</td> </tr> <tr> <td>3</td> <td>Disability</td> </tr> <tr> <td>4</td> <td>Death distribution other than Code 6 (This includes distributions to a spouse, nonspouse, or estate beneficiary in the year of death and to an estate after the year of death.)</td> </tr> <tr> <td>5</td> <td>Prohibited transaction</td> </tr> <tr> <td>6</td> <td>Death distribution after year of death to a nonspouse beneficiary. (Do not use for distribution to an estate.)</td> </tr> </tbody> </table>	<u>Code</u>	<u>Category</u>	1	Normal distribution	2	Excess contribution	3	Disability	4	Death distribution other than Code 6 (This includes distributions to a spouse, nonspouse, or estate beneficiary in the year of death and to an estate after the year of death.)	5	Prohibited transaction	6	Death distribution after year of death to a nonspouse beneficiary. (Do not use for distribution to an estate.)
<u>Code</u>	<u>Category</u>																
1	Normal distribution																
2	Excess contribution																
3	Disability																
4	Death distribution other than Code 6 (This includes distributions to a spouse, nonspouse, or estate beneficiary in the year of death and to an estate after the year of death.)																
5	Prohibited transaction																
6	Death distribution after year of death to a nonspouse beneficiary. (Do not use for distribution to an estate.)																
546	Blank	1	Enter a blank.														
547	Medicare+ Choice MSA Indicator	1	Enter “1” (one) if distributions are from a Medicare+Choice MSA. Otherwise, enter a blank.														
548	<i>HSA Indicator</i>	<i>1</i>	<i>Enter “1” (one) if distributions are from a HSA. Otherwise, enter a blank.</i>														
549	<i>Archer MSA Indicator</i>	<i>1</i>	<i>Enter “1” (one) if distributions are from an Archer MSA. Otherwise, enter a blank.</i>														
550-662	Blank	113	Enter blanks.														

(19) Payee “B” Record - Record Layout Positions 544-750 for Form 1099-SA (Continued)

Field Position	Field Title	Length	Description and Remarks
663-722	Special Data Entries	60	This portion of the “B” Record may be used to record information for state or local government reporting or for the filer’s own purposes. Payers should contact the state or local revenue departments for filing requirements. If this field is not utilized, enter blanks.
723-734	State Income Tax Withheld	12	State income tax withheld is for the convenience of the filers. This information does not need to be reported to IRS. The payment amount must be right- justified and unused positions must be zero-filled. If not reporting state tax withheld, this field may be used as a continuation of the Special Data Entries Field .
735-746	Local Income Tax Withheld	12	Local income tax withheld is for the convenience of the filers. This information does not need to be reported to IRS. The payment amount must be right-justified and unused positions must be zero-filled. If not reporting local tax withheld, this field may be used as a continuation of the Special Data Entries Field.
747-748	Blank	2	Enter blanks.
749-750	Blank	2	Enter blanks or carriage return/line feed (CR/LF) characters.

**Payee“B” Record - Record Layout Positions 544-750
for Form 1099-SA**

Blank	Distribution Code	Blank	Medicare+ Choice MSA Indicator	<i>HSA Indicator</i>	<i>Archer MSA Indicator</i>	Blank	Special Data Entries
544	545	546	547	548	549	550-662	663-722

State Income Tax Withheld	Local Income Tax Withheld	Blank	Blank or CR/LF
723-734	735-746	747-748	749-750

(20) Payee “B” Record - Record Layout Positions 544-750 for Form 5498

Field Position	Field Title	Length	Description and Remarks
544-546	Blank	3	Enter blanks.
547	IRA Indicator (Individual Retirement Account)	1	Required, if applicable. Enter “1” (one) if reporting a rollover (Amount Code 2) or Fair Market Value (Amount Code 5) for an IRA. Otherwise, enter a blank
548	SEP Indicator (Simplified Employee Pension)	1	Required, if applicable. Enter “1” (one) if reporting rollover (Amount Code 2) or Fair Market Value (Amount Code 5) for a SEP. Otherwise, enter a blank.
549	SIMPLE Indicator (Savings Incentive Match Plan for Employees)	1	Required, if applicable. Enter “1” (one) if reporting a rollover (Amount Code 2) or Fair Market Value (Amount Code 5) for a SIMPLE. Otherwise, enter a blank
550	Roth IRA Indicator	1	Required, if applicable. Enter “1” (one) if reporting a rollover (Amount Code 2) or Fair Market Value (Amount Code 5) for a Roth IRA. Otherwise, enter a blank.
551	RMD Indicator	1	Required. Enter “1” (one) if reporting RMD for 2005. Otherwise, enter a blank.
552-662	Blank	111	Enter blanks.
663-722	Special Data Entries	60	This portion of the “B” Record may be used to record information for state or local government reporting or for the filer’s own purposes. Payers should contact the state or local revenue departments for filing requirements. If this field is not utilized, enter blanks.
723-746	Blank	24	Enter blanks.
747-748	Combined Federal/State Code	2	If this payee record is to be forwarded to a state agency as part of the Combined Federal/State Filing Program, enter the valid state code from Part A, Sec. 13, Table 1. For those payers or states not participating in this program, enter blanks
749-750	Blank	2	Enter blanks, or carriage return/line feed (CR/LF) characters.

Note: For special reporting for U.S. Armed Forces use the Special Data Entry field. Refer to 2004 Instructions for Forms 1099-R and 5498 for specific code information.

**Payee “B” Record - Record Layout Positions 544-750
for Form 5498**

Blank	IRA Indicator	SEP Indicator	SIMPLE Indicator	Roth IRA Indicator	RMD Indicator
544-546	547	548	549	550	551

Blank	Special Data Entries	Blank	Combined Federal/ State Code	Blank or CR/LF
552-662	663-722	723-746	747-748	749-750

(21) Payee “B” Record - Record Layout Positions 544-750 for Form 5498-ESA

Field Position	Field Title	Length	Description and Remarks
544-662	Blank	119	Enter blanks.
663-722	Special Data Entries	60	This portion of the “B” Record may be used to record information for state or local government reporting or for the filer’s own purposes. Payers should contact the state or local revenue departments for filing requirements. If this field is not utilized, enter blanks.
723-748	Blank	26	Enter blanks.
749-750	Blank	2	Enter blanks, or carriage return/line feed (CR/LF) characters.

**Payee “B” Record - Record Layout Positions 544-750
for Form 5498-ESA**

Blank	Special Data Entries	Blank	Blank or CR/LF
544-662	663-722	723-748	749-750

(22) Payee “B” Record - Record Layout Positions 544-750 for Form 5498-SA

Field Position	Field Title	Length	Description and Remarks
544-546	Blank	3	Enter blanks.

(22) Payee “B” Record - Record Layout Positions 544-750 for Form 5498-SA (Continued)

Field Position	Field Title	Length	Description and Remarks
547	Medicare+ Choice MSA Indicator	1	Enter “1” (one) for Medicare+Choice MSA. Otherwise, enter a blank
548	<i>HSA Indicator</i>	1	<i>Enter “1” (one) for HSA. Otherwise, enter a blank.</i>
549	<i>Archer MSA</i>	1	<i>Enter “1” (one) for Archer MSA. Otherwise, enter a blank</i>
550-662	Blank	113	Enter blanks.
663-722	Special Data Entries	60	This portion of the “B” Record may be used to record information for state or local government reporting or for the filer’s own purposes. Payers should contact the state or local revenue departments for filing requirements. If this field is not utilized, enter blanks.
723-748	Blank	26	Enter blanks.
749-750	Blank	2	Enter blanks, or carriage return/line feed (CR/LF) characters.

Payee “B” Record - Record Layout Positions 544-750 for Form 5498-SA

Blank	Medicare + Choice MSA Indicator	<i>HSA Indicator</i>	<i>Archer MSA Indicator</i>	Blank	Special Data Entries	Blank	Blank or CR/LF
544-546	547	548	549	550-662	663-722	723-748	749-750

(23) Payee “B” Record - Record Layout Positions 544-750 for Form W-2G

Field Position	Field Title	Length	Description and Remarks
544-546	Blank	3	Enter blanks.

(23) Payee "B" Record - Record Layout Positions 544-750 for Form W-2G (Continued)

Field Position	Field Title	Length	Description and Remarks																		
547	Type of Wager Code	1	Required. Enter the applicable type of wager code from the table below: <table><thead><tr><th>Code</th><th>Category</th></tr></thead><tbody><tr><td>1</td><td>Horse race track (or off-track betting of a horse track nature)</td></tr><tr><td>2</td><td>Dog race track (or off-track betting of a dog track nature)</td></tr><tr><td>3</td><td>Jai-alai</td></tr><tr><td>4</td><td>State-conducted lottery</td></tr><tr><td>5</td><td>Keno</td></tr><tr><td>6</td><td>Bingo</td></tr><tr><td>7</td><td>Slot machines</td></tr><tr><td>8</td><td>Any other type of gambling winnings</td></tr></tbody></table>	Code	Category	1	Horse race track (or off-track betting of a horse track nature)	2	Dog race track (or off-track betting of a dog track nature)	3	Jai-alai	4	State-conducted lottery	5	Keno	6	Bingo	7	Slot machines	8	Any other type of gambling winnings
Code	Category																				
1	Horse race track (or off-track betting of a horse track nature)																				
2	Dog race track (or off-track betting of a dog track nature)																				
3	Jai-alai																				
4	State-conducted lottery																				
5	Keno																				
6	Bingo																				
7	Slot machines																				
8	Any other type of gambling winnings																				
548-555	Date Won	8	Required. Enter the date of the winning transaction in the format YYYYMMDD (e.g., January 5, 2004, would be 20040105). Do not enter hyphens or slashes. This is not the date the money was paid, if paid after the date of the race (or game).																		
556-570	Transaction	15	Required. For state-conducted lotteries, enter the ticket or other identifying number. For keno, bingo, and slot machines, enter the ticket or card number (and color, if applicable), machine serial number, or any other information that will help identify the winning transaction. For all others, enter blanks.																		
571-575	Race	5	If applicable, enter the race (or game) relating to the winning ticket; otherwise, enter blanks																		
576-580	Cashier	5	If applicable, enter the initials or number of the cashier making the winning payment; otherwise, enter blanks.																		
581-585	Window	5	If applicable, enter the window number or location of the person paying the winning payment; otherwise, enter blanks.																		
586-600	First ID	15	For other than state lotteries, enter the first identification number of the person receiving the winning payment; otherwise, enter blanks.																		
601-615	Second ID	15	For other than state lotteries, enter the second identification number of the person receiving the winnings; otherwise, enter blanks.																		
616-662	Blank	47	Enter blanks.																		

(23) Payee “B” Record - Record Layout Positions 544-750 for Form W-2G (Continued)

Field Position	Field Title	Length	Description and Remarks
663-722	Special Data Entries	60	This portion of the “B” Record may be used to record information for state or local government reporting or for the filer’s own purposes. Payers should contact the state or local revenue departments for filing requirements. If this field is not utilized, enter blanks.
723-734	State Income Tax Withheld	12	State income tax withheld is for the convenience of the filers. This information does not need to be reported to IRS. The payment amount must be right-justified and unused positions must be zero-filled. If not reporting state tax withheld, this field may be used as a continuation of the Special Data Entries field.
735-746	Local Income Tax Withheld	12	Local income tax withheld is for the convenience of the filers. This information does not need to be reported to IRS. The payment amount must be right-justified and unused positions must be zero-filled. If not reporting local tax withheld, this field may be used as a continuation of the Special Data Entries field.
747-748	Blank	2	Enter blanks.
749-750	Blank	2	Enter blanks, or carriage return/line feed (CR/LF) characters.

**Payee “B” Record - Record Layout Positions 544-750
for Form W-2G**

Blank	Type of Wager Code	Date Won	Transaction	Race	Cashier	Window	First ID
544-546	547	548-555	556-570	571-575	576-580	581-585	586-600
Second ID	Blank	Special Data Entries	State Income Tax Withheld	Local Income Tax Withheld	Blank	Blank or CR/LF	
601-615	616-662	663-722	723-734	735-746	747-748	749-750	

Sec. 7. End of Payer “C” Record - General Field Descriptions and Record Layout

- .01 The “C” Record consists of the total number of payees and the totals of the payment amount fields filed for each payer and/or particular type of return. The “C” Record must follow the last “B” Record for each type of return for each payer.
- .02 For each “A” Record and group of “B” Records on the file, there must be a corresponding “C” Record.

.03 The End of Payer “C” Record is a fixed length of 750 positions. The control fields are each 18 positions in length.

Record Name: End of Payer “C” Record			
Field Position	Field Title	Length	Description and Remarks
1	Record Type	1	Required. Enter “C.”
2-9	Number of Payees	8	Required. Enter the total number of “B” Records covered by the preceding “A” Record. Right-justify information and fill unused positions with zeros.
10-15	Blank	6	Enter blanks.
16-33	Control Total 1	18	Required. Accumulate totals of any payment amount fields in the “B” Records into the appropriate control total fields of the “C” Record. Control totals must be right-justified and unused control total fields zero-filled. All control total fields are 18 positions in length. Each payment amount must contain U.S. dollars and cents. The right-most two positions represent cents in the payment amount fields.
34-51	Control Total 2	18	
52-69	Control Total 3	18	
70-87	Control Total 4	18	
88-105	Control Total 5	18	
106-123	Control Total 6	18	
124-141	Control Total 7	18	
142-159	Control Total 8	18	
160-177	Control Total 9	18	
178-195	Control Total A	18	
196-213	Control Total B	18	
214-231	Control Total C	18	
232-249	Control Total D	18	
250-267	Control Total E	18	
268-499	Blank	232	Enter blanks.
500-507	Record Sequence Number	8	Required. Enter the number of the record as it appears within your file. The record sequence number for the “T” record will always be “1” (one), since it is the first record on your file and you can have only one “T” record in a file. Each record, thereafter, must be incremented by one in ascending numerical sequence, i.e., 2, 3, 4, etc. Right-justify numbers with leading zeroes in the field. For example, the “T” record sequence number would appear as “00000001” in the field, the first “A” record would be “00000002”, the first “B” record, “00000003”, the second “B” record, “00000004” and so on until you reach the final record of the file, the “F” record.
508-748	Blank	241	Enter blanks.
749-750	Blank	2	Enter blanks, or carriage return/line feed (CR/LF) characters.

End of Payer “C” Record - Record Layout

Record Type	Number of Payees	Blank	Control Total 1	Control Total 2	Control Total 3	Control Total 4	Control Total 5	Control Total 6
1	2-9	10-15	16-33	34-51	52-69	70-87	88-105	106-123

Control Total 7	Control Total 8	Control Total 9	Control Total A	Control Total B	Control Total C	Control Total D	Control Total E	Blank
124-141	142-159	160-177	178-195	196-213	214-231	232-249	250-267	268-499

Record Sequence Number	Blank	Blank or CR/LF
500-507	508-748	749-750

Sec. 8. State Totals “K” Record - General Field Descriptions and Record Layout

- .01 The State Totals “K” Record is a summary for a given payer and a given state in the Combined Federal/State Filing Program, used **only** when state-reporting approval has been granted
- .02 The “K” Record will contain the total number of payees and the total of the payment amount fields filed by a given payer for a given state. The “K” Record(s) must be written after the “C” Record for the related “A” Record. A file format diagram is located at the end of Part D.
- .03 The “K” Record is a fixed length of 750 positions. The control total fields are each 18 positions in length.
- .04 In developing the “K” Record, for example, if a payer used Amount Codes 1, 3, and 6 in the “A” Record, the totals from the “B” Records coded for this state would appear in Control Totals 1, 3, and 6 of the “K” Record.
- .05 There must be a separate “K” Record for **each state** being reported.
- .06 Refer to Part A, Sec. 13, for the requirements and conditions that **must** be met to file via this program.

Record Name: State Totals “K” Record

Field Position	Field Title	Length	Description and Remarks
1	Record Type	1	Required. Enter “K.”
2-9	Number of Payees	8	Required. Enter the total number of “B” Records being coded for this state. Right-justify information and fill unused positions with zeros.
10-15	Blank	6	Enter blanks.

Record Name: State Totals "K" Record (Continued)

Field Position	Field Title	Length	Description and Remarks
16-33	Control Total 1	18	Required. Accumulate totals of any payment amount fields in the "B" Records for each state being reported into the appropriate control total fields of the appropriate "K" Record. Each payment amount must contain U.S. dollars and cents. The right-most two positions represent cents in the payment amount fields. Control totals must be right-justified and unused control total fields zero-filled. All control total fields are 18 positions in length.
34-51	Control Total 2	18	
52-69	Control Total 3	18	
70-87	Control Total 4	18	
88-105	Control Total 5	18	
106-123	Control Total 6	18	
124-141	Control Total 7	18	
142-159	Control Total 8	18	
160-177	Control Total 9	18	
178-195	Control Total A	18	
196-213	Control Total B	18	
214-231	Control Total C	18	
232-249	Control Total D	18	
250-267	Control Total E	18	
268-499	Blank	232	
500-507	Record Sequence Number	8	Required. Enter the number of the record as it appears within your file. The record sequence number for the "T" record will always be "1" (one), since it is the first record on your file and you can have only one "T" record in a file. Each record, thereafter, must be incremented by one in ascending numerical sequence, i.e., 2, 3, 4, etc. Right-justify numbers with leading zeroes in the field. For example, the "T" record sequence number would appear as "00000001" in the field, the first "A" record would be "00000002", the first "B" record, "00000003", the second "B" record, "00000004" and so on until you reach the final record of the file, the "F" record.
508-706	Blank	199	Enter blanks.
707-724	State Income Tax Withheld Total	18	State income tax withheld total is for the convenience of the filers. Aggregate totals of the state income tax withheld field in the Payee "B" Records; otherwise, enter blanks.
725-742	Local Income Tax Withheld Total	18	Local income tax withheld total is for the convenience of the filer. Aggregate totals of the local income tax withheld field in the Payee "B" Records; otherwise, enter blanks.
743-746	Blank	4	Enter blanks.
747-748	Combined Federal/ State Code	2	Required. Enter the code assigned to the state which is to receive the information. (Refer to Part A, Sec. 13, Table I.)

Record Name: State Totals "K" Record (Continued)

Field Position	Field Title	Length	Description and Remarks
749-750	Blank	2	Enter blanks, or carriage return/line feed (CR/LF) characters.

**State Totals "K" Record - Record Layout Forms 1099-DIV,
1099-G, 1099-INT, 1099-MISC, 1099-OID, 1099-PATR, 1099-R, and 5498**

Record Type	Number of Payees	Blank	Control Total 1	Control Total 2	Control Total 3	Control Total 4	Control Total 5	Control Total 6
1	2-9	10-15	16-33	34-51	52-69	70-87	88-105	106-123

Control Total 7	Control Total 8	Control Total 9	Control Total A	Control Total B	Control Total C	Control Total D	Control Total E	Blank
124-141	142-159	160-177	178-195	196-213	214-231	232-249	250-267	268-499

Record Sequence Number	Blanks	State Income Tax Withheld Total	Local Income Tax Withheld Total	Blank	Combined Federal/State Code	Blank or CR/LF
500-507	508-706	707-724	725-742	743-746	747-748	749-750

Sec. 9. End of Transmission "F" Record - General Field Descriptions and Record Layout

- .01 The End of Transmission "F" Record is a summary of the number of payers in the entire file.
- .02 The "F" Record is a fixed length of 750 positions.
- .03 This record must be written after the last "C" Record (or last "K" Record, when applicable) of the entire file.

Record Name: End of Transmission "F" Record

Field Position	Field Title	Length	Description and Remarks
1	Record Type	1	Required. Enter "F".
2-9	Number of "A" Records	8	Enter the total number of Payer "A" Records in the entire file (right-justify and zero-fill) or enter all zeros.
10-30	Zero	21	Enter zeros.
31-49	Blank	19	Enter blanks

Record Name: End of Transmission "F" Record (Continued)

Field Position	Field Title	Length	Description and Remarks
50-57	Total Number of Payees	8	Enter the total number of Payee "B" Records reported in the file. Right-justify information and fill unused positions with zeros. If you have entered this total in the "T" Record, you may leave this field blank.
58-499	Blank	442	Enter blanks.
500-507	Record Sequence Number	8	Required. Enter the number of the record as it appears within your file. The record sequence number for the "T" record will always be "1" (one), since it is the first record on your file and you can have only one "T" record in a file. Each record, thereafter, must be incremented by one in ascending numerical sequence, i.e., 2, 3, 4, etc. Right-justify numbers with leading zeroes in the field. For example, the "T" record sequence number would appear as "00000001" in the field, the first "A" record would be "00000002", the first "B" record, "00000003", the second "B" record, "00000004" and so on until you reach the final record of the file, the "F" record.
508-748	Blank	241	Enter blanks.
749-750	Blank	2	Enter blanks, or carriage return/line feed (CR/LF) characters.

End of Transmission "F" Record - Record Layout

Record Type	Number of "A" Records	Zero	Blank	Total Number of Payees	Blank	Record Sequence Number	Blank	Blank or CR/LF
1	2-9	10-30	31-49	50-57	58-499	500-507	508-748	749-750

File Format

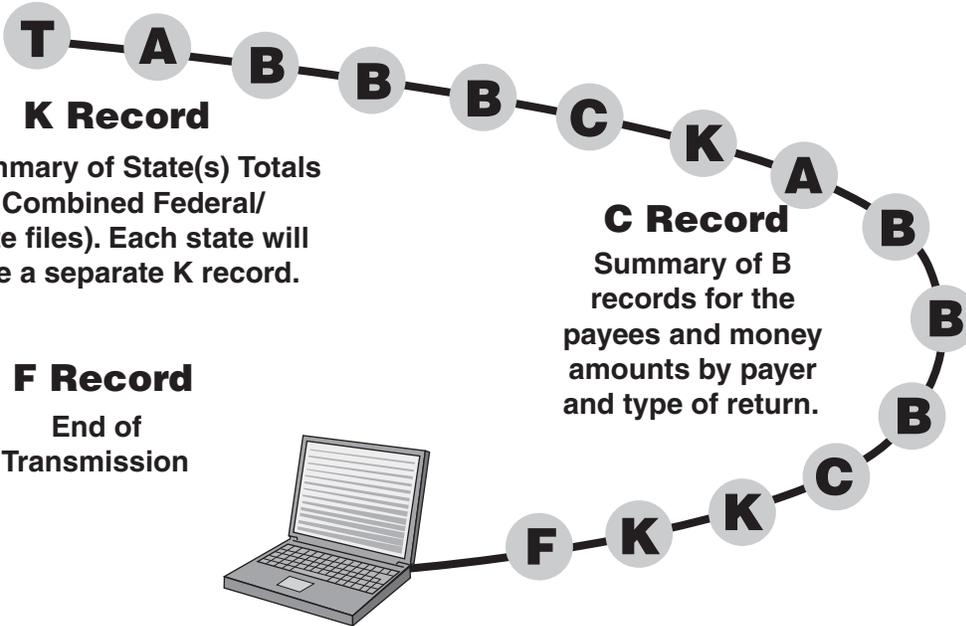
Each record must be 750 positions

T Record

Identifies the Transmitter of electronic/magnetic file & information contained on Forms 4419 & 4804

A Record

Identifies the Payer (the Institution or person making payments) the type of document being reported, & other misc. Info.



K Record

Summary of State(s) Totals (for Combined Federal/ State files). Each state will have a separate K record.

B Record

Identifies the Payee, the specific payment amounts and info pertinent to that form.

C Record

Summary of B records for the payees and money amounts by payer and type of return.

F Record

End of Transmission

Part E. Extensions of Time and Waivers

Sec. 1. General - Extensions

- .01 An extension of time to file may be requested for Forms 1098, 1099, 5498, 5498-SA, 5498-ESA, W-2G, W-2 series, 8027 and 1042-S.
- .02 Form 8809, Application for Extension of Time To File Information Returns, should be submitted to IRS/MCC at the address listed in .08 of this section. This form may be used to request an extension of time to file information returns submitted on paper, electronically or magnetically to the IRS. Use a separate Form 8809 for each method of filing information returns you intend to use, i.e., electronically and/or magnetically.
- .03 To be considered, an extension request must be postmarked or transmitted by the due date of the returns; otherwise, the request will be denied. (See Part A, Sec. 9, for due dates.) If requesting an extension of time to file several types of forms, use one Form 8809; however, Form 8809 or file must be postmarked no later than the earliest due date. For example, if requesting an extension of time to file both Forms 1099-INT and 5498, submit Form 8809 on or before February 28, 2005.
- .04 **As soon as it is apparent** that a 30-day extension of time to file is needed, an extension request should be submitted. It will take a minimum of 30 days for IRS/MCC to respond to an extension request. Generally, IRS/MCC does not begin processing extension requests until January. Extension requests received prior to January are input on a first come, first serve basis.
- .05 Under certain circumstances, a request for an extension of time may be denied. When a denial letter is received, any additional or necessary information may be resubmitted within 20 days.
- .06 Requesting an extension of time for multiple payers (50 or less) may be done by submitting Form 8809 and attaching a list of the payer names and associated TINs (EIN or SSN). **The listing must be attached to ensure an extension is recorded for all payers.** Form 8809 may be computer-generated or photocopied. Be sure to use the most recently updated version and include all the pertinent information.
- .07 Requests for an extension of time to file for more than 50 payers are **required** to be submitted electronically or magnetically. IRS encourages requests for 10 to 50 payers to be filed electronically or magnetically. (See Sec. 3, for the record layout.) The request may be filed electronically, on tape cartridges, or 3½-inch diskettes.
- .08 All requests for an extension of time filed on Form 8809 or magnetic media should be sent using the following address:

IRS-Martinsburg Computing Center
Information Reporting Program
Attn: Extension of Time Coordinator
240 Murall Drive
Kearneysville, WV 25430

- ☛ **Note:** Due to the large volume of mail received by IRS/MCC and the time factor involved in processing Extension of Time (EOT) requests, it is imperative that the attention line be present on all envelopes or packages containing Form 8809.
- .09 Requests for extensions of time to file postmarked by the United States Postal Service on or before the due date of the returns, and delivered by United States mail to IRS/MCC after the due date, are treated as timely under the “timely mailing as timely filing” rule. A similar rule applies to designated private delivery services (PDSs). See Part A, Sec.9, for more information on PDSs. For requests delivered by a designated PDS, but through a non-designated service, the actual date of receipt by IRS/MCC will be used as the filing date.
- .10 Transmitters requesting an extension of time for multiple payers will receive one approval letter, accompanied by a list of payers covered under that approval.

- .11 If an additional extension of time is needed, a second Form 8809 or file must be filed by the initial extended due date. Check line 7 on the form to indicate that an additional extension is being requested. A second 30-day extension will be approved only in cases of extreme hardship or catastrophic event. **If requesting a second 30-day extension of time, submit the information return files as soon as prepared. Do not wait for MCC's response to your second extension request.**
- .12 If an extension request is approved, the approval letter should be kept on file. **DO NOT** send the approval letter or copy of the approval letter to IRS/MCC with the magnetic media file or to the service center where the paper returns are filed.
- .13 Request an extension for only one tax year.
- .14 A signature is not required when requesting a 30 day extension. If a second 30 day extension is requested, the Form 8809 **MUST** be signed.
- .15 Failure to properly complete and sign Form 8809 may cause delays in processing the request or result in a denial. Carefully read and follow the instructions on the back of Form 8809.
- .16 Form 8809 may be obtained by calling **1-800-TAX-FORM (1-800-829-3676)**. The form is also available on the **IRS** website at www.irs.gov. A copy of Form 8809 is also provided in the back of Publication 1220.

Sec. 2. Specifications for Electronic Filing or Magnetic Media Extensions of Time

- .01 The specifications in Sec. 3 include the required 200-byte record layout for extensions of time to file requests submitted electronically or magnetically. Also included are the instructions for the information that is to be entered in the record. **Filers are advised to read this section in its entirety to ensure proper filing.**
- .02 If a filer does not have an IRS/MCC assigned Transmitter Control Code (TCC), Form 4419, Application for Filing Information Returns Electronically/Magnetically, **must** be submitted to obtain a TCC. This number **must** be used to submit an extension request electronically/magnetically. (See Part A, Sec. 6.)
- .03 For extension requests filed on magnetic media, the transmitter must mail the completed Form 8809, Application for Extension of Time To File Information Returns, in the same package as the corresponding media or fax it to 304-264-5602. For extension requests filed electronically, the transmitter must fax Form 8809 the same day the transmission is made.
- .04 **Transmitters submitting an extension of time electronically or magnetically should not submit a list of payer names and TINs with Form 8809 since this information is included on the electronic or magnetic file. However, Line 6 of Form 8809 must be completed with the total number of records included on the electronic file or magnetic media.**
- .05 Do not submit tax year 2004 extension requests filed on magnetic media before *January 1, 2005*, or electronically before *January 5, 2005*.
- .06 Each piece of magnetic media **must** have an external media label containing the following information:
 - (a) Transmitter name
 - (b) Transmitter Control Code (TCC)
 - (c) Tax year
 - (d) The words "Extension of Time"
 - (e) Record count
- .07 Electronic Filing, Tape Cartridge, and 3½-inch Diskette specifications for extensions are the same as the specifications for filing of information returns. (See Part B, or C for specific technical information.)

Sec. 3. Record Layout – Extension of Time

- .01 Positions 6 through 188 of the following record should contain information about the **payer** for whom the extension of time to file is being requested. Do not enter transmitter information in these fields. **Only one TCC may be present in a file.**

Record Layout for Extension of Time

Field Position	Field Title	Length	Description and Remarks
1-5	Transmitter Control Code	5	Required. Enter the five-digit Transmitter Control Code (TCC) issued by IRS. Only one TCC per file is acceptable.
6-14	Payer TIN	9	Required. Must be the valid nine-digit EIN/SSN assigned to the payer. Do not enter blanks, hyphens or alpha characters. All zeros, ones, twos, etc., will have the effect of an incorrect TIN. For foreign entities that are not required to have a TIN, this field may be blank; however, the Foreign Entity Indicator, position 187, must be set to "X."
15-54	Payer Name	40	Required. Enter the name of the payer whose TIN appears in positions 6-14. Left-justify information and fill unused positions with blanks.
55-94	Second Payer Name	40	If additional space is needed this field may be used to continue name line information (e.g., c/o First National Bank); otherwise, enter blanks.
95-134	Payer Address	40	Required. Enter the payer's address. Street address should include number, street, apartment or suite number (or PO Box if mail is not delivered to a street address).
135-174	Payer City	40	Required. Enter payer city, town, or post office.
175-176	Payer State	2	Required. Enter the payer valid U.S. Postal Service state abbreviation. (Refer to Part A, Sec. 15.)
177-185	Payer ZIP Code	9	Required. Enter payer ZIP Code. If using a five-digit ZIP Code, left-justify information and fill unused positions with blanks.
186	Document Indicator (See Note.)	1	Required. Enter the appropriate document code that indicates the form for which you are requesting an extension of time.

<u>Code</u>	<u>Document</u>
1	W-2
2	1098, 1098-E, 1098-T, 1099-A, 1099-B, 1099-C, 1099-CAP, 1099-DIV, 1099-G, 1099-H, 1099-INT, 1099-LTC, 1099-MISC, 1099-OID, 1099-PATR, 1099-Q, 1099-R, 1099-S, 1099-SA, or W-2G
3	5498
4	1042-S
5	REMIC Documents (1099-INT or 1099-OID)
6	5498-SA
7	5498-ESA

Record Layout for Extension of Time

Field Position	Field Title	Length	Description and Remarks
<p>☛ Note: Do not enter any other values in this field. Submit a separate record for each document. For example, if you are requesting an extension for Form 1099-INT and Form 5498 for the same payee, submit one record with “2” coded in this field and another record with “3” coded in this field. If you are requesting an extension for Form 1099-DIV and Form 1099-MISC for the same payer, submit one record with “2” coded in this field.</p>			
187	Foreign Entity Indicator	1	Enter “X” if the payer is a foreign entity.
188	Recipient Request Indicator	1	Enter “X” if the extension request is to furnish statements to the recipients of the information return.
<p>☛ Note: A separate file is required for this type of extension request. A file must either contain all blanks or all X’s in this field.</p>			
189-198	Blank	10	Enter blanks.
199-200	Blank	2	Enter blanks or carriage return/line feed (CR/LF) characters.

Extension of Time Record Layout

Transmitter Control Code	Payer TIN	Payer Name	Second Payer Name	Payer Address	Payer City	Payer State
1-5	6-14	15-54	55-94	95-134	135-174	175-176

Payer ZIP Code	Document Indicator	Foreign Entity Indicator	Recipient Request Indicator	Blank	Blank or CR/LF
177-185	186	187	188	189-198	199-200

Sec. 4. Extension of Time for Recipient Copies of Information Returns

.01 Request an **extension of time to furnish the statements to recipients** of Forms 1098, 1099 series, 5498 series, W-2G, W-2 series, and 1042-S by submitting a letter to IRS/MCC at the address listed in Part E, Sec 1.08. The letter should contain the following information:

- (a) Payer name
- (b) TIN
- (c) Address
- (d) Type of return
- (e) Specify that the extension request is to provide statements to recipients
- (f) Reason for delay
- (g) Signature of payer or duly authorized person.

- .02 Requests for an extension of time to furnish statements to recipients of Forms 1098, 1099 series, 5498 series, W-2G, W-2 series, and 1042-S are not automatically approved; however, if approved, generally an extension will allow a **MAXIMUM** of 30 additional days from the due date. The request must be postmarked by the date on which the statements are due to the recipients.
- .03 Generally, only the payer may sign the letter requesting the extension for recipient copies. A transmitter must have a contractual agreement with the filers to submit extension requests on their behalf. This should be stated in your letter of request for recipient copy extensions. If you are requesting an extension for multiple payers electronically or magnetically, you must use the format specifications in Sec. 4 (See Sec.1 .07).
- .04 *Requests for a **recipient** extension of time to file for more than 50 payers are **required** to be submitted electronically or magnetically. IRS encourages requests for 10 to 50 payers to be filed electronically or magnetically. (See Sec. 3, for the record layout.) The request may be filed electronically, on tape cartridges, or 3½-inch diskettes.*

Sec. 5. Form 8508, Request for Waiver From Filing Information Returns on Magnetic Media

- .01 If a payer is required to file on magnetic media but fails to do so (or fails to file electronically in lieu of magnetic media filing) and does not have an approved waiver on record, the payer will be subject to a penalty of \$50 per return in excess of 250. (For penalty information, refer to the Penalty Section of the *2004 General Instructions for Forms 1099, 1098, 5498, and W-2G.*)
- .02 If payers are required to file original or corrected returns on magnetic media, but such filing would create an undue hardship, they may request a waiver from these filing requirements by submitting Form 8508, Request for Waiver From Filing Information Returns on Magnetic Media, to IRS/MCC. Form 8508 can be obtained on the IRS website at www.irs.gov or by calling toll-free 1-800-829-3676.
- .03 Even though a payer may submit as many as 249 corrections on paper, IRS encourages electronic or magnetic filing of corrections. Once the 250 threshold has been met, filers are required to submit any returns of 250 or more electronically or magnetically. However, if a waiver for original documents is approved, any corrections for the same type of returns will be covered under that waiver.
- .04 Generally, only the payer may sign Form 8508. A transmitter may sign if given power of attorney; however, a letter signed by the payer stating this fact must be attached to Form 8508.
- .05 A transmitter must submit a separate Form 8508 for each payer. Do not submit a list of payers.
- .06 All information requested on Form 8508 must be provided to IRS for the request to be processed.
- .07 The waiver, if approved, will provide exemption from the magnetic media filing requirement for the current tax year only. Payers may not apply for a waiver for more than one tax year at a time; application must be made each year a waiver is necessary.
- .08 Form 8508 may be photocopied or computer-generated as long as it contains all the information requested on the original form.
- .09 Filers are encouraged to submit Form 8508 to IRS/MCC at least 45 days before the due date of the returns. Generally, IRS/MCC does not process waiver requests until January. Waiver requests received prior to January are processed on a first come, first serve basis.
- .10 All requests for a waiver should be sent using the following address:
 - IRS-Martinsburg Computing Center
 - Information Reporting Program
 - 240 Murall Drive
 - Kearneysville, WV 25430
- .11 **File Form 8508 for the W-2 series of forms with IRS/MCC, not SSA.**
- .12 Waivers are evaluated on a case-by-case basis and are approved or denied based on criteria set forth in the regulations under section 6011(e) of the Internal Revenue Code. The transmitter must allow a minimum of 30 days for IRS/MCC to respond to a waiver request.

- .13 If a waiver request is approved, keep the approval letter on file. **DO NOT** send a copy of the approved waiver to the service center where the paper returns are filed.
- .14 An approved waiver only applies to the requirement for filing information returns electronically/magnetically. The payer must still timely file information returns on the official IRS paper forms or an acceptable substitute form with the appropriate service center.

2004



Department of the Treasury
Internal Revenue Service

General Instructions for Forms 1099, 1098, 5498, and W-2G

Section references are to the Internal Revenue Code.

What's New for 2004

The following changes have been made to these general instructions:

1. Use of an account number is required if you have multiple accounts for a recipient for whom you are filing more than one information return of the same type (see page GEN-14).

2. Procedures for correcting paper returns have been modified (see page GEN-12). Instructions for correcting a payer TIN and/or name and address have been added on page GEN-5.

3. Electronic payee statements are permitted for all Forms 1099, 1098, and 5498 (see page GEN-11).

4. References to Forms 1099-MSA and 5498-MSA have been changed throughout these instructions to Forms 1099-SA and 5498-SA. See **Form 1099-SA** and **Form 5498-SA** below.



See the specific form instructions for more information on the changes listed below.

Form 1098-E. For loans made on or after September 1, 2004, origination fees and capitalized interest must be included in the amount reported in box 1.

Form 1098-T. The telephone number provided by the institution must be for the information contact at the institution not the institution's general telephone number.

Form 1099-B. Temporary Regulations sections 1.6045-3T and 1.6043-4T were reissued under Treasury Decision 9101. Any broker that holds stock for a client in a corporation that the broker knows or has reason to know had an acquisition of control or a substantial change in capital structure must file Form 1099-B, Proceeds From Broker and Barter Exchange Transactions, not **Form 1099-CAP**, Changes in Corporate Control and Capital Structure. The reporting is required by the broker if the shareholder is required to recognize gain (under section 367(a)) as a result of the transaction and is not an exempt recipient. Three additional boxes have been added to Form 1099-B to report these transactions. New boxes have been added relating to broker reporting under reissued regulations. A box for corporation information has been added below the box for the broker's TIN.

Form 1099-CAP. Temporary Regulations sections 1.6045-3T and 1.6043-4T were reissued under Treasury Decision 9101. The following changes have been made to Form 1099-CAP reporting:

- A corporation that is required to file **Form 8806**, Information Return for Acquisition of Control or Substantial Change in Capital Structure, under revised Temporary Regulations section 1.6043-4T, must file form 1099-CAP with the IRS and furnish a copy to each shareholder who receives cash, stock, or other property as a result of the acquisition of control or substantial change in capital structure (under section 367(a)) and who is not an exempt recipient. However, if the corporation can reasonably determine that the receipt of such stock would not cause the shareholder to recognize gain, the corporation is not required to report the fair market value of any stock provided to a shareholder.

- The list of exempt recipients has been expanded to include brokers.
- Brokers will not receive Forms 1099-CAP from a corporation and are not required to issue Form 1099-CAP. Instead, a broker who has reason to know, based on readily available information, that a transaction described in 1.6043-4T(c) or (d) has occurred, is required to file Form 1099-B. Accordingly, boxes that were used by brokers to report noncash transactions and backup withholding have been deleted.
- Special reporting rules apply to furnishing Forms 1099-CAP to clearing organizations.

All boxes relating to broker reporting have been removed based on the reissued regulations. The remaining boxes have been renumbered.

Form 1099-DIV. The boxes for post-May 5 capital gain distributions and qualified 5-year gain have been eliminated based on section 301 of the Jobs and Growth Tax Relief and Reconciliation Act of 2003.

The instructions have been revised to amend the holding period rules by changing the 120-day period to a 121-day period and the 180-day period to a 181-day period. The Commissioner of Internal Revenue has agreed to allow taxpayers to apply the new periods as if pending legislation were presently enacted.

Form 1099-MISC. Rules for reporting golden parachute payments have changed based on final regulations under section 280G.

Payments related to certain health arrangements are exempted by the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 from the reporting requirements of section 6041 in box 6.

Form 1099-R. Distribution codes 1 and J have been revised to require the taxpayer to complete Forms 8606 and 5329. Codes 2, Q, and T have been revised to require that certain criteria be met in order to use these codes.

Form 1099-S. The escrow number related to the reported sale may be entered in the box below the transferor's name and address. The box is re-titled "Account or escrow number (optional)."

Form 1099-SA and Form 5498-SA. The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 created new Code section 223 that establishes health savings accounts (HSAs). Forms 1099-MSA and 5498-MSA have been replaced with Form 1099-SA, Distributions From an HSA, Archer MSA, or Medicare+Choice MSA, and Form 5498-SA, HSA, Archer MSA, or Medicare+Choice MSA Information. Any reference on Form 1099-SA or 5498-SA to a Medicare+Choice MSA includes a Medicare Advantage (MA) MSA.



At the time these instructions were released for print, 2004 Forms 1099-SA and 5498-SA had not been printed. However, do not use Forms 1099-MSA or 5498-MSA to report distributions or contributions made for 2004. The new forms and instructions will be available later in 2004.

Items You Should Note

Photographs of Missing Children

The Internal Revenue Service is a proud partner with the National Center for Missing and Exploited Children. Photographs of missing children selected by the Center may appear in instructions on pages that would otherwise be blank. You can help bring these children home by looking at the photographs and calling **1-800-THE-LOST** (1-800-843-5678) if you recognize a child.

Available Products

In addition to these general instructions, which contain general information concerning Forms 1099, 1098, 5498, and W-2G, we provide specific form instructions as separate products. Get the instructions you need for completing a specific form from the following list of separate instructions:

- **Instructions for Forms W-2G and 5754**
- **Instructions for Form 1098**
- **Instructions for Forms 1098-E and 1098-T**
- **Instructions for Forms 1099-A and 1099-C**
- **Instructions for Form 1099-B**
- **Instructions for Form 1099-CAP**
- **Instructions for Form 1099-DIV**
- **Instructions for Form 1099-G**
- **Instructions for Form 1099-H**
- **Instructions for Forms 1099-INT and 1099-OID**
- **Instructions for Form 1099-LTC**
- **Instructions for Form 1099-MISC**
- **Instructions for Form 1099-PATR**
- **Instructions for Form 1099-Q**
- **Instructions for Forms 1099-R and 5498**
- **Instructions for Form 1099-S**
- **Instructions for Forms 1099-SA and 5498-SA**
- **Instructions for Form 5498-ESA**

If you prefer to have all the specific and general instructions in one booklet, the **2004 Instructions for Forms 1099, 1098, 5498, and W-2G** is also available. See **How To Get Forms and Publications** on page GEN-3.

Reporting Backup Withholding on Forms 1099 and W-2G

If you backup withhold on a payment, you must file the appropriate Form 1099 or Form W-2G with the IRS and furnish a statement to the recipient to report the amount of the payment and the amount withheld. This applies even though the amount of the payment may be below the normal threshold for filing Form 1099 or Form W-2G. See **Backup Withholding** on page GEN-3.

Form 945. Withholding Tax Return

Report backup withholding, voluntary withholding on certain government payments, and withholding from gambling winnings, pensions, annuities, IRAs, military retirement, and Indian gaming profits on **Form 945**, Annual Return of Withheld Federal Income Tax. Generally, file Form 945 for 2004 by January 31, 2005. For more information, including the deposit requirements for Form 945, see the separate **Instructions for Form 945** and **Circular E**, Employer's Tax Guide (Pub. 15).

Any income tax withholding reported on the following forms must not be reported on Form 945:

- **Form W-2**, Wage and Tax Statement, including withholding on distributions to plan participants from nonqualified plans, must be reported on **Form 941**, Employer's Quarterly Federal Tax Return.
- **Form 1042-S**, Foreign Person's U.S. Source Income Subject to Withholding, must be reported on **Form 1042**, Annual Withholding Tax Return for U.S. Source Income of Foreign Persons.



Pub. 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*, has more information on Form 1042 reporting, partnership withholding on effectively connected income, and dispositions of U.S. real property interests by a foreign person.

Use Form 1096 To Send Forms to the IRS

You must send Copies A of all paper Forms 1099, 1098, 5498, and W-2G to the IRS with **Form 1096**, Annual Summary and Transmittal of U.S. Information Returns. Instructions for completing Form 1096 are contained on Form 1096. Also see part **D** on page GEN-8.

Substitute Statements to Recipients

If you are using a substitute form to furnish statements to recipients (generally Copy B), be sure your substitute statements comply with the rules in **Pub. 1179**, General Rules and Specifications for Substitute Forms 1096, 1098, 1099, 5498, W-2G, and 1042-S. Pub. 1179, which is revised annually, explains the requirements for format and content of substitute statements to recipients. If you are using a substitute form to furnish information to recipients, it must comply with the requirements in Pub. 1179.



All substitute statements to recipients must contain the tax year, form number, and form name prominently displayed together in one area of the statement. For example, they could be shown in the upper right part of the statement.

Guide to Information Returns

See the chart on pages GEN-16 and GEN-17 for a brief summary of information return reporting rules.

Taxpayer Identification Number (TIN) Matching

TIN Matching allows a payer or authorized agent who is required to file Forms 1099-B, DIV, INT, MISC, OID, and/or PATR, which report income subject to backup withholding, to match TIN and name combinations with IRS records before submitting the forms to the IRS. TIN Matching is one of the e-services products that is offered, and is accessible through the IRS website, www.irs.gov/e-services. It is anticipated that payers who validate the TIN and name combinations before filing information returns will receive fewer backup withholding (CP2100) "B" notices and penalty notices. E-services technical support is available by calling 1-866-255-0654

Need Help?

Information Reporting Customer Service Site

If you have questions about reporting on Forms 1096, 1098, 1099, 5498, W-2, W-2G, and W-3, you may call a toll-free number, **1-866-455-7438**. You may still use the original telephone number, **304-263-8700** (not toll free). For TTY/TDD equipment, call **304-267-3367** (not toll free). The call site can also be reached by email at mccirp@irs.gov. The hours of operation for the call site are Monday through Friday from 8:30 a.m. to 4:30 p.m., Eastern time.

Other tax-related matters. For other tax information related to business returns or accounts, call 1-800-829-4933.

If you have access to TTY/TDD equipment, call 1-800-829-4059 to ask tax account questions or to order forms and publications.

Internal Revenue Bulletin

The Internal Revenue Bulletin (IRB), published weekly, contains newly issued regulations, notices, announcements, legislation, court decisions, and other items of general interest. You may find this publication useful to keep you up to date with current developments. See **How To Get Forms and Publications** on page GEN-3.

Unresolved Tax Issues

If you have attempted to deal with an IRS problem unsuccessfully, you should contact the Taxpayer Advocate. The Taxpayer Advocate independently represents your interests and concerns within the IRS by protecting your rights and resolving problems that have not been fixed through normal channels.

While Taxpayer Advocates cannot change the tax law or make a technical decision, they can clear up problems that

resulted from previous contacts and ensure that your case is given a complete and impartial review.

Your assigned personal advocate will listen to your point of view and will work with you to address your concerns. You can expect the advocate to provide:

- A “fresh look” at a new or on-going problem.
- Timely acknowledgement.
- The name and phone number of the individual assigned to your case.
- Updates on progress.
- Timeframes for action.
- Speedy resolution.
- Courteous service.

When contacting the Taxpayer Advocate, you should provide the following information:

- Your name, address, and employer identification number (EIN).
- The name and telephone number of an authorized contact person and the hours he or she can be reached.
- The type of tax return and year(s).
- A detailed description of the problem.
- Previous attempts to solve the problem and the office that had been contacted.
- A description of the hardship you are facing (if applicable).

You may contact a Taxpayer Advocate by calling a toll-free number, **1-877-777-4778**. Persons who have access to TTY/TDD equipment may call 1-800-829-4059 and ask for Taxpayer Advocate assistance. If you prefer, you may call, write, or fax the Taxpayer Advocate office in your area. See **Pub. 1546**, The Taxpayer Advocate Service of the IRS, for a list of addresses and fax numbers.

How To Get Forms and Publications



Because the IRS processes paper forms by machine (optical character recognition equipment), you cannot file with the IRS Form 1096 or Copy A of Forms 1098, 1099, or 5498 that you print from the IRS website or the CD-ROM.

Personal computer. You can access the IRS website 24 hours a day, 7 days a week, at www.irs.gov to:

- Access commercial tax preparation and e-file services.
- Download forms, instructions, and publications.
- Order IRS products on-line.
- See answers to frequently asked tax questions.
- Search publications on-line by topic or keyword.
- Send us comments or request help by email.
- Sign up to receive local and national tax news by email.

You can also reach us using File Transfer Protocol at [ftp.irs.gov](ftp://ftp.irs.gov).

CD-ROM. Order **Pub. 1796**, IRS Federal Tax Products CD-ROM, and get:

- Current year forms, instructions, and publications.
- Prior year forms, instructions, and publications.
- Frequently requested tax forms that may be filled in electronically, printed out for submission, and saved for recordkeeping.
- The Internal Revenue Bulletin.

Buy the CD-ROM on the Internet at www.irs.gov/cdorders from the National Technical Information Service (NTIS) for \$22 (no handling fee) or call **1-877-CDFORMS** (1-877-233-6767) toll free to buy the CD-ROM for \$22 (plus a \$5 handling fee).

By phone and in person. You can order forms and publications 24 hours a day, 7 days a week, by calling **1-800-TAX-FORM** (1-800-829-3676). You can also get most forms and publications at many IRS offices, post offices, and libraries.

Backup Withholding

Interest, dividends, rents, royalties, commissions, nonemployee compensation, and certain other payments (including broker and barter exchange transactions, reportable gross proceeds paid to attorneys, and certain payments made by fishing boat

operators) may be subject to backup withholding at a 28% rate. To be subject to backup withholding, a payment must be a reportable interest or dividend payment under section 6049(a), 6042(a), or 6044 (if the patronage dividend is paid in money or qualified check), or an “other” reportable payment under section 6041, 6041A(a), 6043(c), 6045, 6050A, or 6050N. If the payment is one of these reportable payments, **backup withholding will apply if:**

1. The payee fails to furnish his or her taxpayer identification number (TIN) to you,
2. For interest, dividend, and broker and barter exchange accounts opened or instruments acquired after 1983, the payee fails to certify, under penalties of perjury, that the TIN provided is correct,
3. The IRS notifies you to impose backup withholding because the payee furnished an incorrect TIN (“B” notice),
4. For interest and dividend accounts or instruments, you are notified that the payee is subject to backup withholding (under section 3406(a)(1)(C), “C” notice), or
5. For interest and dividend accounts opened or instruments acquired after 1983, the payee fails to certify to you, under penalties of perjury, that he or she is **not** subject to backup withholding under 4 above.

Except as explained in 2 above, reportable “other” payments are subject to backup withholding only if 1 or 3 above applies.

Some payees are exempt from backup withholding. For a list of exempt payees and other information, see **Form W-9**, Request for Taxpayer Identification Number and Certification, and the separate **Instructions for the Requester of Form W-9**.

Backup withholding will not apply to the following:

1. Real estate transactions reportable under section 6045(e),
2. Foreclosures and abandonments reportable under section 6050J,
3. Canceled debts reportable under section 6050P,
4. Distributions from Archer MSAs and HSAs,
5. Long-term care benefits,
6. Distributions from any retirement account, including IRAs,
7. Section 404(k) distributions from an employee stock ownership plan (ESOP),
8. Fish purchases for cash reportable under section 6050R,
9. Unemployment compensation,
10. State or local income tax refunds,
11. Qualified tuition program earnings, and
12. Coverdell ESA earnings.

When to apply backup withholding. Generally, the period for which the 28% should be withheld is as follows:

1. Failure to furnish TIN in the manner required. Withhold on payments made until the TIN is furnished in the manner required. Special backup withholding rules may apply if the payee has applied for a TIN. The payee may certify to this on Form W-9 by noting “Applied For” in the TIN block and by signing the form. This form then becomes an “awaiting-TIN” certificate, and the payee has 60 days to obtain a TIN and furnish it to you. If you do not receive a TIN from the payee within 60 days and you have not already begun backup withholding, begin backup withholding and continue until the TIN is provided.



The 60-day exemption from backup withholding applies only to interest and dividend payments and certain payments made with respect to readily tradable instruments. Therefore, any other payment, such as nonemployee compensation, is subject to backup withholding even if the payee has applied for and is awaiting a TIN. For information about whether backup withholding applies during the 60-day period, see Regulations section 31.3406(g)-3.

2. Notice from the IRS that payee’s TIN is incorrect (“B” notice). You may choose to withhold on any reportable payment made to the account(s) subject to backup withholding after receipt of the “B” notice, but you must withhold on any reportable payment made to the account more than 30

business days after you received the “B” notice. Stop withholding within 30 days after you receive a certified Form W-9 (or other form that requires the payee to certify under penalty of perjury).

TIP The IRS will furnish a notice to you, and you are required to promptly furnish a copy of such notice, or an acceptable substitute, to the payee. For further information, see Regulations section 31.3406(d)-5 (recent amendments are effective after December 31, 2003) and Rev. Proc. 93-37, 1993-2 C.B. 477.

If you receive two incorrect TIN notices within 3 years for the same account, follow the procedures in Regulations section 31.3406(d)-5(g) and Rev. Proc. 93-37.

3. Notice from the IRS that payee is subject to backup withholding due to notified payee underreporting (“C” notice). You may choose to withhold on any reportable payment made to the account(s) subject to backup withholding after receipt of the “C” notice, but you must withhold on any reportable payment made to the account more than 30 business days after you receive the “C” notice. The IRS will notify you in writing when to stop withholding, or the payee may furnish you a written certification from the IRS stating when the withholding should stop. In most cases, the stop date will be January 1 of the year following the year of the notice.

TIP You must notify the payee when withholding under this procedure starts. For further information, see Regulations section 31.3406(c)-1(d).

4. Payee failure to certify that he or she is not subject to backup withholding. Withhold on reportable interest and dividends until the certification has been received.

For exceptions to these general timing rules, see section 3406(e).

TIP For information about backup withholding on gambling winnings, see the separate **Instructions for Forms W-2G and 5754**.

Reporting backup withholding. Report backup withholding on Form 945. For more information, see the Instructions for Form 945. Also, report backup withholding and the amount of the payment on Forms W-2G, 1099-B, DIV, G, INT, MISC, OID, or PATR even if the amount of the payment is less than the amount for which an information return is normally required.

Additional information. For more information about backup withholding, see **Pub. 1679**, A Guide to Backup Withholding for Missing and Incorrect Name/TIN(s), and **Pub. 1281**, Backup Withholding for Missing and Incorrect Name/TIN(s) (Including Instructions for Reading Tape Cartridges).

Penalties

The following penalties generally apply to the person required to file information returns. The penalties apply to paper filers as well as to magnetic media/electronic filers.

Failure To File Correct Information Returns by the Due Date (Section 6721)

If you fail to file a correct information return by the due date and you cannot show reasonable cause, you may be subject to a penalty. The penalty applies if you fail to file timely, you fail to include all information required to be shown on a return, or you include incorrect information on a return. The penalty also applies if you file on paper when you were required to file on magnetic media, you report an incorrect TIN or fail to report a TIN, or you fail to file paper forms that are machine readable.

The amount of the penalty is based on when you file the correct information return. The penalty is:

- **\$15** per information return if you correctly file within 30 days (by March 30 if the due date is February 28); maximum penalty \$75,000 per year (\$25,000 for small businesses, defined below).
- **\$30** per information return if you correctly file more than 30 days after the due date but by August 1; maximum penalty \$150,000 per year (\$50,000 for small businesses).

- **\$50** per information return if you file after August 1 or you do not file required information returns; maximum penalty \$250,000 per year (\$100,000 for small businesses).



If you **do not** file corrections and you do not meet any of the exceptions to the penalty described below, the penalty is **\$50** per information return.

Small businesses—lower maximum penalties. You are a small business if your average annual gross receipts for the 3 most recent tax years (or for the period you were in existence, if shorter) ending before the calendar year in which the information returns were due are \$5 million or less.

Exceptions to the penalty. The following are exceptions to the failure to file penalty:

1. The penalty will not apply to any failure that you can show was due to reasonable cause and not to willful neglect. In general, you must be able to show that your failure was due to an event beyond your control or due to significant mitigating factors. You must also be able to show that you acted in a responsible manner and took steps to avoid the failure.

2. An inconsequential error or omission is not considered a failure to include correct information. An inconsequential error or omission does not prevent or hinder the IRS from processing the return, from correlating the information required to be shown on the return with the information shown on the payee’s tax return, or from otherwise putting the return to its intended use. Errors and omissions that are never inconsequential are those related to (a) a TIN, (b) a payee’s surname, and (c) any money amount.

3. **De minimus rule for corrections.** Even though you cannot show reasonable cause, the penalty for failure to file correct information returns will not apply to a certain number of returns if you:

- a. Filed those information returns,
- b. Either failed to include all the information required on a return or included incorrect information, and
- c. Filed corrections by August 1.

If you meet all the conditions in a, b, and c above, the penalty for filing incorrect returns (but not for filing late) will not apply to the greater of 10 information returns or 1/2 of 1% of the total number of information returns you are required to file for the calendar year.

Intentional disregard of filing requirements. If any failure to file a correct information return is due to intentional disregard of the filing or correct information requirements, the penalty is at least \$100 per information return with no maximum penalty.

Failure To Furnish Correct Payee Statements (Section 6722)

If you fail to provide correct payee statements and you cannot show reasonable cause, you may be subject to a penalty. The penalty applies if you fail to provide the statement by January 31 (see part H on page GEN-9), you fail to include all information required to be shown on the statement, or you include incorrect information on the statement. “Payee statement” has the same meaning as “statement to recipient” as used in part H on page GEN-9.

The penalty is \$50 per statement, no matter when the correct statement is furnished, with a maximum of \$100,000 per year. The penalty is **not** reduced for furnishing a correct statement by August 1.

Exception. An inconsequential error or omission is not considered a failure to include correct information. An inconsequential error or omission cannot reasonably be expected to prevent or hinder the payee from timely receiving correct information and reporting it on his or her income tax return or from otherwise putting the statement to its intended use. Errors and omissions that are never inconsequential are those relating to (a) a dollar amount, (b) a significant item in a payee’s address, (c) the appropriate form for the information provided (i.e., whether the form is an acceptable substitute for the official IRS form), and (d) whether the statement was furnished in person or by “statement mailing,” when required.

Intentional disregard of payee statement requirements. If any failure to provide a correct payee statement is due to intentional disregard of the requirements to furnish a correct payee statement, the penalty is at least \$100 per payee statement with no maximum penalty.

Forms 1099-Q, 1099-SA, 5498, 5498-ESA, and 5498-SA

The penalties under sections 6721 and 6722 **do not** apply to:

Forms	Filed Under Code Section
1099-SA and 5498-SA	220(h) and 223
5498	408(i) and 408(l)
5498-ESA	530(h)
1099-Q	529(d) and 530(h)

The penalty for failure to timely file Forms 1099-SA, 5498-SA, 5498, 5498-ESA, or 1099-Q is \$50 per return with no maximum, unless the failure is due to reasonable cause. See section 6693.

Civil Damages for Fraudulent Filing of Information Returns

If you willfully file a fraudulent information return for payments you claim you made to another person, that person may be able to sue you for damages. You may have to pay \$5,000 or more.

Magnetic Media/Electronic Reporting

Magnetic media reporting may be required for filing all information returns discussed in this publication (see **Who must file on magnetic media**) below. Acceptable forms of magnetic media are IBM 3480, 3490, 3490E, 3590, or 3590E tape cartridges; and 3½-inch diskettes.



For returns filed after December 31, 2006, IRS/MCC will no longer accept 3½-inch diskettes for filing information returns.

Pub. 1220, Specifications for Filing Forms 1098, 1099, 5498, and W-2G Electronically or Magnetically, is the revenue procedure for reporting electronically or magnetically. Different types of payments, such as interest, dividends, and rents, may be reported on the same tape or other submission.

Electronic submissions are filed using the Filing  Information Returns Electronically System (FIRE System). The FIRE System operates 24 hours a day, 7 days a week. You may access the FIRE System via the Internet at <http://FIRE.IRS.gov>. See Pub. 1220 for more information.

Due dates. File Forms 1098, 1099, or W-2G on magnetic media by February 28, 2005. If you file electronically, you may file by March 31, 2005. File Form 5498, 5498-ESA, or 5498-SA by May 31, 2005. See part **H** on page GEN-9 about providing Forms 1098, 1099, 5498, and W-2G or statements to recipients.

Extension of time to file. For information about requesting an extension of time to file, see **Extension** on page GEN-7.



If you file electronically or on magnetic media, do not file the same returns on paper.

Who must file on magnetic media. If you are required to file 250 or more information returns, you must file on magnetic media. The 250-or-more requirement applies separately to each type of form. For example, if you must file 500 Forms 1098 and 100 Forms 1099-A, you must file Forms 1098 on magnetic media, but you are not required to file Forms 1099-A on magnetic media.

The magnetic media filing requirement does not apply if you apply for and receive a hardship waiver. See **How to request a waiver from filing on magnetic media** below.



The IRS encourages you to file on magnetic media or electronically even though you are filing fewer than 250 returns.

Filing requirement applies separately to originals and corrections.

The magnetic media filing requirements apply separately to original returns and corrected returns. Originals and corrections are not aggregated to determine whether you are required to file on magnetic media. For example, if you file 400 Forms 1098 on magnetic media and you are making 75 corrections, your corrections can be filed on paper because the number of corrections for Form 1098 is less than the 250 filing requirement. However, if you were filing 250 or more Form 1098 corrections, they would have to be filed on magnetic media.

Reporting incorrect payer name and/or TIN. If a payer discovers an error in reporting the payer name and/or TIN, write a letter to IRS/MCC (see below) containing the following information:

1. Name and address of the payer,
2. Type of error (including the incorrect payer name/TIN that was reported),
3. Tax year,
4. Payer TIN,
5. Transmitter Control Code (TCC), if applicable,
6. Type of return,
7. Number of payees, and
8. Filing method (paper, electronic, or magnetic media).

Send the letter to IRS-Martinsburg Computing Center, Information Reporting Program, 240 Murall Drive, Kearneysville, WV 25430. Also see Pub. 1220, Part A, Section 11.

If a payer realizes duplicate reporting or a large percentage of incorrect information has been filed, contact the information reporting customer service site at 1-866-455-7438 for further instructions.

How to get approval to file on magnetic media. File **Form 4419**, Application for Filing Information Returns Electronically/Magnetically, at least 30 days before the due date of the returns. File only one Form 4419 for all types of returns that will be filed on magnetic media. Once you have received approval, you need not reapply each year. The IRS will provide a written reply to the applicant and further instructions at the time of approval, usually within 30 days. A magnetic media reporting package, which includes all the necessary transmittals and instructions, will be mailed to all approved filers.

How to request a waiver from filing on magnetic media. To receive a waiver from the required filing of information returns on magnetic media, submit **Form 8508**, Request for Waiver From Filing Information Returns Magnetically, at least 45 days before the due date of the returns. You cannot apply for a waiver for more than 1 tax year at a time. If you need a waiver for more than 1 tax year, you must reapply at the appropriate time each year.

If a waiver for original returns is approved, any corrections for the same types of returns will be covered under the waiver. However, if you submit original returns on magnetic media but you want to submit your corrections on paper, a waiver must be approved for the corrections if you must file 250 or more corrections.

If you receive an approved waiver, do not send a copy of it to the service center where you file your paper returns. Keep the waiver for your records only.

Single application. Submit both Forms 4419 and 8508 to apply for approval for filing returns on magnetic media, and if the approval is not granted, to apply for a waiver from the magnetic media requirement.

Penalty. If you are required to file on magnetic media but fail to do so, and you do not have an approved waiver, you may be subject to a penalty of \$50 per return for failure to file on magnetic media unless you establish reasonable cause. However, you can file up to 250 returns on paper; those returns will not be subject to a penalty for failure to file on magnetic media.

The penalty applies separately to original returns and corrected returns. See **Filing requirement applies separately to originals and corrections** on page GEN-5.

Paper Document Reporting

If you are required to file 250 or more information returns, see **Magnetic Media/Electronic Reporting** on page GEN-5.

Common errors. Be sure to check your returns to prevent the following common errors:

1. Duplicate filing. **Do not** send the same information to the IRS more than once.
2. Filer's name, address, and TIN are not the same on Form 1096 and the attached Forms 1099, 1098, 5498, or W-2G.
3. Decimal point to show dollars and cents omitted. For example, 1230.00 is correct, not 1230.
4. Two or more types of returns submitted with one Form 1096 (e.g., Forms 1099-INT and 1099-MISC with one Form 1096). You must submit a separate Form 1096 with each type of return.

Required format. Because paper forms are read by machine (optical character recognition equipment), all Forms 1096 and Copies A of Forms 1098, 1099, and 5498 must be prepared in accordance with the following instructions. If these instructions are not followed, you may be subject to a penalty of \$50 for each incorrectly filed document.

1. **Do not** cut or separate Copies A of the forms that are printed two or three to a sheet (except Form W-2G). Forms 1098, 1099, and 5498 are printed two or three to an 8 x 11 inch sheet. Form 1096 is printed one to an 8 x 11 inch sheet. These forms must be submitted to the IRS on the 8 x 11 inch sheet. If at least one form on the page is correctly completed, you must submit the entire page. Forms W-2G may be separated and submitted as single forms. Send the forms to the IRS in a flat mailing (not folded).

2. **No photocopies** of any forms are acceptable. See **How To Get Forms and Publications** on page GEN-3.

3. **Do not** staple, tear, or tape any of these forms. It will interfere with the IRS's ability to scan the documents.

4. Pinfeed holes on the form are **not** acceptable. Pinfeed strips outside the 8 x 11 inch area must be removed before submission, without tearing or ripping the form. Substitute forms prepared in continuous or strip form must be burst and stripped to conform to the size specified for a single sheet (8 x 11 inches) before they are filed with the IRS.

5. **Do not** change the title of any box on any form. Do not use a form to report information that is not properly reportable on that form. If you are unsure of where to report the data, call the information reporting call site at 866-455-7438 (toll free).

6. Report information only in the appropriate boxes provided on the forms. Make only one entry in each box unless otherwise indicated in the form's specific instructions.

7. **Do not** submit any copy other than Copy A to the IRS.

8. **Do not** use prior year forms unless you are reporting prior year information; do not use subsequent year forms for the current year. Because forms are read by machine, you **must** use the current year form to report current year information.

9. Use the official forms or substitute forms that meet the specifications in the 2004 Pub. 1179. If you submit substitute forms that do not meet the current specifications and that are not machine scannable, you may be subject to a penalty of \$50 for each return for improper format.

10. **Do not** use dollar signs (\$) (they are preprinted on the forms), ampersands (&), asterisks (*), commas (,), or other special characters in money amount boxes.

Suggested format. Below are suggestions that will allow the IRS to process the submitted forms in the most economical manner:

1. Although handwritten forms are acceptable, the IRS prefers that you type or machine print data entries using 10 pitch (pica) or 12 pitch (elite) black type. Use block print, not script characters. Insert data in the middle of the blocks well

separated from other printing and guidelines, and take other measures to guarantee a dark black, clear, sharp image.

2. Do not enter 0 (zero) or "None" in money amount boxes when no entry is required. Leave the boxes blank unless the instructions specifically require that you enter a 0 (zero). For example, in some cases, you must enter 0 (zero) to make corrections. See **Corrected Returns on Paper Forms** on page GEN-11.

3. Do not enter number signs (#); for example, enter RT 2, not Rt. #2.

A. Who Must File

See the separate specific instructions for each form.

Nominee/middleman returns. Generally, if you receive a Form 1099 for amounts that actually belong to another person, you are considered a nominee recipient. You must file a Form 1099 (the same type of Form 1099 you received) for each of the other owners showing the amounts allocable to each. You must also furnish a Form 1099 to each of the other owners. File the new Form 1099 with Form 1096 with the Internal Revenue Service Center for your area. On each new Form 1099, list yourself as the "payer" and the other owner as the "recipient." On Form 1096, list yourself as the "filer." A husband or wife is not required to file a nominee return to show amounts owned by the other. The nominee, not the original payer, is responsible for filing the subsequent Forms 1099 to show the amount allocable to each owner.

Successor/predecessor reporting. A successor business (a corporation, partnership, or sole proprietorship) and a predecessor business (a corporation, partnership, or sole proprietorship) may agree that the successor will assume all or some of the predecessor's information reporting responsibilities. This would permit the successor to file one Form 1099, 1098, 5498, or W-2G for each recipient combining the predecessor's and successor's reportable amounts, including any withholding. If they so agree and the successor satisfies the predecessor's obligations and the conditions described below, the predecessor does not have to file the specified information returns for the acquisition year. If the successor and predecessor do not agree, or if the requirements described are not met, the predecessor and the successor each must file Forms 1099, 1098, 5498, and W-2G for their own reportable amounts as they usually would. For more information and the rules that apply to filing combined Forms 1042-S, see Rev. Proc. 99-50, 1999-2 C.B. 757.

The combined reporting procedure is available when all the following conditions are met:

1. The successor acquires from the predecessor substantially all the property (a) used in the trade or business of the predecessor, including when one or more corporations are absorbed by another corporation under a merger agreement, or (b) used in a separate unit of a trade or business of the predecessor.

2. The predecessor is required to report amounts, including any withholding, on information returns for the year of acquisition for the period before the acquisition.

3. The predecessor is not required to report amounts, including withholding, on information returns for the year of acquisition for the period after the acquisition.

Combined reporting agreement. The predecessor and the successor must agree on the specific forms to which the combined reporting procedure applies and that the successor assumes the predecessor's entire information reporting obligations for these forms. The predecessor and successor may agree to:

1. Use the combined reporting procedure for all Forms 1099, 1098, 5498, and W-2G, or

2. Limit the use of the combined reporting procedure to (a) specific forms or (b) specific reporting entities, including any unit, branch, or location within a particular business entity that files its own separate information returns. For example, if the predecessor's and successor's only compatible computer or

recordkeeping systems are their dividends paid ledgers, they may agree to use the combined reporting procedure for Forms 1099-DIV only. Similarly, if the only compatible systems are in their midwest branches, they may agree to use the combined reporting procedure for only the midwest branches.

Combined reporting procedure. On each Form 1099, 1098, 5498, and W-2G filed by the successor, the successor must combine the predecessor's (before the acquisition) and successor's reportable amounts, including any withholding, for the acquisition year and report the aggregate. For transactional reporting on **Form 1099-B**, Proceeds From Broker and Barter Exchange Transactions, the successor must report each of the predecessor's transactions and each of its own transactions on each Form 1099-B. The successor may include with the form sent to the recipient additional information explaining the combined reporting.

For purposes of the combined reporting procedure, the sharing of TINs and other information obtained under section 3406 for information reporting and backup withholding purposes does not violate the confidentiality rules in section 3406(f).

Statement required. The successor must file a statement with the IRS indicating the forms that are being filed on a combined basis under Rev. Proc. 99-50. The statement must:

1. Include the predecessor's and successor's names, addresses, telephone numbers, EINs, and the name and telephone number of the person responsible for preparing the statement.
2. Reflect separately the amount of Federal income tax withheld by the predecessor and by the successor for each type of form being filed on a combined basis (e.g., Form 1099-R or 1099-MISC).
3. Be sent separately from Forms 1099, 1098, 5498, and W-2G by the forms' due date to: IRS-Martinsburg Computing Center, Attn: Chief, Information Returns Branch, Mail Stop 360, 230 Murall Dr., Kearneysville, WV 25430. **Do not** send Form 1042-S statements to this address. Instead, use the address given in the Instructions for Form 1042-S. See Rev. Proc. 99-50.

Qualified settlement funds. A qualified settlement fund must file information returns for distributions to claimants if any transferor to the fund would have been required to file if the transferor had made the distributions directly to the claimants.

For distributions to transferors, a fund is subject to the information reporting requirements of sections 6041 and 6041A and may be required to file Form 1099-MISC. For payments made by the fund on behalf of a claimant or transferor, the fund is subject to these same rules and may have to file Form 1099-MISC for the payment to a third party. For information reporting purposes, a payment made by the fund on behalf of a claimant or transferor is considered a distribution to the claimant or transferor and is also subject to information reporting requirements.

The same filing requirements, exceptions, and thresholds apply to qualified settlement funds as apply to any other payer. That is, the fund must determine the character of the payment (e.g., interest, fixed and determinable income, or gross proceeds from broker transactions) and to whom the payment is made (e.g., corporation or individual).

For more information, see Regulations section 1.468B-2(l). In addition, see Proposed Regulations sections 1.468B-1(k) and 1.468B-6 through 1.468B-9 that relate to escrow and other similar funds.

Payments to foreign persons. See the Instructions for Form 1042-S, relating to U.S. source income of foreign persons, for reporting requirements relating to payments to foreign persons.

B. When To File

File Forms 1098, 1099, or W-2G on paper or magnetic media by February 28, 2005 (March 31, 2005, if filing electronically). Also file Form 1096 with paper forms. Brokers may file Forms 1096 and 1099-B anytime after the reporting period they elect

to adopt (month, quarter, or year), but not later than the due date. File Form 1096 with Forms 5498, 5498-ESA, and 5498-SA by May 31, 2005.

You will meet the requirement to file if the form is properly addressed and mailed on or before the due date. If the regular due date falls on a Saturday, Sunday, or legal holiday, file by the next business day. A business day is any day that is not a Saturday, Sunday, or legal holiday. See part **H** on page GEN-9 about providing Forms 1098, 1099, 5498, and W-2G or statements to recipients.

Private delivery services. You can use certain private delivery services designated by the IRS to meet the "timely mailing as timely filing" rule for information returns. The most recent list of designated private delivery services was published in September 2002 by the IRS. The list includes only the following:

- Airborne Express (Airborne): Overnight Air Express Service, Next Afternoon Service, and Second Day Service.
- DHL Worldwide Express (DHL): DHL "Same Day" Service and DHL USA Overnight.
- Federal Express (FedEx): FedEx Priority Overnight, FedEx Standard Overnight, FedEx 2 Day, FedEx International Priority, and FedEx International First.
- United Parcel Service (UPS): UPS Next Day Air, UPS Next Day Air Saver, UPS 2nd Day Air, UPS 2nd Day Air A.M., UPS Worldwide Express Plus, and UPS Worldwide Express.

The private delivery service can tell you how to get written proof of the mailing date.



Private delivery services cannot deliver items to P.O. boxes. You must use the U.S. Postal Service to mail any item to an IRS P.O. box address.

Reporting period. Forms 1098, 1099, and W-2G are used to report amounts received, paid, credited, or canceled in the case of Form 1099-C, during the calendar year. Forms 5498, 5498-ESA, and 5498-SA are used to report amounts contributed and the fair market value of an account for the calendar year.

Extension. For paper or magnetic media/electronic filing, you can get a 30-day extension of time to file by sending **Form 8809**, Application for Extension of Time To File Information Returns, to the address shown on Form 8809. No signature or explanation is required for the extension. However, you must file Form 8809 by the due date of the returns in order to get the 30-day extension. Under certain hardship conditions you may apply for an additional 30-day extension. See Form 8809 for more information.



*If you are requesting extensions of time to file for **more than 50** payers, you must submit the extension requests magnetically or electronically. See Pub. 1220.*

For information on extensions for providing statements to recipients, see **Extension** on page GEN-11.

C. Where To File

Send all information returns filed on paper to the following:

If your principal business, office or agency, or legal residence in the case of an individual, is located in

Use the following Internal Revenue Service Center address

Alabama, Arizona, Florida, Georgia, Louisiana, Mississippi, New Mexico, North Carolina, Texas, Virginia

Austin, TX 73301

Arkansas, Connecticut, Delaware, Kentucky, Maine, Massachusetts, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Vermont, West Virginia

Cincinnati, OH 45999

Illinois, Indiana, Iowa, Kansas, Michigan,
Minnesota, Missouri, Nebraska, North
Dakota, Oklahoma, South Carolina, South
Dakota, Tennessee, Wisconsin
Kansas City, MO
64999

Alaska, California, Colorado, District of
Columbia, Hawaii, Idaho, Maryland,
Montana, Nevada, Oregon, Utah,
Washington, Wyoming
Ogden, UT 84201

If your legal residence or principal place of business or principal office or agency is outside the United States, file with the Internal Revenue Service Center, Cincinnati, OH 45999.

Send all information returns filed magnetically to IRS-Martinsburg Computing Center, Information Reporting Program, 230 Murall Drive, Kearneysville, WV 25430.

D. Filing Returns With the IRS

The IRS strongly encourages the quality review of data before filing to prevent erroneous notices being mailed to payees (or others for whom information is being reported).

If you must file any Form 1098, 1099, 5498, or W-2G with the IRS and you are filing paper forms, you must send a Form 1096 with each type of form as the transmittal document. You must group the forms by form number and submit each group with a separate Form 1096. For example, if you file Forms 1098, 1099-A, and 1099-MISC, complete one Form 1096 to transmit Forms 1098, another for Forms 1099-A, and a third for Forms 1099-MISC. Specific instructions for completing Form 1096 are included on the form. Also, see **Transmitters, paying agents, etc.** below. For information about filing corrected returns, see **Corrected Returns on Paper Forms** on page GEN-11.

If you are filing on magnetic media, **Form 4804**, Transmittal of Information Returns Reported Magnetically, must accompany your submissions.



*Form 4804 is no longer required if you file information returns electronically. See **Magnetic Media/Electronic Reporting** on page GEN-5.*

For information on the preparation of transmittal documents for magnetic media and paper document reporting (Forms 4804 and 1096), see Rev. Proc. 84-24, 1984-1 C.B. 465.

Report payments on the appropriate form, as explained in the separate specific instructions.

See Pub. 1179 for specifications for private printing of substitute information returns. You may not request special consideration. Only forms that conform with the official form and the specifications in Pub. 1179 are acceptable.

Transmitters, paying agents, etc. A transmitter, service bureau, paying agent, or disbursing agent (hereafter referred to as "agent") may sign Form 1096 or Form 4804 on behalf of any person required to file (hereafter referred to as "payer") if the conditions in 1 and 2 below are met:

1. The agent has the authority to sign the form under an agency agreement (oral, written, or implied) that is valid under state law and
2. The agent signs the form and adds the caption "For: (Name of payer)."

Signing of the form by an authorized agent on behalf of the payer does not relieve the payer of the liability for penalties for not filing a correct, complete, and timely Form 1096 or Form 4804 and accompanying returns.

Forms 1098, 1099, 5498, W-2G, or acceptable substitute statements to recipients issued by a service bureau or agent should show the same payer's name as shown on the information returns filed with the IRS.

For information about the election to report and deposit backup withholding under the agent's TIN and how to prepare

forms if the election is made, see Rev. Proc. 84-33, 1984-1 C.B. 502.

Keeping copies. Generally, keep copies of information returns you filed with the IRS or have the ability to reconstruct the data for at least 3 years, 4 years for Form 1099-C, from the due date of the returns. Keep copies of information returns for 4 years if backup withholding was imposed.

E. Shipping and Mailing

Send the forms to the IRS in a flat mailing (not folded). If you are sending many forms, you may send them in conveniently sized packages. On each package, write your name and TIN, number the packages consecutively, and place Form 1096 in package number one. Postal regulations require forms and packages to be sent by First-Class Mail.

F. Recipient Names and Taxpayer Identification Numbers (TINs)

Recipient name. Show the full name and address in the section provided on the information return. If payments have been made to more than one recipient or the account is in more than one name, show on the first name line the name of the recipient whose TIN is first shown on the return. You may show the names of any other individual recipients in the area below the first line, if desired. Form W-2G filers, see the Instructions for Forms W-2G and 5754.

For **sole proprietors**, you must show the individual's name on the first name line; on the second name line, you may enter the "doing business as (DBA)" name. You may not enter only the DBA name. For the TIN, enter either the individual's SSN or the EIN of the business (sole proprietorship). The IRS prefers that you enter the SSN.

For a single-member **limited liability company (LLC)** (including a foreign LLC with a U.S. owner) that is disregarded as an entity separate from its owner under Regulations section 301.7701-3, enter the individual's name only on the first name line and the LLC's name on the second name line. For the TIN, enter the individual's SSN (or EIN, if applicable). If the LLC is a corporation, partnership, etc., enter the entity's EIN.

TINs. TINs are used to associate and verify amounts you report to the IRS with corresponding amounts on tax returns. Therefore, it is important that you furnish correct names, social security numbers (SSNs), individual taxpayer identification numbers (ITINs), or employer identification numbers (EINs) for recipients on the forms sent to the IRS.

Requesting a recipient's TIN. If the recipient is a U.S. person (including a U.S. resident alien), the IRS suggests that you request the recipient complete Form W-9 (or Form W-9S, if appropriate). See the Instructions for the Requester of Form W-9 for more information on how to request a TIN.

If the recipient is a foreign person, the IRS suggests that you request the recipient complete the appropriate Form W-8. See the **Instructions for the Requester of Forms W-8BEN, W-8ECI, W-8EXP, and W-8IMY.**



*U.S. resident aliens who rely on a "saving clause" of a tax treaty are to complete Form W-9, not Form W-8BEN. See **Pub. 515, Withholding of Tax on Nonresident Aliens and Foreign Entities**, and **Pub. 519.***

You may be subject to a penalty for an incorrect or missing TIN on an information return. See **Penalties** on page GEN-4. You are required to maintain the confidentiality of information obtained on a Form W-9/W-9S relating to the taxpayer's identity (including SSNs, EINs, and ITINs), and you may use such information only to comply with the tax laws.



*If the recipient does not provide a TIN, leave the box for the recipient's TIN blank on the Form 1098, 1099, 5498, or W-2G. See **Backup Withholding** on page GEN-3. Only one recipient TIN can be entered on the form.*

The TIN for individual recipients of information returns is the SSN. See the information about sole proprietors on page GEN-8. For other recipients, including corporations, partnerships, and estates, the TIN is the EIN. For LLCs, see the information on LLC on page GEN-8.

SSNs have nine digits separated by two hyphens (000-00-0000), and EINs have nine digits separated by only one hyphen (00-0000000).

Electronic submission of Forms W-9. Requesters may establish a system for payees and payees' agents to submit Forms W-9 electronically, including by fax. A requester is anyone required to file an information return. A payee is anyone required to provide a TIN to the requester.

Payee's agent. A payee's agent can be an investment advisor (corporation, partnership, or individual) or an introducing broker. An investment advisor must be registered with the Securities Exchange Commission (SEC) under The Investment Advisers Act of 1940. The introducing broker is a broker-dealer that is regulated by the SEC and the National Association of Securities Dealers, Inc., and that is not a payer. Except for a broker who acts as a payee's agent for "readily tradable instruments," the advisor or broker must show in writing to the payer that the payee authorized the advisor or broker to transmit the Form W-9 to the payer.

Generally, the electronic system must:

1. Ensure the information received is the information sent and document all occasions of user access that result in the submission.
2. Make reasonably certain the person accessing the system and submitting the form is the person identified on Form W-9.
3. Provide the same information as the paper Form W-9.
4. Be able to supply a hard copy of the electronic Form W-9 if the Internal Revenue Service requests it.
5. Require as the final entry in the submission an electronic signature by the payee whose name is on Form W-9 that authenticates and verifies the submission. The electronic signature must be under penalties of perjury and the perjury statement must contain the language of the paper Form W-9.



For Forms W-9 that are not required to be signed, the electronic system need not provide for an electronic signature or a perjury statement.

Additional requirements may apply. See Announcement 98-27, 1998-1 C.B. 865 and Announcement 2001-91, 2001-2 C.B. 221.

Electronic submission of Forms W-9S. See the Instructions for Forms 1098-E and 1098-T.

G. Filer's Name, Identification Number, and Address

The TIN for filers of information returns, including sole proprietors and nominees/middlemen, is the Federal EIN. However, sole proprietors and nominees/middlemen who are not otherwise required to have an EIN should use their SSNs. A sole proprietor is not required to have an EIN unless he or she has a Keogh plan or must file excise or employment tax returns. See **Pub. 583**, Starting a Business and Keeping Records.

The filer's name and TIN should be consistent with the name and TIN used on the filer's other tax returns. The name of the filer's paying agent or service bureau must not be used in place of the name of the filer.

If you do not have an EIN, you may apply for one online. Go to the IRS website www.irs.gov/businesses/small and click on the link for EINs. You may also apply by calling 1-800-829-4933 or by faxing or mailing form SS-4 to the IRS. See Form SS-4 for more information.

Enter your street address including the room, suite, or other unit number on the forms.

H. Statements to Recipients (Borrowers, Debtors, Insureds, Participants, Payers/ Borrowers, Policyholders, Students, Transferors, or Winners on Certain Forms)

If you are required to file Forms 1099, 1098, 5498, or W-2G, you must also furnish statements to recipients containing the information furnished to the IRS and, in some cases, additional information. Be sure that the statements you provide to recipients are clear and legible.

Substitute statements. If you are not using the official IRS form to furnish statements to recipients, see Pub. 1179 for specific rules about providing "substitute" statements to recipients. Generally, a substitute is any statement other than Copy B (and C in some cases) of the official form. You may develop them yourself or buy them from a private printer. However, the substitutes must comply with the format and content requirements specified in Pub. 1179.

Telephone number. You are required to include the telephone number of a person to contact on the following statements to recipients: W-2G, 1098, 1098-E, 1098-T, 1099-A, 1099-B, 1099-CAP, 1099-DIV, 1099-G (excluding state and local income tax refunds), 1099-H, 1099-INT, 1099-LTC, 1099-MISC (excluding fishing boat proceeds), 1099-OID, 1099-PATR, 1099-Q, and 1099-S. You may include the telephone number in any conspicuous place on the statements. This number must provide direct access to an individual who can answer questions about the statement. Although not required, if you report on other Forms 1099 and 5498, you are encouraged to furnish telephone numbers.

Rules for furnishing statements. Different rules apply to furnishing statements to recipients depending on the type of payment (or contribution) you are reporting and the form you are filing.



If you are reporting a payment that includes noncash property, show the fair market value of the property at the time of payment. Although, generally, you are not required to report payments smaller than the minimum described for a form, you may prefer, for economy and your own convenience, to file Copies A for all payments. The IRS encourages this.

See the heading below for the type of payment you are reporting. The headings are **(a) Interest, dividend, and royalty payments;** **(b) Real estate transactions;** and **(c) Other payments.**

Interest, dividend, and royalty payments. For payments of dividends under section 6042 (reported on Form 1099-DIV) or patronage dividends under section 6044 (reported on Form 1099-PATR), interest (including original issue discount) under section 6049 (reported on Form 1099-INT or 1099-OID), or royalties under section 6050N (reported on Form 1099-MISC or 1099-S), you are required to furnish an official IRS Form 1099 or an acceptable substitute Form 1099 to a recipient either in person, by First-Class Mail to the recipient's last known address, or electronically (see **Electronic recipient statements** on page GEN-11). Statements may be sent by intraoffice mail if you use intraoffice mail to send account information and other correspondence to the recipient.

Statement mailing requirements for Forms 1099-DIV, 1099-INT, 1099-OID, and 1099-PATR, and forms reporting royalties only. The following statement mailing requirements apply only to Forms 1099-DIV (except for section 404(k) dividends), 1099-INT (except for interest reportable in the course of your trade or business under section 6041), 1099-OID, 1099-PATR, and timber royalties reported under section 6050N (on Form 1099-MISC or 1099-S). The mailing must contain the official IRS Form 1099 or an acceptable substitute and may also contain the following **enclosures:** **(a)** Form W-2, applicable Form W-8, Form W-9, or other Forms W-2G, 1098, 1099, and 5498 statements; **(b)** a check from the

account being reported; **(c)** a letter explaining why no check is enclosed; **(d)** a statement of the person's account shown on Forms 1099, 1098, or 5498; and **(e)** a letter explaining the tax consequences of the information shown on the recipient statement.

A statement of the person's account (year-end account summary) that you are permitted to enclose in a statement mailing may include information similar to the following: **(a)** tax-exempt interest (including accrued OID) and the part of such interest exempt from the alternative minimum tax or from state or local income tax; **(b)** the part of a mutual fund distribution that is interest on U.S. Treasury obligations; **(c)** accrued interest expense on the purchase of a debt obligation; and **(d)** the cost or other basis of securities and the gain/loss on the sale of securities.

No additional enclosures, such as advertising, promotional material, or a quarterly or annual report, are permitted. Even a sentence or two on the year-end statement describing new services offered by the payer is not permitted. Logos are permitted on the envelope and on any nontax enclosures.

TIP *The IRS intends to amend the regulations to allow the use of certain logos and identifying slogans on substitute statements to recipients that are subject to the statement mailing requirements. Until the new regulations are issued, the IRS will not assess penalties for the use of a logo (including the name of the payer in any typeface, font, or stylized fashion and/or a symbolic icon) or slogan on a statement to a recipient if the logo or slogan is used by the payer in the ordinary course of its trade or business. In addition, use of the logo or slogan must not make it less likely that a reasonable payee will recognize the importance of the statement for tax reporting purposes. See Notice 96-62, 1996-2 C.B. 228.*

A recipient statement may be perforated to a check or to a statement of the recipient's specific account. The check or account statement to which the recipient statement is perforated must contain, in bold and conspicuous type, the legend "Important Tax Return Document Attached."

The legend "Important Tax Return Document Enclosed" must appear in a bold and conspicuous manner on the outside of the envelope and on each letter explaining why no check is enclosed, or on each check or account statement that is not perforated to the recipient statement. The legend is not required on any tax form, tax statement, or permitted letter of tax consequences included in a statement mailing. Further, you need not pluralize the word "document" in the legend simply because more than one recipient statement is enclosed.

TIP *If you provide recipient statements in a "separate mailing" that contains only recipient statements, Forms W-8 and W-9, and a letter explaining the tax consequences of the information shown on a recipient statement included in the envelope, you are not required to include the legend "Important Tax Return Document Enclosed" on the envelope.*

Substitute forms. You may furnish to the recipient Copy B of the official IRS form, or you may use substitute Forms 1099-DIV, 1099-INT, 1099-OID, or 1099-PATR, if they contain the same language as the official IRS forms and they comply with the rules in Pub. 1179, relating to substitute Forms 1099. Applicable box titles and numbers must be clearly identified, using the same wording and numbering as the official IRS form. However, for Form 1099-INT, if your substitute does not contain box 3, "Interest on U.S. Savings Bonds and Treas. obligations," you may omit "not included in box 3" from the box 1 title. For information on substitute Forms 1099-MISC, see **Other payments** below. For Forms 1099-S, see **Real estate transactions** below.

TIP *All substitute statements to recipients must contain the tax year, form number, and form name prominently displayed together in one area of the statement. For example, they could be shown in the upper right part of the statement.*

If you are using substitutes, the IRS encourages you to use boxes so that the substitute has the appearance of a form. The substitute form must contain the applicable instructions as on the front and back of Copy B of the official IRS form. See Pub. 1179 for additional requirements. Certain "composite" statements are permitted. See Pub. 1179.

Real estate transactions. You must furnish a statement to the transferor containing the same information reported to the IRS on Form 1099-S. You may use Copy B of the official IRS Form 1099-S or a substitute form that complies with Pub. 1179 and Regulations section 1.6045-4(m). You may use a Uniform Settlement Statement (under RESPA) as the written statement if it is conformed by including on the statement the legend shown on Form 1099-S and by designating which information is reported to the IRS on Form 1099-S. You may furnish the statement to the transferor in person, by mail, or electronically. Furnish the statement at or after closing but by January 31 of the following year.

The statement mailing requirements explained above **do not** apply to statements to transferors for proceeds from real estate transactions reported on Form 1099-S. However, the statement mailing requirements do apply to statements to transferors for timber royalties reportable under section 6050N on Form 1099-S.

Other payments. Statements to recipients for Forms 1098, 1098-E, 1098-T, 1099-A, 1099-B, 1099-C, 1099-CAP, 1099-G, 1099-H, 1099-LTC, 1099-MISC, 1099-Q, 1099-R, 1099-SA, 5498, 5498-ESA, 5498-SA, W-2G, 1099-DIV only for section 404(k) dividends reportable under section 6047, 1099-INT only for interest reportable in the course of your trade or business under section 6041, or 1099-S only for royalties need not be, but can be, a copy of the official paper form filed with the IRS. If you do not use a copy of the paper form, the form number and title of your **substitute** must be the same as the official IRS form. All information required to be reported must be numbered and titled on your substitute in substantially the same manner as on the official IRS form. However, if you are reporting a payment as "Other income" in box 3 of Form 1099-MISC, you may substitute appropriate explanatory language for the box title. For example, for payments of accrued wages to a beneficiary of a deceased employee required to be reported on Form 1099-MISC, you might change the title of box 3 to "Beneficiary payments" or something similar.

Appropriate instructions to the recipient, similar to those on the official IRS form, must be provided to aid in the proper reporting of the items on the recipient's income tax return. For payments reported on Form 1099-B, rather than furnish appropriate instructions with each Form 1099-B statement, you may furnish to the recipient one set of instructions for all statements required to be furnished to a recipient in a calendar year.

Except for royalties reported on Form 1099-MISC, the statement mailing requirements explained earlier **do not** apply to statements to recipients for information reported on the forms listed above. You may combine the statements with other reports or financial or commercial notices, or expand them to include other information of interest to the recipient. Be sure that all copies of the forms are legible. Certain "composite" statements are permitted. See Pub. 1179.

When to furnish forms or statements. Generally, you must furnish Forms 1098, 1099, and W-2G information by January 31, 2005. However, you may issue them earlier in some situations, as provided by the regulations. For example, you may furnish Form 1099-INT to the recipient on redemption of U.S. Savings Bonds at the time of redemption. Brokers and barter exchanges may furnish Form 1099-B anytime but not later than January 31, 2005.

Trustees or issuers of traditional IRAs must furnish participants with a statement of the value of the participant's account, and RMD if applicable, by January 31, 2005. The fair market value of SEP IRAs must also be furnished to the participant by January 31, 2005. Traditional IRA, Roth IRA, SEP, or SIMPLE contribution information must be furnished to

the participant by May 31, 2005. However, Coverdell ESA contribution information must be furnished to the beneficiary by May 2, 2005.

Trustees of a SIMPLE must furnish a statement of the account balance and the account activity by January 31, 2005.

For real estate transactions, you may furnish the statement to the transferor at closing or by mail on or before January 31, 2005.

Filers of Form 1099-G who report state or local income tax refunds, credits, or offsets must furnish the statements to recipients **during** January 2005.

See the **Guide to Information Returns** on pages GEN-16 and GEN-17 for the date other information returns are due to the recipient.

You will meet the requirement to furnish the statement if it is properly addressed and mailed, or posted to a website, on or before the due date. If the regular due date falls on a Saturday, Sunday, or legal holiday, the due date is the next business day. A business day is any day that is not a Saturday, Sunday, or legal holiday.

Electronic recipient statements. If you are required to furnish a written statement (Copy B or an acceptable substitute) to a recipient, then you may furnish the statement electronically instead of on paper. This includes furnishing the statement to recipients of Forms 1098, 1098-E, 1098-T, 1099-A, B, C, CAP, DIV, H, INT, G, LTC, MISC, OID, PATR, Q, R, S, SA, 5498, 5498-ESA, and 5498-SA. It also includes Form W-2G (except for horse and dog racing, jai alai, sweepstakes, wagering pools, and lotteries).

If you meet the requirements listed below, you are treated as furnishing the statement timely.

Consent. The recipient must consent in the affirmative and not have withdrawn the consent before the statement is furnished. The consent by the recipient must be made electronically in a way that shows that he or she can access the statement in the electronic format in which it will be furnished.

You must notify the recipient of any hardware or software changes prior to furnishing the statement. A new consent to receive the statement electronically is required after the new hardware or software is put into service.

Prior to furnishing the statements electronically, you must provide the recipient a statement with the following statements prominently displayed:

- If the recipient does not consent to receive the statement electronically, a paper copy will be provided.
- The scope and duration of the consent. For example, whether the consent applies to every year the statement is furnished or only for the January 31 immediately following the date of the consent.
- How to obtain a paper copy after giving consent.
- How to withdraw the consent. The consent may be withdrawn at any time by furnishing the withdrawal in writing (electronically or on paper) to the person whose name appears on the statement. Confirmation of the withdrawal also will be in writing (electronically or on paper).
- Notice of termination. The notice must state under what conditions the statements will no longer be furnished to the recipient.
- Procedures to update the recipient's information.
- A description of the hardware and software required to access, print and retain a statement, and a date the statement will no longer be available on the website.

Format, posting, and notification. Additionally, you must:

- Ensure the electronic format contains all the required information and complies with the applicable revenue procedure for substitute statements to recipients. See Pub. 1179.
- Post, on or before the January 31 due date, the applicable statement on a website accessible to the recipient through October 15 of that year.
- Inform the recipient, electronically or by mail, of the posting and how to access and print the statement.

For more information, see Regulations section 31.6051-1. For electronic furnishing of Forms 1098-E and 1098-T, see

Regulations section 1.6050S-2. For electronic furnishing of Forms 1099-R, 1099-SA, 1099-Q, 5498, 5498-ESA, and 5498-SA, see Notice 2004-10, 2004-6 I.R.B. 433.

Extension. You may request an extension of time to provide the statements to recipients by sending a letter to IRS-Martinsburg Computing Center, Information Reporting Program, Attn: Extension of Time Coordinator, 240 Murall Drive, Kearneysville, WV 25430. The letter must include (a) your name, (b) your TIN, (c) your address, (d) type of return, (e) a statement that your extension request is for providing statements to recipients, (f) reason for delay, and (g) the signature of the payer or authorized agent. Your request must be postmarked by the date on which the statements are due to the recipients. If your request for an extension is approved, generally you will be granted a maximum of 30 extra days to furnish the recipient statements.

I. Corrected Returns on Paper Forms



To file corrections on magnetic media, see **Magnetic Media/Electronic Reporting** on page GEN-5 and Pub. 1220.

If you filed a return with the IRS and later discover you made an error on it, you must:

- Correct it as soon as possible and file Copy A and Form 1096 with your Internal Revenue Service Center (see **Where To File** on page GEN-7).
- Furnish statements to recipients showing the correction.

When making a correction, complete all required information (see **Filing Corrected Returns on Paper Forms** on page GEN-12).

- **Do not** cut or separate forms that are two or three to a page. Submit the entire page even if only one of the forms on the page is completed.
- **Do not** staple the forms to Form 1096.

To correct payer information, see the instructions on page GEN-5.

Form 1096. Use a separate Form 1096 for each type of return you are correcting. For the same type of return, you may use one Form 1096 for both originals and corrections.

CORRECTED checkbox. Enter an "X" in the corrected checkbox only when correcting a form previously filed with the IRS or furnished to the recipient. When the type of error requires two returns to make the correction, see **Filing Corrected Returns on Paper Forms** on page GEN-12 to determine when to mark the "CORRECTED" checkbox.

Account number. If the account number was provided on the original return, the same account number must be included on both the original and corrected return to properly identify and process the correction. If the account number was not provided on the original return, do not include it on the corrected return. See **Account Number Box on Forms** on page GEN-14.

Recipient's statement. You may enter a date next to the "CORRECTED" checkbox. This will help the recipient in the case of multiple corrections.

Filing corrected returns on paper forms. The error charts on page GEN-12 give step-by-step instructions for filing corrected returns for the most frequently made errors. They are grouped under **Error Type 1** or **2**, based on how the correction is made. Correction of errors may require the submission of more than one return. Be sure to read and follow the steps given.



If you fail to file correct information returns or furnish a correct payee statement, you may be subject to a penalty. See **Penalties** on page GEN-4. Regulations section 301.6724-1 (relating to information return penalties) does not require you to file corrected returns for missing or incorrect TINs if you meet the reasonable cause criteria. You are merely required to include the correct TIN on the next original return you are required to file. However, if you do not meet the reasonable cause criteria, a reduced penalty may be imposed if the corrected returns are filed by August 1.

Filing Corrected Returns on Paper Forms

Identify the correction needed based on **Error Type 1 or 2**; then follow the steps to make the corrections and file the form(s). Also see **Corrected Returns on Paper Forms** on page GEN-11.

Error Type 1	Correction
<p>Incorrect money amount(s), code, or checkbox or Incorrect address, or A return was filed when one should not have been filed</p> <p>These errors require only one return to make the correction.</p> <p>Caution: <i>If you must correct a TIN and/or a name and address, follow the instructions under Error 2.</i></p> <p>Note: <i>For information on reporting errors to the payer's name and TIN, see page GEN-5.</i></p>	<p>A. Form 1098, 1099, 5498, or W-2G</p> <ol style="list-style-type: none"> 1. Prepare a new information return. 2. Enter an "X" in the "CORRECTED" box (and date (optional)) at the top of the form. 3. Correct any recipient information such as money amounts and address. Report other information as per original return. <p>B. Form 1096</p> <ol style="list-style-type: none"> 1. Prepare a new transmittal Form 1096. 2. Provide all requested information on the form as it applies to Part A, 1 and 2. 3. File Form 1096 and Copy A of the return with the appropriate service center. 4. Do not include a copy of the original return that was filed incorrectly.

Error Type 2	Correction
<p>No payee TIN (SSN, EIN, QI-EIN, or ITIN) or Incorrect payee TIN or Incorrect name and address</p> <p>Original return filed using wrong type of return (for example, a Form 1099-DIV was filed when a Form 1099-INT should have been filed).</p> <p>Two separate returns are required to make the correction properly. Follow all instructions for both Steps 1 and 2.</p> <p>Note: <i>You do not have to file a corrected return for an incorrect payer TIN and/or incorrect payer name and address. (For an incorrect payer TIN and/or payer name and address, see page GEN-5.)</i></p>	<p>Step 1. Identify incorrect return submitted.</p> <ol style="list-style-type: none"> 1. Prepare a new information return. 2. Enter an "X" in the "CORRECTED" box (and date (optional)) at the top of the form. 3. Enter the payer, recipient, and account number information exactly as it appeared on the original incorrect return; however, enter 0 (zero) for all money amounts. <hr/> <p>Step 2. Report correct information.</p> <p>A. Form 1098, 1099, 5498, or W-2G</p> <ol style="list-style-type: none"> 1. Prepare a new information return. 2. Do not enter an "X" in the "CORRECTED" box at the top of the form. Prepare the new return as though it is an original. 3. Include all the correct information on the form including the correct TIN, name, and address. <p>B. Form 1096</p> <ol style="list-style-type: none"> 1. Prepare a new transmittal Form 1096. 2. Enter the words "Filed To Correct TIN," "Filed to Correct Name and Address," or "File to Correct Return" in the bottom margin of the form. 3. Provide all requested information on the form as it applies to the returns prepared in Steps 1 and 2. 4. File Form 1096 and Copy A of the return with the appropriate service center. 5. Do not include a copy of the original return that was filed incorrectly.

In addition, even if you meet the reasonable cause criteria, the IRS encourages you to file corrections for incorrect or missing TINs so that the IRS can update the payees' records.

J. Void Returns

An "X" in the "VOID" box at the top of the form will not correct a previously filed return. See **Corrected Returns on Paper Forms** on GEN-12 for instructions for making corrections.

VOID box. If a completed or partially completed Form 1098, 1099, or 5498 is incorrect and you want to void it before submission to the IRS, enter an "X" in the "VOID" box at the top of the form. For example, if you make an error while typing or printing a form, you should void it. The return will then be disregarded during processing by the IRS. Go to the next form on the page, or to another page, and enter the correct information; but **do not** mark the "CORRECTED" box. Do not cut or separate the forms that are two or three to a page. Submit the entire page even if only one of the forms on the page is a good return.

K. Other Information Returns

The income information you report on the following forms must not be repeated on Forms 1099 or W-2G:

- Form W-2 reporting wages and other employee compensation.
- Forms 1042-S and 1000 reporting income to foreign persons.
- Form 2439 reporting undistributed long-term capital gains of a regulated investment company or real estate investment trust.
- Schedule K-1 of Form 1065 or 1065-B reporting distributive shares to members of a partnership.
- Schedule K-1 of Form 1041 reporting distributions to beneficiaries of trusts or estates.
- Schedule K-1 of Form 1120S reporting distributive shares to shareholders of S corporations.
- Schedule K of Form 1120-IC-DISC reporting actual and constructive distributions to shareholders and deferred DISC income.
- Schedule Q of Form 1066 reporting income from a REMIC to a residual interest holder.

L. Payments to Corporations and Partnerships

Generally, payments to **corporations** are not reportable. However, you must report payments to corporations for the following:

- Medical and health care payments (Form 1099-MISC),
- Withheld Federal income tax or foreign tax,
- Barter exchange transactions (Form 1099-B),
- Substitute payments in lieu of dividends and tax-exempt interest (Form 1099-MISC),
- Interest or original issue discount paid or accrued to a regular interest holder of a REMIC (Form 1099-INT or 1099-OID),
- Acquisitions or abandonments of secured property (Form 1099-A),
- Cancellation of debt (Form 1099-C),
- Payments of attorneys' fees and gross proceeds paid to attorneys (Form 1099-MISC),
- Fish purchases for cash (Form 1099-MISC), and
- Federal executive agency payments for services (Form 1099-MISC). For additional reporting requirements, see Rev. Rul. 2003-66, 2003-26 I.R.B. 1115.

Reporting generally is required for all payments to **partnerships**. For example, payments of \$600 or more made in the course of your trade or business to an architectural firm that is a partnership are reportable on Form 1099-MISC. However, see Regulations section 1.6049-4(c)(1)(ii)(A).

M. Earnings on any IRA, Coverdell ESA, Archer MSA, or HSA

Generally, income earned in any IRA, Coverdell ESA, Archer MSA, or HSA, such as interest or dividends, is not reported on Forms 1099. However, distributions must be reported on Form 1099-R, 1099-Q, or 1099-SA.

N. Certain Grantor Trusts

Certain grantor trusts may choose to file Forms 1099 rather than a separate statement attached to **Form 1041**, U.S. Income Tax Return for Estates and Trusts. If you have filed Form 1041 for a grantor trust in the past and you want to choose the Form 1099 filing method for 2004, you must have filed a **final** Form 1041 for 2003. To change reporting method, see Regulations section 1.671-4(g) and the **Instructions for Form 1041 and Schedules A, B, D, G, I, J, and K-1**.

O. Special Rules for Reporting Payments Made Through Foreign Intermediaries and Foreign Flow-Through Entities on Form 1099

If you are the payer and have received a **Form W-8IMY**, Certificate of Foreign Intermediary, Foreign Flow-Through Entity, or Certain U.S. Branches for United States Tax Withholding, from a foreign intermediary or flow-through entity, follow the instructions below for completing Form 1099. Definitions of the terms used in these instructions are on page GEN-14.

Presumption Rules

 *For additional information including details on the presumption rules, see the **Instructions for the Requester of Forms W-8BEN, W-8ECI, W-8EXP, and W-8IMY** and Pub. 515. To order, see **How To Get Forms and Publications** on page GEN-3.*

If you are the payer and do not have a Form W-9, appropriate Form W-8, or other valid documentation, or you cannot allocate a payment to a specific payee, prior to payment, you are required to use certain presumption rules to determine the following:

- The status of the payee as a U.S. or foreign person and
 - The classification of the payee as an individual, trust, estate, corporation, or partnership.
- See Regulations sections 1.1441-1(b)(3), 1.1441-5(d) and (e), 1.6045-1(g)(3)(ii), and 1.6049-5(d).

Under these presumption rules, if you must presume that the payee is a U.S. nonexempt recipient subject to backup withholding, you must report the payment on a Form 1099. However, if before filing Form 1099 with the IRS the recipient is documented as foreign, then report the payment on a Form 1042-S.

On the other hand, if you must presume that the payee is a foreign recipient and prior to filing Form 1042-S with the IRS you discover that the payee is a U.S. nonexempt recipient based on documentation, then report all payments made to that payee during the calendar year on a Form 1099.

If you use the 90-day grace period rule to presume a payee is foreign, you must file a Form 1042-S to report all payments subject to withholding during the grace period. If you later discover that the payee is a U.S. nonexempt recipient subject to backup withholding, you must file a Form 1099 for all payments made to that payee after the discovery of the payee's U.S. status.

Rules for Payments Made to U.S. Nonexempt Recipients Through a QI, NQI, or FTE

If you are the payer making a payment through a QI, NQI, or FTE for a U.S. nonexempt recipient on whose behalf the QI,

NQI, or FTE is acting, use the following rules to complete Form 1099.

Known recipient. If you know that a payee is a U.S. nonexempt recipient and have the payee's name, address, and TIN (if a TIN has been provided), you must complete the Form 1099 with that information. Also, on the second name line below the recipient's name enter "IMY" followed by the name of the QI, NQI, or FTE.

For payments made to multiple recipients: (a) enter the name of the recipient whose status you relied on to determine the applicable rate of withholding and (b) on the second name line, enter "IMY" followed by the name of the QI, NQI, or FTE. However, if the QI has assumed primary Form 1099 reporting or backup withholding responsibility, you are not required to issue the Form 1099 or to backup withhold. See **Qualified intermediary** below.

Unknown recipient. If you cannot reliably associate a payment with valid documentation and are required to presume a payee is a U.S. nonexempt recipient:

1. File a Form 1099 and enter "unknown recipient" on the first name line.
2. On the second name line, enter "IMY" followed by the name of the QI, NQI, or FTE.
3. Enter the EIN of the QI, NQI, or FTE, if applicable, in the recipient's identification number box.
4. Furnish a copy of the Form 1099 with "unknown recipient" to the QI, NQI, or FTE who is acting on the recipient's behalf.



A payer that is required to report payments made to a U.S. nonexempt recipient account holder but does not receive the necessary allocation information cannot report those payments on a pro rata basis. Report unallocated payments using the presumption rules on page GEN-13.

Rules for Non-U.S. Payers

Non-U.S. payers (foreign persons that are not U.S. payers) generally have the same reporting obligations as U.S. payers. A U.S. payer is anyone who is:

- A U.S. person,
- Any U.S. governmental agency,
- A controlled foreign corporation (CFC),
- A foreign partnership that has one or more U.S. partners who, in the aggregate hold more than 50 percent of the gross income derived from the conduct of a U.S. trade or business,
- A foreign person who owns 50 percent or more of the gross income that is effectively connected with a U.S. trade or business, or
- A U.S. branch of a foreign bank or a foreign insurance company.

For more information, see Regulations section 1.6049-5(c)(5).

Exceptions. The following payments are **not** subject to reporting by a non-U.S. payer:

1. A foreign source reportable payment paid outside the U.S. For example, see Regulations section 1.6049-5(b)(6).
2. Gross proceeds from a sale effected outside the U.S., see Regulations section 1.6045-1(a).
3. An NQI or QI that provides another payer all the information sufficient for that payer to complete Form 1099 reporting. For example, see Regulations section 1.6049-5(b)(14). However, if an NQI or QI does not provide sufficient information for another payer to report a payment on Form 1099, the intermediary must report the payment.

Rules for Reporting Payments Initially Reported on Form 1042-S

If an NQI or QI receives a Form 1042-S made out to an "unknown recipient" and, the NQI or QI has actual knowledge that the payee of the income is a U.S. nonexempt recipient, it must file a Form 1099 even if the payment has been subject to withholding by another payer. The NQI or QI reports the amount withheld by the other payer on Form 1099 as Federal income tax withheld.

Definitions

Foreign intermediary. A foreign intermediary is any person who is not a U.S. person and acts as a custodian, broker, nominee, or otherwise as an agent for another person, regardless of whether that other person is the beneficial owner of the amount paid, a flow-through entity, or another intermediary. The intermediary can be a qualified intermediary or a nonqualified intermediary.

Qualified intermediary (QI). A qualified intermediary is a person that is a party to a withholding agreement with the IRS and is:

- A foreign financial institution or a foreign clearing organization (other than a U.S. branch or U.S. office of the institution or organization),
- A foreign branch or office of a U.S. financial institution or a foreign branch or office of a U.S. clearing organization,
- A foreign corporation for purposes of presenting claims of benefits under an income tax treaty on behalf of its shareholders, or
- Any other person the IRS accepts as a qualified intermediary and who enters into a withholding agreement with the IRS.

For details on QI agreements, see Rev. Proc. 2000-12, 2000-1 C.B. 387, modified by Rev. Proc. 2003-64, Section 4A (Appendix 3), 2003-32 I.R.B. 306, further modified by Rev. Proc. 2004-21, 2004-14 I.R.B. 702.

Nonqualified intermediary (NQI). A nonqualified intermediary is any intermediary that is not a U.S. person and that is not a qualified intermediary.

Foreign flow-through entity (FTE). A flow-through entity is a foreign partnership (other than a withholding foreign partnership), a foreign simple trust or foreign grantor trust (other than a withholding foreign trust), or, for payments for which a reduced rate of withholding is claimed under an income tax treaty, any entity to the extent the entity is considered to be fiscally transparent under section 894 with respect to the payment by an interest holder's jurisdiction.

Withholding foreign partnership or withholding foreign trust. A withholding foreign partnership or withholding foreign trust is a foreign partnership or a foreign simple or grantor trust that has entered into a withholding agreement with the IRS in which it agrees to assume primary withholding responsibility for all payments that are made to it for its partners, beneficiaries, or owners. See Rev. Proc. 2003-64, 2003-32 I.R.B. 306, as amended by Rev. Proc. 2004-21, for procedures for entering into a withholding foreign partnership or trust agreement.

Nonwithholding foreign partnership, simple trust, or grantor trust. A nonwithholding foreign partnership is any foreign partnership other than a withholding foreign partnership. A nonwithholding foreign simple trust is any foreign simple trust that is not a withholding foreign trust. A nonwithholding foreign grantor trust is any foreign grantor trust that is not a withholding foreign trust.

Fiscally transparent entity. An entity is treated as fiscally transparent with respect to an item of income to the extent that the interest holders in the entity must, on a current basis, take into account separately their shares of an item of income paid to the entity, whether or not distributed, and must determine the character of the items of income as if they were realized directly from the sources from which they were realized by the entity. For example, partnerships, common trust funds, and simple trusts or grantor trusts are generally considered to be fiscally transparent with respect to items of income received by them.

P. Account Number Box on Forms

Use the **account number** box on all Forms 1099, 1098, 5498, and W-2G for an account number designation. The account number is required if you have multiple accounts for a recipient for whom you are filing more than one information return of the same type. Additionally, the IRS encourages you to include the recipient's account number on paper forms if your system of records uses the account number rather than the name or TIN for identification purposes. Also, the IRS will include the

account number in future notices to you about backup withholding. If you are filing electronically or magnetically, see Pub. 1220.

The account number may be a checking account number, savings account number, serial number, or any other number you assign to the payee that is unique and will distinguish the specific account. This number must not appear anywhere else on the form, and this box may not be used for any other item unless the separate instructions indicate otherwise. Using unique account numbers ensures that corrected information returns will be processed accurately.

If you are using window envelopes to mail statements to recipients, and if you are using reduced rate mail, be sure the account number does not appear in the window because the Postal Service may not accept these for reduced rate mail.

Privacy Act and Paperwork Reduction Act Notice. We ask for the information on these forms to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to figure and collect the right amount of tax.

Sections 220(h), 223, 408, 408A, 529, 530, 6041, 6041A, 6042, 6043, 6044, 6045, 6047, 6049, 6050A, 6050B, 6050D, 6050E, 6050H, 6050J, 6050N, 6050P, 6050Q, 6050R, 6050S, 6050T, and their regulations require you to file an information return with the IRS and furnish a statement to recipients. Section 6109 and its regulations require you to provide your taxpayer identification number on what you file.

Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation, and to cities, states, and the District of Columbia for use in administering their tax laws. We may also disclose this information to other countries under a tax treaty, and to Federal and state agencies to enforce Federal nontax criminal laws and to combat terrorism. The authority to disclose information to combat terrorism expired on December 31, 2003. Legislation is pending that would reinstate this authority. If you fail to provide this information in a timely manner, you may be subject to penalties.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless

the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file the following forms will vary depending on individual circumstances. The estimated average times are:

1096	13 minutes
1098	7 minutes
1098-E	7 minutes
1098-T	13 minutes
1099-A	9 minutes
1099-B	20 minutes
1099-C	10 minutes
1099-CAP	11 minutes
1099-DIV	18 minutes
1099-G	11 minutes
1099-H	18 minutes
1099-INT	13 minutes
1099-LTC	13 minutes
1099-MISC	16 minutes
1099-OID	12 minutes
1099-PATR	15 minutes
1099-Q	11 minutes
1099-R	18 minutes
1099-S	8 minutes
1099-SA	8 minutes
5498	12 minutes
5498-ESA	7 minutes
5498-SA	10 minutes
W-2G	18 minutes

If you have comments concerning the accuracy of these time estimates or suggestions for making these forms simpler, we would be happy to hear from you. You can write to the Tax Products Coordinating Committee, Western Area Distribution Center, Rancho Cordova, CA 95743-0001. **Do not** send these forms to this address. Instead, see **Where To File** on page GEN-7.

Guide to Information Returns

(If any date shown falls on a Saturday, Sunday, or legal holiday, the due date is the next business day.)

Form	Title	What To Report	Amounts To Report	Due Date	
				To IRS	To Recipient (unless indicated otherwise)
1042-S	Foreign Person's U.S. Source Income Subject to Withholding	Payments subject to withholding under Chapter 3 of the Code, including interest, dividends, royalties, pensions and annuities, gambling winnings, and compensation for personal services.	All amounts, except \$10 or more for interest on U.S. deposits paid to Canadian nonresident aliens	March 15	March 15
1098	Mortgage Interest Statement	Mortgage interest (including points) you received in the course of your trade or business from individuals and reimbursements of overpaid interest.	\$600 or more	February 28 *	(To Payer/ Borrower) January 31
1098-E	Student Loan Interest Statement	Student loan interest received in the course of your trade or business.	\$600 or more	February 28 *	January 31
1098-T	Tuition Statement	Qualified tuition and related expenses, reimbursements or refunds, and scholarships or grants (optional).	See instructions	February 28 *	January 31
1099-A	Acquisition or Abandonment of Secured Property	Information about the acquisition or abandonment of property that is security for a debt for which you are the lender.	All amounts	February 28 *	(To Borrower) January 31
1099-B	Proceeds From Broker and Barter Exchange Transactions	Sales or redemptions of securities, futures transactions, commodities, and barter exchange transactions.	All amounts	February 28 *	January 31
1099-C	Cancellation of Debt	Cancellation of a debt owed to a financial institution, the Federal Government, a credit union, RTC, FDIC, NCUA, a military department, the U.S. Postal Service, the Postal Rate Commission, or any organization having a significant trade or business of lending money.	\$600 or more	February 28 *	January 31
1099-CAP	Changes in Corporate Control and Capital Structure	Information about cash, stock, or other property from an acquisition of control or the substantial change in capital structure of a corporation.	Amounts of stock or property valued at \$100 million or more	February 28 *	(To Shareholders) January 31
1099-DIV	Dividends and Distributions	Distributions, such as dividends, capital gain distributions, or nontaxable distributions, that were paid on stock, and liquidation distributions.	\$10 or more, except \$600 or more for liquidations	February 28 *	January 31
1099-G	Certain Government Payments	Unemployment compensation, state and local income tax refunds, agricultural payments, and taxable grants.	\$10 or more for refunds and unemployment; \$600 or more for all others	February 28 *	January 31
1099-H	Health Insurance Advance Payments	Health insurance premiums paid on behalf of certain individuals.	All amounts	February 28 *	January 31
1099-INT	Interest Income	Interest income.	\$10 or more (\$600 or more in some cases)	February 28 *	January 31
1099-LTC	Long-Term Care and Accelerated Death Benefits	Payments under a long-term care insurance contract and accelerated death benefits paid under a life insurance contract or by a viatical settlement provider.	All amounts	February 28 *	(To Insured and Policyholder) January 31
1099-MISC	Miscellaneous Income (Also, use this form to report the occurrence of direct sales of \$5,000 or more of consumer goods for resale.)	Rent or royalty payments; prizes and awards that are not for services, such as winnings on TV or radio shows.	\$600 or more, except \$10 or more for royalties	February 28 *	January 31
		Payments to crew members by owners or operators of fishing boats including payments of proceeds from sale of catch.	All amounts		
		Payments to a physician, physicians' corporation, or other supplier of health and medical services. Issued mainly by medical assistance programs or health and accident insurance plans.	\$600 or more		
		Payments for services performed for a trade or business by people not treated as its employees. Examples: fees to subcontractors or directors, and golden parachute payments.	\$600 or more		
		Fish purchases paid in cash for resale.	\$600 or more		
		Substitute dividend and tax-exempt interest payments reportable by brokers.	\$10 or more		
		Crop insurance proceeds.	\$600 or more		
		Gross proceeds paid to attorneys.	All amounts		
1099-OID	Original Issue Discount	Original issue discount.	\$10 or more	February 28 *	January 31
1099-PATR	Taxable Distributions Received From Cooperatives	Distributions from cooperatives to their patrons.	\$10 or more	February 28 *	January 31

*The due date is March 31 if filed electronically.

Guide to Information Returns (Continued)

Form	Title	What To Report	Amounts To Report	Due Date	
				To IRS	To Recipient (unless indicated otherwise)
1099-Q	Payments From Qualified Education Programs (Under Sections 529 and 530)	Earnings from a qualified tuition program and Coverdell ESAs.	All amounts	February 28*	January 31
1099-R	Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.	Distributions from retirement or profit-sharing plans, any IRA, insurance contracts, and IRA recharacterizations.	\$10 or more	February 28*	January 31
1099-S	Proceeds From Real Estate Transactions	Gross proceeds from the sale or exchange of real estate.	Generally, \$600 or more	February 28*	January 31
1099-SA	Distributions From an HSA, Archer MSA, or Medicare+Choice MSA	Distributions from an HSA, Archer MSA, or Medicare+Choice MSA.	All amounts	February 28*	January 31
4789	Currency Transaction Report	Each deposit, withdrawal, exchange of currency, or other payment or transfer by, through, or to financial institutions (other than casinos).	Over \$10,000	15 days after date of transaction	Not required
5471	Information Return of U.S. Persons With Respect To Certain Foreign Corporations	U.S. persons who are officers, directors, or shareholders in certain foreign corporations report information required by sections 6035, 6038, and 6046, and to compute income from controlled foreign corporations under sections 951-964.	See form instructions	Due date of income tax return	None
5472	Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business	Transactions between a 25% foreign-owned domestic corporation or a foreign corporation engaged in a trade or business in the United States and a related party as required by sections 6038A and 6038C.	See form instructions	Due date of income tax return	None
5498	IRA Contribution Information	Contributions (including rollover contributions) to any individual retirement arrangement (IRA) including a SEP, SIMPLE, and Roth IRA; Roth conversions; IRA recharacterizations; and the fair market value (FMV) of the account.	All amounts	May 31	(To Participant) For FMV/RMD Jan.31; For contributions, May 31
5498-ESA	Coverdell ESA Contribution Information	Contributions (including rollover contributions) to a Coverdell ESA.	All amounts	May 31	April 30
5498-SA	HSA, Archer MSA, or Medicare+Choice MSA Information	Contributions to an HSA, Archer MSA and the fair market value of an HSA, Archer MSA, or Medicare+Choice MSA.	All amounts	May 31	(To Participant) May 31
8027	Employer's Annual Information Return of Tip Income and Allocated Tips	Receipts from large food or beverage operations, tips reported by employees, and allocated tips.	See separate instructions	Last day of February*	Allocated tips are shown on Form W-2, due January 31
8300 (IRS/FinCEN form)	Report of Cash Payments Over \$10,000 Received in a Trade or Business	Payments in cash (including certain monetary instruments) or foreign currency received in one transaction, or two or more related transactions, in the course of a trade or business. Does not apply to banks and financial institutions filing Form 4789, and casinos that are required to report such transactions on Form 8362, Currency Transaction Report by Casinos, or, generally, to transactions outside the United States.	Over \$10,000	15 days after date of transaction	(To Payer) January 31
8308	Report of a Sale or Exchange of Certain Partnership Interests	Sale or exchange of a partnership interest involving unrealized receivables or inventory items.	(Transaction only)	Generally, attach to Form 1065 or 1065-B	(To Transferor and Transferee) January 31
W-2G	Certain Gambling Winnings	Gambling winnings from horse racing, dog racing, jai alai, lotteries, keno, bingo, slot machines, sweepstakes, wagering pools, etc.	Generally, \$600 or more; \$1,200 or more from bingo or slot machines; \$1,500 or more from keno	February 28*	January 31
926	Return by a U.S. Transferor of Property to a Foreign Corporation	Transfers of property to a foreign corporation and to report information under section 6038B.	See form instructions	Attach to tax return	None
W-2	Wage and Tax Statement	Wages, tips, other compensation; social security, Medicare, withheld income taxes; and advance earned income credit (EIC) payments. Include bonuses, vacation allowances, severance pay, certain moving expense payments, some kinds of travel allowances, and third-party payments of sick pay.	See separate instructions	To SSA Last day of February*	To Recipient January 31
TD F 90-22.1	Report of Foreign Bank and Financial Accounts	Financial interest in or signature or other authority over a foreign bank account, securities account, or other financial account.	Over \$10,000	To Treasury Dept. June 30	To Recipient None

*The due date is March 31 if filed electronically.

Types of Payments

Below is an alphabetical list of some payments and the forms to file and report them. However, it is not a complete list of all payments, and the absence of a payment from the list does not indicate that the payment is not reportable. For information on a specific type of payment, see the separate instructions for the form(s) listed.

Type of Payment	Report on Form	Type of Payment	Report on Form
Abandonment	1099-A	Health insurance advance payments	1099-H
Accelerated death benefits	1099-LTC	Health savings accounts:	
Acquisition of control	1099-CAP	Contributions	5498-SA
Advance earned income credit	W-2	Distributions	1099-SA
Advance health insurance payments	1099-H	Income tax refunds, state and local	1099-G
Agriculture payments	1099-G	Indian gaming profits paid to tribal members	1099-MISC
Allocated tips	W-2	Interest income	1099-INT
Annuities	1099-R	Interest, mortgage	1098
Archer MSAs:		IRA contributions	5498
Contributions	5498-SA	IRA distributions	1099-R
Distributions	1099-SA	Life insurance contract distributions	1099-R, 1099-LTC
Attorneys, fees and gross proceeds	1099-MISC	Liquidation, distributions in	1099-DIV
Auto reimbursements:		Loans, distribution from pension plan	1099-R
Employee	W-2	Long-term care benefits	1099-LTC
Nonemployee	1099-MISC	Medicare+Choice MSAs (Medicare Advantage):	
Awards:		Contributions	5498-SA
Employee	W-2	Distributions	1099-SA
Nonemployee	1099-MISC	Medical services	1099-MISC
Barter exchange income	1099-B	Mileage:	
Bonuses:		Employee	W-2
Employee	W-2	Nonemployee	1099-MISC
Nonemployee	1099-MISC	Military retirement	1099-R
Broker transactions	1099-B	Mortgage interest	1098
Cancellation of debt	1099-C	Moving expense	W-2
Capital gain distributions	1099-DIV	Nonemployee compensation	1099-MISC
Car expense:		Nonqualified plan distribution	W-2
Employee	W-2	Beneficiaries	1099-R
Nonemployee	1099-MISC	Original issue discount (OID)	1099-OID
Changes in capital structure	1099-CAP	Patronage dividends	1099-PATR
Charitable gift annuities	1099-R	Pensions	1099-R
Commissions:		Points	1098
Employee	W-2	Prizes:	
Nonemployee	1099-MISC	Employee	W-2
Commodities transactions	1099-B	Nonemployee	1099-MISC
Compensation:		Profit-sharing plan	1099-R
Employee	W-2	Punitive damages	1099-MISC
Nonemployee	1099-MISC	Qualified plan distributions	1099-R
Cost of current life insurance protection	1099-R	Qualified tuition program payments	1099-Q
Coverdell ESA contributions	5498-ESA	Real estate transactions	1099-S
Coverdell ESA distributions	1099-Q	Recharacterized IRA contributions	1099-R, 5498
Crop insurance proceeds	1099-MISC	Refunds, state and local tax	1099-G
Damages	1099-MISC	Rents	1099-MISC
Death benefits	1099-R	Retirement	1099-R
Accelerated	1099-LTC	Roth conversion IRA contributions	5498
Debt cancellation	1099-C	Roth conversion IRA distributions	1099-R
Dependent care payments	W-2	Roth IRA contributions	5498
Direct rollovers	1099-Q, 1099-R, 5498	Roth IRA distributions	1099-R
Direct sales of consumer products for resale	1099-MISC	Royalties	1099-MISC
Directors' fees	1099-MISC	Timber, pay-as-cut contract	1099-S
Discharge of indebtedness	1099-C	Sales:	
Dividends	1099-DIV	Real estate	1099-S
Education loan interest	1098-E	Securities	1099-B
Employee business expense reimbursement	W-2	Section 1035 exchange	1099-R
Employee compensation	W-2	SEP contributions	W-2, 5498
Excess deferrals, excess contributions, distributions of	1099-R	SEP distributions	1099-R
Fees:		Severance pay	W-2
Employee	W-2	Sick pay	W-2
Nonemployee	1099-MISC	SIMPLE contributions	W-2, 5498
Fishing boat crew members proceeds	1099-MISC	SIMPLE distributions	1099-R
Fish purchases for cash	1099-MISC	Student loan interest	1098-E
Foreclosures	1099-A	Substitute payments in lieu of dividends or tax-exempt interest	1099-MISC
Foreign persons' income	1042-S	Supplemental unemployment	W-2
401(k) contributions	W-2	Tax refunds, state and local	1099-G
404(k) dividend	1099-DIV	Tips	W-2
Gambling winnings	W-2G	Tuition	1098-T
Golden parachute:		Unemployment benefits	1099-G
Employee	W-2	Vacation allowance:	
Nonemployee	1099-MISC	Employee	W-2
Grants, taxable	1099-G	Nonemployee	1099-MISC
Health care services	1099-MISC	Wages	W-2

Index

A	
Account number box	14

B	
Backup withholding	2, 3

C	
Corporations, payments to	13
Corrected returns, how to file	11

D	
Due dates	5, 7, 10

E	
Electronic reporting	5
Extension to file	7
Extension to furnish statements	11

F	
Filing returns	8
FIRE system	5
Foreign intermediaries, payments made through	13
Foreign person, payment to	7
Form 1096	2, 8
Form 945	2, 4
Form W-9	9
Forms, how to get	3

G	
Grantor trusts	13

H	
Help	2

I	
Information returns, other	13

K	
Keeping copies	8

L	
Logos or substitute statements	9-10

M	
Magnetic media/electronic reporting	5
Mailing forms	8

N	
Names, TINs, etc.	8
Nominee/middleman	6

O	
Ordering forms	3

P	
Paper document reporting	6
Partnerships, payments to	13
Payee statements	2, 9, 10
Payments made through foreign intermediaries	13
Penalties	4, 5

Private delivery services	7
---------------------------------	---

Q	
Qualified settlement funds	7

S	
Statement mailing requirements	9, 10
Statements to recipients	2, 9, 10
Substitute forms	2, 6, 9, 10
Successor/predecessor reporting	6

T	
Taxpayer identification number	3, 8
Telephone numbers on statements	9
TIN Matching	2
Transmitters, paying agents, etc.	8

V	
Void returns	13

W	
What's New for 2004	1
When to file	5, 7
When to furnish statements	10
Where to file	7
Who must file	5, 6
Withholding, backup	2, 3

■

BEFORE YOU MAIL CHECK LIST



CORRECT TCC IS LISTED ON MEDIA LABEL, PAPERWORK AND FILE



**FILE FORMATTED ACCORDING TO CURRENT PUBLICATION
1220 (UPDATED ANNUALLY)**



**FORM 4804 FILLED OUT CORRECTLY, SIGNED AND
PLACED IN PACKAGE WITH MEDIA**



**MEDIA IS WELL LABELED; SEE NOTICE 210 FOR
INSTRUCTIONS**



**MEDIA IS BEING MAILED TO PROPER ADDRESS;
SEE PART A, PUBLICATION 1220**



**DO NOT SEND FORMS W-2 TO IRS. FILE FORMS W-2
WITH THE SOCIAL SECURITY ADMINISTRATION**

(See Instructions on back)

Form 4419 (Rev. May 2002)	Department of the Treasury – Internal Revenue Service	IRS Use Only	OMB No. 1545-0387
	Application for Filing Information Returns Electronically/Magnetically Please type or print in BLACK ink.		

1. Transmitter information

Name _____

Address _____

City _____ State _____ Zip _____

2. Person to contact about this request

Name _____

Title _____

Email address _____

Telephone number () _____

3. Employer Identification Number (EIN)

**4. Foreign Transmitter
without an EIN**

Yes

5. Tax year you wish to begin
filing electronically/magnetically

6. Will you be using your TCC only for transmitting requests for extension of time to file? Yes No

7. Type of Return To Be Reported

(Check all forms you wish to file)

Important: Form W-2 information is sent to the Social Security Administration only. Do not use Form 4419 to request authorization to file this information electronically/magnetically. Contact SSA for W-2 magnetic/electronic filing information.

Forms 1098 and 1099, 5498 and W-2G

(Electronic, Tape Cartridge, 3 ½ " Diskette)

1042-S (Electronic, Tape Cartridge, 3 ½"Diskette)

8027 (Electronic, Tape Cartridge, 3 ½" Diskette)

W-4 (Electronic, Tape Cartridge, 3 ½" Diskette)

8. Type of Filing

Electronic Filing

Tape cartridge

3 ½ "Diskette

9. Person responsible for preparation of tax reports

Name (type or print)

Title

Signature

Date

General Instructions

Paperwork Reduction Act Notice. We ask for the information on these forms to carry out the Internal Revenue Laws of the United States. You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by Code section 6103.

The time needed to provide this information would vary depending on individual circumstances. The estimated average time is:

Preparing Form 4419 20 min.

If you have comments concerning the accuracy of this time estimate or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Tax Forms Committee, Western Area Distribution Center, Rancho Cordova, CA 95743-0001. **DO NOT SEND THE FORM TO THIS OFFICE.** Instead, see the instructions below on where to file. **When completing this form, please type or print clearly in BLACK ink.**

Purpose of Form. File Form 4419 to request authorization to file any of the forms shown in Block 6 electronically or magnetically. Please be sure to complete all appropriate blocks. If your application is approved, a five-character alpha-numeric Transmitter Control Code (TCC) will be assigned to your organization.

If any information on the form should change, please write to IRS/Martinsburg Computing Center so we can update our database. It is not necessary to submit a new Form 4419.

NOTE: Do **NOT** use Form 4419 to request authorization to file Forms W-2 on magnetic media, since Form W-2 information is sent to the Social Security Administration (SSA) ONLY. **Contact SSA if you have any questions concerning the filing of Forms W-2 on magnetic media.**

Specific Instructions

Block 1

Enter the name and complete address of the person or organization that will submit the electronic or magnetic media files (*transmitter*).

Block 2

Enter the name, title, email address (if available) and telephone number (*with area code*) of the person to contact about this application if IRS needs additional information. This should be a person who is knowledgeable about electronic/magnetic filing of information returns.

Block 3

Enter the employer identification number (*EIN*) of the organization transmitting the electronic and/or magnetic media files.

Block 4

If you are a foreign transmitter who does not have a nine-digit taxpayer identification number, check this box.

Block 5

Enter the tax year that you wish to start filing electronically and/or magnetically.

Block 6

Indicate if you are requesting this transmitter control code solely for filing electronic and/or magnetic requests for an extension of time to file information returns.

Block 7

Check the box next to all of the returns you will file with IRS electronically and/or magnetically. A separate TCC will be assigned for each form(s) identified in Block 7. Please make sure you submit your magnetic media files using the correct TCC. Thereafter, if you need to add any of the forms identified in Block 7, it will be necessary to submit another Form 4419 to IRS so another TCC can be assigned.

Block 8

Check which method you will use to file your information returns. 3 1/2-inch diskettes must be MS/DOS, ASCII recording mode. Tape cartridges must be 18, 36, 128, or 256-track.

Block 9

The form must be signed and dated by an official of the company or organization requesting authorization to report electronically and/or magnetically.

Mailing Address:

Send your Form 4419 to the address below:

Internal Revenue Service
Martinsburg Computing Center
Information Reporting Program
230 Murall Drive
Kearneysville, WV 25430

In order to ensure timely filing, submit Form 4419 at least 30 days before the due date of the return.

If your application is approved, IRS will assign a TCC to your organization. We will not issue your TCC without a signed Form 4419 from you, and we will not issue a TCC over the phone. If you do not receive a reply from IRS within 30 days, contact us at the telephone number shown below. Do not submit any files until you receive your TCC.

For further information concerning the filing of information returns with IRS either electronically or magnetically, contact the IRS Martinsburg Computing Center toll-free at (866) 455-7438 between 8:30 a.m. and 4:30 p.m. Eastern Standard Time.

(See Instructions on back)

Form 4804 (Rev. May 2002)	Department of the Treasury – Internal Revenue Service Transmittal of Information Returns Reported Magnetically Please type or print in BLACK ink (Use a separate Form 4804 for each file.)	IRS Use Only	OMB No. 1545-0367

1. Type of file represented by this transmittal <input type="checkbox"/> Original <input type="checkbox"/> Test <input type="checkbox"/> Replacement <input type="checkbox"/> Correction	2. Tax year for which media is submitted
--	---

3. Transmitter Control Code (TCC) (Required)	4. Name of transmitter (Owner of TCC)
--	---------------------------------------

5. Name/address of company and name/title of person who should receive correspondence on problem files (should be the same information as in 'T' record)

Company Name _____

Address _____

City _____ State _____ Zip _____

Contact Person _____ Telephone Number (_____) _____

E-mail Address _____

6. Forms 1098, 1099, 5498, W-2G Combined total of payee 'B' records	7. Form 1042-S Total number of 'Q' records	8. Form 8027 Total number of establishment(s) reported	9. Transmitter in-house media number(s)
---	--	--	---

Affidavit

Under penalties of perjury, I declare that I have examined this transmittal, including accompanying documents, and, to the best of my knowledge and belief, it is correct and complete. (Normally, the payer must sign the affidavit above. The authorized agent of the payer may sign if all conditions are met as stated on the back.)

SIGNATURE (Required)		IRS Use Only
Title	Date	

General Instructions

Paperwork Reduction Act Notice. We ask for the information on these forms to carry out the Internal Revenue Laws of the United States. You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by Code section 6103.

The time needed to provide this information would vary depending on individual circumstances. The estimated average time is:

Preparing Form 4804 15 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Tax Forms Committee, Western Area Distribution Center, Rancho Cordova, CA 95743-0001.

DO NOT SEND THE FORMS TO THIS OFFICE. Instead, see the instructions below on where to file. **When completing this form, please type or print clearly in BLACK ink.**

Purpose of Form. Use Form 4804 when submitting the following types of information returns magnetically: Form 1098, 1099, 5498, W-2G, 1042-S, and 8027. You must include Form 4804 with all magnetic media you submit to the Internal Revenue Service.

NOTE: A separate Form 4804 must be submitted for each file.

Specific Instructions

Block 1

Indicate whether the data in this shipment is an original, correction, replacement or test file by checking the appropriate box. Check 'Replacement' only if you are sending media in response to a specific request from IRS/MCC and you have a Form 9267 attached.

Definitions

Correction: A correction is an information return submitted by the payer to correct erroneous information previously sent to and processed by IRS/MCC.

Replacement: A replacement is an information return file sent by the filer at the request of IRS/MCC because of errors encountered while processing the filer's original return. Your replacement file may be submitted electronically even if the original file was sent on magnetic media.

Block 2

Indicate the tax year for which media is being submitted.

Block 3

Enter the five-character alpha/numeric Transmitter Control Code assigned by IRS. TCCs for Form 1042-S filing begin with the numbers 22. TCCs for Form 8027 filing begin with the numbers 21.

Block 4

Enter the name of the transmitter. (Reference Affidavit Requirements below.)

Block 5

Enter the name and address of the company, along with the name/title of the person to whom correspondence concerning problem media in need of replacement should be sent. This information should match the information that appears in the Transmitter 'T' Record in your file. Please include an email address if available

NOTE: IRS no longer returns media in need of replacement.

Block 6,7,8

Use only the boxes appropriate to the forms you are reporting. A separate Form 4804 is required for the information returns in box 6, 1042-S Forms in box 7, and 8027 Forms in box 8.

Block 6

Enter the combined number of all payee 'B' records on the media sent with this Form 4804.

Block 7

If reporting Form 1042-S, enter the total number Recipient 'Q' records.

Block 8

If reporting Form 8027, enter the number of establishments reported.

Block 9

If your organization uses an in-house numbering system to identify media, indicate the media number(s) in the appropriate block.

Mailing Address:

Send your media with transmittal Form(s) 4804 to the address below:

IRS, Martinsburg Computing Center
Information Reporting Program
230 Murall Drive
Kearneysville, WV 25430

NOTE: Form 4802, Transmittal of Information Returns Reported Magnetically/Electronically (Continuation) is obsolete.

Affidavit Requirement

A transmitter, service bureau, paying agent, or disbursing agent (all hereafter referred to as "agent") may sign Form 4804 on behalf of the payer (or other person required to file), if the conditions in items 1 and 2 are met:

1. The agent has the authority to sign the form under an agency agreement (oral, written, or implied) that is valid under state law.
 2. The agent signs the form and adds the caption "For: (Name of payer or other person required to file)".
- he authorized agent's signing of the affidavit on the payer's behalf does not relieve the payer of the responsibility for filing a correct, complete, and timely Form 4804, with attachments, and will not relieve the payer of any penalties for not complying with those requirements.

Form 8508(Rev. 8-2003)
Internal Revenue Service
Department of the Treasury**Request for Waiver From Filing
Information Returns Magnetically
(Forms W-2, W-2G, 1042-S, 1098, 1099 Series, 5498, 5498-MSA, and 8027)**
*(Please type or print in black ink when completing this form - see instructions on back.)*OMB Number
1545-0957**Note:** Only the person required to file on magnetic media can file Form 8508. A transmitter cannot file Form 8508 for the payer, unless he or she has a power of attorney. If you have a power of attorney, attach a letter to the Form 8508 stating this fact.**1. Type of submission** Original Reconsideration

2. Waiver requested for tax year (Enter one year only) 20 _____	3. Payer name, complete address, and contact person. (A separate Form 8508 must be filed for each payer requesting a waiver.) Name _____ Address _____ City _____ State _____ ZIP _____ Contact Name _____	4. Taxpayer Identification Number (9-digit EIN/SSN) _____ 5. Telephone number () _____ Email Address _____
--	---	---

6. Waiver Requested for	Enter the Number of Returns That:		Waiver Requested for	Enter the Number of Returns That:	
	(a) You wish to file on paper	(b) You expect to file next tax year		(a) You wish to file on paper	(b) You expect to file next tax year
<input type="checkbox"/> 1042-S			<input type="checkbox"/> 1099-OID		
<input type="checkbox"/> 1098			<input type="checkbox"/> 1099-PATR		
<input type="checkbox"/> 1098-E			<input type="checkbox"/> 1099-Q		
<input type="checkbox"/> 1098-T			<input type="checkbox"/> 1099-R		
<input type="checkbox"/> 1099-A			<input type="checkbox"/> 1099-S		
<input type="checkbox"/> 1099-B			<input type="checkbox"/> 5498		
<input type="checkbox"/> 1099-C			<input type="checkbox"/> 5498-ESA		
<input type="checkbox"/> 1099-CAP			<input type="checkbox"/> 5498-MSA		
<input type="checkbox"/> 1099-DIV			<input type="checkbox"/> 8027		
<input type="checkbox"/> 1099-G			<input type="checkbox"/> W-2		
<input type="checkbox"/> 1099-H			<input type="checkbox"/> W-2AS		
<input type="checkbox"/> 1099-INT			<input type="checkbox"/> W-2G		
<input type="checkbox"/> 1099-LTC			<input type="checkbox"/> W-2GU		
<input type="checkbox"/> 1099-MISC			<input type="checkbox"/> W-2PR		
<input type="checkbox"/> 1099-MSA			<input type="checkbox"/> W-2VI		

7. Is this waiver requested for corrections ONLY? Yes No8. Is this the first time you have requested a waiver from the magnetic media filing requirements for any of the forms listed in Block 6?
 Yes (Skip to signature line) No (Complete Block 9 if your request is due to undue hardship)9. Enter **two current cost estimates** given to you by third parties for software, software upgrades or programming for your current system, or costs for preparing your files for you.

\$ _____

Cost estimates for any reason other than the preparation of electronic/magnetic media files will not be acceptable

Attach these two written cost estimates to the Form 8508. Failure to provide current cost estimates and/or signature will result in denial of your waiver request.

\$ _____

Under penalties of perjury, I declare that I have examined this document, including any accompanying statements, and to the best of my knowledge and belief, it is true, correct, and complete.

10. Signature _____	Title _____	Date _____
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General Instructions

Paperwork Reduction Act Notice. We ask for the information on these forms to carry out the Internal Revenue Laws of the United States. You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by Code section 6103.

The time needed to provide this information would vary depending on individual circumstances. The estimated average time is:

Preparing Form 8508 15 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Tax Forms Committee, Western Area Distribution Center, Rancho Cordova, CA 95743-0001.

DO NOT SEND THE FORMS TO THIS OFFICE. Instead, see the instructions below on where to file. **When completing this form, please type or print clearly in BLACK ink.**

Purpose of Form. Use this form to request a waiver from filing Forms W-2, W-2AS, W-2G, W-2GU, W-2PR, W-2VI, 1042-S, 1098, 1099 Series, 5498, 5498-MSA, or 8027 magnetically for the tax year indicated in Block 2 of this form. Complete a Form 8508 for each Taxpayer Identification Number (TIN). You may use one Form 8508 for multiple types of forms. After evaluating your request, IRS will notify you as to whether your request is approved or denied. The chart below contains volume requirements and the acceptable media for each form.

Specific Instructions

Block 1. --Indicate the type of submission by checking the appropriate box. An original submission is your first request for a waiver for the current year. A reconsideration indicates that you are submitting additional information to IRS that you feel may reverse a denial of an originally submitted request.

Block 2. --Enter the tax year for which you are requesting a waiver. Only waiver requests for the current tax year can be processed. If this block is not completed, the IRS will assume the request is for the current tax year.

Block 3. --Enter the name and complete address of the payer and person to contact if additional information is needed by IRS.

Block 4. --Enter the Taxpayer Identification Number (TIN) [Employer Identification Number (EIN) or the Social Security Number (SSN)] of the payer. The number must contain 9-digits.

Block 5. --Enter the telephone number and Email address of the contact person.

Block 6. --Check the box(es) beside the form(s) for which the waiver is being requested.

Block 6a. -For each type of information return checked, enter the total number of forms you plan to file.

Block 6b. --Provide an estimate of the total number of information returns you plan to file for the following tax year.

Block 7. --Indicate whether or not this waiver is requested for corrections only. If you request a waiver for original documents and it is approved, you will automatically receive a waiver for corrections. However, if you can submit your original returns magnetically, but not your corrections, a waiver must be requested for corrections only.

Block 8. --If this is the first time you have requested a waiver for any of the forms listed in Block 6, for any tax year, check "YES" and skip to Block 10. However, if you have requested a waiver in the past and check "NO," complete Block 9 to establish undue hardship. Waivers, after the first year, are granted only in case of undue hardship or catastrophic event.

Note: Under Regulations Section 301.6011-2(c)(2), "The principal factor in determining hardship will be the amount, if any, by which the cost of filing the information returns in accordance with this section exceeds the cost of filing the returns on other media."

Block 9. --Enter the cost estimates from two service bureaus or other third parties. These cost estimates must reflect the total amount that each service bureau will charge for software, software upgrades or programming for your current system, or costs to produce your electronic/magnetic media file only. **If you do not provide two written cost estimates from service bureaus or other third parties, we will automatically deny your request. Cost estimates from prior years will not be accepted. Note: If your request is not due to undue hardship, as defined above, attach a detailed explanation of why you need a waiver.**

Block 10. --The waiver request must be signed by the payer or a person duly authorized to sign a return or other document on his behalf.

Filing Instructions

When to File. -- You should file Form 8508 at least 45 days before the due date of the returns for which you are requesting a waiver. See Publication 1220, Part A for the due dates. Waiver requests will be processed beginning January 1st of the calendar year the returns are due.

Where to File. --

Internal Revenue Service
Martinsburg Computing Center
Information Reporting Program
240 Murall Drive
Kearneysville, WV 25430

For further information concerning the filing of information returns to IRS electronically/magnetically, contact the IRS Martinsburg Computing Center at the address given above or by telephone toll-free at **866-455-7438** between 8:30 a.m. and 4:30 p.m. Eastern Standard Time.

Penalty. --If you are required to file on magnetic media but fail to do so and you do not have an approved waiver on record, you may be subject to a penalty of \$50 per return unless you establish reasonable cause.

Filing Requirements and Acceptable Methods

*If the total number of documents to be filed is below the 250 threshold, you are **not required** to file magnetically, and you **do not** need to submit Form 8508 to IRS.*

Type of Documents	Acceptable Methods
Forms 1098-series, 1099-series, W-2G, 5498-series	Electronic Filing, Cartridges, and 3-1/2" Diskette
Forms W-2, W-2AS, W-2GU, W-2PR, W-2VI *	Electronic Filing, Tape, Cartridges, and 3-1/2" Diskette
Form 1042-S	Electronic Filing, Cartridges, and 3-1/2" Diskette
Form 8027	Electronic Filing, Cartridges, and 3-1/2" Diskette

* To file these Forms electronically/magnetically, contact the Social Security Administration (SSA) at **1-800-772-6270**. For all other forms listed, contact IRS.

Application for Extension of Time To File Information Returns

(Rev. July 2004)

Department of the Treasury
Internal Revenue Service

(For Forms W-2 series, W-2G, 1042-S, 1098 series, 1099 series, 5498 series, and 8027)

▶ **Send to IRS—Martinsburg Computing Center. See Where to file below.**

Caution: Do not use this form to request an extension of time to (1) provide statements to recipients, (2) file Form 1042 (instead use Form 2758), or (3) file Form 1040 (instead use Form 4868).

<p>Extension Requested for Tax Year 20 (Enter one year only.)</p>	<p>1 Filer or transmitter information. Type or print clearly in black ink.</p> <p>Filer/Transmitter Name _____</p> <p>Address _____</p> <p>City _____ State _____ ZIP Code _____</p> <p>Contact Name _____ Telephone number (____) _____</p> <p>Email address _____</p>	<p>2 Taxpayer identification number (Enter your nine-digit number. Do not enter hyphens.)</p> <p style="text-align: center;"> _ _ _ _ _ _ _ _ _ </p> <p>3 Transmitter Control Code (TCC)</p>
<p>4 Check your method of filing information returns (check only one box). Use a separate Form 8809 for each method.</p> <p><input type="checkbox"/> electronic <input type="checkbox"/> magnetic media <input type="checkbox"/> paper</p>		<p>5 If you are requesting an extension for more than one filer, enter the total number of filers and attach a list of names and taxpayer identification numbers. Requests for more than 50 filers must be filed electronically or magnetically. See How to file below for details. ▶</p>
<p>6 For extension requests sent electronically/magnetically only, enter the total number of records in your extension file. Do not attach a list. ▶</p>		

7 Check this box only if you already received the automatic extension and you now need an additional extension. See instructions. ▶

8 Check the box(es) that apply. **Do not** enter the number of returns.

Form	✓ here	Form	✓ here	Form	✓ here
W-2 series		5498		8027	
1098 series, 1099 series, W-2G		5498-ESA		1099-INT/OID for REMIC	
1042-S		5498-SA			

9 If you checked the box on line 7, state in detail why you need an additional extension of time. You must give a reason or your request will be denied. If you need more space, attach additional sheets.

Under penalties of perjury, I declare that I have examined this form, including any accompanying statements, and, to the best of my knowledge and belief, it is true, correct, and complete.

Signature ▶ _____ **Title** ▶ _____ **Date** ▶ _____

General Instructions

Purpose of form. Use this form to request an extension of time to file any forms shown in line 8.

Who may file. Filers of returns submitted on paper, on magnetic media, or electronically may request an extension of time to file on this form.

Where to file. Send Form 8809 to IRS-Martinsburg Computing Center, Information Reporting Program, Attn: Extension of Time Coordinator, 240 Murall Dr., Kearneysville, WV 25430. To avoid delays, be sure the attention line is included on all envelopes and packages containing Form 8809.

How to file. When you request extensions of time to file for more than 50 filers for the forms shown in line 8, except Form 8027, you must submit the extension requests magnetically or electronically. For 10–50 filers, you are encouraged to submit the extension request magnetically or electronically.

If filing on paper with 50 or less filers, you must attach a list of the filers' names and taxpayer identification numbers. If you are filing the extension request magnetically or electronically, you do not have to provide a list.

Also, see Pub. 1220, Specifications for Filing Forms 1098, 1099, 5498, and W-2G Electronically or Magnetically and Pub. 1187, Specifications for Filing Form 1042-S, Foreign Person's U.S. Source Income Subject to Withholding, Electronically or Magnetically.

Note. Specifications for filing Forms W-2, Wage and Tax Statements, magnetically or electronically, are only available from the Social Security Administration (SSA). Call 1-800-SSA-6270 for more information.

When to file. File Form 8809 as soon as you know an extension of time to file is necessary. However, Form 8809 must be filed

by the due date of the returns. See the chart below that shows the due dates for filing this form on paper, magnetically, or electronically. IRS will respond in writing beginning in January. Filers and transmitters of Form W-2, Wage and Tax Statement, whose business has terminated, should follow the procedures in the 2004 Instructions for Forms W-2 and W-3 to request an extension.

If you are requesting an extension of time to file several types of forms, you may use one Form 8809, but you must file Form 8809 by the earliest due date. For example, if you are requesting an extension of time to file both 1099 series and 5498 series forms, you must file Form 8809 by February 28 (March 31 if you file electronically). You may complete more than one Form 8809 to avoid this problem. An extension cannot be granted if a request is filed after the due date of the original returns.

The due dates for filing Form 8809 are shown below.

IF you file Form . . .	MAGNETICALLY or on PAPER, then the due date is . . .	ELECTRONICALLY, then the due date is . . .
W-2 Series	Last day of February	March 31
W-2G	February 28	March 31
1042-S	March 15	March 15
1098 Series	February 28	March 31
1099 Series	February 28	March 31
5498 Series	May 31	May 31
8027	Last day of February	March 31

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

Caution: *You do not have to wait for a response before filing your returns. File your returns as soon as they are ready. For all forms shown in line 8, except Form 8027, if you have received a response, do not send a copy of the letter or Form 8809 with your returns. If you have not received a response by the end of the extension period, file your returns. When filing Form 8027 on paper only, attach a copy of your approval letter. If an approval letter has not been received, attach a copy of your timely filed Form 8809.*

Extension period. The automatic extension is 30 days from the original due date. You may request one additional extension of not more than 30 days by submitting a second Form 8809 before the end of the first extension period (see Line 7 below). Requests for an additional extension of time to file information returns are **not** automatically granted. Generally requests for additional time are granted only in cases of extreme hardship or catastrophic event. The IRS will send you a letter of explanation approving or denying your request for an additional extension only.

Note. The automatic and any approved additional request will only extend the due date for filing the returns. It will not extend the due date for furnishing statements to recipients.

Penalty. If you file required information returns late and you have not applied for and received an approved extension of time to file, you may be subject to a late filing penalty. The amount of the penalty is based on when you file the correct information return. For more information on penalties, see the General Instructions for Forms 1099, 1098, 5498, and W-2G.

Specific Instructions

Tax year. You may request an extension for only 1 tax year on this form. If no tax year is shown, the IRS will assume you are requesting an extension for the returns currently due to be filed.

Line 1. Enter the name and complete mailing address, including room or suite number of the filer or transmitter requesting the extension of time. Use the name and address where you want the response sent. For example, if you are a preparer and want to receive the response, enter your client's complete name, care of (c/o) your firm, and your complete mailing address. Enter the name of someone who is familiar with this request whom the IRS

can contact if additional information is required. Please provide your telephone number and e-mail address. If you act as transmitter for a group of filers, enter your name and address here, and see *How to file* on page 1.

Note. Approval or denial notification will be sent only to the person who requested the extension (filer or transmitter).

Line 2. Enter your nine-digit employer identification number (EIN) or qualified intermediary employer identification number (QI-EIN). If you are not required to have an EIN or QI-EIN, enter your social security number. Do not enter hyphens. Failure to provide this number, and the list of numbers if you are acting as a transmitter as explained under Line 1, will result in automatic denial of the extension request.

Line 3. For electronic or magnetic media only. If you filed Form 4419, Application for Filing Information Returns Electronically/ Magnetically, to file Forms 1042-S, 1098, 1099, 5498, W-2G, or 8027, and it was approved, the IRS-Martinsburg Computing Center assigned you a five-character Transmitter Control Code (TCC). Enter that TCC here. Leave this line blank if you (1) are requesting an extension to file any Forms W-2, (2) are requesting an extension to file forms on paper, or (3) have not yet received your TCC.

Line 7. Check this box if you have already received the automatic 30-day extension, but you need an additional extension for the same year and for the same forms. Do not check this box unless you received an original extension.

If you check this box, be sure to complete line 9. Then, sign and date the request.

Signature. No signature is required for the automatic 30-day extension. For an additional extension, Form 8809 must be signed by you or a person who is duly authorized to sign a return, statement, or other document.

Privacy Act and Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. Form 8809 is provided by the IRS to request an extension of time to file information returns. Regulations section 1.6081-1 requires you to provide the requested information if you desire an extension of time for filing an information return. If you do not provide the requested information, an extension of time for filing an information return may not be granted. Section 6109 requires you to provide your taxpayer identification number (TIN). Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation, and cities, states, and the District of Columbia for use in administering their tax laws. We may also disclose this information to other countries under a tax treaty, or Federal, state, or local agencies to enforce Federal nontax criminal laws and to combat terrorism. The authority to disclose information to combat terrorism expired on December 31, 2003. Legislation is pending that would reinstate this authority.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by Code section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is: Recordkeeping, 2 hrs., 10 min.; Learning about the law or the form, 36 min.; Preparing and sending the form to the IRS, 28 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Tax Products Coordinating Committee, Western Area Distribution Center, Rancho Cordova, CA 95743-0001. Do not send the form to this address. Instead, see *Where to file* on page 1.

Media label, Form 5064, has been obsoleted. It is no longer necessary to use special labels from IRS for your media. Any pressure sensitive label can now be used as long as it contains the following information:

Type of filing: Indicate whether data is Original, Replacement, Test or Correction.

Tax Year: Indicate tax year for which media is submitted.

IRS TCC: (*Transmitter Control Code*): Provide TCC assigned to the transmitter.

Transmitter's name

Operating system/Hardware:

For 3-1/2 inch diskette files, indicate the type of personal computer operating system, and software package used to create the media (for example: IBM.PC/AT-MSD/DOS, Apple MacIntosh/MacWrite V2.2).

Recommended label format:

Type of filing _____
Tax Year _____ IRS TCC _____
Transmitter name _____
Operating system/Hardware _____
Number of payees _____
Transmitter number for media _____
Media sequence _____ of _____

For tape cartridge, indicate operating system, either EBCDIC or ASCII, and either 18, 36, 128 or 256-track.

Number of payees: Indicate the total number of Payee "B" Records, Recipient "Q" Records for Form 1042S, or total number of establishments for Form 8027 reported on the media.

Transmitter number for media: If available, provide the in-house number assigned by your organization to the tapes, tape cartridges or diskettes.

Media sequence: Indicate sequence number of media and total number of media in file (*for example: Media sequence 1 or 3, 2 of 3, 3 of 3*).

Please affix external label to appropriate area on magnetic media. Do not hinder the ability to process media when affixing label.

Paperwork Reduction Act Notice

We ask for the information in Notice 210 to carry out the Internal Revenue laws of the United States. You are required to give us the information. You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by Code section 6103. The time needed to provide this information would vary depending on individual circumstances. The estimated average time is 5 minutes. If you have comments concerning the accuracy of this time estimate or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Tax Forms Committee, Western Area Distribution Center, Rancho Cordova, CA 95743-0001.

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Publication 1220 (Rev. 09-2004)
Catalog number 61275P
