
2011

**General Instructions for
Certain Information Returns**

**Forms 1097, 1098, 1099, 3921,
3922, 5498, and W-2G**

Volume 1 of 2



**Department of the Treasury
Internal Revenue Service
Instruction 1099 General
(REV 2011)**

Catalog Number 50251Z

Section references are to the Internal Revenue Code unless otherwise noted.

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What's New

Pilot program for truncating an individual's identifying number on paper payee statements has ended. Filers must show the individual payee's complete identifying number on all copies of the form.

Form 1099-K. New Form 1099-K, Merchant Card and Third-Party Network Payments, is used to report merchant card payments and third-party network transactions to participating payees. See Form 1099-K and its instructions for more information.

New reporting requirement for rental property expense payments. If you receive rental income from real estate, you may be required to report payments you made for rental property expenses. You will use Form 1099-MISC, Miscellaneous Income, to report these payments. For more details including exceptions, see the Instructions for Form 1099-MISC and www.irs.gov/form1099misc.

Increase in information return penalties. The penalties for failure to file correct information returns and payee statements were increased. See part O on page 11.

Publication 1220. Information on new forms was added to Pub. 1220, which is now titled Specifications for Filing Forms 1097, 1098, 1099, 3921, 3922, 5498, 8935, and W-2G Electronically.

Logos, slogans, and advertising on information returns. For amounts paid after 2010, logos, slogans, and advertising will not be permitted on Forms 1096, or Copy A of Forms 1097, 1098, 1099, 5498, W-2G, 1042-S, or any payee statements. For exceptions,

see Pub. 1179, which provides the general rules and specifications for substitute forms.



See the specific form instructions for information on changes to the form.

Reminders

Due date for certain statements sent to recipients. The due date for furnishing statements to recipients for Forms 1099-B, 1099-S, and 1099-MISC (if amounts are reported in Boxes 8 or 14) is February 15. This also applies to statements furnished as part of a consolidated reporting statement.

Electronic filing. *E-filers* are reminded that using the FIRE system requires following the specifications contained in Pub. 1220. Also, the IRS does not provide a fill-in form option. See part F on page 4 for information on *e-file*.

Payee. Throughout these instructions the term “payee” means any recipient of Forms 1097, 1098, 1099, 3921, 3922, 5498, or W-2G including borrowers, debtors, donors, insureds, participants, policyholders,

students, transferors, and winners on certain forms.

Where to file. All information returns filed on paper will be filed with only two Internal Revenue Service Centers: Austin, TX, and Kansas City, MO. See part D on page 4, and Form 1096, Annual Summary and Transmittal of U.S. Information Returns.

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 1097, 1098, 1099, 3921, 3922, 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 1097-BTC
- Instructions for Form 1098
- Instructions for Form 1098-C
- 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-K

- 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 Forms 3921 and 3922
- Instructions for Form 5498-ESA

See How To Get Forms, Publications, and Other Assistance on page 14.

Guide to Information Returns

See the chart on pages 15 and 16 for a brief summary of information return reporting rules.

Use Form 1096 To Send Paper Forms to the IRS

You must send Copies A of all paper Forms 1097, 1098, 1099, 3921, 3922, 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 E on page 4.

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. For how to report backup withholding, see part N on page 10.

Substitute Statements to Recipients

If you are using a substitute form to furnish information statements to recipients (generally Copy B), be sure your substitute statements comply with the rules in Pub. 1179. Pub. 1179, which is revised annually, explains the requirements for format and content of substitute statements to recipients. See part M on page 8 for additional information.



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.

Taxpayer Identification Number (TIN) Matching

TIN Matching allows a payer or authorized agent who is required to file Forms 1099-B, DIV, INT, K, 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. For program guidelines, see Pub. 2108-A, On-Line Taxpayer Identification (TIN) Matching Program, or go to IRS.gov and enter keyword "TIN matching" in the upper right corner. It is anticipated that payers who validate the TIN and name combinations before filing information returns will receive fewer backup withholding (CP2100) notices and penalty notices. E-services technical support is available by calling 1-866-255-0654.

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 with the IRS (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 1097, 1098, 1099, 3921, 3922, 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 on this page, 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 1097, 1098, 1099, 3921, 3922, 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, Foreign Person's U.S. Income Subject to Withholding, see Rev. Proc. 99-50, which is available on page 757 of Internal Revenue Bulletin 1999-52 at www.irs.gov/pub/irs-irbs/irb99-52.pdf.

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 1097, 1098, 1099, 3921, 3922, 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 1097, 1098, 1099, 3921, 3922, 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. These same reporting requirements apply to Form 3921, Exercise of an Incentive Stock Option under Section 422(b); and Form 3922, Transfer of Stock Acquired Through an Employee Stock Purchase Plan under Section 423(c). 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 (for example, Form 1099-R or 1099-MISC).

3. Be sent separately from Forms 1097, 1098, 1099, 3921, 3922, 5498, and W-2G by the forms' due date to:
Internal Revenue Service, Information Returns Branch, 230 Murall Drive, Mail Stop 4360, 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 may apply to qualified settlement funds as apply to any other payer. That is, the fund must determine the character of the payment (for example, interest, fixed and determinable income, or gross proceeds from broker transactions) and to whom the payment is made (for example, corporation or individual).

For more information, see Regulations section 1.468B-2(l). Also, see Treasury Decision (TD) 9249, 2006-10 I.R.B. 546, available at www.irs.gov/irb/2006-10_IRB/ar05.html. TD 9249 relates to escrow and 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.

Widely held fixed investment trusts (WHFITs). Trustees and middlemen of WHFITs are required to report all items of gross income and proceeds on the appropriate Form 1099. For the definition of a WHFIT, see Regulations section 1.671-5(b)(22). A tax information statement that includes the information provided to the IRS on Forms 1099, as well as additional information identified in Regulations section 1.671-5(e), must be furnished to trust interest holders (TIHs).

Items of gross income (including OID) attributable to the TIH for the calendar year including all amounts of income attributable to selling, purchasing, or redeeming of a trust holder's interest in the WHFIT must be reported. Items of income that are required to be reported including non *pro-rata* partial principal payments, trust sales proceeds, redemption asset proceeds, and sales of a trust interest on a secondary market must be reported on Form 1099-B. See Regulations section 1.671-5(d).

Safe harbor rules for determining the amount of an item to be reported on Form 1099 and a tax information statement with respect to a TIH in a non-mortgage WHFIT (NMWHFIT) and a widely held mortgage trust (WHMT) are found in Regulations sections 1.671-5(f) and (g), respectively.

Trustees and middlemen must follow all the rules for filing Forms 1099 with the IRS and furnishing a statement to the TIH (except as noted below) as described in parts A through S of these instructions. For transition year reporting, see Notice 2010-4, 2010-2 I.R.B. 253, available at www.irs.gov/irb/2010-02_IRB/ar11.html. Trustees and middlemen should also follow the separate instructions for Forms 1099-B, 1099-DIV, 1099-INT, 1099-MISC, and 1099-OID, as applicable, which may address additional income reporting requirements.

Due date exception and other requirements for furnishing statement to TIH. The written tax information for 2011 furnished to the TIH is due on or before March 15, 2012. For other items of expense

and credit that must be reported to the TIH, see Regulations section 1.671-5(c).

There is no reporting requirement if the TIH is an exempt recipient unless the trustee or middleman backup withholds under section 3406. If the trustee or middleman backup withholds, then follow the rules in part N on page 10. An exempt recipient for this purpose is defined in Regulations section 1.671-5(b)(7).

Reporting to foreign persons. Items of a WHFIT attributable to a TIH who is not a U.S. person must be reported and amounts withheld following the provisions of sections 1441 through 1464. See Form 1042-S and its separate instructions for more information.

B. 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, Wage and Tax Statement, 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 (RIC) or real estate investment trust (REIT).
- Schedule K-1 of Forms 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 1120-S 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 real estate mortgage investment conduit (REMIC) to a residual interest holder.

C. When To File

File Forms 1097, 1098, 1099, 3921, 3922, or W-2G on paper by February 28, 2012, or April 2, 2012, if filing electronically. Also file Form 1096 with paper forms. File Form 1096 with Forms 5498, 5498-ESA, and 5498-SA by May 31, 2012.

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 M on page 8 about providing Forms 1097, 1098, 1099, 3921, 3922, 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 list includes only the following.

- DHL Express (DHL): DHL Same Day Service.

- 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 1097, 1098, 1099, 3921, 3922, and W-2G are used to report amounts received, paid, credited, donated, transferred, 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. You can get an automatic 30-day extension of time to file by completing Form 8809, Application for Extension of Time To File Information Returns. The form may be submitted on paper, or through the FIRE system either as a fill-in form or an electronic file. 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 the instructions for Form 8809 for more information.

How to apply. As soon as you know that a 30-day extension of time to file is needed, file Form 8809.

- If you are requesting an extension for 10 or fewer filers, follow the instructions on Form 8809 and mail it to the address listed in the instructions on the form or you can fax it. See the instructions for Form 8809 for more information.
- If you are requesting an extension for more than 10 filers, you must submit the

extension request online or electronically through the FIRE system. You are encouraged to submit requests for 10 or fewer filers using the online fill-in form. See Pub. 1220, Part B, for more information on filing online or electronically.

Extension for statements to recipients.

For information on requesting an extension of time to furnish statements to recipients, see *Extension* on page 10.

D. Where To File



Use the 3-line address for your state found below for mailing information returns.

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 address



Alabama, Arizona, Arkansas,
Connecticut, Delaware, Florida,
Georgia, Kentucky, Louisiana,
Maine, Massachusetts,
Mississippi, New Hampshire,
New Jersey, New Mexico, New
York, North Carolina, Ohio,
Pennsylvania, Rhode Island,
Texas, Vermont, Virginia, West
Virginia

Department of the Treasury
Internal Revenue Service Center
Austin, TX 73301

Alaska, California, Colorado,
District of Columbia, Hawaii,
Idaho, Illinois, Indiana, Iowa,
Kansas, Maryland, Michigan,
Minnesota, Missouri, Montana,
Nebraska, Nevada, North
Dakota, Oklahoma, Oregon,
South Carolina, South Dakota,
Tennessee, Utah, Washington,
Wisconsin, Wyoming

Department of the Treasury
Internal Revenue Service Center
Kansas City, MO 64999

If your legal residence or principal place of
business or principal office or agency is
outside the United States, file with the

Department of the Treasury, Internal Revenue Service Center, Austin, TX 73301.

State and local tax departments. Contact the applicable state and local tax department as necessary for reporting requirements and where to file.

E. Filing Returns With the IRS

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

If you must file any Form 1097, 1098, 1099, 3921, 3922, 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 paper returns, see part H on page 5.

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

Transmitters, paying agents, etc. A transmitter, service bureau, paying agent, or disbursing agent (hereafter referred to as "agent") may sign Form 1096 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 and accompanying returns.

Forms 1097, 1098, 1099, 3921, 3922, 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, and the Instructions for Form 945.

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.

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, 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. Electronic Reporting

Electronic reporting may be required for filing all information returns discussed in these instructions (see *Who must file electronically*, below). Different types of payments, such as interest, dividends, and rents, may be reported in the same submission.

Pub. 1220 provides the procedures for reporting electronically and is updated annually. Pub. 1220 is available at IRS.gov.



You can file electronically through the Filing Information Returns Electronically

System (FIRE System); however, you must have software that can produce a file in the proper format according to Pub. 1220. The FIRE System does not provide a fill-in form option for information return reporting. The FIRE System operates 24 hours a day, 7 days a week. You may access the FIRE System via the Internet at fire.irs.gov. See Pub. 1220 for more information.

Due dates. File Forms 1097, 1098, 1099, 3921, 3922, or W-2G electronically through the FIRE System by April 2, 2012. File Forms 5498, 5498-ESA, or 5498-SA by May 31, 2012. See part M on page 8 about providing Forms 1097, 1098, 1099, 3921, 3922, 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 3.



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

Who must file electronically. If you are required to file 250 or more information returns, you must file electronically. 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 electronically, but you are not required to file Forms 1099-A electronically.

The electronic filing requirement does not apply if you apply for and receive a hardship waiver. See *How to request a waiver from filing electronically* on page 5.



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

Filing requirement applies separately to originals and corrections. The electronic filing requirements apply separately to original returns and corrected returns.

Originals and corrections are not aggregated to determine whether you are required to file electronically. For example, if you file 400 Forms 1098 electronically 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 electronically.

Reporting incorrect payer name and/or TIN. If a payer discovers an error in reporting the payer (not recipient) name and/ or TIN, write a letter 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)
6. Type of return
7. Number of payees
8. Filing method (paper or electronic)
9. Was federal income tax withheld?

Send the letter to Internal Revenue Service, Information Returns Branch, 230 Murall Drive, Mail Stop 4360, Kearneysville, WV 25430.

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 electronically.

File Form 4419, Application for Filing Information Returns Electronically, at least 30 days before the due date of the returns. File Form 4419 for all types of returns that will be filed electronically. See Form 4419 for more information. 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.

How to request a waiver from filing electronically. To receive a waiver from the required filing of information returns electronically, submit Form 8508, Request for Waiver From Filing Information Returns Electronically, 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 electronically 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.

Penalty. If you are required to file electronically but fail to do so, and you do not have an approved waiver, you may be subject to a penalty of up to \$100 per return for failure to file electronically 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 electronically. See part O on page 11.

The penalty applies separately to original returns and corrected returns. See *Filing requirement applies separately to originals and corrections* on page 4.

G. Paper Document Reporting

If you are required to file 250 or more information returns, see part F on page 4.

Follow these guidelines.

1. Although handwritten forms are acceptable, they must be completely legible and accurate to avoid processing errors. Handwritten forms often result in name/TIN mismatches. Use block print, not script characters. If you have a small number of forms, consider contacting an IRS business partner who may be able to prepare them with little or no cost to you. See 5, below, for details. Type entries using black ink in 12-point Courier font. Copy A is read by machine and must be typed clearly using no corrections in the data entry fields. Data must be printed in the middle of

the blocks, well separated from other printing and guidelines. Entries completed by hand, or using script, italic, or proportional spaced fonts, or in colors other than black, cannot be read correctly by machine. Make all dollar entries without the dollar sign, but include the decimal point (00000.00). Show the cents portion of the money amounts. If a box does not apply, leave it blank.

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 part H on this page.
3. Do not enter number signs (#)—RT 2, not Rt. #2.
4. Send the entire page of Copy A of your information returns with Form 1096 to the IRS even if some of the forms are

blank or void. Do not use staples on any forms.

5. To locate an IRS business partner who may be able to offer low-cost or even free filing of certain forms, enter *e-file for Business Partners* in the Search box on IRS.gov.

Multiple filings. If, after you file Forms 1097, 1098, 1099, 3921, 3922, 5498, or W-2G, you discover additional forms that are required to be filed, file these forms with a new Form 1096. Do not include copies or information from previously filed returns.

Required format. Because paper forms are scanned, all Forms 1096 and Copies A of Forms 1097, 1098, 1099, 3921, 3922, and 5498 must be prepared in accordance with the following instructions. If these instructions are not followed, you may be subject to a penalty for each incorrectly filed document. See part O on page 11.

1. Do not cut or separate Copies A of the forms that are printed two or three to a sheet (except Forms W-2G and

1098-C). Generally, Forms 1097, 1098, 1099, 3921, 3922, 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, Publications, and Other Assistance* on page 14.
3. Do not staple, tear, or tape any of these forms. It will interfere with the IRS' 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 1-866-455-7438 (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 scanned, 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 Pub. 1179. If you submit substitute forms that do not meet the current specifications and that are not scannable, you may be subject to a penalty for each return for improper format. See part O on page 11.
10. Do not use dollar signs (\$) (they are preprinted on the forms), ampersands (&), asterisks (*), commas (,), or other special characters in money amount boxes.
11. Do not use apostrophes ('), asterisks (*), or other special characters on the payee name line.

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. Also see *Multiple filings* on this page.

2. Filer's name, address, and TIN are not the same on Form 1096 and the attached Forms 1097, 1098, 1099, 3921, 3922, 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 (for example, Forms 1099-INT and 1099-MISC with one Form 1096). You must submit a separate Form 1096 with each type of return.

H. Corrected Returns on Paper Forms



To file corrections for electronically filed forms, see part F on page 4 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 part D on page 4).
- Furnish statements to recipients showing the correction.
- When making a correction, complete all information (see *Filing corrected returns on paper forms* on page 6).
- 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.
- Do not send corrected returns to the IRS if you are correcting state or local information only. Contact the state or local tax department for help with this type of correction.

To correct payer information, see *Reporting incorrect payer name and/or TIN* on page 4.

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. You do not need to correct a previously filed Form 1096.

CORRECTED checkbox. Enter an "X" in the corrected checkbox only when correcting a form previously filed with the IRS or furnished to the recipient. Certain errors require two returns to make the correction. See *Filing corrected returns on paper forms* below 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 returns 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 part L on page 8.

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 7 give step-by-step instructions for filing corrected returns for the most frequently made errors. They are grouped under Error Type 1 or 2. 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 part O on page 11. 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.

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.

I. Void Returns

An "X" in the "VOID" box at the top of the form will not correct a previously filed return. See part H on page 5 for instructions for making corrections.

VOID box. If a completed or partially completed Form 1097, 1098, 1099, 3921, 3922, 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.

J. 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.

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.

Limited liability company (LLC). For a single-member 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.

Bankruptcy estate. If an individual (the debtor) for whom you are required to file an information return is in Chapter 11 bankruptcy, and the debtor notified you of the bankruptcy estate's EIN, report post-petition gross income, gross proceeds, or other reportable payments on the applicable information return using the estate's name and EIN. The debtor should notify you when the bankruptcy is closed, dismissed, or converted, so that any subsequent information returns will be filed with the correct name and EIN. Different rules apply if the bankruptcy is converted to Chapter 7, 12, or 13 of the Bankruptcy Code. For additional guidance, see Notice 2006-83, 2006-40 I.R.B.

596, available at www.irs.gov/irb/2006-40_IRB/ar12.html.

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), employer identification numbers (EINs), or adoption taxpayer identification numbers (ATINs) 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, Request for Taxpayer Identification Number and Certification, or Form W-9S, Request for Student's or Borrower's Taxpayer Identification Number and Certification, 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, U.S. Tax Guide for Aliens.

You may be subject to a penalty for an incorrect or missing TIN on an information return. See part O on page 11. 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, ITINs, and ATINs), 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 1097, 1098, 1099, 3921, 3922, 5498, or W-2G. Only one recipient TIN can be entered on the form. Backup withholding may apply; see part N on page 10.

The TIN for individual recipients of information returns is the SSN, ITIN, or ATIN. See the information about sole proprietors on this page. For other recipients, including corporations, partnerships, and estates, the TIN is the EIN. Income reportable after the death of an individual must reflect the TIN of the payee, that is, of the estate or of the surviving joint owner. For more information, see *Personal Representative* in Pub. 559, *Survivors, Executors, and Administrators*. For LLCs, see the information on LLC on this page.

SSNs, ITINs, and ATINs 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 and 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 IRS 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.

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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 Part H on page 5.

Error Type 1	Correction
<p>Incorrect money amount(s), code, or checkbox, or Incorrect address, or Incorrect payee name, or</p> <p>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><i>Caution: If you must correct a TIN and/or a name and address, follow the instructions under Error Type 2.</i></p>	<p>A. Form 1097, 1098, 1099, 3921, 3922, 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, or</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>	<table><tr><td><p>Step 1. Identify incorrect return submitted.</p></td><td><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.</td></tr><tr><td><p>Step 2. Report correct information.</p></td><td><p>A. Form 1097, 1098, 1099, 3921, 3922, 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 “Filed 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.</td></tr></table>	<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.	<p>Step 2. Report correct information.</p>	<p>A. Form 1097, 1098, 1099, 3921, 3922, 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 “Filed 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.
<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.				
<p>Step 2. Report correct information.</p>	<p>A. Form 1097, 1098, 1099, 3921, 3922, 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 “Filed 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.				

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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 that is available on page 30 of Internal Revenue Bulletin 1998-15 at www.irs.gov/pub/irs-irbs/irb98-15.pdf and Announcement 2001-91, which is available on page 221 of Internal Revenue Bulletin 2001-36 at www.irs.gov/pub/irs-irbs/irb01-36.pdf.

Electronic submission of Forms W-9S.

See the Instructions for Forms 1098-E and 1098-T.

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

The TIN for filers of information returns, including sole proprietors and nominees/middlemen, is the 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.

For a single-member 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.

If you do not have an EIN, you may apply for one online. Go to [IRS.gov](https://www.irs.gov) and under Online Services click on Apply for an Employer Identification Number (EIN) Online. You may also apply by calling 1-800-829-4933 or by faxing or mailing Form SS-4, *Application for Employer Identification Number*, to the IRS.

See the Instructions for Form SS-4 for more information.

L. Account Number Box on Forms

Use the account number box on Forms 1097, 1098, 1099, 3921, 3922, and 5498 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. See Pub. 1220 if you are filing electronically.

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 using reduced rate mail, be sure the account number does not appear in the window. The Postal Service may not accept these for reduced rate mail.