

Fact Sheet

Module 3: Interest Income

Interest is the charge for the use of borrowed money.

Money earns interest when it is

- deposited in accounts in banks, savings and loans, and credit unions.
- used to buy certificates of deposit or bonds.
- lent to another person or business.

Interest income may be taxable or tax-exempt.

Interest income is reported on Form 1099-INT.

All taxable interest income is reported on the taxpayer's return, even if it does not appear on Form 1099-INT.

CORRECTED (if checked)

PAYER'S name, street address, city, state, ZIP code, and telephone no.		Payer's RTN (optional)	OMB No. 1545-0112 2011 Form 1099-INT	Interest Income	
		1 Interest income \$			
		2 Early withdrawal penalty \$			
PAYER'S federal identification number	RECIPIENT'S identification number	3 Interest on U.S. Savings Bonds and Treas. obligations \$	Copy B For Recipient This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.		
RECIPIENT'S name		4 Federal income tax withheld \$			5 Investment expenses \$
Street address (including apt. no.)		6 Foreign tax paid \$			7 Foreign country or U.S. possession
City, state, and ZIP code		8 Tax-exempt interest \$			9 Specified private activity bond interest \$
Account number (see instructions)		10 Tax-exempt bond CUSIP no. (see instructions)			

Form **1099-INT**

(keep for your records)

Department of the Treasury - Internal Revenue Service