

HIGHLIGHTS OF THIS ISSUE

These synopses are intended only as aids to the reader in identifying the subject matter covered. They may not be relied upon as authoritative interpretations.

EMPLOYEE PLANS

Rev. Rul. 2000-27, page 1016.

Qualified cash or deferred arrangements; separation from service. The sale of less than substantially all of the assets of a trade or business to an unrelated employer does not preclude a distribution to affected participants in a section 401(k) plan on account of separation from service.

Notice 2000-27, page 1116.

Weighted average interest rate update. The weighted average interest rate for May 2000 and the resulting permissible range of interest rates used to calculate current liability for purposes of the full funding limitation of section 412(c)(7) of the Code are set forth.

EXCISE TAX

Notice 2000-28, page 1116.

Coal; imposition of tax. This notice provides rules for making a nontaxable sale or obtaining a credit or refund of

the coal excise tax under section 4121 of the Code for coal that is in the stream of export when sold by the producer and is actually exported.

ADMINISTRATIVE

Rev. Proc. 2000-23, page 1018.

Specifications for private printing of substitute Forms W-2 and W-3. Specifications are set forth for the private printing of paper substitutes for tax year 2000 Form W-2, Wage and Tax Statement, and Form W-3, Transmittal of Wage and Tax Statements. Rev. Proc. 99-24 superseded.

Rev. Proc. 2000-25, page 1033.

Magnetic media; electronic filing; 2000 form specifications. Specifications are set forth for the magnetic or electronic filing of 2000 Forms 1098, 1099, 5498, and W-2G. Rev. Proc. 99-29 superseded.

Announcement 2000-47, page 1118.

This is the schedule for the 2000 IRS/SSA Information Reporting Seminars.

Finding Lists begin on page ii.

Announcements of Disbarments and Suspensions begin on page 1119.



The IRS Mission

Provide America's taxpayers top quality service by helping them understand and meet their tax responsibilities

and by applying the tax law with integrity and fairness to all.

Introduction

The Internal Revenue Bulletin is the authoritative instrument of the Commissioner of Internal Revenue for announcing official rulings and procedures of the Internal Revenue Service and for publishing Treasury Decisions, Executive Orders, Tax Conventions, legislation, court decisions, and other items of general interest. It is published weekly and may be obtained from the Superintendent of Documents on a subscription basis. Bulletin contents are consolidated semiannually into Cumulative Bulletins, which are sold on a single-copy basis.

It is the policy of the Service to publish in the Bulletin all substantive rulings necessary to promote a uniform application of the tax laws, including all rulings that supersede, revoke, modify, or amend any of those previously published in the Bulletin. All published rulings apply retroactively unless otherwise indicated. Procedures relating solely to matters of internal management are not published; however, statements of internal practices and procedures that affect the rights and duties of taxpayers are published.

Revenue rulings represent the conclusions of the Service on the application of the law to the pivotal facts stated in the revenue ruling. In those based on positions taken in rulings to taxpayers or technical advice to Service field offices, identifying details and information of a confidential nature are deleted to prevent unwarranted invasions of privacy and to comply with statutory requirements.

Rulings and procedures reported in the Bulletin do not have the force and effect of Treasury Department Regulations, but they may be used as precedents. Unpublished rulings will not be relied on, used, or cited as precedents by Service personnel in the disposition of other cases. In applying published rulings and procedures, the effect of subsequent legislation, regulations, court decisions, rulings, and proce-

dures must be considered, and Service personnel and others concerned are cautioned against reaching the same conclusions in other cases unless the facts and circumstances are substantially the same.

The Bulletin is divided into four parts as follows:

Part I.—1986 Code.

This part includes rulings and decisions based on provisions of the Internal Revenue Code of 1986.

Part II.—Treaties and Tax Legislation.

This part is divided into two subparts as follows: Subpart A, Tax Conventions, and Subpart B, Legislation and Related Committee Reports.

Part III.—Administrative, Procedural, and Miscellaneous.

To the extent practicable, pertinent cross references to these subjects are contained in the other Parts and Subparts. Also included in this part are Bank Secrecy Act Administrative Rulings. Bank Secrecy Act Administrative Rulings are issued by the Department of the Treasury's Office of the Assistant Secretary (Enforcement).

Part IV.—Items of General Interest.

This part includes notices of proposed rulemakings, disbarment and suspension lists, and announcements.

The first Bulletin for each month includes a cumulative index for the matters published during the preceding months. These monthly indexes are cumulated on a semiannual basis, and are published in the first Bulletin of the succeeding semiannual period, respectively.

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Part I. Rulings and Decisions Under the Internal Revenue Code of 1986

Section 401.—Qualified Pension, Profit-Sharing, and Stock Bonus Plans

26 CFR 1.401(k)-1: Certain cash or deferred arrangements.

Qualified cash or deferred arrangements; separation from service. The sale of less than substantially all of the assets of a trade or business to an unrelated employer does not preclude a distribution to affected participants in a section 401(k) plan on account of separation from service.

Rev. Rul. 2000-27

ISSUE

Will a distribution of amounts deferred by an employee under a cash or deferred arrangement under § 401(k) of the Internal Revenue Code be considered to have been made earlier than the employee's "separation from service," within the meaning of § 401(k)(2)(B)(i)(I), if the distribution is made after the sale to an unrelated employer of assets constituting less than substantially all of the assets of a trade or business of the employee's employer?

FACTS

Employer X maintains Plan A, which is a profit-sharing plan intended to satisfy the requirements of § 401(a) of the Code. Plan A includes a cash or deferred arrangement that is intended to be a qualified cash or deferred arrangement under § 401(k). Plan A provides that salary reduction contributions are immediately nonforfeitable and, if the employee has not attained age 59 1/2, cannot be distributed prior to the employee's retirement, death, disability, or separation from service, except in the case of hardship (as defined in the plan), plan termination (to the extent permitted by § 401(k)(10)) or a transaction described in § 401(k)(10)(A)(ii) or (iii).

Employer X sells certain assets to Employer Y, an entity not required to be aggregated with Employer X under § 414(b), (c), (m) or (o) after the sale. The assets sold to Employer Y constitute less than 85% of the assets used by Em-

ployer X in a trade or business of Employer X. Most of the employees of Employer X who were associated with the transferred assets terminate their employment with Employer X and are hired by Employer Y (the "Transferred Employees") as of the date of the sale of assets. Transferred Employees continue to perform, without interruption and in the same capacity, the same functions for Employer Y that they performed for Employer X before the sale. Additionally, Employer X is no longer the recipient of the services of the Transferred Employees.

Following the sale of assets, the administrator of Plan A allows all of the Transferred Employees to receive a distribution of their Plan A account balances, including amounts attributable to elective contributions. There is no transfer of amounts from Plan A to any plan maintained by Employer Y in connection with the Transferred Employees (although there were direct rollovers of distributions pursuant to § 401(a)(31)).

LAW AND ANALYSIS

Section 401(k) of the Code provides that a profit-sharing plan that includes a cash or deferred arrangement can meet the requirements of § 401(a), provided that the cash or deferred arrangement constitutes a qualified cash or deferred arrangement.

Section 401(k)(2)(B)(i) provides that amounts attributable to employer contributions made pursuant to an employee's election may not be distributable from a profit-sharing plan earlier than (I) the employee's separation from service, death or disability; (II) an event described in § 401(k)(10); (III) the employee's attainment of age 59 1/2; or (IV) the employee's hardship. Events described in § 401(k)(10) include (i) the termination of the plan; (ii) the disposition by a corporation to another corporation of substantially all the assets used by the selling corporation in a trade or business; and (iii) the disposition of a corporation's interest in a subsidiary.

Sections 1.401(k)-1(d)(1)(iv), 1.401(k)-1(d)(4) and 1.401(k)-1(d)(5) of the Income Tax Regulations interpret

§ 401(k)(10). Section 1.401(k)-1(d)(1)(iv) generally provides that amounts in a plan attributable to elective contributions may be distributed on or after the date of the sale or other disposition by a corporation of substantially all the assets used by the corporation in a trade or business of the corporation to an unrelated corporation. Section 1.401(k)-1(d)(4) further provides that (i) after the sale, the purchaser must not maintain the plan; (ii) the employee receiving the distributions must continue employment with the purchaser of the assets; and (iii) the distribution must be made in connection with the disposition of assets. Finally, § 1.401(k)-1(d)(4) provides that the sale of substantially all the assets used in a trade or business means the sale of at least 85% of the assets, and an unrelated entity is one that is not required to be aggregated with the seller under §§ 414(b), (c), (m) or (o) after the sale or other disposition. Section 1.401(k)-1(d)(5) provides that a distribution may be made only if it is a lump sum distribution within the meaning of § 402(d)(4).

For tax years beginning prior to January 1, 2000, § 402(d) provided special forward averaging treatment for lump sum distributions from plans qualified under § 401(a). Section 402(d)(4)(A) provided that a lump sum distribution was a distribution or payment within one taxable year of the recipient of the balance to the credit of an employee which becomes payable to the recipient upon one of several events, including a "separation from service." Special forward averaging treatment of lump sum distributions was generally repealed by § 1401(a) and (c)(2) (subject to limited grandfather treatment) as part of the Small Business Job Protection Act of 1996, P. L. 104-188.

Rev. Rul. 79-336, 1979-2 C.B. 187, provides that, for purposes of the special forward averaging treatment of lump sum distributions under the earlier § 402(d), an employee will be considered separated from service within the meaning of § 402(d)(4)(A) (formerly § 402(e)(4)(A)) only upon the employee's death, retirement, resignation, or discharge, and not when the employee continues on the same job for a different employer as a result of the liquidation, merger, or consolidation, etc. of the former employer.

Employer X's sale of less than 85% of the assets in a trade or business to Employer Y does not constitute a sale of substantially all the assets used in a trade or business within the meaning of § 401(k)(10)(A)(ii). Consequently, Employer X's sale of certain assets to Employer Y is not covered by § 401(k)(10). Thus, Plan A may distribute the accounts of Transferred Employees if the change in their employment status as a result of the sale to Employer Y constitutes a "separation from service" within the meaning of § 401(k)(2)(B)(i)(I). In the circumstances considered here, the Transferred Employees are not employed in a continuation of the same trade or business. Under these facts, there has been a sufficient change in the employment status of the Transferred Employees to constitute a "separation from service" within the meaning of § 401(k)(2)(B)(i)(I).

Accordingly, the distributions from Plan A were made after the Transferred Employees' "separation from service" within the meaning of § 401(k)(2)(B)(i)(I).

HOLDING

The change in the status of Transferred Employees following the sale of less than substantially all of the assets of a trade or business of Employer X to Employer Y constitutes a "separation from service" within the meaning of § 401(k)(2)(B)(i)(I), as of the date of the sale of assets (when their employment with Employer X terminated). Accordingly, Plan A will not fail to meet the requirements of § 401(k)(2)(B) merely because Transferred Employees are permitted to receive distributions of their account balances, including amounts attributable to elective contributions. This holding is the same regardless of: (i) whether Employer X or Employer Y is a corporation, or (ii) whether Employer Y hires Transferred Employees pursuant to a contractual obligation.

With respect to any sale of less than substantially all the assets of a trade or business under the facts described above occurring prior to September 1, 2000, the Internal Revenue Service will not treat the plan as failing to follow its provisions

merely because the employer does not treat the termination of employment from the seller and the hiring by the buyer as a "separation from service" within the meaning of § 401(k)(2)(B) and therefore does not permit distributions from the plan to the terminated employees hired by the buyer.

DRAFTING INFORMATION

The principal authors of this revenue ruling are Steven J. Linder of the Tax Exempt and Government Entities Division (T:EP) and R. Lisa Mojiri-Azad of the Office of Chief Counsel (EBEO). For further information regarding this revenue ruling, contact the Employee Plan's taxpayer assistance telephone service between the hours of 1:30 and 3:30 p.m. Eastern time, Monday through Thursday, by calling (202) 622-6074. Mr. Linder can be reached at (202) 622-6214. Ms. Mojiri-Azad can be reached at (202) 622-6030. (These telephone numbers are not toll-free numbers.)

Part III. Administrative, Procedural, and Miscellaneous

Specifications for Private Printing of Substitute Forms W-2 and W-3

26 CFR 601.602: Tax forms and instructions. (Also Part I, sections 6041, 6051, 6071, 6081, 6091; 1.6041-1, 1.6041-2, 31.6051-1, 31.6051-2, 31.6071(a)-1, 31.6081(a)-1, 31.6091-1.)

Rev. Proc. 2000-23

PART A. GENERAL

SECTION 1. PURPOSE

.01 The purpose of this revenue procedure is to provide the general rules for filing and to state the requirements of the Internal Revenue Service (IRS) and the Social Security Administration (SSA) for reproducing paper substitutes for Form W-2, Wage and Tax Statement, and Form W-3, Transmittal of Wage and Tax Statements, for amounts paid during the 2000 calendar year. The information reported on Forms W-2 and W-3 is required to establish tax liability for employees and their eligibility for social security and medicare benefits.

.02 Forms W-2 and W-3 have only minor changes for year **2000**. Please see "Nature of Changes" (Section 2, below) and the exhibits at the end of this revenue procedure for changes to Forms W-2 and W-3.

.03 For the purpose of this revenue procedure, a substitute form is one that is not printed by the IRS. **A substitute Form W-2 or W-3 MUST conform to the specifications in this revenue procedure to be acceptable to the IRS.** No IRS office is authorized to allow deviations from this revenue procedure. Preparers should also refer to the separate Instructions for Forms W-2 and W-3 for details on how to complete these forms. See Part C, Sec. 4.01, for information on obtaining the official IRS forms and instructions. See Part B, Sec. 2, for requirements for substitute forms furnished to employees.

.04 IRS maintains its centralized call site at Martinsburg Computing Center (IRS/MCC) to answer questions related to information returns (Forms W-2, W-3, 1099, etc.). The call site phone number is

304-263-8700 (**not a toll-free number**). The Telecommunication Device for the Deaf (TDD) number is 304-267-3367 (**not a toll-free number**). The hours of operation are Monday through Friday from 8:30 A.M. to 4:30 P.M. Eastern Time.

.05 This revenue procedure supersedes Rev. Proc. 99-24, 1999-21 I.R.B. 8, dated May 24, 1999. (Reprinted as Publication 1141).

SEC. 2. NATURE OF CHANGES

.01 Eliminated the necessity of submitting a paper Form 6559, Transmitter Report and Summary of Magnetic Media, for filers of Form W-2 who use the MMREF-1 format and submit data electronically or on diskette.

.02 Edited the language on the back of Copies B, C, and D of Forms W-2.

.03 Edited the "Do not" Statement at the bottom of Copy A of Forms W-2.

.04 Added "OR FOLD" to the instructions at the top of Form W-3 to help the SSA in processing of forms.

.05 Edited the instructions on Form W-3.

.06 On Form W-3, the "Signature, Title, Dateline" **must** be printed in non-reflective black ink. See Part B, Section 1.03.

.07 Made change to be in agreement with the Official Instructions package for Forms W-2 and W-3 regarding Railroad Retirement Tax Act. Boxes 3, 4, 5, and 6 of Forms W-2 **must** not be altered to include railroad retirement wages and taxes.

.08 Made change which will not allow employers EIN to be included in boxes **e and f** of Copy A Form(s) W-2. Employers EIN must be included in box **b** of Copy A Form(s) W-2.

.09 Employers state I.D. number should not be printed (Copy A of Forms W-2) in the employer's name, address, and zip code boxes **e and f** respectively. This information goes in box 16.

.10 Various editorial changes were made.

SEC. 3. GENERAL RULES FOR FILING PAPER FORMS W-2

.01 Employers **must** use magnetic or electronic media for filing with the SSA if they prepare and file 250 or more Year

2000 Forms W-2 (Copy A). This requirement applies unless:

1. The employer can establish that filing on magnetic media or electronically will result in undue hardship, **AND**

2. The employer is granted a waiver of the requirement by the IRS.

To request a waiver of the magnetic media or electronic filing requirement, for the current tax year only, submit Form 8508, *Request for Waiver From Filing Information Returns on Magnetic Media*, to:

If by Postal Service:

truck or air freight:

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

Form 8508 may be obtained through electronic options on the IRS Web Site at www.irs.gov, or by calling 1-800-829-3676. It is recommended that completed requests for waivers (Form 8508) be submitted at least 45 days before but no later than the due date of the return (see Sec. 3.08, below). The requestor will receive an approval or denial letter from IRS/MCC but must allow a minimum of **30** days for IRS/MCC to respond. If you have any questions concerning Form 8508, contact IRS/MCC at the address or phone number shown above. **Employers who do not comply with the magnetic media or electronic filing requirements for Form W-2 and who are not granted a waiver may be subject to penalties.** Since many state and local governments accept Form W-2 data on magnetic media or electronically, savings may be obtained if magnetic media or electronic data is used for filing with both the SSA and state or local governments. In many instances, the state or local government is willing to accept the data format specifications set out in the SSA's pub. No. 42-007 (TIB-4), Magnetic Media Reporting, and Magnetic Media Reporting and Electronic Filing (MMREF-1). You **must** contact each individual state or local taxing agency to receive approval and make arrangements to file electronically or on magnetic media.

EMPLOYERS WHO FILE FORM W-2 INFORMATION ON MAGNETIC MEDIA (USING TIB-4 INSTRUCTIONS) OR ELECTRONICALLY (USING MMREF-1 INSTRUCTIONS) WITH THE SSA MUST NOT SEND THE SAME DATA TO THE SSA ON PAPER FORMS W-2. This would result in duplicate reporting and may subject the filer to unnecessary contacts by the IRS.

.02 TIB-4, *Magnetic Media Reporting* (SSA Pub. No. 42-007, revised Oct., 1999) contains the specifications and procedures for filing Form W-2 information on magnetic media with the SSA. Specifications for both tape and diskette reporting for Forms W-2 are included in the TIB-4.

.03 MMREF-1, *Magnetic Media Electronic Filing* (SSA Pub. No. ICN, New June, 1999) contains specifications and procedures for filing Form W-2 information electronically or on magnetic media with the SSA. The MMREF-1 may be used to file wage reports on magnetic media or electronically. The MMREF-1 format will become mandatory for TY 2001 wage reports regardless of magnetic media, tape cartridge, diskette, or electronic.

.04 TIB-4 OR MMREF-1 may be obtained by writing to:

Social Security Administration
OCO, DES
Attn: Employer Reporting
Services Center
300 North Greene Street
Baltimore, MD 21290-0300.

Employers may call their local SSA Employer Service Liaison Officers (ESLO) to obtain the TIB-4 or MMREF-1 (see list of Employer Service Liaison Officers' telephone numbers in the Appendix). The TIB-4 and MMREF-1 are also on the SSA Online Wage Reporting Service (OWRS) or Internet Address: WWW.SSA.GOV/EMPLOYER-INFO . The number for the OWRS is 410-966-8450 (**not a toll-free number**). Employers using magnetic or electronic media are cautioned to obtain the most recent revision of the TIB-4/MMREF-1 and supplements due to possible changes in the specifications and procedures.

.05 Employers not filing on magnetic media or electronically **must** file a paper Copy A of Form W-2 with the SSA using

either the IRS printed official form or a privately printed substitute paper form that exactly meets the specifications shown in Parts B and C of this Revenue Procedure.

.06 Employers may design their own statements to give to employees. This applies to employers who file with the SSA on magnetic media, electronically, or on paper. Employee statements designed by employers **must** comply with the requirements shown in Parts B and C, below.

NOTE: Copy A must not be filed on paper with the SSA when the same Form W-2 information is filed electronically or on magnetic media.

.07 Employers who terminate their business must provide their employees with Forms W-2 on or before the due date of the final Form 941. Employers must also file Forms W-2 and W-3 with the SSA by the last day of the month that follows the due date of the final Form 941. See Rev. Proc. 96-57, 1996-2 C.B. 389, for information on automatic extensions.

Note: Use of a reporting agent or other third-party payroll service provider does not relieve an employer of the responsibility to ensure that Forms W-2 are sent out and filed correctly and on time.

.08 Forms W-2 for 2000, filed on paper or magnetic media must be submitted to the SSA on or before **February 28, 2001**. Employers who file electronic Forms W-2 for 2000 have until **April 2, 2001**. Copies B, C, 1, and 2 must be furnished to the employee by **January 31, 2001**. If employment ended before December 31, 2000, the employee may be furnished his/her copy any time after employment ends, but no **later than January 31, 2001**. However, if the employee requests Form W-2, you **must** furnish him or her the completed copies within 30 days of the request or within 30 days of the final wage payment, whichever is later. This requirement is met if the form is properly addressed, mailed, and postmarked on or before the due date. Failure to timely file with the SSA or to timely provide the employee copies may subject the employer to penalties. Employers needing additional time to file Form W-2 information (paper, magnetic media, or electronic) with the SSA may request an extension of time to file by submitting Form 8809, Request for Extension of Time to File Information Returns, to the

IRS/MCC "ATTN: Extension of Time Coordination" at the address listed in Sec. 3.01, above. The extension request should be filed as early as possible, but **must** be postmarked (for paper or magnetic media) no later than the due date of the forms (**February 28, 2001**). Extensions for electronically filed Forms W-2 **must** be post marked no later than **April 2, 2001. DO NOT SEND FORM 8809 TO THE SSA.**

NOTE: APPROVAL OF THE EXTENSION IS NOT AUTOMATIC. Approval or denial is based on administrative criteria and guidelines. The requestor will receive an approval or denial letter from the IRS and **must** allow a minimum of 30 days from the date of the request for the IRS to respond. You do not have to wait for a response before filing your return. File your return as soon as it is ready. If you have received a response, positive or negative, **do not** send a copy of the letter or Form 8809 with your return. Form 8809 may be obtained on the IRS's Internet Web Site at www.irs.gov/, or by using the IRS Fax Forms Program 703-368-9694, or by calling 1-800-829-3676.

.09 When requesting extensions of time for more than 10 employers, the IRS encourages filers to submit the request on tape, tape cartridge, 3 1/2 - inch diskette, or electronically. **Transmitters requesting an extension of time to file for more than 50 employers are required to file the extension request on magnetic media or electronically.** Transmitters who submit requests for multiple employers will receive one approval letter with an attached list of employers covered under that approval. Publication 1220, *Specifications for Filing Forms 1098, 1099, 5498, and W-2G Magnetically or Electronically*, provides information on how to file requests for extensions of time on tape, tape cartridge/quarter inch cartridge, 3 1/2 inch diskette, or electronically.

NOTE: To file a request for extensions of time magnetically or electronically for multiple payers third party filers/transmitters must have an IRS Transmitter Control Code (authorization to file information returns).

SEC. 4. GENERAL RULES FOR FILING FORM W-3

.01 Employers submitting Form(s) W-2 (Copy A) to the SSA on paper **must** submit with a Form W-3.

.02 Form W-3 **Must** be the same width (7 inches) as the Forms W-2(s) filed.

.03 Separate instructions for the Form W-3 are provided in the "Instructions for Forms W-2 and W-3." Form W-3 is a single cut sheet including only essential filing information. **Be sure to make a copy for your records of Form W-3.**

.04 The Form W-3 design remains unchanged from 1999. Minor editorial changes were made to the instructions included on Form W-3.

.05 Form W-3 should be used only to transmit paper Forms W-2 (Copy A). **Magnetic media or electronic filers do not file Form W-3.** Employers submitting magnetic media using the TIB-4 format **must** transmit Form(s) W-2 data with Form 6559, *Transmitter Report and Summary of Magnetic Media*, (and Form 6559-A, *Continuation Sheet for Form 6559*, if necessary). These forms may be obtained by calling either your SSA ESLO (see listing in Appendix) or the IRS at 1-800-829-3676. Employers submitting Form(s) W-2 data electronically using the MMREF-1 via OWRS, Electronic Data Transfer (EDT), or diskette need not submit a Form 6559. However, employers **must** complete a PIN registration process that replaces the signature on Form 6559. If employers submit the MMREF-1 file using OWRS, EDT, or diskette, a Form 6559 will not be required upon completion of the annual PIN registration process. If employers submit MMREF-1 file on magnetic tape, or tape cartridge, a Form 6559 is required. Please refer to the MMREF-1 (June, 1999) specifications for further information.

PART B. REQUIREMENTS FOR FILING PAPER SUBSTITUTES WITH SOCIAL SECURITY ADMINISTRATION (SSA)

SEC. 1. REQUIREMENTS FOR SUBSTITUTE "PRIVATELY PRINTED" FORMS SUBMITTED TO THE SSA (FORM W-2, COPY A, AND FORM W-3)

.01 Employers may file privately printed substitute Forms W-2 and W-3 with the SSA. The substitute form **must** be an exact replica of the IRS printed form with respect to layout and contents because it will be read by scanner equip-

ment. The Government Printing Office (GPO) symbol **must** be deleted (see Sec. 1.16, below). The specifications and allowable tolerances for Copy A of substitute Forms W-2 are provided later in this revenue procedure. See Exhibit A for Form W-2 specifications. The specifications for Forms W-3 are provided in Exhibit B.

.02 Paper used for substitute Forms W-2, Copy A, and Form W-3 (cut sheets and continuous pinfeed forms) that are to be filed with the SSA **must** be white 100% bleached chemical wood, **18-20 pound paper only**, optical character recognition (OCR) bond produced in accordance with the specifications shown as follows:

Paper Requirements

- 1 Acidity: pH value, average, not less than 4.5
- 2 Basis Weight 17 x 22 inch 500 cut sheets, pound, 18-20 Metric equivalent grams per sq. meter 68-75 A tolerance of +5 pct. is allowed.
- 3 Stiffness: Average, each direction, not less than Gurley milligrams —
 - Cross direction 50
 - Machine direction 80
- 4 Tearing Strength: Average, each direction, not less than — Grams 40
- 5 Opacity: Average, not less than — Percent 82
- 6 Reflectivity: Average not less than — percent 68
- 7 Thickness: Average. Inch 0.0038 Metric equivalent . . .mm 0.097 A tolerance of +0.0005 inch (0.0127mm) is allowed. Paper can not vary more than 0.0004 inch (0.012mm) from one edge to the other.
- 8 Porosity: Average, not less than — seconds 10
- 9 Finish (smoothness): Average, each side — seconds. 20-55 (For information only), the Sheffield equivalent unit 170-d200

- 10 Dirt: Average, each side, not to exceed — Parts per million 8

NOTE: Reclaimed fiber in any percentage is permitted, provided the requirements of this standard are met.

.03 All printing for Copy A of Forms W-2 and Form W-3 **must** be in Red OCR drop-out Flint Ink, except as specified below.

The following **must** be printed in non-reflective black ink:

- 1. **Identifying control number "22222" (Exhibit C) at the top of Form W-2.**
- 2. **Tax year at the bottom of the Form W-2 (see Exhibit C).**
- 3. **Identifying control number "33333" (Exhibit D) at the top of Form W-3.**
- 4. **Tax year at the bottom of Form W-3 (Exhibit D).**
- 5. **Form identification "W-3" at the bottom of Form W-3 (Exhibit D).**
- 6. **The Jurat and "Signature, Title, Date" line at middle of Form W-3 (Exhibit B).**
- 7. **All instructions beginning with the "Send this entire page....." line to the bottom of Form W-3 (Exhibit B).**

All other printing on Forms W-2, Copy A, and W-3 **must** be in Red OCR drop-out Flint Ink J-6983 (formerly Sinclair and Valentine) or an exact match. This is the same ink that is used for Copy A of the Form 1099 series (see Pub. 1179), Rules and Specifications for Private Printing of Substitute Forms 1096, 1098, 1099, 5498, and W-2G. The use of this ink is required for **2000** Forms W-3 and W-2 (Copy A.)

NOTE: Printing in any other Red OCR drop-out Flint Ink **must** be cleared by contacting BancTec, Inc., Attn: Forms Designer & Analysis, 2701 East Grauwylar, Bldg #1, Mail-stop #69, Irving, TX 75061 (972-579-6088).

.04 Type **must** be substantially identical in size and shape with corresponding type on the official form. The form identifying number **must** be printed in non-reflective black ink using an OCR-A font; 10 characters per inch.

- 1. On Form W-3 and Copy A of Forms W-2, all the perimeter rules **must** be 1-point (0.014 inch), while all other rules must be one-half point (0.007 inch).
- 2. Vertical rules **must** be parallel to the left edge of the form; horizontal rules parallel to the top edge.

.05 Two official Forms W-2 (Copy A) or one official Form W-3 is contained on a single page that is 7 inches wide (exclusive of any snap-stubs) by 11 inches deep. The form identifying control number for the official forms (7 inches wide) is "22222" (5 digits) for Form W-2 and "33333" (5 digits) for Form W-3. The top margin for the 2000 Forms W-3 and W-2 Copy A is .375 inch (3/8 inch). The right margin **must** be .15 inch and the left margin .35 inch (plus or minus .0313 inch). The margins are **unchanged** from 1999. Margins **must** be free of all printing. **No printing should appear anywhere near the Form ID control number (33333 or 22222).** For Forms W-2, Copy A, the combination width of **Box a**, "Control number," and the box containing the form identifying number (22222) **must** always be 2.0 inches. For Form W-3, the combined width of these boxes **must** always be 2.2 inches.

NOTE: All form identifying numbers **must** be printed in non-reflective black ink, using OCR-A font, printed 10 characters per inch.

.06 The depth of the individual scannable image on a page **must** be the same as that on the IRS printed forms. For Form W-2, the depth is 4.92 inches (see Exhibit A). The scannable image depth of the Form W-3 on a page **must** be 4.47 inches (see Exhibit B).

.07 The words "Do Not Cut, Fold, Staple, or Separate Forms on This Page" **must** be printed twice in Red OCR drop-out Flint Ink between the two Forms W-2 on Copy A only (see Exhibit A). **Perforations are required on all copies (except Copy A) to enable the separation of individual forms. Continuous pinfeed Copy A forms must be separated at the page perforation into individual 11" deep pages before submission to the SSA. The pinfeed strips must also be removed. However, the two W-2 documents contained on the 11" deep page must not be separated.**

.08 Box 13 Copy A, Form W-2, do not enter more than three codes in this box. **If more than three items** need to be reported in **box 13**, use a separate Forms W-2 to report the additional items (see **Multiple forms** in the **2000 Instructions for Forms W-2 and W-3**). Do not report the same Federal tax data to the SSA on more than one Copy A, Form W-2.

.09 The words "**For Privacy Act and Paperwork Reduction Act Notice, see separate instructions,**" **must** be printed in red OCR drop-out Flint Ink on Forms W-2, Copy A (see Exhibit A for format and location). **The Forms W-2 and W-3 instructions contain the Privacy Act Notification previously shown on the Form W-3.**

.10 The Office of Management and Budget (OMB) Number **must** be printed on each ply of Forms W-2 and on W-3 (see Exhibits A and B for format and location).

.11 The instructions on the official Form W-3, **must** be printed in their entirety on all substitute Forms W-3 (see Exhibit B).

Household employers filing Forms W-2 for household employees should send the forms to the same address listed in the instructions.

Note: Household employers, even those with only one household employee, must file a Form W-3 with Form W-2. On Form W-3 mark the "Hshld Emp." box in Box b.

.12 Privately printed continuous substitute Form W-2, Copy A, must be perforated at each 11" page depth. No perforations are allowed between the individual forms (5 1/2 inch Forms W-2) on a single copy page of Copy A. Continuous pinfeed Copy A forms must be separated at the page perforation prior to submitting them to the SSA. Two Copy A forms are contained on one page. The two copies **must** remain together on the page. Only the pages are to be separated (burst). Perforations are required between all the other individual copies on a page (Copies 1, B, C, 2, and D) included in the set.

.13 The back of a substitute Forms W-2, Copy A, and Form W-3 **must** be free of all printing.

.14 Spot carbons are NOT permitted for Copy A of Forms W-2. Interleaved carbon should be black and **must** be of good quality to assure legibility of information on all copies and to preclude smudging.

.15 Chemical transfer paper is permitted for Form W-2, Copy A, only if the following standards are met:

1. Only chemically backed paper is acceptable for Copy A.

2. Chemically transferred images must be black in color.

3. Carbon-coated forms are not permitted. Front and back chemically treated paper cannot be processed properly by scanning equipment.

In general, the use of black ink for data submitted on Forms W-2 and W-3 provides better readability for processing by the scanning equipment. Colors other than black are not easily read by the scanner may result in delays and errors in the processing of Forms W-2 and W-3. "Spot carbons" are NOT permitted.

.16 The GPO symbol must not be placed on substitute Copy A of Forms W-2.

.17 The Catalog Numbers, shown on the 2000 Forms W-2 as "Cat. No. 10134D", and Form W-3 as "Cat. No. 10159Y", are used for IRS distribution purposes and should **not** be printed on substitute forms.

.18 Form W-3, box 13 has been opened to allow third-party payers of sick pay to enter "Third-Party Sick Pay Recap". This will help identify and expedite processing of those forms.

SEC. 2. REQUIREMENTS FOR SUBSTITUTE FORMS FURNISHED TO EMPLOYEES (COPIES B, C, AND 2 OF FORMS W-2)

.01 **All** employers (including those who file on magnetic media or electronically) must furnish employees with at least two copies of the Forms W-2 (three or more for employees required to file a state, city, or local income tax return). The dimensions of these copies (Copies B, C, and 2), but not Copy A, may be expanded from the dimensions of the official form to allow space for conveying additional information, including additional entries required for Boxes 13 or 14, such as withholding from pay for health insurance, union dues, bonds, or charity. The requirement that a maximum of **three items** are permitted in Box 13 of Form W-2 applies **only** to the paper **Copy A** that is filed with the SSA. As long as sufficient space is provided on the substitute employee copies, as many items as needed may be placed in Box 13 or Box 14. Also, on these copies (Copies B, C, and 2), the size of these boxes may be adjusted. (However, see the minimum sizes for certain boxes, below). This may permit the employer to eliminate other statements or notices that would otherwise be furnished to employees.

1. The **MAXIMUM** allowable dimensions for employee copies of Forms W-2 are:

(a) Depth should be no more than 6.5 inches;

(b) Width should be no more than 8.5 inches.

2. The **MINIMUM** allowable dimensions for employee copies of Forms W-2 are:

(a) 2.67 inches deep by 5.0 inches wide.

(b) Horizontal or vertical format is permitted.

NOTE: These maximum and minimum size specifications are for the 2000 only and may change in future years. The maximum width of 8.5 inches is for employee copies of Form W-2 only. The width of the paper Copy A, submitted to the SSA, is specified in Part B, section 1.05 above.

.02 The paper for all copies **must** be white. The substitute Copy B (or its equal), which employees are instructed to attach to their Federal income tax return, must be at least 12 pound paper (basis 17 x 22-500), while the other copies furnished the employee must be at least 9 pound paper (basis 17 x 22-500).

.03 Interleaved carbon and chemical transfer paper for employee copies **must** meet the following standards:

1 All copies **must** be CLEARLY LEGIBLE;

2 All copies **must** have the capability to be photocopied, and

3 Fading **must** not be of such a degree as to preclude legibility and the ability to photocopy.

.04 The following requirements govern the private printing of employee copies of Forms W-2. All substitutes **must** be a form, that contains boxes, box numbers, and box titles that, when applicable, match the IRS printed form. **The employee copy of Forms W-2 (Copy C) must contain the note "This information is being furnished to the Internal Revenue Service. If you are required to file a tax return, a negligence penalty or other sanction may be imposed on you if this income is taxable and you fail to report it."** The placement, numbering, and size of certain boxes (the "core" information) is specified as follows:

1. The items and box numbers that constitute the core data are:

Box 1 - Wages, tips, other compensation,

Box 2 - Federal income tax withheld,

Box 3 - Social security wages,

Box 4 - Social security tax withheld,

Box 5 - Medicare wages and tips, and

Box 6 - Medicare tax withheld.

NOTE: Railroad employees may not be subject to social security coverage but are subject to Railroad Retirement Tax Act (RRTA) Tier 1 and Tier 2 coverage. Railroad employers covered by RRTA Tier 1 and Tier 2 **must** report taxes withheld in box 14 of Form(s) W-2 and mark checkbox "CT-1" within **box b** of Form W-3. The "core" boxes **must** be printed in the exact order shown on the IRS printed form (see the Exhibits at the end of this revenue procedure). Boxes 1 and 2 **must** be next to each other, with boxes 3 and 4 below on the next line, and boxes 5 and 6 on the line below Boxes 3 and 4.

2. The block of core data (boxes 1 through 6) **must** be placed in the upper right of the form. Substitute employee copies of Form(s) W-2 that are printed using a vertical format with dimensions smaller than the IRS printed form may have the core data entirely on the top of the form (see Exhibit F). **In no instance** will boxes or other information be permitted to the right of the core data. Standard margins or a small amount of other blank space may appear to the top or right of this data.

The form title, number, or copy (Copy B, C, or 2) may be at the top of the form. Also, a reversed or blocked-out area to accommodate a postal permit number or other postal considerations is permitted at the upper right of the form.

3. Boxes 1 through 6 each **must** be a minimum of 1 3/8 inches wide and 1/4 inch deep.

4. Other required boxes:

- Employer identification number (EIN),

- Employer's name, address, and ZIP code,

- Employee's social security number, and

- Employee's name, address, and ZIP code.

These items are required to be present on the form and **must** be in boxes similar to those on the IRS printed form. However, they may be placed in any location, other than the top or upper right. The lettering system used on the IRS printed form ("a" through "f") **need not be used**. The employer identification number may be in-

cluded in the box for the employer's name and address. If this is done, a separate box for the EIN is not required. The "Control number" box (box "a" on the IRS printed form) is not required.

5. The Tax Year (**2000**) **must** be clearly printed (**in non-reflective black ink**) on all copies of substitute Forms W-2. It is recommended (but not required) that this information be located to the right of the form title on the lower left of the Form W-2. **The use of 24 pt. OCR-A font is recommended but not required.**

6. If applicable, box 7, "Social security tips", **must** be shown separately from "Social security wages." A separate box is not required unless social security tips are to be reported. Boxes 1 and 2 on Copy B are required to be outlined in bold 2-point rule (see Exhibit E) or highlighted in some manner to distinguish these boxes.

7. If box 9 for "Advance EIC" payment (Advance Earned Income Credit) is present, the box **must** be outlined in bold 2-point rule or highlighted in some manner to distinguish this box. However, if no amounts are paid for "Advance EIC", this box is not required and may be omitted by printers. Do not use box 9 for any other purpose than reporting Advance EIC payments.

8. If box 8 "Allocated tips" are being reported for an employee (or class of employees that are being provided Forms W-2), it is recommended (but not required) that this box also be outlined in bold 2-point rule or highlighted on Copy B. However, if allocated tips are not being reported, this box may be omitted by printers.

9. Employers who are required to withhold and report state income tax information are required to include the following boxes on substitute Forms W-2:

Box 16 - State and Employer's state I.D. no.

Box 17 - State wages, tips, etc.

Box 18 - State income tax.

10. Employers who are required to withhold and report local income tax information are required to include the following boxes on substitute Forms W-2:

Box 19 - Locality name

Box 20 - Local wages, tips, etc.

Box 21 - Local income tax.

11. If state or local tax information is required, this information is also consid-

ered “core data.” The state and local information **must** be placed at the bottom of the form. See the exhibits at the end of this revenue procedure.

12. Other boxes on the IRS printed form (boxes 7 through 15) need not appear on substitute Forms W-2 provided to employees **unless** an employer has that item of information to report to an employee. For example, if an employee did not have social security tips (box 7), Allocated tips (box 8), or Advance EIC payment (box 9), the form could be printed without those boxes. However, if the employer provided amounts for (box 10) dependent care benefits those amounts would be required to be reported separately and shown in a box labeled “Dependent care benefits” as on the IRS printed form and the exhibits in this revenue procedure.

13. Employers may provide multiple entries in box 13, but each entry **must** use the same code as assigned by the IRS for that type of item. (See the “Reference Guide for Box 13 Codes” in the 2000 Instructions for Forms W-2 and W-3.) For example, employers reporting elective deferrals to a section 401(k) plan **must** enter in box 13 “D” and not “A”, even though it is the first or only item to go in this box. Use the codes shown with the dollar amount. **Employers may enter more than three codes in box 13 of Copies 1, 2, B, C, and D of Forms W-2.** Do not report in box 13 any items that are not listed as **Codes A-T in the 2000 Instructions for Forms W-2.**

14. For codes D,E,F,G,H, and S, if any elective deferrals, salary reduction amounts, or non-elective contributions to a section 457(b) plan during the year are make-up amounts under the **Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA)** for a prior year, you must enter the prior year contributions separately. You **must** enter the code, the year, and the amount. For example, elective deferrals under USERRA to a section 401(k) plan are reported in box 13 as follows: D 1999 2250.00, D 1998 1250.00. The 2000 contribution does not require a year designation; enter it as D 7000.00.

15. If you are a military employer and provide your employee with basic housing, subsistence allowances, and combat zone compensation, report the amount in box 13, Form W-2, using code **Q**.

16. Employer contributions to an employee’s Medical Savings Accounts (MSA), **must** be reported in box 13, Form W-2, using code **R**.

17. An employee elective contribution to a salary reduction SIMPLE retirement account **must** be included in box 13, Form W-2, using code **S**. However, if the amount is contributed to a SIMPLE retirement that is part of a section 401(k) arrangement, that amount **must** be reported in box 13, Form W-2, using code **D**.

18. Amounts paid or expenses incurred on behalf of an employee for qualified adoption expenses **must** be reported in box 13, Form W-2, using code **T**.

19. Employers may use box 14 for any other information they wish to give their employee. Each item must be labeled. Examples are union dues, health insurance premiums deducted, nontaxable income, voluntary after-tax contributions, or educational assistance payments.

20. If you are reporting prior year payments contributions under USERRA (see item 13 above), you may report box 14 make-up amounts for non elective employer contributions, voluntary after-tax contributions, required employee contributions, and employer matching contributions. Report such amounts separately for each year.

21. If the employer has employees who are subject to any of the five categories/check boxes within box 15, the entire box 15 (ballot box) is required to be reported with the proper check mark designation. For example, if an employer provides a pension plan, box 15 **must** be reported and check marked for pension plan designation.

.05 Substitute forms for employees (Copies B, C, and 2 of Forms W-2) **must** also meet the following requirements:

1. All copies of Form W-2 **must** clearly show the form number, the form title, and the tax year prominently displayed together in one area of the form. The title of Form W-2 is “Wage and Tax Statement.” It is recommended (but not required) that this be located on the bottom left of Form W-2. The reference to the Department of the Treasury - Internal Revenue Service **must** be on all copies of Form W-2 provided to the employee. It is recommended (but not required) that this be located on the bottom right of Form W-2.

2. If the substitute forms are not labeled as to the disposition of the copies, then written notification **must** be provided to each employee as specified below:

(a) The first copy of the form (Copy B) is filed with the employee’s Federal tax return.

(b) The second copy of the form (Copy C) is for the employee’s records.

(c) If applicable, the third copy (Copy 2) of the form is filed with the employee’s state, city, or local income tax return.

3. If the substitute forms are labeled, the forms **must** contain the applicable description:

“Copy B, To Be Filed With Employee’s FEDERAL Tax Return,” **and** “Copy C, for EMPLOYEES RECORDS.” It is recommended (but not required) that this be located on the lower left of Form W-2. “Copy 2 To Be Filed with Employee’s State, City, or Local Income Tax Return”.

4. Instructions similar to those contained on the back of Copies B and C of the official Form W-2 **must** be provided to each employee. Employers may modify or delete certain information in these instructions (such as modification for employees of railroads to cover Railroad Retirement Tier 1 and Tier 2 compensation and taxes). Employers are allowed to delete instructions that do not apply to the employee. For example, if none of the employees have dependent care benefits (box 10), the employer may delete the instructions for that item. Also, if an employer will only be reporting amounts for a 401(k) plan in box 13, those instructions may be modified to cover only Code D and its instructions.

5. You **must** notify employees who have no income tax withheld that they may be able to claim a tax refund because of the earned income credit (EIC). You will meet this notification requirement if you issue the official IRS Form W-2 with the EIC notice on the back of the copy (Copy B), or a substitute Form W-2 with the same statement. You may also meet the requirement by providing a substitute Form W-2 without the EIC notice and **Notice 797, Possible Federal Tax Refund Due to the Earned Income Credit (EIC)**, or your own statement that contains the same wording. You also may change the font on Copy C (back page only) so that

the EIC notification and W-2 instructions may fit entirely on the back of Copy C. For more information about notification requirements, see **Notice 1015** (formerly Pub. 1325), Have You Told Your Employees About the Earned Income Credit (EIC)?.

NOTE: Printers are cautioned that the rules set forth here (Part B., Sec. 2) apply to employee copies (Copies B, C, and 2) only. Paper filers who send Copy A of Form W-2 to the SSA **must** follow the requirements in Parts B, Sec. 1 and Sec. 3, for those paper submissions.

SEC. 3. GENERAL RULES FOR FILING "PAPER SUBSTITUTES" FOR FORMS W-2 AND W-3

.01 Paper substitutes that conform **TOTALLY** to the specifications contained in this revenue procedure may be privately printed **without** the prior **approval** of the IRS. **Please do not mail your paper Forms W-2 or W-3 tax year submissions to the IRS address below. The address below is for correspondence or questions relating to specifications in this publication. Penalties may be assessed for not complying with the form specifications set forth in this publication. SUBSTITUTE FORMS THAT DO NOT CONFORM TOTALLY TO THESE SPECIFICATIONS ARE NOT ACCEPTABLE.** This applies to both paper substitutes that are filed with the SSA and those that are given to employees. **Forms submitted to SSA (W-3, W-2 Copy A), that do not conform totally to the specifications, may be returned. Forms cannot be submitted to the IRS or the SSA for specific approval.** However, if you are uncertain of any specification set forth herein and want that specification clarified, you may submit a letter citing the specification in question, your interpretation of that specification, and an example of how the form would appear if produced using your understanding of the specification. Any questions pertaining to Copies B, C, and 2 of Forms W-2 should be sent to:

Internal Revenue Service
ATTN: Substitute Form W-2
Coordinator
OP:C:A:CP:R Room C6-421
5000 Ellin Rd.
Lanham, MD 20706

Any questions pertaining to Copy A, Form W-2, and Form W-3 should be forwarded to:

Social Security Administration
Data Operations Center
ATTN: Program Analyst Office,
Room 449
1150 E. Mountain Drive
Wilkes-Barre, PA 18702-7997

NOTE: You should allow at least **30** days for the IRS or the SSA to respond.

.02 Forms W-2 and W-3 are subject to annual review and possible change. Employers are cautioned against overstocking supplies of privately printed substitutes.

.03 Copies of the current year's IRS printed Forms W-2 and W-3, and the instructions for these forms may be obtained using IRS'S Web Site www.irs.gov, or from most IRS offices, or by calling 1-800-829-3676. The IRS provides only cut-sheet sets of Forms W-2 and W-3.

.04 Substitute Forms W-2 and W-3 filed with the SSA should contain only data that is required according to the Instructions for Forms W-2 and W-3 and this revenue procedure.

.05 Substitute Forms W-2, Copy A, and W-3 are machine imaged and scanned by the SSA; therefore, these forms **must** meet the same specifications as Forms W-2 and W-3 produced by the IRS. The vertical and horizontal spacing for all Federal payment and data boxes on Form W-2 **must** be in compliance with the specifications contained herein.

.06 The ballot boxes in box 15 of Forms W-2, Copy A **must** be point-1 inch boxes (See Exhibit A); and the "Void" box **must** be point-14 inch. The spacing on each side of the "Void" box **must** be point-8 inch (See Exhibit A). The Form W-3 box b **must** be point-11 inch ballot boxes (see Exhibit B). Please insure you adhere to the dimensions provided in the exhibits.

NOTE: If a box is marked, more than 50 percent of the applicable ballot box **must** be covered by an "X".

.07 Copy A of Forms W-2 and Form W-3 **must** have the form producer's EIN entered to the left of "Department of Treasury."

PART C. ADDITIONAL INSTRUCTIONS

SEC. 1. INSTRUCTIONS FOR FORMS PRINTERS

.01 Except as provided below, if magnetic or electronic media is not used for filing with the SSA, the substitute copies of Forms W-2 assembly should be arranged in the same order as the IRS printed Forms W-2. Copy A should be first, followed sequentially by perforated sets (Copies 1, B, C, 2, and D). The substitute form to be filed by the employer with the SSA must carry the designation "Copy A."

NOTE: Magnetic media/electronic filers do not submit paper Copy A of Forms W-2 or Form W-3 to SSA. TIB-4 specifications (and MMREF-1 specifications (if not filed electronically)) require a Form 6559 transmittal for magnetic media filers of Forms W-2. MMREF-1 specifications do not require Form 6559 if filed electronically and the PIN registration process is completed annually.

1. Privately printed substitute forms are not required to contain a copy to be retained by employers (Copy D). However, employers **must** be prepared to verify or duplicate this information if it is requested by the IRS or the SSA. Paper filers that do not keep Copy D should be able to generate a Facsimile of Copy A in case of loss.

2. Except as provided in the arrangement of the official assemblies, additional copies that may be prepared by employers shall not be placed ahead of the copy "FOR EMPLOYEE'S RECORDS," on Form W-2 (Copy C).

3. Instructions similar to those contained on the back of **Copies B and C** of the official form **must** be provided to each employee. These instructions may be printed on the back of the substitute Copies B and C or may be provided to employees on a separate statement. Do not print these instructions on the back of Copy 1 or 2 that is to be filed with the employee's state or local income tax return.

.02 All privately printed Forms W-2 (Copy A) and W-3 **must** have the tax year, form number, and form title printed on the bottom face of each form using identical type to that of the official format. **The tax year must be printed in non-reflective black ink using 24-point OCR-A font on (Copy A), of Forms W-2, and Form W-3. The form titles for Forms W-2 (Copy A) and W-3 respectively, e.g., "Wage and Tax Statements" and "Transmittal of Wage and Tax Statements" must be**

printed in Red OCR drop-out Flint Ink. The form identifying control number for Forms W-2 and Form W-3, must be printed in non-reflective black ink, using OCR-A font printed 10 characters per inch. The word "Form" on the W-2 and W-3 must be printed in Red OCR drop-out Flint Ink.

.03 The substitute Form W-2, Copy B, which employees attach to their Federal income tax return, must be printed on at least 12-pound paper (basis 17 x 22-500) while the other copies furnished to employee's should be at least 9-pound paper (basis 17 x 22-500).

.04 Employee copies of Forms W-2 (Copies B, C, etc.), including those that are printed on a single sheet of paper, MUST be produced so as to be easily separated by the employee. Perforations between the individual copies that are printed on a single sheet of paper satisfy this requirement. The use of scissors is not considered easily separated forms.

.05 The Form W-2, Copy A, and Form W-3 that are filed with the SSA must have no printing on the reverse side.

.06 Instructions similar to those provided as part of the official forms must be provided as part of any substitute Forms W-2 or W-3.

SEC. 2. INSTRUCTIONS FOR EMPLOYERS

.01 Only originals of Copy A (Form W-2) and Form W-3 may be filed with the SSA. **CARBON COPIES AND PHOTO-COPIES ARE NOT ACCEPTABLE.**

.02 Employers should type or machine print entries on forms whenever possible, and provide good quality data entries by using a high quality type face, inserting data in the middle of blocks that are well separated from other printing and guidelines, and taking any other measures that will guarantee clear, sharp images. **USE at least 10-point font. (SSA prefers 12-point Courier font.) Omit dollar signs but include decimal points for all cents. The employer must provide a machine scannable Form W-2, Copy A. The employer must refrain from printing any data in the top margin of the forms. UNLESS ABSOLUTELY NECESSARY, DO NOT PRINT ANYTHING IN THE CONTROL NUMBER BOX ON THE FORMS W-2 OR W-3.** The employer must also provide payee copies (Copies B, C, and 2) that are legible

and capable of being photocopied (by the employee). When Forms W-2 or W-3 are typed, black ink must be used with no script type, inverted font, italics or dual case alpha characters used.

.03 The Employer Identification Number (EIN) must be entered in box b of Form W-2. The EIN also must be entered in box e of Form W-3. **Note: The EIN entered on Form W-3 in box e must be the same EIN entered on Forms W-2 in box b, and on Forms 941, 943, CT-1, Schedule H (Form 1040), or any other forms filed with the IRS.**

.04 The employer's name, and address may be preprinted.

.05 Generally, an agent that has an approved Form(s) 2678, Employer Appointment of Agent, should enter its name as the employer in box c of Form W-2, and file one Form W-2. However, if the agent is (a) acting as an agent for two or more employers, or is an employer and is acting as an agent for another employer, and (b) pays social security wages in excess of the wage base to an individual, special reporting for payments to that individual is needed. The agent should file separate Forms W-2 reflecting the wages paid by each employer. **Box c** of Forms W-2 should include the name of the agent, agent for (name of employer), and address of agent. Each Form W-2 should reflect the EIN of the agent in box b. In addition, the employer's EIN should be shown in **box h** of Form W-3.

.06 The preparation and filing instructions for Forms W-2 and W-3 are included in the 2000 Instructions for Forms W-2 and W-3.

.07 To avoid confusion and questions by employees, employers are encouraged to delete the following items from the employee copies of Forms W-2 that are provided to employees:

- 1 Form identifying number (e.g., 22222),
- 2 The word "Void" and associated box, and
- 3 Any other captions or box numbers that would not be of any informational use to employees (unless otherwise required).

.09 Employers should use the IRS preprinted supplied label they received with Pub. 393 or 2184 when filing Form W-3 with the SSA. The label should be placed inside the brackets

printed in boxes **e, f, and g.**

SEC. 3. OFFICE OF MANAGEMENT AND BUDGET (OMB) REQUIREMENTS FOR SUBSTITUTE FORMS

.01 The Paperwork Reduction Act requires: (1) OMB approval of IRS tax forms, (2) that each form (all copies) show the OMB approval number, and (3) that the form (or its instructions) state why the IRS needs the information, how it will be used and whether it must be furnished. The official IRS form or instructions will contain this information.

.02 As it applies to substitute IRS forms, this means:

1. All substitute forms (all copies) must show the OMB number as it appears on the official IRS printed form (see Exhibits A and B).

2. The OMB number must be in one of the following formats:

OMB No. 1545-0008 (preferred),

or

OMB # 1545-0008

3. You must inform the users of your substitute forms of the reasons for IRS use and collection requirements as stated in the instructions for the official IRS form. If you provide your users or customers with the official IRS instructions, page 1 of each form must retain either the Paperwork Reduction Act Notice, or a reference to it as the IRS does on the official forms.

Sec. 4. FORMS and PUBLICATIONS

.01 Electronic access to IRS tax forms, instructions, publications, and other tax data is available through the following:

WWW - <http://www.irs.gov>

Fax Forms: (703) 368-9694

Note: Forms W-2 and W-3 obtained as specified above cannot be filed with the SSA nor can they be used to meet personal tax obligations. Tax forms obtained in this manner are for informational purposes only.

.02 A list of the Social Security Administrations ESLO Coordinators is included in the Appendix.

Sec. 5 EFFECT ON OTHER REVENUE PROCEDURES

.01 Rev. Proc. 99-24, 1999-21, dated May 24, 1999 (Reprinted as Publication 1141, Revised 6-99), is superseded.

Exhibit A Form W-2

a Control number 2222		Void <input checked="" type="checkbox"/>	For Official Use Only ▶ OMB No. 1545-0008			
b Employer identification number		1 Wages, tips, other compensation		2 Federal income tax withheld		
c Employer's name, address, and ZIP code		3 Social security wages		4 Social security tax withheld		
		5 Medicare wages and tips		6 Medicare tax withheld		
		7 Social security tips		8 Allocated tips		
d Employee's social security number		9 Advance EIC payment		10 Dependent care benefits		
e Employee's name (first, middle initial, last)		11 Nonqualified plans		12 Benefits included in box 1		
		13 See instrs. for box 13		14 Other		
f Employee's address and ZIP code		15 Statutory employee <input type="checkbox"/>		Deceased <input type="checkbox"/>		
16 State Employer's state I.D. no.		17 State wages, tips, etc.		18 State income tax		
		19 Locality name		20 Local wages, tips, etc.		
				21 Local income tax		

Form **W-2 Wage and Tax Statement 2000**

Department of the Treasury—Internal Revenue Service

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.

Copy A For Social Security Administration—Send this entire page with Form W-3 to the Social Security Administration; photocopies are not acceptable.

Cat. No. 10134D 11"

Do NOT Cut, Fold, or Staple Forms on This Page — Do NOT Cut, Fold, or Staple Forms on This Page

a Control number		Void <input type="checkbox"/>	For Official Use Only ▶ OMB No. 1545-0008			
b Employer identification number		1 Wages, tips, other compensation		2 Federal income tax withheld		
c Employer's name, address, and ZIP code		3 Social security wages		4 Social security tax withheld		
		5 Medicare wages and tips		6 Medicare tax withheld		
		7 Social security tips		8 Allocated tips		
d Employee's social security number		9 Advance EIC payment		10 Dependent care benefits		
e Employee's name (first, middle initial, last)		11 Nonqualified plans		12 Benefits included in box 1		
		13 See instrs. for box 13		14 Other		
f Employee's address and ZIP code		15 Statutory employee <input type="checkbox"/>		Deceased <input type="checkbox"/>		
16 State Employer's state I.D. no.		17 State wages, tips, etc.		18 State income tax		
		19 Locality name		20 Local wages, tips, etc.		
				21 Local income tax		

Form **W-2 Wage and Tax Statement 2000**

Department of the Treasury—Internal Revenue Service

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.

Copy A For Social Security Administration—Send this entire page with Form W-3 to the Social Security Administration; photocopies are not acceptable.

Cat. No. 10134D

Exhibit B Form W-3

DO NOT STAPLE OR FOLD

a Control number 33333		For Official Use Only OMB No. 1545-0008	
b Kind of Payer 1.69"	.11" 941	.11" Military	.11" 943
	.11" CT-1	.11" Hshld. emp.	.11" Medicare gov't. emp.
	.54"		
	1		
c Total number of Forms W-2 1.64"		d Establishment number 1.7"	
e Employer identification number 3.34"		7 Social security tips 1.6"	8 Allocated tips 1.56"
f Employer's name 6.5"		9 Advance EIC payments	10 Dependent care benefits
		11 Nonqualified plans	12 Deferred compensation
g Employer's address and ZIP code		13	
h Other EIN used this year		14	
i Employer's state I.D. no.		15 Income tax withheld by third-party payer	
Contact person	Telephone number	Fax number	E-mail address

Under penalties of perjury, I declare that I have examined this return and accompanying documents, and, to the best of my knowledge and belief, they are true, correct, and complete.

Signature _____ Title _____ Date _____

Form **W-3 Transmittal of Wage and Tax Statements 2000** Department of the Treasury Internal Revenue Service

Send this entire page with the entire Copy A page of Forms W-2 to the Social Security Administration. Photocopies are NOT acceptable. Do not send any remittance (cash, checks, money orders, etc.) with FORMS W-2 and W-3.

An Item To Note

Separate instructions. See the separate 2000 Instructions for Forms W-2 and W-3 for information on completing this form.

Purpose of Form

Use this form to transmit Copy A of Form(s) W-2, Wage and Tax Statement. Make a copy of Form W-3, and keep it with Copy D (For Employer) of Form(s) W-2 for your records. Use Form W-3 for the correct year. **File Form W-3 even if only one Form W-2 is being filed.** If you are filing Form(s) W-2 on magnetic media or electronically, do not file Form W-3.

When To File

File Form W-3 with Copy A of Form(s) W-2 by February 28, 2001.

For Privacy Act and Paperwork Reduction Act Notice, see the 2000 Instructions for Forms W-2 and W-3.

Where To File

Send this entire page with the entire Copy A page of Form(s) W-2 to:

**Social Security Administration
Data Operations Center
Wilkes-Barre, PA 18769-0001**

Note: If you use "Certified Mail" to file, change the ZIP code to "18769-0002." If you use an IRS approved private delivery service, add "ATTN: W-2 Process, 1150 E. Mountain Dr." to the address and change the ZIP code to "18702-7997." See Circular E, Employer's Tax Guide (Pub. 15), for a list of IRS approved private delivery services.

Exhibit C Form W-2 Box Layout

a Control number 22222		Void <input type="checkbox"/>	For Official Use Only ▶ OMB No. 1545-0008			
b Employer identification number		1 Wages, tips, other compensation		2 Federal income tax withheld		
c Employer's name, address, and ZIP code		3 Social security wages		4 Social security tax withheld		
		5 Medicare wages and tips		6 Medicare tax withheld		
		7 Social security tips		8 Allocated tips		
d Employee's social security number		9 Advance EIC payment		10 Dependent care benefits		
e Employee's name (first, middle initial, last)		11 Nonqualified plans		12 Benefits included in box 1		
		13 See instrs. for box 13		14 Other		
f Employee's address and ZIP code		15 Statutory employee		Deceased		
		Pension plan		Legal rep		
		Deferred compensation				
16 State	Employer's state I.D. no.	17 State wages, tips, etc.	18 State income tax	19 Locality name	20 Local wages, tips, etc.	21 Local income tax
			.1"	.1"	.1"	.1"

Form **W-2 Wage and Tax Statement 2000**

Department of the Treasury—Internal Revenue Service

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.

Copy A For Social Security Administration—Send this entire page with Form W-3 to the Social Security Administration; photocopies are not acceptable.

Cat. No. 10134D

Do NOT Cut, Fold, or Staple Forms on This Page — Do NOT Cut, Fold, or Staple Forms on This Page

Exhibit D Form W-3

DO NOT STAPLE OR FOLD

a Control number		33333		For Official Use Only ▶ OMB No. 1545-0008	
b Kind of Payer ▶	<input type="checkbox"/> 941	<input type="checkbox"/> Military	<input type="checkbox"/> 943	1 Wages, tips, other compensation	2 Federal income tax withheld
	<input type="checkbox"/> CT-1	<input type="checkbox"/> Hshld. emp.	<input type="checkbox"/> Medicare govt. emp.	3 Social security wages	4 Social security tax withheld
c Total number of Forms W-2	d Establishment number			5 Medicare wages and tips	6 Medicare tax withheld
e Employer identification number				7 Social security tips	8 Allocated tips
f Employer's name				9 Advance EIC payments	10 Dependent care benefits
g Employer's address and ZIP code				11 Nonqualified plans	12 Deferred compensation
				13	
h Other EIN used this year				15 Income tax withheld by third-party payer	
i Employer's state I.D. no.					
Contact person	Telephone number		Fax number		E-mail address

Under penalties of perjury, I declare that I have examined this return and accompanying documents, and, to the best of my knowledge and belief, they are true, correct, and complete.

Signature ▶

Title ▶

Date ▶

Form W-3 Transmittal of Wage and Tax Statements 2000

Department of the Treasury
Internal Revenue Service

Send this entire page with the entire Copy A page of Forms W-2 to the Social Security Administration. Photocopies are NOT acceptable. Do not send any remittance (cash, checks, money orders, etc.) with FORMS W-2 and W-3.

An Item To Note

Separate instructions. See the separate 2000 Instructions for Forms W-2 and W-3 for information on completing this form.

Purpose of Form

Use this form to transmit Copy A of Form(s) W-2, Wage and Tax Statement. Make a copy of Form W-3, and keep it with Copy D (For Employer) of Form(s) W-2 for your records. Use Form W-3 for the correct year. **File Form W-3 even if only one Form W-2 is being filed.** If you are filing Form(s) W-2 on magnetic media or electronically, do not file Form W-3.

When To File

File Form W-3 with Copy A of Form(s) W-2 by February 28, 2001.

For Privacy Act and Paperwork Reduction Act Notice, see the 2000 Instructions for Forms W-2 and W-3.

Where To File

Send this entire page with the entire Copy A page of Form(s) W-2 to:

Social Security Administration
Data Operations Center
Wilkes-Barre, PA 18769-0001

Note: If you use "Certified Mail" to file, change the ZIP code to "18769-0002." If you use an IRS approved private delivery service, add "ATTN: W-2 Process, 1150 E. Mountain Dr." to the address and change the ZIP code to "18702-7997." See Circular E, Employer's Tax Guide (Pub. 15), for a list of IRS approved private delivery services.

Cat. No. 10159Y

**Exhibit
E
Form
W-2
(Copy B)**

a Control number		OMB No. 1545-0008				
b Employer identification number		1 Wages, tips, other compensation	2 Federal income tax withheld			
c Employer's name, address, and ZIP code		3 Social security wages	4 Social security tax withheld			
		5 Medicare wages and tips	6 Medicare tax withheld			
		7 Social security tips	8 Allocated tips			
d Employee's social security number		9 Advance EIC payment	10 Dependent care benefits			
e Employee's name, address, and ZIP code		11 Nonqualified plans	12 Benefits included in box 1			
		13 See instrs. for box 13	14 Other			
		15 Statutory employee <input type="checkbox"/>	Deceased <input type="checkbox"/>	Pension plan <input type="checkbox"/>	Legal rep. <input type="checkbox"/>	Deferred compensation <input type="checkbox"/>
16 State	Employer's state I.D. no.	17 State wages, tips, etc.	18 State income tax	19 Locality name	20 Local wages, tips, etc.	21 Local income tax

Form **W-2** Wage and Tax Statement **2000**
 Copy B To Be Filed With Employee's FEDERAL Tax Return

Department of the Treasury—Internal Revenue Service

This information is being furnished to the Internal Revenue Service.

**Exhibit
F
Form
W-2
Alternative
Employee
Copies**

		1 Wages, tips, other compensation		2 Federal income tax withheld	
		3 Social security wages		4 Social security tax withheld	
		5 Medicare wages and tips		6 Medicare tax withheld	
16 State	Employer's state I.D. no.	17 State wages, tips, etc.	18 State income tax	19 Locality name	20 Local wages, tips, etc.

▲
Horizontal Format

1 Wages, tips, other compensation		2 Federal income tax withheld	
3 Social security wages		4 Social security tax withheld	
5 Medicare wages and tips		6 Medicare tax withheld	
16 State	Employer's state I.D. no.	17 State wages, tips, etc.	
18 State income tax		19 Locality name	
20 Local wages, tips, etc.		21 Local income tax	

▲
Vertical Format

Note: Exhibit F provides examples of employee copies of Form W-2 only. copy A, which is sent to SSA, MUST conform to the dimensions in Exhibits A.

The core data boxes are 1 through 6 and, if applicable, 16 through 21. The core data must be similarly positioned, exactly numbered, and exactly titled as shown for each format. Other data may be placed in unoccupied areas based upon the employer's needs. Form identification may be placed before or after the core data. However, the employer's non-core elements may be positioned only between the sections of core data.

Social Security's Employer Service Liaison Officers (formerly Regional Magnetic Media Coordinators)

Social Security's employer service liaison officers and staff can help you understand wage reporting requirements, procedures, and reporting methods. Contact the liaison officer in your geographic area at the phone number listed below.

<u>Calls from:</u>	<u>Telephone:</u>		<u>Calls from:</u>	<u>Telephone:</u>	
Alabama	(334) 233-7013	(Montgomery)*	Nevada	(510) 970-8247	(San Francisco)
Alaska	(206) 615-2125	(Seattle)	New Hampshire	(617) 565-2895	(Boston)
American Samoa	(510) 970-8247	(San Francisco)	New Jersey	(212) 264-5643	(New York)
Arizona	(510) 970-8247	(San Francisco)	New Mexico	(505) 346-2848	(Albuquerque)**
Arkansas	(501) 324-5466	(Little Rock)**	New York	(212) 264-5643	(New York)
California	(510) 970-8247	(San Francisco)	North Carolina	(919) 790-2877 x3007	(Raleigh)*
Colorado	(303) 844-2364	(Denver)	North Dakota	(800) 314-1964	(Denver)**
Connecticut	(617) 565-2895	(Boston)	Ohio	(312) 575-4244	(Chicago)
Delaware	(215) 597-4632	(Philadelphia)	Oklahoma	(405) 273-1041	(Bartlesville)
Dist. of Columbia	(215) 597-4632	(Philadelphia)	Oregon	(206) 615-2125	(Seattle)
N. Florida	(850) 942-8975	(Tallahassee)*	Pennsylvania	(215) 597-4632	(Philadelphia)
S. Florida	(305) 672-4517	(Miami Beach)*	Puerto Rico	(787) 766-5574	(San Juan)
Georgia	(706) 827-7327 x201	(Waycross)*	Rhode Island	(617) 565-2895	(Boston)
Guam	(510) 970-8247	(San Francisco)	South Carolina	(864) 582-1091 x260	(Spartanburg)*
Hawaii	(510) 970-8247	(San Francisco)	South Dakota	(800) 314-1964	(Denver)**
Idaho	(206) 615-2125	(Seattle)	Tennessee	(615) 907-9501	(Murfreesboro)*
Illinois	(312) 575-4244	(Chicago)	Texas-Central/South	(210) 472-4690 x3107	(San Antonio)**
Indiana	(312) 575-4244	(Chicago)	Texas-Dallas County	(214) 346-2355 x3051	(Dallas)**
Iowa	(816) 936-5649	(Kansas City)	Texas-North	(817) 978-3123	(Fort Worth)**
Kansas	(816) 936-5649	(Kansas City)	Texas-Southeast	(713) 718-3015	(Houston)**
Kentucky	(502) 875-8315	(Frankfort)*	Texas-West	(505) 346-2848	(Albuquerque)**
Louisiana	(504) 389-0426	(Baton Rouge)**	Utah	(800) 314-1964	(Denver)**
Maine	(617) 565-2895	(Boston)	Vermont	(617) 565-2895	(Boston)
Maryland	(215) 597-4632	(Philadelphia)	Virgin Islands	(787) 766-5574	(San Juan)
Massachusetts	(617) 565-2895	(Boston)	Virginia	(215) 597-4632	(Philadelphia)
Michigan	(312) 575-4244	(Chicago)	Washington	(206) 615-2125	(Seattle)
Minnesota	(312) 575-4244	(Chicago)	West Virginia	(215) 597-4632	(Philadelphia)
Mississippi	(601) 693-4859	(Meridian)*	Wisconsin	(312) 575-4244	(Chicago)
Missouri	(816) 936-5649	(Kansas City)	Wyoming	(800) 314-1964	(Denver)**
Montana	(800) 314-1964	(Denver)**			
Nebraska	(816) 936-5649	(Kansas City)			

*Or, (404) 562-1315 (Atlanta)

**Or, (303) 844-2364 (Denver)

Rev. Proc. 2000-25

Use this Revenue Procedure to prepare Tax Year 2000 and prior year information returns for submission to Internal Revenue Service (IRS) using any of the following:

- Magnetic Tape
- Tape Cartridge
- 8mm, 4mm, and Quarter Inch Cartridges (QIC)
- 3 1/2-Inch Diskette
- Electronic Filing

Caution to filers:

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

Beginning in calendar year 2002 for Tax Year 2001, IRS/MCC will no longer return problem media in need of replacement. See Part A, Sec. 2.03 (a) for details.

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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 magnetically or electronically, which includes 1/2-inch magnetic tape; IBM 3480, 3490 or AS400 compatible tape cartridges (including 4mm, 8mm & QIC); or 3 1/2-inch diskette with IRS. **IRS/MCC has discontinued processing 8-inch, 5 1/4-inch diskette, and the mainframe electronic filing system. The previously used IRP-BBS (Bulletin Board System) has also been replaced.** *The new electronic filing system is known as FIRE (Filing Information Returns Electronically.)* This Revenue Procedure must be used for the preparation of Tax Year 2000 information returns and information returns for tax years prior to 2000 that are required to be filed. This Revenue Procedure must be used to prepare current and prior year information returns **filed beginning January 1, 2001, and received by IRS/MCC or postmarked by December 15, 2001.** 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 Payments 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-DIV, Dividends and Distributions
- (h) Form 1099-G, Certain Government and Qualified State Tuition Program Payments
- (i) Form 1099-INT, Interest Income
- (j) Form 1099-LTC, Long-Term Care and Accelerated Death Benefits
- (k) Form 1099-MISC, Miscellaneous Income
- (l) Form 1099-MSA, Distributions From an MSA or Medicare+Choice MSA
- (m) Form 1099-OID, Original Issue Discount
- (n) Form 1099-PATR, Taxable Distributions Received From Cooperatives
- (o) Form 1099-R, Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.
- (p) Form 1099-S, Proceeds From Real Estate Transactions
- (q) Form 5498, IRA Contribution Information
- (r) Form 5498-MSA, MSA or Medicare+Choice MSA Information
- (s) Form W-2G, Certain Gambling Winnings

.02 Specifications for filing Forms W-2, Wage and Tax Statements, magnetically/electronically are available from the Social Security Administration (SSA) **only.** Filers can call 1-800-SSA-6270 to obtain the phone number of the SSA Employer Service Liaison Officer for their area.

.03 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.

.04 Generally, the box numbers on the paper forms correspond with the amount codes used to file magnetically/electronically; however, if discrepancies occur, the instructions in this Revenue Procedure govern.

.05 This Revenue Procedure also provides the requirements and specifications for magnetic media or electronic filing under the Combined Federal/State Filing Program.

.06 The following Revenue Procedures and publications provide more detailed filing procedures for certain information returns:

- (a) 2000 "General Instructions for Forms 1099, 1098, 5498, and W-2G" and individual Form instructions.
- (b) Publication 1179, Rules and Specifications for Private Printing of 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, Magnetically or Electronically
- (e) Publication 1245, Specifications for Filing Form W-4, Employee's Withholding Allowance Certificate, Magnetically or Electronically.

- .07 This Revenue Procedure supersedes Rev. Proc. 99-29 published as Publication 1220 (Rev. 8-99), Specifications for Filing Forms 1098, 1099, 5498, and W-2G, Magnetically or Electronically.
- .08 Refer to Part A, Sec. 17, for definitions of terms used in this publication.

Sec. 2. Nature of Changes—Current Year (Tax Year 2000)

.01 In this publication, all pertinent changes for Tax Year 2000 are emphasized by the use of *italics*. Portions of text that require special attention have been **bolded**. Filers are always encouraged to read the publication in its entirety.

.02 Programming Changes

(a) General

1. The state of Oregon has withdrawn from the Combined/Federal State Filing Program.
2. The testing period when using the FIRE system is from November 1st to February 15th. The testing period using magnetic media remains November 1st to December 31st - also see Part A, Sec. 8.

(b) Programming Changes - Transmitter "T" Record

1. For all forms, Payment Year, Field Positions 2-5, must be incremented to reflect the four-digit report year (1999 to 2000), 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 reflect the four-digit year (1999 to 2000), unless reporting prior year data.
2. For Form 1098-E, the title of Amount Code 1 was changed to "Student loan interest received by lender."
3. For Amount Codes for Form 1099-R, the title of Amount Code A was changed to Traditional IRA/SEP/SIMPLE distribution or Roth conversion. Note 4: Form 1099-R now includes information about Roth conversion.

(d) Programming Changes — Payee "B" Record

1. For all forms, Payment Year, Field Positions 2-5, must be incremented to reflect the four-digit reporting year (1999 to 2000), unless reporting prior year data.
2. The IRA/SEP/SIMPLE indicator, position 548 for Form 1099-R, of the Payee "B" record, should also be used to indicate a Roth conversion.

.03 Editorial Changes

- (a) **BEGINNING IN CALENDAR YEAR 2002 FOR TAX YEAR 2001, IRS/MCC WILL NO LONGER RETURN PROBLEM MEDIA IN NEED OF REPLACEMENT.** Filers will continue to receive a tracking form, listing and letter detailing the reason(s) their media could not be processed. Filers will be expected to send in replacement media within the prescribed time frame. This makes it **imperative** that filers maintain backup copies and/or recreate capabilities for their information return files.
- (b) Most references to faxing forms were removed from the publication. While it is acceptable to send us fax copies of forms, IRS/MCC **discourages faxing** forms, especially on or near due dates, due to the high volume of transmissions during these times. Mailing forms postmarked by the required date to the appropriate address is sufficient; see Part E. The exception to this recommendation is Form 8809, Request for Extension of Time to File Information Returns. If you file your extension request **electronically**, you must fax your Form 8809 the same day as the transmission. See Part D, Sec. 1.04.
- (c) A file format diagram is located at the end of Part E, Miscellaneous Information, just before the mail labels. This visual representation of a file layout may be helpful in understanding IRS/MCC's definition of a file.

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

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

If by Postal Service, truck or air freight:  

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

.02 Send a magnetically filed extension of time request, undue hardship waivers, and requests for extensions of time to file returns or to furnish the statements to recipients to the following address:

If by Postal Service, truck or air freight:  

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:

304-263-8700 - Call Site - Part A, Sec 3.09

304-267-3367 - TDD

(Telecommunication Device for the Deaf)

304-264-5602 - Fax Machine

Electronic Filing – FIRE system

304-262-2400

*****(These are not toll-free telephone numbers.)*****

TO OBTAIN FORMS:

1-800-TAX-FORM (1-800-829-3676)

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

☛ **Note: Because the IRS processes paper forms by machine (optical character recognition equipment), you cannot file the IRS Form 1096 or Copy A of Forms 1098, 1099, or 5498 printed from the IRS's Internet Web Site or the CD-ROM.**

.04 The 2000 "General Instructions for Forms 1099, 1098, 5498, and W-2G" and the individual Forms instructions have been included in the Publication 1220 for your convenience. The 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 Requests for paper Forms 1096, 1098, 1099, 5498, and W-2G, and publications related to magnetic media/electronic filing should be made by calling the IRS toll-free number **1-800-TAX-FORM (1-800-829-3676)** or by using the IRS's Internet Web Site 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-SSA-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 phone 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 Penalty section of the 2000 "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 or Transcript 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 Call Site answers both magnetic media and tax law questions relating to the filing of information returns (Forms 1042-S, 1096, 1098, 1099, 5498, 8027, W-2G, and W-4). The Call Site also answers tax law and paper filing related questions about Forms W-2 and W-3, as well as handling inquiries dealing with backup withholding and reasonable cause requirements due to missing and incorrect taxpayer identification numbers. The Call Site is located at IRS/MCC and operates in conjunction with the Information Reporting Program. The Call Site provides service to the payer community (financial institutions, employers, and other transmitters of information returns). Recipients of information returns (payees) should continue to contact 1-800-829-1040 or other numbers specified in the tax return instructions with any questions on how to report information on their tax returns. The Call Site accepts calls from all areas of the country. The number to call is **304-263-8700** or Telecommunications Device for the Deaf (**TDD**) **304-267-3367**. These are toll calls. Hours of operation for the Call Site are Monday through Friday, 8:30 a.m. to 4:30 p.m. Eastern time. The Call Site is in operation throughout the year to handle the questions of payers, transmitters, and employers. Due to the high demand for assistance at the end of January and February, it is advisable to call as soon as possible to avoid these peak filing seasons.

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 magnetically/electronically. **The 250* or more requirement applies separately for each type of return and separately to each type of corrected return.**

***Even though filers with less than 250 information returns are not required to submit the information returns magnetically or electronically and may submit them on paper, IRS encourages filers to transmit those information returns magnetically or electronically.**

.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), individual taxpayer identification number (ITIN) or adoption taxpayer identification number (ATIN)]. 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 *April 2, 2001*, are considered to have satisfied the magnetic media filing requirements.

.04 IRS/MCC has one method for filing information returns electronically; see Part C.

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

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

*For Tax Year 2000, Forms 1098-E and 1098-T may be reported on paper regardless of the 250 threshold.

.06 The above requirements do not apply if the payer establishes hardship (see Part A, Sec. 5).

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 2000 *“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 a 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.

.03 Even though a payer may submit as many as 249 corrections on paper, IRS encourages magnetically or electronically submitted corrections. Once the 250 threshold has been met, filers are required to submit any returns of 250 or more magnetically or electronically. However, if a waiver for original documents is approved, any corrections for the same type of returns will be covered under this waiver.

.04 Generally, only the payer may sign the 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 the 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 the Form 8508 must be provided to IRS for the request to be processed.

.07 The waiver, if approved, will provide exemption from magnetic media filing 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.

.10 File Form 8508 for the W-2 series of forms with IRS/MCC, not SSA.

.11 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.

.12 If a waiver request is approved, the transmitter should keep the approval letter on file. **The transmitter should not send a copy of the approved waiver to the service center where the paper returns are filed.**

.13 **An approved waiver from filing information returns on magnetic media does not provide exemption from all filing.** The payer must timely file information returns on acceptable paper forms with the appropriate service center.

Sec. 6. Vendor List

.01 IRS/MCC prepares a list of vendors who support magnetic media or electronic filing. The Vendor List (Pub. 1582) contains the names of service bureaus that will produce files on the prescribed types of magnetic media or via electronic filing. It also contains the names of vendors who provide software packages for payers who wish to produce magnetic media or electronic files 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, may be updated in print every other year. The most recently printed copy will be available by contacting IRS/MCC at (304) 263-8700 or by letter (see Part A, Sec. 3). The Vendor List is also available on the IRS's Internet Web Site www.irs.gov.

.04 A vendor who offers a software package, has the ability to produce magnetic media for customers, or has the capability to electronically file information returns, and would like to be included on the list must submit a written request to IRS/MCC. The request should include:

- (a) Company name
- (b) Address (include city, state, and ZIP code)
- (c) Telephone number (include area code)
- (d) Contact person
- (e) Type(s) of service provided (e.g., service bureau and/or software)
- (f) Type(s) of media offered (e.g., magnetic tape, tape cartridge, 3 1/2-inch diskette, or electronic filing)
- (g) Type(s) of return(s)

Sec. 7. Form 4419, Application for Filing Information Returns Magnetically/Electronically

.01 Transmitters are required to submit Form 4419, Application for Filing Information Returns Magnetically/ Electronically, 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 magnetically/electronically. 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.

EXCEPTIONS

**An additional Form 4419 is required for filing each of the following types of returns:
Forms 1042-S, 8027, and W-4**

FORM	TITLE	EXPLANATION
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.
8027	Employer's Annual Information Return of Tip Income and Allocated Tips	Receipts from operations where tipping is customary. Used by the employers to report employees' tips or allocated tips.

EXCEPTIONS (Continued)

W-4 (See Note)	Employee's Withholding Allowance Certificate	Forms received during the quarter from employees still employed at the end of the quarter who claim the following: (a) More than 10 withholding allowances or (b) Exempt status and wages normally would be more than \$200 a week.
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☛ **Note: Employers are not required to send other Forms W-4 unless notified to do so by the IRS.**

.02 Magnetic tape, 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. A 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's Internet Web Site 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. If a transmitter uses more than one TCC to file, each TCC must be reported on separate media or in separate transmissions if filing electronically.

.04 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.

.05 If **any** of the information (name, TIN or address) on the Form 4419 changes, please notify IRS/MCC in writing so the IRS/MCC database can be updated. However, a change in the method by which information returns are being submitted is not information which needs to be updated (e.g., tape to disk). The transmitter should include the TCC in all correspondence.

.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.

.07 IRS/MCC encourages transmitters who file for multiple payers to submit one application and to use the assigned TCC for all payers.

.08 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 on the media, and send it to IRS/MCC for the payer. Other service bureaus will prepare magnetic media and return the media to the payer for submission to IRS/MCC. These service bureaus may require the payer to obtain a TCC to be coded in the Transmitter "T" Record. Payers should contact their service bureaus for further information.

.09 Once a transmitter is approved to file magnetically or electronically, it is not necessary to reapply each year **unless**:

- (a)** The payer has discontinued filing magnetically or electronically 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; **or**
- (b)** The payer's magnetic media 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.

.10 One Form 4419 may be submitted regardless of how many types of media or methods are used to file the return. **Multiple TCCs will only be issued to payers with multiple TINs. Only one TCC will be issued per TIN unless the filer has checked the application for the following forms in addition to the Forms 1098, 1099, 5498 or W-2G: Forms 1042-S, 8027, and/or W-4. A separate TCC will be assigned for each of these forms.**

.11 In accordance with Regulations section 1.60417(b), payments by separate departments of a health care carrier to providers of medical and health care services may be reported on separate returns on magnetic media. 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 on magnetic media should be submitted. One TCC may be used for all departments.

.12 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. 8. Test Files

.01 IRS/MCC does not require test files, **except** for filers wishing to participate in the Combined Federal/State Filing Program. See Part A, Sec. 16, for further information concerning the Combined Federal/State Filing Program.

.02 IRS/MCC encourages first-time magnetic media or electronic filers to submit a test. 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 B 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 Tests should be sent to IRS/MCC between November 1 and December 15. **Tests submitted on magnetic media must be received at MCC by December 15 in order to be processed.** Magnetic media filers may begin submitting test tapes and diskettes after October 1; however, the data will not be processed until on or after November 1.

Only tests submitted electronically may be submitted and resubmitted through February 15, 2001.

.06 For tests filed electronically, the transmitter must send the signed Form 4804, Transmittal of Information Returns Reported Magnetically/Electronically, the same day the transmission is made. Electronic tests may be submitted November 1, 2000, through *February 15, 2001*. For tests filed on magnetic tape, tape cartridge, 8mm, 4mm, and quarter inch cartridge, and 3 1/4-inch diskette, the transmitter must include the signed Form 4804 in the same package with the corresponding magnetic media. Mark the "TEST" box in Block 1 on the form. Also, mark "TEST" on the external media label.

.07 IRS/MCC will send a letter of acknowledgment to indicate the test results for magnetic media only. Unacceptable magnetic media files, along with documentation identifying the errors, will be returned. Resubmission of magnetic media test files must be received by IRS/MCC no later than December 15. See Part C, Sec. 5.03 for information on electronic test results.

.08 Successfully processed media will not be returned to filers.

Sec. 9. Filing of Information Returns Magnetically/Electronically and Retention Requirements

.01 Form 4804, Transmittal of Information Returns Reported Magnetically/Electronically, Form 4802, Transmittal of Information Returns Reported Magnetically/Electronically (Continuation), or a computer-generated substitute, must accompany all magnetic media shipments. For electronic transmissions, the Form 4804 and Form 4802, if applicable, must be postmarked by the due date of the return. Form 4802, is a continuation of Form 4804 and should only be used if the filer is reporting more than five types of returns and/or more than five payers. Form 4802 is not a stand-alone form; it can only accompany Form 4804.

.02 IRS/MCC allows for the use of computer-generated substitutes for Form 4804/4802. The substitutes must contain all information requested on the original forms including the affidavit and signature line. Photocopies are acceptable but an original signature is required. **When using computer-generated forms, be sure to mark very clearly which tax year is being reported. This will eliminate a phone communication from IRS/MCC to question the tax year.**

.03 A transmitter may report for any combination of payers and/or documents in a submission. Each file must begin with a "T" Record and end with an "F" record for the end of a transmission. For example, if reporting Forms 1099-INT for Bank A, Forms 1099-DIV for Bank B, and Forms 1098 for Bank C, three separate tapes or diskettes need not be created. All three banks and all types of documents can be coded within a single file on one tape or diskette as long as each bank or type of return has a separate "A" Record. Multiple tapes or diskettes can be sent in one package. For each separate type of media, the first record on the file must be the Transmitter "T" Record. **A Form 4804, Transmittal of Information Returns Reported Magnetically/Electronically, must be submitted for every Transmitter "T" Record. Filers must include Form 4804, 4802, or computer-generated substitute with their shipment.**

.04 Multiple types of media may be submitted in a shipment. However, submit a separate Form 4804 for each type of media.

.05 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.

.06 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 return is due.

.07 Do not report duplicate information. If a filer submits returns magnetically/electronically, identical paper documents must not be filed. This may result in erroneous penalty notices.

.08 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 returned unprocessed.** An agent may sign the 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)."

.09 Although an authorized agent may sign the affidavit, the payer is responsible for the accuracy of the Form 4804 and the returns filed. The payer will be liable for penalties for failure to comply with filing requirements.

.10 A self-adhesive external media label, created by the filer, must be affixed to each piece of magnetic media. (IRS no longer provides self-adhesive labels for this purpose.) 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.**

.11 On the outside of the shipping container, affix or attach a label which reads “**IRB Box ___of___**” reflecting the number of containers in the shipment. (Filers can create a label with this information or cut out one of the labels on the special label page provided in this publication.) If there is only one container, mark the outside as Box 1 of 1. For multiple containers, include the sequence (for example, Box 1 of 3, 2 of 3, 3 of 3).

.12 When submitting files include the following:

- (a) A **signed** Form 4804;
- (b) Form 4802, if applicable;
- (c) External media label (created by filer) affixed to magnetic media;
- (d) IRB Box _____ of _____ outside label.

☛ **Note: See Part C for Electronic Filing Specifications.**

.13 Do not use special shipping containers for mailing media to IRS/MCC. Shipping containers will not be returned.

.14 If returns from different locations (using the same name and TIN) are submitted on the same file, IRS encourages the filer to consolidate each type of information return under one “A” Record. For example, all “B” Records for the same type of return should be together under one “A” Record and followed by the End of Payer “C” Record.

.15 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.

.16 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 Form 1099-C. 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. Whenever backup withholding is imposed, a 4-year retention is required.

Sec. 10. 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-MSA, 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 2000:

Due Dates

Electronic Filing (See Note)	Magnetic Filing
Forms 1098, 1099, and W-2G	Forms 1098, 1099, and W-2G
Recipient Copy - January 31, 2001	Recipient Copy - January 31, 2001
IRS Copy ----- April 2, 2001*	IRS Copy ----- February 28, 2001
*Normal due date of March 31, 2001 falls on a Saturday.	

☛ **Note:** Electronically filed Forms 1099, 1098, or W-2G are due to the IRS by April 2, 2001. The due date for magnetically filed Forms 1099, 1098, and W-2G remains unchanged (February 28, 2001).

Legislation amended Internal Revenue Code section 6071(b), which eliminates the necessity for electronic filers of Forms 1099, 1098, and W-2G to request an extension of the filing date from February 28 to March 31, effective for returns required to be filed after December 31, 1999.

Electronic/Magnetic Filing
Forms 5498 and 5498-MSA
Participant Copy - May 31, 2001*
IRS Copy ————— May 31, 2001

* Participants' copy of Form 5498 for education IRA and all other
Forms 5498 to furnish fair market value information -
January 31, 2001

.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 Information returns filed magnetically for Forms 1098, 1099, and W-2G must be submitted to IRS/MCC postmarked on or before *February 28, 2001*.

.04 Electronically filed information returns for Forms 1098, 1099 and W-2G must be submitted to IRS/MCC no later than *April 2, 2001*, and will be considered timely filed if submitted by that date. Electronically filed information returns submitted after *April 2, 2000*, will be considered late unless an extension has been applied for and approved.

.05 Magnetic media returns postmarked by the United States Postal Service (USPS) on or before February 28, 2001, 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. A similar rule applies to items delivered by private delivery services (PDSs) designated by the IRS. A PDS must be designated by the IRS before it will qualify for the timely mailing rule. (See **Note.**) Notice 99-41, 1999-35 I.R.B. 1999 325, provides the list of designated PDSs. Designation is effective until the IRS issues a revised list. 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 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 not accept media from PDSs or couriers from 3:00 p.m. to 11:00 p.m., seven days a week, and 11:00 p.m. to 7:00 a.m., Saturday and Sunday.

.06 Statements to recipients must be furnished on or before *January 31, 2001*, for TY 2000. Form 5498 statements to the participants must be furnished on or before *January 31, 2001*, for TY 2000 for the fair market value of the account and for contributions to an education IRA and by *May 31, 2001*, for TY 2000 for contributions made to all other types of IRAs for the prior calendar year.

.07 Forms 5498 and 5498-MSA filed magnetically or electronically must be filed with IRS/MCC on or before *May 31, 2001*, for TY 2000.

.08 Use this Revenue Procedure to prepare information returns filed magnetically or electronically beginning *January 1, 2001*, and received by IRS/MCC no later than *December 15, 2001*.

Sec. 11. Extensions of Time

.01 An extension of time to file may be requested for Forms 1099, 1098, 5498, 5498-MSA, W-2G, W-2 series 8027 and 1042-S.

.02 Form 8809, Request for Extension of Time To File Information Returns, should be submitted to IRS/MCC at the address listed in .06 of this section. This form may be used to request an extension of time to file information returns submitted on paper, magnetically or electronically.

.03 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 that all the pertinent information is included. For Forms 1098, 1099 and W-2G that will be filed electronically, Form 8809 must be submitted on or before *April 2, 2001*.

.04 Requests for an extension of time to file for more than 50 payers are required to be submitted magnetically or electronically. Requests for an extension of time for 10 to 50 payers are encouraged to be filed magnetically or electronically. (See Part D, Sec. 3, for the record format.) The request may be filed on tape, tape cartridge, 3 1/2-inch diskette, or electronically.

.05 If a filer does not have an IRS/MCC assigned Transmitter Control Code (TCC), a Form 4419, Application for Filing Information Returns Magnetically/Electronically, **must** be submitted to obtain a TCC. This number must be used to submit an extension request magnetically/electronically.

.06 All requests for an extension of time filed on Form 8809 or filed magnetically on tape, tape cartridge, or 3 1/2 inch diskette should be sent using the following address:

If by Postal Service, truck or air freight:  
IRS-Martinsburg Computing Center
Information Reporting Program
Attn: Extension of Time Coordinator
240 Murall Drive
Kearneysville, WV 25430

.07 Requests for extensions of time for multiple payers will be responded to with one approval letter, accompanied by a list of payers covered under that approval.

.08 As soon as it is apparent that a 30-day extension of time to file is needed, Form 8809 may be submitted. It will take a minimum of 30 days for IRS/MCC to respond to an extension request. Under certain circumstances, a request for an extension of time could be denied. When a denial letter is received, any additional or necessary information may be resubmitted within 20 days.

.09 Form 8809 must be postmarked no later than the due date of the return for which an extension is requested. If requesting an extension of time to file several types of forms, use one Form 8809; however, the Form 8809 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 postmarked on or before February 28, 2001. (See **Note**.) Complete more than one Form 8809 to avoid this problem.

Note: For Tax Year 2000, if you will be filing Forms 1098, 1099, or W-2G electronically, the Form 8809 is not required unless an extension is needed beyond April 2, 2001.

.10 If an additional extension of time is needed, a second Form 8809 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.**

.11 If an extension request is approved, the approval letter should be kept on file. The approval letter or copy of the approval letter for an extension of time should **not** be sent to IRS/MCC with the magnetic media file or to the service center where the paper returns are filed.

.12 Request an extension for only one tax year.

.13 The extension request must be signed by the payer or a person who is duly authorized to sign a return, statement or other document for the payer.

.14 Failure to properly complete and sign the Form 8809 may cause delays in processing the request or result in a denial. Carefully read and follow the instructions on the back of the Form 8809.

.15 Form 8809 may be obtained by calling **1-800-TAX-FORM (1-800-829-3676)**. The form is also available on the **IRS's Internet Web Site at www.irs.gov**. A copy of the Form 8809 is also provided in the back of Publication 1220.

.16 Request an extension of time to furnish the statements to recipients of Forms 1098, 1099, 5498, W-2G, W-2 series, and 1042-S by submitting a letter to IRS/MCC at the address listed in .06 of this section. 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 person duly authorized.

Requests for an extension of time to furnish the statements to recipients for Forms 1098, 1099, 5498, 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 to furnish the statements to the recipients. The request must be postmarked by the date on which the statements are due to the recipients.

Sec. 12. Processing of Information Returns Magnetically/Electronically

.01 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.

.02 If the data is formatted incorrectly, the magnetic media will be returned for replacement accompanied by a Media Tracking Slip (Form 9267). When media is returned, it is because IRS/MCC encountered errors (not limited to format) and was unable to process the media, therefore, requiring a replacement. Open all packages immediately. **Beginning in calendar year 2002 for Tax Year 2001, IRS/MCC will no longer return problem media in need of replacement. See Part A, Sec. 2.03(a) for details.**

.03 Magnetic media files must be corrected and returned with the Media Tracking Slip (Form 9267) to IRS/MCC within 45 days from the date of the letter IRS/MCC included with the returned files. Refer to Part C, Sec. 6, for procedures for correcting files submitted electronically. A penalty for failure to file correct information returns by the due date will be assessed if the files are not corrected and returned within the 45 days **or if the incorrect files are returned by IRS/MCC for replacement more than two times.** A penalty for intentional disregard of filing requirements will be assessed if a replacement file is not received. (For penalty infor-

mation, refer to the Penalty section of the 2000 "General Instructions for Forms 1099, 1098, 5498, and W-2G.")

.04 Sample records identifying errors encountered will be provided with the returned media. It is the responsibility of the transmitter to check the entire file for similar errors.

.05 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.

☛**Note:** Corrections should only be made to records that have been submitted incorrectly, not the entire file.

- A **replacement** is an information return file that IRS/MCC has returned to the transmitter due to errors encountered during processing. After necessary changes have been made, the file must be returned for processing along with the Media Tracking Slip (Form 9267) which was included in the shipment from IRS/MCC. (See **Note 1**).

☛**Note 1:** Filers should never send anything to IRS/MCC marked "Replacement" unless IRS/MCC returned media to them.

☛**Note 2:** *Beginning in calendar year 2002 for Tax Year 2001, IRS/MCC will no longer return problem media in need of replacement. Filers will continue to receive a tracking slip, listing and letter detailing the reason(s) their media could not be processed. Filers will be expected to send in replacement media within the prescribed time frame. This makes it imperative that filers maintain backup copies and/or recreate capabilities for their information return files.*

.06 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 transmitting data to IRS/MCC. Shipping containers will not be returned.

.07 IRS/MCC will work with filers as much as possible to assist with processing problems. **If the filer is contacted by IRS/MCC, a prompt response is important. IRS/MCC may have information that the filer needs to correct his or her file.**

.08 IRS/MCC contacts payers who have submitted payee data with missing TINs in an attempt to prevent errors that could result in penalties. Payers 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 will prevent unnecessary contact from IRS/MCC. This letter, however, will not prevent backup withholding notices (CP2100 or CP2100A Notices) or penalties for missing or incorrect TINs.

Sec. 13. Corrected Returns

.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 magnetically or electronically because they meet the 250 threshold.
M	If for some reason a payer cannot file the 300 corrections on magnetic
P	media, 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 Penalty section of the 2000 "General Instructions for Forms 1099, 1098, 5498, and W-2G.") However, if payers discover errors after August 1, they are still required to file corrections so they will not be subject to a penalty for intentional disregard of the filing requirements. Failure to correct information returns may result in penalties for failure to provide correct information. **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.

.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 Corrected returns may be included on the same medium as original returns; however, separate "A" Records are required. Corrected returns must be identified on the 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.**

.05 If a payer discovers errors for prior years that affect a large number of payees, in addition to sending IRS the corrected returns and notifying the payees, a letter containing the following information should be sent to IRS/MCC:

- (a) Name and address of payer
- (b) Type of error (please explain clearly)
- (c) Tax year

- (d) Payer TIN
- (e) TCC
- (f) Type of return
- (g) Number of payees

This information will be forwarded to the appropriate office in an attempt to prevent erroneous notices from being sent to the payees. The correction must be submitted on an actual information return document or filed magnetically/electronically. Provide the correct tax year in Block 2 of the Form 4804 and on the external media label.

.06 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.

.07 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].

.08 All paper returns, whether original or corrected, must be filed with the appropriate service center.

.09 Form 4804 and Form 4802 (if applicable), must be submitted with corrected files submitted magnetically or electronically.

.10 The “B” Record provides a 20-position field for the Payer’s Account Number for the Payee. 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.

.11 The record sequence for filing corrections is the same as for original returns.

.12 Review the chart that follows. Errors normally fall under one of the two categories listed. Next to each type of error made is a list of instructions on how to file the corrected return.

Guidelines for Filing Corrected Returns Magnetically/Electronically

Error Made on the Original Return	How To File the Corrected Return
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Two (2) separate transactions are required to make the following corrections properly. Follow the directions for both Transactions 1 and 2. (See Note 1.)

1. Original return was filed with one or more of the following errors:

- (a) No payee TIN (SSN, ITIN, ATIN or EIN)
- (b) Incorrect payee TIN
- (c) Incorrect payee name
- (d) Wrong type of return indicator

Transaction 1: Identify incorrect returns

- A.** Prepare a new Form 4804/4802 that includes information related 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.
- 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; the Correction File Indicator (Field Position 50) will be set to “1”.
- 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 for all payment amounts, enter “0” (zeros).
- 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.

Transaction 2: Report the correct information

Guidelines for Filing Corrected Returns Magnetically/Electronically (continued)

Error Made on the Original Return	How To File the Corrected Return
	<ul style="list-style-type: none">A. Make a separate "A" Record for each type of return and each payer being reported. The Correction File Indicator (Field Position 50), must be set 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.E. The last record on the file will be the End of Transmission "F" Record.F. Indicate "Correction" on the external media label.

⚡ **Note 1:** Payers who can show they have reasonable cause (defined in the regulations under section 6724 of the Internal Revenue Code) are not required to make corrections for returns filed with a missing or incorrect name and/or TIN. These payers should change their records in order to submit correct information in the future. Payers who cannot show reasonable cause are encouraged to make corrections for the current processing year by August 1 to reduce applicable penalties. Corrections filed by August 1 will reduce the \$50 per return penalty for filing returns with missing or incorrect information to \$30. The penalty is further reduced to \$15 per return if the corrections are filed within 30 days of the due date. (For penalty information, refer to the Penalty section of the 2000 "General Instructions for Forms 1099, 1098, 5498, and W-2G.") Corrections filed after August 1 will not reduce the penalty but will allow IRS to update the payee's records. The regulations for section 6724 are available in Publication 1586, Reasonable Cause Regulations and Requirements for Missing and Incorrect Name/TINs. The publication may be obtained by calling 1-800-TAX-FORM (1-800-829-3676) or from IRS's Internet Web Site at www.irs.gov.

One transaction is required to make the following corrections properly (See Note 2).

2. Original return was filed one or more of the following errors: <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(c) Incorrect code in the distribution code field in the Payee "B" Record(d) Incorrect payee address(e) Incorrect Direct Sales Indicator	<ul style="list-style-type: none">A. Prepare a new Form 4804/4802 that includes with 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.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, the Correction File Indicator (Field Position 50) must be set to "1" (one).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.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.G. Prepare a separate "C" Record for each type of return and each payer being reported.H. The last record on the file will be the End of Transmission "F" Record.I. Indicate "Correction" on the external media label.
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⚡ **Note 2:** 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. 14. Taxpayer Identification Number (TIN)

.01 Section 6109 of the Internal Revenue Code requires a person to furnish his/her TIN to the person obligated to file the information return.

.02 The payees' TIN and name combination are used to associate information returns reported to IRS/MCC with corresponding information on payees' tax returns. It is imperative that **correct** Taxpayer Identification Numbers (TINs) for payees be provided to IRS/MCC. **Do not enter hyphens or alpha characters.** Entering all zeros, ones, twos, etc., will have the effect of an incorrect TIN.

.03 The payer and payee names with associated TINs should be consistent with the names and TINs used on other tax returns.

Also, the name and TIN provided must belong to the owner of the account. If the account is recorded in more than one name, furnish the name and TIN of one of the owners of the account. The TIN provided **must** be associated with the name of the payee provided in the first name line of the "B" Record. For individuals, the payee TIN is generally the payee's Social Security Number (SSN). For other entities, the payee TIN is the payee's Employer Identification Number (EIN). The payee TIN may also refer to an Individual Taxpayer Identification Number (ITIN) or Adoption Taxpayer Identification Number (ATIN). For sole proprietors, the payee TIN may be either an SSN or EIN but **the sole proprietor's name** (not the business name) **must be used on the first name line and the SSN is preferred.**

.04 Failure to provide the correct name and corresponding TIN could result in a penalty and/or backup withholding notice (sometimes referred to as a "B" Notice).

.05 The following charts will help payers determine the TIN to be furnished to IRS/MCC for those persons for whom they are reporting information (payees).

Chart 1. Guidelines for Social Security Numbers

For this type of account—	In the Taxpayer Identification Number Field of the Payee "B" Record, enter the SSN of—	In the First Payee Name Line of the Payee "B" Record, enter the name of—
1. Individual	The individual	The individual
2. Joint account (Two or more individuals, including husband and wife)	The actual owner of the account or, if combined funds, the first individual on the account	The individual whose SSN is entered
3. Custodian account of a minor (Uniform Gift, or Transfers, to Minors Act)	The minor	The minor
4. The usual revocable savings trust account (grantor is also trustee)	The grantor-trustee	The grantor-trustee
5. A so-called trust account that is not a legal or valid trust under state law	The actual owner	The actual owner
6. Sole proprietorship	The owner (An SSN or EIN)	The owner, not the business name (The filer may enter the business name on the second name line.)

Chart 2. Guidelines for Employer Identification Numbers

For this type of account-	In the Taxpayer Identification Number Field of the Payee "B" Record, enter the EIN of-	In the First Payee Name Line of the Payee "B" Record, enter the name of-
1. A valid trust, estate, or pension trust	The legal entity ¹	The legal trust, estate, or pension trust
2. Corporate	The corporation	The corporation
3. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization	The organization
4. Partnership account held in the name of the business	The partnership	The partnership
5. A broker or registered nominee/middleman	The broker or nominee/middleman	The broker or nominee/middleman
6. Account with Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity	The public entity
7. Sole proprietorship	The business (An EIN or SSN)	The owner, not the business name (The filer may enter the business name on the second name line.)

¹ Do not furnish the identification number of the personal representative or trustee unless the name of the representative or trustee is used in the account title.

Sec. 15. Effect on Paper Returns and Statements to Recipients

.01 Magnetic/electronic 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 on magnetic media or electronically.** 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 2000 *“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. 16. Combined Federal/State Filing Program

.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 and Qualified State Tuition Program 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

The following information returns **may not** be filed under this program:

Form 1098-----	Mortgage Interest Statement
Form 1098-E-----	Student Loan Interest Statement
Form 1098-T-----	Tuition Payments Statement
Form 1099-A-----	Acquisition or Abandonment of Secured Property
Form 1099-B-----	Proceeds From Broker and Barter Exchange Transactions
Form 1099-C-----	Cancellation of Debt
Form 1099-LTC-----	Long-Term Care and Accelerated Death Benefits
Form 1099-MSA-----	Distributions From an MSA or Medicare+Choice MSA
Form 1099-S-----	Proceeds From Real Estate Transactions
Form 5498-MSA-----	MSA or Medicare+Choice MSA Information
Form W-2G-----	Certain Gambling Winnings

.02 To request approval to participate, a magnetic media test file coded for this program **must** be submitted to IRS/MCC between November 1, 2000, and December 15, 2000. Electronic test files coded for this program must be submitted between November 1, 2000, and *February 15, 2001*.

.03 Attach a letter to the Form 4804 submitted with the test file to indicate a desire to participate in the Combined Federal/State Filing Program.

.04 A test file is only required for the first year. 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 a 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 return the media with a letter indicating the problems. The new test file must be returned to IRS/MCC no later than December 15 or February 15 for 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 the 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 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.**

.10 All corrections properly coded for the Combined Federal/State Filing Program will be forwarded to the participating states.

.11 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.**

.12 To simplify filing, some of the participating states have provided their information return reporting requirements (see Table 2). **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 the criteria provided in this table.**

.13 Upon submission of the actual files, the transmitter must be sure of the following:

- (a) All records should be coded exactly as required by this Revenue Procedure.
- (b) The "C" Record **must be** followed by a State Totals "K" Record for each state being reported.
- (c) Payment amount totals and the valid participating state code must be included in the State Totals "K" Record.
- (d) The last "K" Record **must be** 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	Idaho	16	Missouri	29
Arizona	04	Indiana	18	Montana	30
Arkansas	05	Iowa	19	New Jersey	34
California	06	Kansas	20	New Mexico	35
Delaware	10	Maine	23	North Dakota	38
District of Columbia	11	Massachusetts	25	South Carolina	45
Georgia	13	Minnesota	27	Tennessee	47
Hawaii	15	Mississippi	28	Wisconsin	55

Table 2. Dollar Criteria for State Reporting

STATE	1099-DIV	1099-G	1099-INT	1099-MISC	1099-OID	1099-PATR	1099-R	5498
Alabama	\$1500	\$ NR	\$1500	\$1500	\$1500	\$1500	\$1500	NR
Arkansas	100	2500	100	2500	2500	2500	2500	a
District of Columbia ^b	600	600	600	600	600	600	600	NR
Hawaii	10	a	10	600	10	10	600	a
Idaho	NR	NR	NR	600	NR	NR	a	a
Iowa	10	10	10	600	10	10	10	a
Minnesota	10	10	10	600	10	10	600	a
Mississippi	600	600	600	600	600	600	600	NR
Missouri	NR	NR	NR	1200 ^c	NR	NR	NR	NR
Montana	10	10	10	600	10	10	600	a
New Jersey	1000	1000	1000	1000	1000	1000	1000	NR
Tennessee	100	NR	100	NR	NR	NR	NR	NR
Wisconsin	NR	NR	NR	600	NR	NR	600	NR

The preceding list is for information purposes only. The state filing requirements are subject to change by the states. For complete information on state filing requirements, contact the appropriate state tax agencies.

Filing requirements for states in TABLE 1 not shown in TABLE 2 are the same as the federal requirement.

NR = No filing requirement.

Footnotes:

a All amounts are to be reported.

b Amounts are for aggregates of several types of income from the same payer.

c Missouri would prefer those returns filed with respect to nonMissouri residents to be sent directly to its state agency.

Sec. 17. Definition of Terms

Element	Description
Asynchronous Protocols	This type of data transmission is most often used by microcomputers, PCs and some minicomputers. Asynchronous transmissions transfer data at arbitrary time intervals using the start-stop method. Each character transmitted has its own start bit and stop bit.
ATIN	A temporary taxpayer identification number assigned to a child who has been placed by an authorized placement agency in the household of a prospective adoptive parent prior to adoption. When the adoption becomes final, the adoptive parent must apply for a social security number for the child.
␣	Denotes a blank position. Enter blank(s) when this symbol is used (do not enter the letter "b"). This appears in numerous areas throughout the record descriptions.
Correction	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.

☛ **Note: A correction should not be confused with a replacement. Only media returned to the filer by IRS/MCC due to processing problems should be marked replacement.**

Element	Description
CUSIP Number	A number developed by the Committee on Uniform Security Identification Procedures to serve as a common denominator in communications among users for security transactions and security information.
Employer Identification Number (EIN)	A nine-digit number assigned by IRS for Federal tax reporting purposes.
Electronic Filing	Submission of information returns using switched telecommunications network circuits. These transmissions use modems, dial-up phone lines, and asynchronous protocols. See Parts A and C of this publication for specific information on electronic filing.
File	For purposes of this Revenue Procedure, a file consists of one Transmitter "T" Record at the beginning of the file, followed by a Payer "A" Record, Payee "B" Records, and an End of Payer "C" Record after each set of "B" Records. The last record on the file will be the End of Transmission "F" Record. Nothing should be reported after the End of Transmission "F" Record. <i>A file format diagram is located at the end of Part E, Miscellaneous Information just before the mail labels.</i>
Filer	Person (may be payer and/or transmitter) submitting information returns to IRS.
Filing Year	The actual year in which the information returns are being submitted to IRS.
Golden Parachute Payment	A payment made by a corporation to a certain officer, shareholder, or highly compensated individual when a change in the ownership or control of the corporation occurs or when a change in the ownership of a substantial part of the corporate assets occurs.
Incorrect Taxpayer Identification Number (Incorrect TIN)	A TIN may be incorrect for several reasons: <ul style="list-style-type: none"> (a) The payee provided a wrong number or name (e.g., the payee is listed as the only owner of an account but provided someone else's TIN). (b) A processing error (e.g., the number or name was typed incorrectly). (c) The payee's status changed (e.g., a payee name change was not reported to the IRS or SSA).
Individual Taxpayer Identification Number (ITIN)	A nine-digit number issued by IRS to individuals who are required to have a U.S. taxpayer identification number but are not eligible to obtain a social security number (SSN).
Information Return	The vehicle for submitting required information about another person to IRS. Information returns are filed by financial institutions and by others who make certain types of payments as part of their trade or business. The information required to be reported on an information return includes interest, dividends, pensions, nonemployee compensation for personal services, stock transactions, sales of real estate, mortgage interest, and other types of information. For this Revenue Procedure, an information return is a Form 1098, 1098-E, 1098-T, 1099-A, 1099-B, 1099-C, 1099-DIV, 1099-G, 1099-INT, 1099-LTC, 1099-MISC, 1099-MSA, 1099-OID, 1099-PATR, 1099-R, 1099-S, 5498, 5498-MSA or W-2G.
ISDN - Integrated Services Digital Network	ISDN's basic service is Basic Rate Interface (BRI) which is made up of two 64Kbps B channels and one 16Kbps D Channel. If both channels are combined into one, called bonding, the total data rate becomes 128Kbps and is 4 1/2 times the bandwidth of a 28.8 modem.
Magnetic Media	For this Revenue Procedure, the term "magnetic media" refers to 1/2-inch magnetic tape; IBM 3480/3490/3490E or AS400 compatible tape cartridge; 8mm, 4mm, and QIC (Quarter Inch Cartridge) cartridge or 3 1/2-inch diskette.
Media Tracking Slip (Form 9267)	Form 9267 accompanies media that IRS/MCC has returned to the filer for replacement due to incorrect format or errors encountered when trying to process the media. This must be returned with the replacement file.

Element	Description
Missing Taxpayer Identification Number	The payee TIN on an information return is missing if: (a) there is no entry in the TIN field, (Missing TIN) (b) includes one or more alpha characters (a character or symbol other than an Arabic number) as one of the nine digits, OR (c) payee TIN has less than nine digits.
PS 58 Costs	The current cost of life insurance under a qualified plan taxable under section 72(m) and Regulations section 1.72-16(b). (See Part B, Sec.10(14) Payee "B" Record, Distribution Code, Category of Distribution, Code 9.)
Payee	Person or organization receiving payments from the payer, or for whom an information return must be filed. The payee also includes a student (Form 1098-T), borrower (Forms 1098, 1098-E, and 1099-A), a debtor (Form 1099-C), a policyholder or insured (Form 1099-LTC), any IRA plan participant (Form 5498) or MSA or Medicare+Choice MSA participant (Form 5498-MSA), and a gambling winner (Form W-2G). For Form 1099-S, the payee is the seller or other transferor.
Payer	Includes 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 reason to know that the property has been abandoned. The payer will be held responsible for the completeness, accuracy, and timely submission of magnetic/electronic files.
<p>⚡Note: For Form 1098-T, the eligible educational institution that received qualified tuition and related expenses is considered the payer.</p>	
Replacement	A replacement is an information return file that IRS/MCC has returned to the transmitter due to errors encountered during processing.
<p>⚡Note 1: Filers should never submit media to IRS/MCC marked "Replacement" unless IRS/MCC returned media to the filers. When sending "Replacement" media, be sure to include the Media Tracking Slip (Form 9267) which will accompany media returned by IRS/MCC. Media that has been incorrectly marked as Replacement may result in duplicate filing.</p>	
<p>⚡Note 2: Beginning in calendar year 2002 for Tax Year 2001, IRS/MCC will no longer return problem media in need of replacement.</p>	
Service Bureau	Person or organization with whom the payer has a contract to prepare and/or submit information return files to IRS/MCC. A parent company submitting data for a subsidiary is not considered a service bureau.
Social Security Number (SSN)	A nine-digit number assigned by SSA to an individual for wage and tax reporting purposes.
Special Character	Any character that is not a numeric, an alpha, or a blank.
SSA	Social Security Administration.
Taxpayer Identification Number (TIN)	Refers to either an Employer Identification Number (EIN) Social Security Number (SSN), Individual Taxpayer Identification Number (ITIN), or Adoption Taxpayer Identification Number (ATIN).
Tax Year	Generally, the year in which payments were made by a payer to a payee.
Transfer Agent	The transfer agent, or paying agent, is the entity who has been contracted or authorized by the payer to perform the services of paying and reporting backup withholding (Form 945).
Transmitter	Refers to the person or organization submitting file(s) magnetically/electronically. The transmitter may be the payer or agent of the payer.

Element**Description**

Transmitter Control Code (TCC)

A five character alpha/numeric number assigned by IRS/MCC to the transmitter prior to actual filing magnetically or electronically. This number is inserted in the Transmitter "T" Record of the file and **must** be present before the file can be processed. An application Form 4419 must be filed with IRS/MCC to receive this number.

Vendor

Vendors include service bureaus that produce information return files on the prescribed types of magnetic media or via electronic filing for payers. Vendors also include companies who provide software for payers who wish to produce their own media or electronic files.

Sec. 18. 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	Ohio	OH
Alaska	AK	Louisiana	LA	Oklahoma	OK
American Samoa	AS	Maine	ME	Oregon	OR
Arizona	AZ	Marshall Islands	MH	Pennsylvania	PA
Arkansas	AR	Maryland	MD	Puerto Rico	PR
California	CA	Massachusetts	MA	Rhode Island	RI
Colorado	CO	Michigan	MI	South Carolina	SC
Connecticut	CT	Minnesota	MN	South Dakota	SD
Delaware	DE	Mississippi	MS	Tennessee	TN
District of Columbia	DC	Missouri	MO	Texas	TX
Federated States of Micronesia	FM	Montana	MT	Utah	UT
Florida	FL	Nebraska	NE	Vermont	VT
Georgia	GA	Nevada	NV	Virginia	VA
Guam	GU	New Hampshire	NH	(U.S.) Virgin Islands	VI
Hawaii	HI	New Jersey	NJ	Washington	WA
Idaho	ID	New Mexico	NM	West Virginia	WV
Illinois	IL	New York	NY	Wisconsin	WI
Indiana	IN	North Carolina	NC	Wyoming	WY
Iowa	IA	North Dakota	ND		
Kansas	KS	Northern Mariana Islands	MP		

.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. 19. 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 return files for replacement. 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.

5. Blanks or Invalid Characters Appear in Payment Amount Fields in the “B” Record

Money amounts must be right-justified and zero (0) filled. **Do not use blanks.**

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 (no alphas or special characters) in order for IRS/MCC to process the media. The TIN provided in the “A” Record must correspond with the name provided in the first payer name line.

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

The tax year in the transmitter, payer and payee records should reflect the year of the information being reported. Filers need to check their files to ensure this information is correct.

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

Form W-2 information is submitted to SSA, and **not** to IRS/MCC. SSA has its own magnetic media reporting program and specifications for wage information, and the media containing Forms W-2 is submitted to SSA. **Any media received at IRS/MCC that contains Form 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, call 1-800-SSA-6270.

9. Excessive Withholding Credits

Generally, for most information returns, other than Forms 1099-MISC, 1099-R, and W-2G, Federal withholding amounts should **not** exceed 31 percent (backup withholding rate) of the income reported. Validate the total reported in the withholding field against the total income reported.

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

A check of “B” records should be made to ensure the Taxpayer Identification Numbers (TINs) are formatted correctly. There should be nine numerics, **no alphas, hyphens, commas, or blanks.** Incorrect formatting of TINs may result in a penalty.

IRS/MCC contacts filers who have submitted payee data with missing TINs in an attempt to prevent errors that could result in penalties. 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 will prevent unnecessary contact from IRS/MCC. This letter, however, will not prevent backup withholding notices (CP2100 and CP2100A Notices) or penalties for missing or incorrect TINs. For penalty information, refer to the Penalty section of the 2000 “*General Instructions for Forms 1099, 1098, 5498, and W-2G.*”

11. Distribution Codes for Form 1099-R Reported Incorrectly

Distribution codes for Form 1099-R are being reported incorrectly or not being reported. See valid distribution codes for Form 1099-R in the Payee “B” Record Layout, Field Positions 545-546.

12. Incorrect Record Totals Listed on Form 4804

The Combined Total Payee Records listed on the Form 4804 (Block 9) are used in the verification process of information returns. The figure in this block should be the total number of Payee “B” Records contained on the media submitted with the Form 4804. The figures on the Form 4804 are compared against the total number of Payee “B” Records processed on the media. Imbalances may necessitate the return of the files for replacement.

13. Invalid Use of IRA/SEP/SIMPLE Indicator (Form 1099-R)

The IRA/SEP/SIMPLE indicator for Form 1099-R should be used for the reporting of a distribution from a traditional IRA/SEP/SIMPLE or a Roth conversion. It may be used at your option for a distribution from a Roth or Education IRA or for an IRA recharacterization. The total amount distributed from a traditional IRA/SEP/SIMPLE distribution or *Roth conversion* should be reported in Payment Amount Field A as well as Payment Amount Field 1.

14. Failure To Identify the Rollover Contributions and/or Fair Market Value of the Account for Form 5498.

Rollover contributions (Amount Code 2 of the “A” Record) and/or fair market value of the account (Amount Code 4 of the “A” Record) for Form 5498 must be identified as an IRA (position 547 of the “B” Record), SEP (position 548 of the “B” Record), SIMPLE (position 549 of the “B” Record), Roth IRA (position 550 of the “B” Record), Recharacterization (position 551 of the “B” Record), or Education IRA (position 552 of the “B” Record).

15. Media Received Without Data

Transmitters/filers should verify the presence of Form 1099 information returns on the media before sending the shipment to IRS/MCC.

Part B. Magnetic Media Specifications

Sec. 1. General

.01 The specifications contained in this part of the Revenue Procedure define the required format and contents of the records to be included in the magnetic media/electronic file.

.02 A provision is made in the "B" Records for entries which are optional. If the field is not utilized, enter blanks to maintain a fixed record length of 750 positions. Each field description explains the intended use of specific field positions.

.03 Transmitters should be consistent in the use of recording codes and density on files. If the media does not meet these specifications, it will be returned to the transmitter for replacement. Filers are encouraged to submit a test prior to submitting the actual file. Contact IRS/MCC for further information at 304-263-8700.

Sec. 2. Tape Specifications

.01 IRS/MCC can process most magnetic tape files if the following specifications are followed:

(a) 9 track EBCDIC (Extended Binary Coded Decimal Interchange Code) with:

- (1) Odd parity.
- (2) A density of 1600 or 6250 BPI.
- (3) If transmitters use UNISYS Series 1100, they must submit an interchange tape.

(b) 9 track ASCII (American Standard Coded Information Interchange) with:

- (1) Odd parity.
- (2) A density of 1600 or 6250 BPI.

Transmitters should be consistent in the use of recording codes and density on files.

.02 All compatible tape files must have the following characteristics: Type of tape -1/2-inch (12.7 mm) wide, computer-grade magnetic tape on reels of up to 2,400 feet (731.52 m) within the following specifications:

- (a) Tape thickness: 1.0 or 1.5 mils and
- (b) Reel diameter: 10 1/2-inch (26.67 cm), 8 1/2-inch (21.59 cm), 7-inch (17.78 cm), or 6-inch.

.03 The tape 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.

.04 Labeled or unlabeled tapes may be submitted.

.05 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.

.06 IRS/MCC can only read one data file on a tape. A data file is a group of records which may or may not begin with a tapemark, but **must** end with a trailer label. Any data beyond the trailer label cannot be read by IRS programs.

Sec. 3. 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, or AS400 compatible.

(b) Must meet American National Standard Institute (ANSI) standards, and have the following characteristics:

- (1) Tape cartridges will be 1/2-inch tape contained in plastic cartridges which are approximately 4-inches by 5-inches by 1-inch in dimension.
- (2) Magnetic tape will be chromium dioxide particle based 1/2-inch tape.
- (3) Cartridges must be 18-track or 36-track parallel (See **Note**).
- (4) Cartridges will contain 37,871 CPI or 75,742 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 and transmittal Form 4804 whether the cartridge is 18-track or 36-track.**

Sec. 4. 8mm, 4mm, and Quarter-Inch Cartridge Specifications

.01 In most instances, IRS/MCC can process 8mm tape cartridges that meet the following specifications:

(a) Must meet American National Standard Institute (ANSI) standards, and have the following characteristics:

- (1) Created from an AS400 operating system only.
- (2) 8mm (.315-inch) tape cartridges will be 2 1/2-inch by 3 3/4-inch.
- (3) The 8mm tape cartridges must meet the following specifications:

Tracks	Density	Capacity
1	20 (43245 BPI)	2.3 Gb
1	21 (45434 BPI)	5 Gb

- (4) Mode will be full function.
- (5) Compressed data is not acceptable.
- (6) Either EBCDIC (Extended Binary Coded Decimal Interchange Code) or ASCII (American Standard Coded Information Interchange) may be used. However, IRS/MCC encourages the use of EBCDIC. This information must appear on the external media label affixed to the cartridge.
- (7) A file may consist of more than one cartridge; however, no more than 250,000 documents may be transmitted per file or per cartridge. The filename, for example, IRSTAX, will contain a three digit extension. The extension will indicate the sequence of the cartridge within the file (e.g., 1 of 3, 2 of 3, and 3 of 3 will appear in the header label as IRSTAX.001, IRSTAX.002, and IRSTAX.003 on each cartridge of the file). The Transmitter "T" Record must only appear on the first cartridge. **The End of Transmission "F" Record should be placed only on the last cartridge for files containing multiple cartridges.**

.02 The 8mm (.315-inch) 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) Various COPY commands have been successful; however, the **SAVE OBJECT COMMAND** is not acceptable.
- (e) Extraneous data following the "F" Record will result in media being returned for replacement.
- (f) Records may not span blocks.
- (g) No more than 250,000 documents per cartridge and per file.

.03 For faster processing, IRS/MCC encourages transmitters to use header labeled cartridges. IRSTAX may be used as a suggested filename.

.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.

.05 If extraneous data follows the End of Transmission “F” Record, the file will be returned for replacement. Therefore, IRS/MCC encourages transmitters to use blank tape cartridges, rather than cartridges previously used, in the preparation of data when submitting information returns.

.06 IRS/MCC can only read one data file on a tape. A data file is a group of records which may or may not begin with a tapemark, but must end with a trailer label. Any data beyond the trailer label cannot be read by IRS programs.

.07 4mm (.157-inch) cassettes are now acceptable with the following specifications:

- (a) 4 mm cassettes will be 2 1/4-inch by 3-inch.
- (b) The tracks are 1 (one).
- (c) The density is 19 (61000 BPI).
- (d) The typical capacity is DDS (DAT data storage) at 1.3 Gb (60 meter) or 2 Gb (90 meter), or DDS-2 at 4Gb (120 meter).
- (e) The general specifications for 8mm cartridges also apply to the 4 mm cassettes.

.08 Various Quarter-Inch Cartridges (QIC) (1/4-inch) are also acceptable.

- (a) QIC cartridges will be 4" by 6".
- (b) QIC cartridges must meet the following specifications:

Size	Tracks	Density	Capacity
QIC-24	8/9	5 (8000 BPI)	45Mb or 60Mb
QIC-120	15	15 (10000 BPI)	120Mb or 200Mb
QIC-150	18	16 (10000 BPI)	150Mb or 250Mb
QIC-525	26	17 (16000 BPI)	525Mb
QIC-1000	30	21 (36000 BPI)	1Gb
QIC-2Gb	42	34 (40640 BPI)	2Gb

- (c) The general specifications that apply to 8mm cartridges also apply to QIC cartridges.

⚡ **Note:** *Advanced Metal Evaporated (AME) cartridges are not acceptable.*

Sec. 5. 3 1/2-Inch Diskette Specifications

IRS/MCC has discontinued processing 5 1/4-inch diskettes. Filers must use other methods by which to submit information returns magnetically/electronically.

.01 To be compatible, a diskette file must meet the following specifications:

- (a) 3 1/2-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 will not contain multiple files as defined in Part A, Section 17. A file may have only **ONE** Transmitter “T” Record.
- (h) Failure to comply with instructions will result in media being returned for replacement.
- (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
1.2 mb	96tpi	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, the file will be returned for replacement.

.03 IRS/MCC will **only** accept 3 1/2-inch diskettes created using MS-DOS.

⚡ **Notes:** *IRS/MCC has discontinued processing 5 1/4-inch diskettes.*

IRS no longer has the capability to process non-MS-DOS compatible diskettes.

3 1/2-inch diskettes created on a System 36 or AS400 are not acceptable.

.04 Transmitters should check media for viruses before submitting it to IRS/MCC.

Sec. 6. Transmitter "T" Record - General Field Descriptions

.01 The Transmitter "T" Record identifies the entity transmitting the magnetic media/electronic file and contains information which is supplied on the Form 4804, Transmittal of Information Returns Reported Magnetically/Electronically. The "T" Record has been created to facilitate current magnetic/electronic processing of information returns at IRS/MCC.

.02 The Transmitter "T" Record is the first record on each file and is followed by a Payer "A" Record. See Part A, Sec. 17, Definition of Terms, for the definition of file. *A file format diagram is located at the end of Part E, Miscellaneous Information, just before the mail labels.* A file will be returned to the transmitter for replacement if the "T" Record is not present. For transmitters with multiple diskettes, refer to Sec. 5, 3 1/2-Inch Diskette Specifications.

.03 No money or payment amounts are reported in the Transmitter "T" Record.

.04 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.

.05 All records must be a fixed length of 750 positions.

.06 The Transmitter "T" Record must be followed by the Payer "A" Record, which must be followed with Payee "B" Records; however, the initial record on each file must be a Transmitter "T" Record.

.07 All alpha characters entered in the "T" Record must be upper-case.

.08 When transmitting information on magnetic media or electronically, the Transmitter "T" Record must precede the first Payer "A" Record and reflect the person actually transmitting the information to IRS/MCC.

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 "2000" (unless reporting prior year data; report the year which applies [1997, 1998, 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 2000.
7-15	Transmitter's TIN	9	Required. Enter the transmitter's nine digit Tax Identification Number. May be an EIN, SSN or ITIN.
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 within this program.
21-22	Replacement Alpha Character	2	Required for replacement files only. Enter the alpha/numeric character which appears immediately following the TCC number on the Media Tracking Slip (Form 9267). The Form 9267 accompanies media that has been returned by IRS/MCC due to processing problems. This field must be blank unless media has been returned. 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.

Record Name: Transmitter "T" Record (Continued)

Field Position	Field Title	Length	Description and Remarks
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	Enter any additional information that may be part of the name. Left justify information and fill unused positions with blanks.
Note: Any correspondence relating to problem media or electronic files will be sent to this address.			
110-149	Company Name	40	Required. Enter the name of the company to be associated with the address where correspondence should be sent or media should be returned due to processing problems.
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 or media should be returned due to processing problems.
190-229	Company Mailing Address	40	Required. Enter the mailing address where correspondence should be sent or media should be returned in the event IRS/MCC is unable to process.
230-269	Company City	40	Required. Enter the city, town, or post office where correspondence should be sent or media should be returned in the event IRS/MCC is unable to process.
270-271	Company State	2	Required. Enter the valid U. S. Postal Service state abbreviation. Refer to the chart of valid state codes in Part A, Sec.18.
272-280	Company 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.
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 the file or transmission.
344-358	Contact's Phone Number & Extension	15	Required. Enter the telephonenumber of the person to contact regarding magnetic/electronic files. Omit hyphens. If no extension is available, left justify information and fill unused positions with blanks. For example, the IRS/MCC Call Site phone number of 304-263-8700 with an extension of 52345 would be 304263870052345.
359-360	Magnetic Tape File	2	Required for magnetic tape/tape cartridge filers only. Enter the letters "LS" (in uppercase only). Use of this

Record Name: Transmitter "T" Record (Continued)

Field Position	Field Title	Length	Description and Remarks
	Indicator		field by filers using other types of media will be acceptable but is not required.
361-375	Electronic File Name For a Replacement File	15	Required for a <i>rejected</i> original or electronic file for which a replacement is being sent. Enter the ORIGINAL or CORRECTION electronic file name assigned by the IRS electronic FIRE system.
<p>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.</p> <p align="right">If you are sending an original, correction or test file, then enter blanks.</p>			
376-748	Blank	373	Enter blanks.
749-750	Blank	2	Enter blanks , or carriage return/line feed (CR/LF) characters.

Sec. 7. 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's Phone Number & Extension	Magnetic Tape File Indicator	Electronic File Name For a Replacement File	Blank	Blank or CR/LF		
344-358	359-360	361-375	376-748	749-750		

Sec. 8. 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 reason to know that the property has been abandoned. The payer will be held responsible for the completeness, accuracy, and timely submission of magnetic/electronic files. The Payer "A" Record also provides parameters for the succeeding Payee "B" Records. IRS computer programs rely on the absolute relationship between the parameters and data fields in the "A" Record and the data fields in the "B" Records to which they apply.

.02 The number of "A" Records depends on the number of payers and the different types of returns being reported. The payment amounts for one payer and for one type of return should be consolidated under one "A" Record if submitted on the same file.

.03 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. For “B” Records that do not contain payment amounts for all three amount codes, enter zeros for those which have no payment to be reported.

.04 When reporting Form 1098, Mortgage Interest Statement, and Form 1098-E, Student Loan Interest Statement, the “A” Record will reflect the name and TIN of the recipient of the interest payment, the filer of Forms 1098 and 1098-E (the payer). The “B” Record will reflect the individual paying the interest (the borrower/payer of record) and the amount paid. For Form 1099-S, Proceeds Form Real Estate Transactions, the “A” Record will reflect the person responsible for reporting the transaction (the filer of the Form 1099-S) and the “B” Record will reflect the seller/transferor. When reporting Form 1098-T, Tuition Payments statement, the “A” Record will reflect the name and TIN of the educational institution receiving tuition payments. The “B” Record will reflect the name and TIN of the student on whose behalf the tuition is being paid.

.05 The second record on the file must be an “A” Record. A transmitter may include “B” Records for more than one payer on a tape or diskette. However, **each group** of “B” Records must be preceded by an “A” Record and followed by an End of Payer “C” Record. A single tape or diskette 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.

.06 All records must be a fixed length of 750 positions.

.07 The initial record on a file must be a “T” Record followed by an “A” Record. IRS/MCC will accept an “A” Record after a “C” Record to report an additional payer or a different type of return. An “A” Record may be blocked with “B” Records. *A file format diagram is located at the end of Part E, Miscellaneous Information just before the mail labels.*

.08 Do not begin any record at the end of a block or diskette and continue the same record into the next block or diskette.

.09 All alpha characters entered in the “A” Record must be uppercase.

.10 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 “A.”
2-5	Payment Year	4	Required. Enter “2000” (unless reporting prior year data; report the year which applies [1998, 1999, 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. To distinguish between Package 1099 and the Magnetic Media Reporting (MMR) Package, the Package 1099 contains Form 7018-C, Order Blank for Forms, and the mail label on the package contains a four (4) character name control. The MMR Package contains instructions for filing magnetically or electronically. 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. The mail label on the MMR Package does not contain a name control. If a Package 1099 has not been received or the Payer Name Control is unknown, this field must be blank filled.
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Record Name: Payer "A" Record (Continued)

Field Position	Field Title	Length	Description and Remarks																																								
25	Last Filing Indicator	1	Enter a "1" (one) if this is the last year the payer will file; otherwise, enter blank . Use this indicator if the payer will not be filing information returns under this payer name and TIN in the future either magnetically, electronically, or on paper.																																								
26	Combined Federal/State Filer	1	Required for the Combined Federal/State Filing Program. Enter "1" (one) if participating in the Combined Federal/State Filing Program; otherwise, enter blank . Refer to Part A, Sec. 16, for further information. The only forms that may be filed under the Combined Federal /State Filing Program are: Forms 1099-DIV, 1099-G, 1099-INT, 1099-MISC, 1099-OID, 1099-PATR, 1099-R, and 5498.																																								
27	Type of Return	1	Required. Enter the appropriate code from the table below: <table border="1" style="margin-left: 20px;"> <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-DIV</td><td>1</td></tr> <tr><td>1099-G</td><td>F</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-MSA</td><td>M</td></tr> <tr><td>1099-OID</td><td>D</td></tr> <tr><td>1099-PATR</td><td>7</td></tr> <tr><td>1099-R</td><td>9</td></tr> <tr><td>1099-S</td><td>S</td></tr> <tr><td>5498</td><td>L</td></tr> <tr><td>5498-MSA</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-DIV	1	1099-G	F	1099-INT	6	1099-LTC	T	1099-MISC	A	1099-MSA	M	1099-OID	D	1099-PATR	7	1099-R	9	1099-S	S	5498	L	5498-MSA	K	W-2G	W
Type of Return	Code																																										
1098	3																																										
1098-E	2																																										
1098-T	8																																										
1099-A	4																																										
1099-B	B																																										
1099-C	5																																										
1099-DIV	1																																										
1099-G	F																																										
1099-INT	6																																										
1099-LTC	T																																										
1099-MISC	A																																										
1099-MSA	M																																										
1099-OID	D																																										
1099-PATR	7																																										
1099-R	9																																										
1099-S	S																																										
5498	L																																										
5498-MSA	K																																										
W-2G	W																																										
28-39	Amount Codes (See Note)	12	Required. Enter the appropriate amount codes for the type of return being reported. Generally, for each amount code entered in this field, a corresponding payment amount must appear in the Payee "B" Record. In most cases, the box numbers on paper information returns correspond with the amount codes used to file magnetically/electronically. However, if discrepancies occur, this Revenue Procedure governs.																																								

Example of Amount Codes:

If position 27 of the Payer "A" Record is "A" (for 1099-MISC) and positions 28-39 are "1247AC**b**bbb", this indicates the payer is reporting any or all six payment amounts (1247AC) in all of the following "B" Records. **(In this example, "b" denotes blanks in the designated positions. Do not enter the letter "b".)**

- The first payment amount field (1)** will represent rents;
- the second payment amount field (2)** will represent royalties;
- the third payment amount field (3)** will be all "0" (zeros);
- the fourth payment amount field (4)** will represent Federal income tax withheld;
- the fifth and sixth payment amount fields (5 and 6)** will be all "0" (zeros);
- the seventh payment amount field (7)** will represent nonemployee compensation;
- the eighth and ninth payment amount fields (8 and 9)** will be all "0" (zeros);

Record Name: Payer "A" Record (Continued)

Field Position	Field Title	Length	Description and Remarks
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the tenth payment amount field (A) will represent crop insurance proceeds;
the eleventh payment amount field (B) will be all "0" (zeros); and
the twelfth payment amount field (C) will represent gross proceeds paid to an attorney in connection with legal services.
 Enter the amount codes in **ascending sequence** (i.e., 1247AC0000), left justify information, and fill unused positions with blanks. For further clarification of the amount codes, contact IRS/MCC.

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.

Amount Codes **Form 1098** - Mortgage Interest Statement For Reporting Mortgage Interest Received From Payers/Borrowers (Payer of Record) on Form 1098:

<u>Amount 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) See Note .

Note: The interest recipient may use this field to furnish other information, such as real estate taxes or insurance paid from escrow.

Amount Codes **Form 1098-E** - Student Loan Interest Statement For Reporting Interest on Student Loans on Form 1098-E

<u>Amount Code</u>	<u>Amount Type</u>
1	Student loan interest received by lender

Note: Until regulations are adopted, no penalties will be imposed under IRC sections 6721 or 6722 for failure to file or furnish correct Forms 1098-E if you made a good faith effort to file and furnish them.

Amount Codes **Form 1098-T** - Tuition Payments Statement For Reporting Tuition Payments on Form 1098-T (See **Note**.)

<u>Amount Code</u>	<u>Amount Type</u>
1	For filer's use (See Notes .)
2	For filer's use (See Notes .)

Note: When reporting Form 1098-T, the filer must use Type of Return Code 8 in position 27, and Amount Codes 1 and 2 in positions 28 and 29 of the Payer "A" Record. However, if no money is being reported, the payment amount fields will contain zeros. There is no requirement for filers to report money amounts on Form 1098-T for Tax Year 2000.

Note: Until regulations are adopted, no penalties will be imposed under IRC sections 6721 or 6722 for failure to file or furnish correct Forms 1098-T if you made a good faith effort to file and furnish them.

Amount Codes **Form 1099-A** - Acquisition or Abandonment of Secured Property (See **Note**.) For Reporting the Acquisition or Abandonment of Secured Property on Form 1099A:

<u>Amount Code</u>	<u>Amount Type</u>
2	Balance of principal outstanding
4	Fair market value of property

Note: If, in the same calendar year, a debt is canceled in connection with a foreclosure or abandonment of secured property for one debtor and the filer would be required to file both Forms 1099-A and 1099-C, Cancellation of Debt, the filer is

Record Name: Payer "A" Record (Continued)

Field Position	Field Title	Length	Description and Remarks
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required to file Form 1099-C only. See the 2000 "Instructions for Forms 1099-A and 1099-C" for further information on coordination with Form 1099-C.

Amount Codes	Form 1099-B- Proceeds From Broker and Barter Exchange Transactions	For Reporting on Form 1099-B:
<u>Amount Code</u>	<u>Amount Type</u>	
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 2000 (See Note 2.)	
7	Unrealized profit (or loss) on open contracts-12/31/1999 (See Note 2.)	
8	Unrealized profit (or loss) on open contracts-12/31/2000 (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 - Cancellation of Debt (See Note 1.)	For Reporting Cancellation of Debt on Form 1099-C:
<u>Amount Code</u>	<u>Amount Type</u>	
2	Amount of debt canceled	
3	Interest, if included in Amount Code 2	
7	Fair market value of property (See Note 2.)	

Note 1: If, in the same calendar year, a debt is canceled in connection with a foreclosure or abandonment of secured property for one debtor and the filer would be required to file both Forms 1099-C and 1099-A, Acquisition or Abandonment of Secured Property, the filer is required to file Form 1099-C only. See the 2000 "Instructions for Forms 1099-A and 1099-C" for further information on coordination with Form 1099-A.

Note 2: Use Amount Code 7 only if a combined Form 1099-A and 1099-C is being filed.

Amount Codes	Form 1099-DIV- Dividends and Distributions	For Reporting Payments on Form 1099-DIV:
<u>Amount Code</u>	<u>Amount Type</u>	
1	Ordinary dividends	
2	Total capital gains distributions	
3	28% rate gain	
4	Unrecaptured section 1250 gain	
5	Section 1202 gain	
6	Nontaxable distributions	
7	Federal income tax withheld (backup withholding)	
8	Investment expenses	
9	Foreign tax paid	
A	Cash liquidation distribution	

See the 2000 "Instructions for Form 1099-DIV" for further information.

Record Name: Payer "A" Record (Continued)

Field Position	Field Title	Length	Description and Remarks
		B	Noncash liquidation distribution
Amount Codes	Form 1099-G- Certain Government and Qualified State Tuition Program 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 (backupwithholding or voluntary withholding on unemployment compensation or Commodity Credit Corporation Loans, or certain crop disaster payments)
		5	Qualified state tuition program earnings
		6	Taxable grants
		7	Agriculture payments
Amount Codes	Form 1099-INT- Interest Income		For Reporting Payments on Form 1099-INT:
		Amount Code	Amount Type
		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 (backupwithholding)
		5	Investment expenses
		6	Foreign tax paid
Amount Codes	Form 1099-LTC- Long-Term Care and Accelerated Death Benefits		For Reporting Payments on Form 1099-LTC:
		Amount Code	Amount Type
		1	Gross long-term care benefits paid
		2	Accelerated death benefits paid
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 services

Record Name: Payer "A" Record (Continued)

Field Position	Field Title	Length	Description and Remarks
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☛ **Note 1: If reporting the Direct Sales Indicator only in position 547 of the Payee "B" Record, use Type of Return Code A for 1099-MISC in position 27, and Amount Code 1 in position 28 of 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-MSA-**
Distributions From an MSA or
Medicare+Choice MSA

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

Amount

<u>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 1099-OID-**
Original Issue Discount

For Reporting Payments on Form 1099OID:

Amount

<u>Code</u>	<u>Amount Type</u>
1	Original issue discount for 2000
2	Other periodic interest
3	Early withdrawal penalty
4	Federal income tax withheld (backup withholding)
6	Original issue discount on U.S. Treasury obligations (See Note.)
7	Investment expenses (See Note.)

☛ **Note: See the 2000 "Instructions for Forms 1099-INT and 1099-OID" for further reporting information.**

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 dividends
2	Nonpatronage distributions
3	Perunit retain allocations
4	Federal income tax withheld (backup withholding)
5	Redemption of nonqualified notices and retain allocations

Pass-Through Credits (See Note.)

6	For filer's use for pass-through credits
7	Investment credit
8	Work opportunity credit
9	Patron's alternative minimum tax (AMT) adjustment

☛ **Note: Amount Codes 6, 7, 8, and 9 are reserved for the patron's share of unused credits that the cooperative is passing through to the patron. Other credits may be reported in Amount Code 6. The title of the credit reported in Amount Code 6 may be reported in the Special Data Entries Field in the Payee "B" Record. The amounts shown for Amount Codes 6, 7, 8, and 9 must be reported to the payee. These Amount Codes and the Special Data Entries Field are for the convenience of the filer. This information is not needed by IRS/MCC.**

Record Name: Payer "A" Record (Continued)

Field Position	Field Title	Length	Description and Remarks
	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 Code
			Amount Type
		1	Gross distribution (See Note 1.)
		2	Taxable amount (See Note 2.)
		3	Capital gain (included in Amount Code 2)
		4	Federal income tax withheld (See Note 3.)
		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 <i>Roth conversion</i> (See Note 4.)

☛ **Note 1:** If the payment shown for Amount Code 1 is a total distribution, enter a "1" (one) in position 549 of the "B" Record. An amount must be shown in Payment Amount Field 1 unless reporting an amount ONLY in Payment Amount Field 8. If a distribution is a loss, do not enter a negative amount. For example, if stock is distributed but the value is less than the employee's after-tax contributions, enter the value of the stock in Payment Amount Field 1, enter "0" (zero) in Payment Amount Field 2, and enter the employee's contributions in Payment Amount Field 5.

☛ **Note 2:** If the taxable amount cannot be determined, enter a "1" (one) in position 547 of the "B" Record. For a traditional IRA, SEP, or SIMPLE distribution, generally enter in Payment Amount Field A the same amount entered in Payment Amount Field 1.

☛ **Note 3:** See the 2000 "Instructions for Forms 1099-R and 5498" for information concerning Federal income tax withheld for Form 1099-R.

☛ **Note 4:** 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*), Field Positions 163-174 of the Payee "B" Record, and generally, the same amount in Payment Amount Field 1 (Gross Distribution), Field Positions 55-66 of the Payee "B" Record. Amount Code A was created to identify the distribution as an IRA/SEP/SIMPLE or *Roth conversion*. The IRA/SEP/SIMPLE indicator should be set in Field Position 548 of the Payee "B" Record and the money should be reported in Payment Field A as well as Payment Field 1 of the Payee "B" Record; but, not in Payment Amount Field 2.

Amount Codes Form 1099-S - Proceeds From Real Estate Transactions			For Reporting Payments on Form 1099-S:
			Amount Code
			Amount Type
		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 5498 - IRA Contribution Information (See Note 1.)			For Reporting Information on Form 5498:
			Amount Code
			Amount Type
		1	IRA contributions (other than amounts in Amount Codes 2, 3, 7, 8, 9, and A) (See Note 3.)
		2	Rollover contributions
		3	Roth conversion amount

Record Name: Payer "A" Record (Continued)

Field Position	Field Title	Length	Description and Remarks
		4	Fair market value of account
		5	Life insurance cost included in Amount Code 1
		7	SEP contributions
		8	SIMPLE contributions
		9	Roth IRA contributions
		A	Education IRA contributions

☛ **Note 1:** For information regarding Inherited IRAs, refer to the 2000 "Instructions for Forms 1099-R and 5498" and Rev. Proc. 89-52, 1989-2 C.B. 632. Beneficiary information must be given in the Payee Name Line Field of the "B" Record.

☛ **Note 2:** If reporting IRA contributions for a participant in a military operation see 2000 "Instructions for Forms 1099-R and 5498".

☛ **Note 3:** 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 7.

Amount Codes **Form 5498-MSA-**
MSA or Medicare+Choice MSA
Information

For Reporting Information on 5498-MSA:

<u>Amount Code</u>	<u>Amount Type</u>
1	Employee or self-employed person's MSA contributions made in 2000 and 2001 for 2000
2	Total contributions made in 2000
3	Total MSA contributions made in 2001 for 2000
4	Rollover contributions (See Note 1.)
5	Fair market value of MSA or M+C MSA (See Note 2.)

☛ **Note 1:** This is the amount of any rollover made to this MSA in 2000 after a distribution from another MSA. For detailed information on reporting, see the 2000 "Instructions for Forms 1099-R, 5498 and 5498-MSA."

☛ **Note 2:** This is the fair market value (FMV) of the account on December 31, 2000.

Amount Codes **Form W-2G-**
Certain Gambling
Winnings

For Reporting Payments on Form W-2G:

<u>Amount Code</u>	<u>Amount Type</u>
1	Gross winnings
2	Federal income tax withheld
7	Winnings from identical wagers

40-47	Blank	8	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 the purpose of this file is to replace a file that IRS/MCC returned to the transmitter due to errors encountered in processing. This is a file that has not been successfully processed by IRS. Otherwise, enter a blank.

If selecting the Replacement File Indicator in Position 49, Field Positions 48 and 50 must be blank. **Only one** indicator may be selected 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 the purpose of this file is to correct information which was previously submitted to IRS/MCC, was processed, but contained erroneous information. Do not submit original information as corrections. 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. If the payer is not a foreign entity, 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. (See Part A, Sec. 17, for a definition of transfer agent.)						
			<table border="0"> <thead> <tr> <th align="left"><u>Code</u></th> <th align="left"><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 P. O. Box if mail is not delivered to street address). Left justify information, and fill unused positions with blanks.						
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,						

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 52 must contain a "1" (one).

Record Name: Payer "A" Record (Continued)

Field Position	Field Title	Length	Description and Remarks
			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.18.
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's Phone Number & Extension	15	Enter the payer's phone number and extension.
240-748	Blank	509	Enter blanks.
749-750	Blank	2	Enter blanks or carriage return/line feed (CR/LF) characters.

Sec. 9. Payer "A" Record - Record Layout

Record Type	Payment Year	Blank	Payer's 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	28-39	40-47	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's Phone Number and	Blank Extension	Blank or CR/LF	
174-213	214-215	216-224	225-239	240-748	749-750	

Sec. 10. Payee "B" Record - General Field Descriptions and Record Layouts

.01 The "B" Record contains the payment information from the information returns. When filing information returns, the format for the "B" Records will remain constant and is a fixed length of 750 positions. 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 "A" Record, the amount codes that appear in field positions 28 through 39 will be left-justified and filled with blanks. In the "B" Record, the filer **must** allow for all twelve Payment Amount Fields. For those fields not used, enter "0s" (zeros). For example, a payer reporting on Form 1099-MISC should enter "A" in field position 27 of the "A" Record, Type of Return. If reporting payments for Amount Codes 1, 2, 4, 7, A and C, the payer would report field positions 28 through 39 of the "A" Record as "1247AC**b**b**b**b**b**b." (In this example, "b" denotes blanks. Do not enter the letter "b".) In the "B" Record:

- Positions 55 through 66 for Payment Amount 1** will represent rents.
- Positions 67-78 for Payment Amount 2** will represent royalties.
- Positions 79-90 for Payment Amount 3** will be “0’s” (zeros).
- Positions 91-102 for Payment Amount 4** will represent Federal income tax withheld.
- Positions 103-126 for Payment Amounts 5 and 6** will be “0’s” (zeros).
- Positions 127-138 for Payment Amount 7** will represent nonemployee compensation.
- Positions 139-162 for Payment Amounts 8 and 9** will be “0’s” (zeros).
- Positions 163-174 for Payment Amount A** will represent crop insurance proceeds.
- Positions 175-186 for Payment Amount B** will be “0’s” (zeros).
- Positions 187-198 for Payment Amount C** will represent gross proceeds paid to an attorney in connection with legal services.

.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 See Part A, Sec. 14, for further information concerning Taxpayer Identification Numbers (TINs).

.04 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.

.05 All records must be a fixed length of 750 positions.

.06 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. This field will not affect the processing of the “B” Records.

.07 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.

.08 Those payers participating in the Combined Federal/State Filing Program must adhere to all of the specifications in Part A, Sec. 16, to participate in this program. Filers may not file Forms 1098, 1098-E, 1098-T, 1099-A, 1099-B, 1099-C, 1099-LTC, 1099-MSA, 1099-S, 5498-MSA, and W-2G under the Combined Federal/State Filing Program.

.09 All alpha characters in the “B” Record must be uppercase.

.10 Do not use decimal points (.) to indicate dollars and cents. Ten dollars must appear as 000000001000 in the payment amount field.

.11 IRS strongly encourages transmitters to review the data for accuracy before submission to prevent issuance of erroneous notices. Transmitters should be especially careful that the names, TINs, account numbers, types of income, and income amounts are correct.

.12 When reporting Form 1098, Mortgage Interest Statement and Form 1098-E, Student Loan Interest Statement, the “A” Record will reflect the name and TIN of the recipient of the interest or payment, the filer of the Forms 1098 and 1098-E (the payer). The “B” Record will reflect the individual paying the interest (borrower/payer of record) and the amount paid. For Form 1099-S, Proceeds From Real Estate Transactions, the “A” Record will reflect the person responsible for reporting the transaction (the filer of the Form 1099-S) and the “B” record will reflect the seller/transferor. When reporting Form 1098-T, Tuition Payments Statement, the “A” Record will reflect the name and TIN of the educational institution receiving tuition payments. The “B” Record will reflect the name and TIN of the student on whose behalf the tuition is being paid.

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 “2000” (unless reporting prior year data; report the year which applies [1998, 1999, etc.]).
6	Corrected Return Indicator	1	Required for corrections only. Indicates a corrected return.

Record Name: Payee “B” Record (Continued)

Field Position	Field Title (See Note.)	Length	Description and Remarks	
			<u>Code</u>	<u>Definition</u>
			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. 13, for specific instructions on how to file corrected returns.**

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 leftjustified, 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 part of the surname, e.g., for Van Elm, the name control would be VANE. <i>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 Payer Name Line.</i>	
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☛ **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.**

The following examples may be helpful to filers in developing the Name Control:

Name	Name Control
Individuals:	
Jane Brown	BROW
John A. Lee	LEE*
James P. En , Sr.	EN*
John O’Neill	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

Record Name: Payee "B" Record (Continued)

Field Position	Field Title	Length	Description and Remarks
	Mark D'Allesandro	DALL	
Corporations:			
	The F irst National Bank	FIRS	
	The H ideaway	THEH	
	A & B Cafe	A&BC	
	11TH Street Inc.	11TH	
Sole Proprietor:			
	Mark H emlock		
	DBA The Sunshine Club	HEML	
Partnership:			
	Robert A spen		
	and Bess Willow	ASPE	
	Harold F ir, Bruce Elm,		
	and Joyce Spruce et al Ptr	FIR*	
Estate:			
	Frank W hite Estate	WHIT	
	Estate of Sheila B lue	BLUE	
Trusts and Fiduciaries:			
	D aisy Corporation Employee		
	Benefit Trust	DAIS	
	Trust FBO The C herryblossom		
	Society	CHER	
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:
		Code	Type of TIN
		1	EIN
		2	SSN
			or
		2	ITIN
			or
		2	ATIN
		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 . (See Note .)

Record Name: Payee “B” Record (Continued)

Field Position	Field Title	Length	Description and Remarks
<p>Note: IRS/MCC contacts payers who have submitted payee data with missing TINs in an attempt to prevent errors that could result in penalties. Payers 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 will prevent unnecessary contact from IRS/MCC. This letter, however, will not prevent backup withholding notices (CP2100 or CP2100A Notices) or penalties for missing or incorrect TINs.</p>			
21-40	Payer’s Account Number For Payee	20	Enter any number assigned by the payer to the payee (e.g., checking or savings account number). Filers are encouraged to use this field. This number helps to distinguish individual payee records and should be unique for each document. Do not use the payee’s TIN since this will not make each record unique. This information is particularly useful 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. <i>This code will also appear on backup withholding notices.</i>
45-54	Blank Payment Amount Fields (Must be numeric) (See Note.)	10	Enter blanks. Required. Filers should allow for all payment amounts. For those not used, enter zeros. For example: If position 27, Type of Return, of the “A” Record, is “A” (for 1099-MISC) and positions 28-39, Amount Codes, are “1247AC bbbb ”, this indicates the payer is reporting any or all six payment amounts in all of the following “B” Records. (In this example, “b” denotes blanks in the designated positions. Do not enter the letter “b”) Payment Amount 1 will represent rents; Payment Amount 2 will represent royalties; Payment Amount 3 will be all “0’s” (zeros); Payment Amount 4 will represent Federal income tax withheld; Payment Amounts 5 and 6 will be all “0’s” (zeros); Payment amount 7 will represent nonemployee compensation; Payment Amounts 8 and 9 will be all “0’s” (zeros); Payment Amount A will represent crop insurance proceeds; Payment Amount B will be all “0’s” (zeros); and Payment Amount C will represent gross proceeds paid to an attorney in connection with legal services. 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 1099B. Positive and negative amounts are indicated by placing a “+” (plus) or “-” (minus) sign in the left-most

Record Name: Payee “B” Record (Continued)

Field Position	Field Title	Length	Description and Remarks
			position of the payment amount field. A negative over punch in the units 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. Federal income tax withheld cannot be reported as a negative amount on any form.
<p>⚡ Note: Filers must enter numeric information in all payment fields when filing magnetically or electronically. However, when reporting information on the statement to the recipient, the payer may be instructed to leave a box blank. Follow the guidelines provided in the paper instructions for the statement to the recipient.</p>			
55-66	Payment Amount 1*	12	The amount reported in this field represents payments for Amount Code 1 in the “A” Record.
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.
<p>*If there are discrepancies between the payment amount fields and the boxes on the paper forms, the instructions in this Revenue Procedure govern.</p>			
199-246	Reserved	48	Enter blanks.
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. Address information must not appear in the First or Second Payee Name Line.
248-287	First Payee Name Line (See Notes.)	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

Record Name: Payee “B” Record (Continued)

Field Position	Field Title	Length	Description and Remarks
			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, preferably 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. Do not split words.
<p>⚡ Note 1: 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.</p>			
<p>⚡ Note 2: On Form 5498, for Inherited IRAs, enter the beneficiary’s name followed by the word “beneficiary.” For example, “Brian Young as beneficiary of Joan Smith” or something similar that signifies that the IRA was once owned by Joan Smith. Filers may abbreviate the word “beneficiary” as, for example, “benef.” Refer to the 2000 “Instructions for Forms 1099-R and 5498.” The beneficiary’s TIN must be reported in positions 12-20 of the “B” Record.</p>			
<p>⚡ Note 3: When reporting Form 1099-LTC, Long-Term Care and Accelerated Death Benefits, the Payee Name Line of the “B” Record will reflect the policyholder. The name of the insured will be reported in Field Positions 557-596 of the Payee “B” Record.</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. Fill with blanks if no entries are present for this field.
328-367	Blank	40	Enter blanks.
368-407	Payee Mailing Address	40	Required. Enter mailing address of payee. Street address should include number, street, apartment or suite number (or P.O. 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.
<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 payee city, state, and ZIP code.</p> <p>For foreign addresses, filers may use the payee 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>			
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. 18.
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

Record Name: Payee "B" Record (Continued)

Field Position	Field Title	Length	Description and Remarks
			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.
499-543	Blank	45	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
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
41-44	45-54	55-66	67-78	79-90	91-102	103-114
Payment Amount 6	Payment Amount 7	Payment Amount 8	Payment Amount 9	Payment Amount A	Payment Amount B	
115-126	127-138	139-150	151-162	163-174	175-186	
Payment Amount C	Reserved	Foreign Country Indicator	First Payee Name Line	Second Payee Name Line	Blank	
187-198	199-246	247	248-287	288-327	328-367	
Payee Mailing Address	Blank	Payee City	Payee State	Payee ZIP Code	Blank	
368-407	408-447	448-487	488-489	490-498	499-543	

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

- (1) **Forms 1098, 1098-E**
- (2) **Form 1098-T**
- (3) **Form 1099-A**
- (4) **Form 1099-B**
- (5) **Form 1099-C**
- (6) **Form 1099-DIV***
- (7) **Form 1099-G***
- (8) **Form 1099-INT***
- (9) **Form 1099-LTC**
- (10) **Form 1099-MISC***
- (11) **Form 1099-MSA**
- (12) **Form 1099-OID***
- (13) **Form 1099-PATR***
- (14) **Form 1099-R***
- (15) **Form 1099-S**
- (16) **Form 5498***

(17) Form 5498-MSA

(18) 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. 16, for information about the program, including specific codes for the record layouts.

(1) Payee "B" Record - Record Layout Positions 544-750 for Forms 1098 and 1098-E

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
Forms 1098 and 1098-E

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

Note: Until regulations are adopted, no penalties will be imposed under IRC sections 6721 or 6722 for failure to file or furnish correct Forms 1098-E or 1098-T if you made a good faith effort to file and furnish them.

(2) 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 2000. 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.
549-662	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 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
Form 1098-T**

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

(3) Payee "B" Record - Record Layout Positions 544-750 for Form 1099A

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:
		<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., 20001022). Do not enter hyphens or slashes.
<p>☛ For dates with one-digit months (i.e., January-September) or days (i.e., 1-9), enter a zero before the month or day. January 1, 2000, would be 20000101. Do not enter blanks, alphas or special characters.</p>			
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.
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
Form 1099-A**

Blank	Personal Liability Indicator Abandonment	Date of Lender's Acquisition or Knowledge of	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

(4) 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" 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 blanks. <table border="0"> <tr> <td>Indicator</td> <td>Usage</td> </tr> <tr> <td>1</td> <td>Gross proceeds</td> </tr> <tr> <td>3</td> <td>Gross proceeds less commissions and options premiums</td> </tr> </table>	Indicator	Usage	1	Gross proceeds	3	Gross proceeds less commissions and options premiums
Indicator	Usage								
1	Gross proceeds								
3	Gross proceeds less commissions and options premiums								
548-555	Date of Sale	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., 20001022). Enter blanks if this is an aggregate transaction. Do not enter hyphens or slashes.						
☛ For dates with one-digit months (i.e., January-September) or days (i.e., 1-9), enter a zero before the month or day. January 2, 2000 would be 20000102. Do not enter blanks, alphas or special characters.									
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.						
608-662	Blank	55	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						

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

Field Position	Field Title	Length	Description and Remarks
723-734	State Income Tax Withheld	12	state or local revenue departments for filing requirements. If this field is not utilized, enter blanks . 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-B

Second TIN Notice (Optional)	Blank Proceeds Indicator	Gross Sale	Date of Number	CUSIP	Description
544	545-546	547	548-555	556-568	569-607
Blank	Special Data Entries	State Income Tax Withheld	Local Income Tax Withheld	Blank	Blank or CR/LF
608-662	663-722	723-734	735-746	747-748	749-750

(5) 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., 20001022). Do not enter hyphens or slashes.
<p>☛ For dates with one-digit months (i.e., January-September) or days (i.e., 1-9), enter a zero before the month or day. January 2, 2000 would be 20000102. Do not enter blanks, alphas or special characters.</p>			
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.
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

(5) Payee "B" Record - Record Layout Positions 544-750 for Form 1099-C (Continued)

Field Position	Field Title	Length	Description and Remarks
			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 1099C

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

(6) 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" 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 9) 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. 16, Table 1. For those payers or states not participating in this pro-

(6) Payee "B" Record - Record Layout Positions 544-750 for Form 1099-DIV (Continued)

Field Position	Field Title	Length	Description and Remarks
749-750	Blank	2	gram, enter blanks. 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	

(7) 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. Indicator Usage 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 year for which the payment was made, not the tax year of the Form 1099-G. The tax year must be in the four position format of YYYY (e.g., 1998). The valid range of years for the refund is 1990 through 1999.
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.

(7) Payee "B" Record - Record Layout Positions 544-750 for Form 1099-G (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. 16, 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

(8) 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" 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 9) 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.

(8) Payee "B" Record - Record Layout Positions 544-750 for Form 1099-INT (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. 16, 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

(9) 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"> <thead> <tr> <th><u>Indicator</u></th> <th><u>Usage</u></th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Per diem</td> </tr> <tr> <td>2</td> <td>Reimbursed amount</td> </tr> </tbody> </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 Insured	40	Required. Enter the address of the insured. Street address should include number, street, apartment or suite number (or P.O. Box if 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.						

(9) Payee "B" Record - Record Layout Positions 544-750 for Form 1099-LTC (Continued)

Field Position	Field Title	Length	Description and Remarks						
<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. 18.						
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 border="1"> <thead> <tr> <th><u>Indicator</u></th> <th><u>Usage</u></th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Chronically ill</td> </tr> <tr> <td>2</td> <td>Terminally ill</td> </tr> </tbody> </table>	<u>Indicator</u>	<u>Usage</u>	1	Chronically ill	2	Terminally ill
<u>Indicator</u>	<u>Usage</u>								
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., 20001022).						
<p>☛ For dates with one-digit months (i.e., January-September) or days (i.e., 1-9), enter a zero before the month or day. January 2, 2000 would be 20000102. Do not enter blanks, alphas or special characters</p>									
697-722	Blank	26	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)	Blank	State Income Tax Withheld	Local Income Tax Withheld	Blank	Blank or CR/LF
688	689-696	697-722	723-734	735-746	747-748	749-750

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

Field Position	Field Title	Length	Description and Remarks
544	Second TIN Notice (Optional)	1	Enter “2” 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.

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.

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 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. 16, Table 1. For those payers or states not participating in this program, enter blanks.

(10) Payee "B" Record - Record Layout Positions 544-750 for Form 1099MISC (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 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

(11) Payee "B" Record - Record Layout Positions 544-750 for Form 1099-MSA

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: Code Category 1 Normal distribution 2 Excess contributions 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.
548-662	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 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 .

(11) Payee "B" Record - Record Layout Positions 544-750 for Form 1099MSA (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.

Payee "B" Record—Record Layout Positions 544-750 for Form 1099-MSA

Blank	Distribution Code	Blank	Medicare+ Choice MSA Indicator	Blank	Special Data Entries
544	545	546	547	548-662	663-722

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

(12) Payee "B" Record - Record Layout Positions 544-750 for Form 1099-OID

Field Position	Field Title	Length	Description and Remarks
544	Second TIN Notice (Optional)	1	Enter "2" 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.
547-585	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 1/ 2000). 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.

(12) Payee "B" Record - Record Layout Positions 544-750 for Form 1099-OID (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. 16, 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-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

(13) 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" 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 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

(13) Payee "B" Record - Record Layout Positions 544-750 for Form 1099-PATR (Continued)

Field Position	Field Title	Length	Description and Remarks
			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. 16, 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 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

(14) 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 2000 "Instructions for Forms 1099-R and 5498.")	2	<p>Required. Enter at least one distribution code from the table below. More than one code may apply. If only one code is required, it must be entered in position 545 and position 546 must be blank. A blank in position 545 is not acceptable. Position 545 must contain a numeric code except when using Code D, E, F, G, H, J, L, M, P, R or S. Distribution Code A, when applicable, must be entered in position 546 with the applicable numeric code in position 545. 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, or 4 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 E, F, and H cannot be used with any other codes. Distribution Code G may be used with Distribution Code 4 only, if applicable.</p> <table border="0"> <thead> <tr> <th><u>Code</u></th> <th><u>Category</u></th> </tr> </thead> <tbody> <tr> <td>1</td> <td>*Early distribution, no known exception(in most cases, under age 59 1/2)</td> </tr> <tr> <td>2</td> <td>*Early distribution, exception applies (Under age 59 1/2)</td> </tr> <tr> <td>3</td> <td>*Disability</td> </tr> </tbody> </table>	<u>Code</u>	<u>Category</u>	1	*Early distribution, no known exception(in most cases, under age 59 1/2)	2	*Early distribution, exception applies (Under age 59 1/2)	3	*Disability
<u>Code</u>	<u>Category</u>										
1	*Early distribution, no known exception(in most cases, under age 59 1/2)										
2	*Early distribution, exception applies (Under age 59 1/2)										
3	*Disability										

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

Field Position	Field Title	Length	Description and Remarks
			4 *Death
			5 *Prohibited transaction
			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 2000
			9 PS 58 costs (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 1998
			E Excess annual additions under section 415
			F Charitable gift annuity
			G Direct rollover to IRA
			H *Direct rollover to qualified plan or tax-sheltered annuity or a transfer from a conduit IRA to a qualified plan
			J Distribution from a Roth IRA (This code may be used with Code 1, 2, 3, 4, 5, 8, or P.)
			L Loans treated as deemed distributions under section 72(p)
			M Distribution from an education IRA (Ed IRA)
			P *Excess contributions plus earnings/excess deferrals taxable in 1999
			R Recharacterized IRA contribution (See Note.)
			S *Early distribution from a SIMPLE IRA in first 2 years, no known exception

*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).

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

Field Position	Field Title	Length	Description and Remarks
548	IRA/SEP/ SIMPLE Indicator	1	Enter “1” (one) for a traditional IRA, SEP, or SIMPLE distribution or <i>Roth conversion</i> ; otherwise, enter a blank . (See Note .) If the IRA/SEP/SIMPLE Indicator is used, enter the amount of the <i>Roth conversion</i> or distribution in Payment Amount Field A of the Payee “B” Record. Do not use the indicator for a distribution from a Roth or education IRA or for an IRA recharacterization.
☞ Note: For Form 1099-R, generally, report the <i>Roth conversion</i> or total amount distributed from a traditional IRA, SEP, or SIMPLE in Payment Amount Field A (traditional IRA/SEP/SIMPLE distribution or <i>Roth conversion</i>), as well as Payment Amount Field 1 (Gross Distribution) of the “B” Record. Refer to the 2000 “Instructions for Forms 1099-R and 5498” for exceptions (Box 2a instructions).			
549	Total Distribution Indicator (See Note .)	1	Enter a “1” (one) only if the payment shown for Amount Code 1 is a total distribution that closed out the account; otherwise, enter a blank .
☞ 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.			
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 need not enter this information for any IRA distribution or for direct rollovers.
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. 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 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	2	If this payee record is to be forwarded to a state agency

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

Field Position	Field Title	Length	Description and Remarks
	Federal/State Code		as part of the Combined Federal/State Filing Program, enter the valid state code from Part A, Sec. 16, 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-R

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

Percentage of Total Distribution	Blank	Special Data Entries	State Income Tax Withheld	Local Income Tax Withheld	Combined Federal/State Code	Blank or CR/LF
550-551	552-662	663-722	723-734	735-746	747-748	749-750

(15) 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 .
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., 20001022). Do not enter hyphens or slashes.

For dates with one-digit months (i.e., January-September) or days (i.e., 1-9), enter a zero before the month or day. January 2, 2000 would be 20000102. Do not enter blanks, alphas or special characters.

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 .

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

Field Position	Field Title	Length	Description and Remarks
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-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		

☛ **Note: When reporting Form 1099-S, the "B" Record will reflect the seller/transferor information.**

(16) 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 4) 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 4) 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 4) for a SIMPLE. Otherwise, enter a blank.

(16) Payee "B" Record - Record Layout Positions 544-750 for Form 5498 (Continued)

Field Position	Field Title	Length	Description and Remarks
550	Roth IRA Indicator	1	Required, if applicable. Enter "1" (one) if reporting a rollover (Amount Code 2) or Fair Market Value (Amount Code 4) for a Roth IRA. Otherwise, enter a blank.
551	Recharacterization Indicator	1	Required, if applicable. Enter "1" (one) if reporting any recharacterization. Otherwise, enter a blank.
552	Education IRA Indicator	1	Required, if applicable. Enter "1" (one) if reporting a rollover (Amount Code 2) or Fair Market Value (Amount Code 4) for an Education IRA. Otherwise, enter a blank.
553-662	Blank	110	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. 16, 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 5498

Blank	IRA Indicator	SEP Indicator	SIMPLE Indicator	Roth IRA Indicator	Recharacterization Indicator	Education IRA Indicator
544-546	547	548	549	550	551	552

Blank	Special Data Entries	Blank	Combined Federal/State Code	Blank or CR/LF
553-662	663-722	723-746	747-748	749-750

(17) Payee "B" Record - Record Layout Positions 544-750 for Form 5498-MSA

Field Position	Field Title	Length	Description and Remarks
544-546	Blank	3	Enter blanks.
547	Medicare+ Choice MSA Indicator	1	Enter "1" for Medicare+Choice MSA.
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.

(17) Payee "B" Record - Record Layout Positions 544-750 for Form 5498-MSA (Continued)

Field Position	Field Title	Length	Description and Remarks
			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-MSA

Blank	Medicare + Choice MSA Indicator	Blank	Special Data Entries	Blank	Blank or CR/LF
544-546	547	548-662	663-722	723-748	749-750

(18) 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.																		
547	Type of Wager Code	1	Required. Enter the applicable type of wager code from the table below: <table border="1"><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., 20001022). 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). For dates with one-digit months (i.e., January-September) or days (i.e., 1-9), enter a zero before the month or day. January 2, 2000 would be 20000102. Do not enter blanks, alphas or special characters.																		
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																		

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

Field Position	Field Title	Length	Description and Remarks
			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.
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. 11. End of Payer “C” Record - General Field Descriptions and Record Layout

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

.02 The “C” Record consists of the total number of payees and the totals of the payment amount fields filed by a given payer and/or a particular type of return. The “C” Record must be written after the last “B” Record for each type of return for a given payer. For each “A” Record and group of “B” Records on the file, there must be a corresponding “C” Record. *A file format diagram is located at the end of Part E, Miscellaneous Information, just before the mail labels.*

.03 In developing the “C” Record, for example, if a payer used Amount Codes 1, 3, and 6 in the “A” Record, the totals from the “B” Records would appear in Control Totals 1 (positions 16-33), 3 (positions 52-69), and 6 (positions 106-123) of the “C” Record. In this example, positions 34-51, 70-105, and 124-231 would be zero filled. Positions 232-748 would be blank filled.

.04 Payers/Transmitters should verify the accuracy of the totals since data with missing or incorrect “C” Records will be returned for replacement.

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.
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	
232-748	Blank	517	
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	Blank	Blank or CR/LF
124-141	142-159	160-177	178-195	196-213	214-231	232-748	749-750

Sec. 12. State Totals "K" Record - General Field Descriptions and Record Layout

.01 The State Totals "K" Record is a fixed record length of 750 positions. The control total fields are each 18 positions in length.

.02 The "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.

.03 The "K" Record will contain the total number of payees and the totals 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 E, Miscellaneous Information, just before the mail labels.*

.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. 16, for the requirements and conditions that **must** be met to file via this program.

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

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.
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. 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	

(1) State Totals “K” Record - Record Layout Forms 1099-DIV, 1099-G, 1099-INT, 1099-MISC, 1099-OID, 1099-PATR, 1099-R, and 5498 (Continued)

Field Position	Field Title	Length	Description and Remarks
196-213	Control Total B	18	
214-231	Control Total C	18	
232-706	Blank	475	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 filers. 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. 16, Table I.)
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	Blank	State Income Tax Withheld Total	Local Income Tax Withheld Total
124-141	142-159	160-177	178-195	196-213	214-231	232-706	707-724	725-742
Blank	Combined Federal/State Code	Blank or CR/LF						
743-746	747-748	749-750						

Sec. 13. End of Transmission “F” Record - General Field Descriptions and Record Layout

.01 The End of Transmission “F” Record is a fixed record length of 750 positions. The “F” Record is a summary of the number of payers in the entire file.

.02 This record should 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.
31-748	Blank	718	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	Blank or CR/LF
1	2-9	10-30	31-748	749-750

Part C. Electronic Filing Specifications**Sec. 1 Background**

01. All electronic filing of information returns are received at IRS/MCC via the FIRE (Filing Information Returns Electronically) System. The FIRE System can be accessed via analog and ISDN BRI connections. The system is designed to support the electronic filing of information returns only. The telephone number for electronic filing is (1-304-262-2400). Publications and forms are no longer available electronically from MCC. Users needing publications and forms will need to download them from the IRS's Internet Web Site at www.irs.gov or order them by calling 1-800-TAX-FORM (1-800-829-3676).

Sec. 2. Advantages of Filing Electronically

Some of the advantages of filing electronically are as follows:

- (1) Results available within 1-2 workdays as to the acceptability of the data transmitted. It is the filer's responsibility to dial back in and check results.
- (2) Later due date than magnetic media or paper for electronically filed Forms 1099, 1098, and W-2G (refer to Part A, Section 10.01).
- (3) Allows more attempts than magnetic media filing to correct bad files before imposing penalties (refer to Part C, Section 6.05).
- (4) Better customer service due to on-line availability of transmitter's files for research purposes.
- (5) Additional 60 days for testing - November 1, 2000, to February 15, 2001, instead of November 1, 2000, through December 15, 2000.

Sec. 3. General

.01 Electronic filing of Forms 1098, 1099, 5498, and W-2G, originals, corrections, and replacements of information returns is offered as an alternative to magnetic media (tape, tape cartridge, or diskette) or paper filing, but is not a requirement. Transmitters filing electronically will fulfill the magnetic media requirements for those payers who are required to file magnetically. It may also be used by payers who are under the filing threshold requirement, but would prefer to file their information returns this way. If the original file was sent magnetically, but was returned for replacement, the replacement may be transmitted electronically. Also, if the original file was submitted via magnetic media, any corrections may be transmitted electronically.

.02 The electronic filing of information returns is not affiliated with the Form 1040 electronic filing program. These two programs are totally independent, and filers must obtain separate approval to participate in each of them. All inquiries concerning the electronic filing of information returns should be directed to IRS/MCC. IRS/MCC personnel cannot answer questions or assist taxpayers in the filing of Form 1040 tax returns. Filers with questions of this nature will be directed to the Customer Service toll-free number (1-800-829-1040) for assistance.

.03 Files submitted to IRS/MCC electronically must be in standard ASCII code. No magnetic media or paper forms are to be submitted with the same information as the electronically submitted file.

.04 If a request for extension is approved, transmitters who file electronically will be granted an extension of time to file. Part A, Sec. 11, explains procedures for requesting extensions of time. Filers are encouraged to file their data as soon as possible.

.05 The formats of the "T", "A", "B", "C", "K", and "F" Records are the same for electronically filed records as they are for 3

1/2-inch diskettes, tapes, and tape cartridges, and must be in standard ASCII code. For electronically filed documents, each transmission is considered a separate file; therefore, each transmission **must** begin with a Transmitter “T” Record and end with an End of Transmission (EOT) “F” Record.

Sec. 4. Electronic Filing Approval Procedure

.01 Filers must obtain, or already have, a Transmitter Control Code (TCC) assigned prior to submitting their files electronically. (Filers who currently have a TCC for magnetic media filing do not have to request a second TCC for electronic filing.) Refer to Part A, Sec. 7, for information on how to obtain a TCC.

.02 Once a TCC is obtained, electronic filers assign their own passwords and do not need prior or special approval.

.03 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 are up to 8 alpha/numerics, which are case sensitive. However, if filers do forget their password, call **304-263-8700** for assistance.

Note: Passwords are case sensitive.

Sec. 5. 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 connectivity*. If filers wish to submit an electronic test file for Tax Year 2000 (returns to be filed in 2001), it **must** be submitted to IRS/MCC **no earlier than** November 1, 2000, and **no later than** February 15, 2001.

.02 If a filer encounters problems while transmitting the electronic test file, contact IRS/MCC for assistance.

.03 Filers can verify the status of their transmitted test data by dialing the electronic filing system phone number (**1-304-262-2400**). This information will be available within 1-2 workdays after their transmission is received by IRS/MCC.

.04 A test file is required from filers who want approval for the Combined Federal/State Filing Program. See Part A, Sec. 16, for further details.

Sec. 6. 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 **304-263-8700**.

.02 *The FIRE System will be down from December 29, 2000, through January 7, 2001.* This will allow time for IRS/MCC to update its system to reflect current year changes.

.03 Data compression is encouraged when submitting information returns electronically. *WinZip and PKZip are acceptable compression packages. UNIX COMPRESS may be acceptable; however, a test file is recommended to verify compatibility. 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 on the modem speed and the type of data compression used, if any. **The time required to transmit a file can be reduced by as much as 95 percent by using software compression and hardware compression.**

The following are actual transmission rates achieved in test uploads at MCC using compressed files. The actual transmission rates will vary depending on the modem speeds.

Transmission Speed in bps	1000 Records	10,000 Records	100,000 Records
19.2K	34 Sec.	6 Min.	60 Min.
56K	20 Sec.	3 1/2 Min.	33 Min.
128K (ISDN)	8 Sec.	1 Min.	10 Min.

.04 Files submitted electronically will be assigned a unique filename by the *FIRE* System (the users may name files anything they choose from their end). 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 in order to identify the file, if assistance is required, and to complete Form 4804.

.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 sent electronically.

.06 Filers are advised not to resubmit an entire file if records were omitted from the original transmission. This will result in duplicate filing. A new file should be sent consisting of the records that had not previously been submitted.

.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. 7. Transmittal Requirements

.01 The results of the electronic transmission will be available in the File Status area of the electronic system within 1-2 work-days; however, no further processing will occur until the signed Form 4804 is received. The Form 4804 must be postmarked by the due date of the return. No return is considered filed until a Form 4804 is received by IRS/MCC.

.02 Form 4804, which is located in the back of this publication, can be ordered by calling the IRS toll-free forms and publications order number **1-800-TAX-FORM (1-800-829-3676)**, or it may be computer-generated. It may also be obtained from the IRS's Internet Web Site at **www.irs.gov**. If a filer chooses to computer-generate Form 4804, all of the information contained on the original form, including the affidavit, must also be contained on the computer-generated form.

.03 The TCC used in the Transmitter "T" Record is the TCC which must appear on the transmittal Form 4804.

.04 Forms 4804 should be mailed to the following address:

If by Postal Service, air or truck freight:
IRS-Martinsburg Computing Center
Information Reporting Program
Attn: Electronic Filing Coordinator
230 Murall Drive
Kearneysville, WV 25430

Please indicate on the envelope the following message:

CONTAINS FORM 4804 INFORMATION - NO MAGNETIC MEDIA

Sec. 8. Electronic Filing Specifications

.01 The FIRE System is designed exclusively for the filing of Forms 1042-S, 1099, 1098, 5498, 8027, W-2G and W-4.

.02 A transmitter must have a TCC before a file can be transmitted. If you have a TCC for magnetic media filing, that TCC can also be used for electronic filing.

.03 *It is the filer's responsibility to dial back to verify the acceptability of files submitted by checking the file status area of the system.* These reports will be available on the electronic system in 1-2 workdays after the transmission is received by IRS/MCC.

.04 Contact the FIRE System by dialing **304-262-2400**. This number supports analog connections from 1200bps to 56Kbps or ISDN BRI 128Kbps connections. The system can be accessed via Dial-up network/web browser (*see Section 9*) or communications software (*see Section 10*). The Dial-up network/web browser will provide an Internet-like look without going through the Internet (point-to-point). If you do not have this capability, a text interface is provided that can be accessed via communication software such as *Hyperterminal, Procomm, PCAnywhere, etc.*

Sec. 9. Dial-up Network/Browser Specifications (Web Interface)

.01 The following are some general instructions (many of these settings may already be set by default in your software):

Dial-up network settings:

- (a)** Set dial-up server type to PPP
- (b)** Set network protocol to TCP/IP

Browser settings:

- (a)** Set to receive 'cookies'
- (b)** Enable JavaScript or Jscript
- (c)** Browser must be capable of file uploads (i.e., Internet Explorer 4.0, Netscape 2.0 or higher)
- (d)** Enter the URL address of <http://10.225.224.2> (*Remember, this is a point-to-point connection, not the Internet.*)

.02 *Due to the large number of communication products available, it is impossible to provide specific information on all software/hardware configurations. However, since most of our filers use Windows 95, 98 or NT software, the following instructions are geared toward those products:*

UPLOADING FILES WITH DIAL-UP NETWORKING/WEB BROWSER IN WINDOWS 95/98

Tips

(1) *This is a point-to-point connection – not the Internet.*

- (2) Your browser must be capable of file uploads, i.e., Internet Explorer 4.0 or Netscape Navigator 2.0 or higher.
- (3) If you currently access the Internet via a LAN or a PROXY server, you will need to disable those options in your browser and enable 'Connect to the Internet using a modem'.

Select **Programs**
Accessories
Communications (Windows 98)
Dial-Up Networking

First time connecting with Dial-Up Network (If you have logged on previously, skip to Subsequent Dial-up Network Connections.)

The first time you dial-in, you will need to configure your Dial-Up Networking.

Select '**Make new connection**'.

Type a descriptive name for the system you are calling.

Select your modem.

Click '**Next**'.

Enter area code **304** and telephone number **262-2400**.

Click '**Next**'.

When you receive a message that you have successfully created a new Dial-Up Networking connection, click '**Finish**'.

Click '**Connect**' to dial. If you are prompted for a user name and password, complete according to local procedures; otherwise, click '**OK**'.

When you receive the message that you have connected to our system, click on your Web Browser (**remember, you are not connecting via the Internet – this is a point-to-point connection**).

In the URL Address enter **http://10.225.224.2** and press **ENTER**.

Subsequent Dial-Up Network connections

Click '**Connect**'.

If prompted for user name and password, complete according to local procedures; otherwise, click '**OK**'.

When you receive 'Connection Complete', click '**OK**'.

Click on your Web Browser (**remember, you are not connecting via the Internet**).

In the URL Address enter **http://10.225.224.2** and press **ENTER**.

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 '**Create**'.

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

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

Click '**Create**'.

If you receive the message 'account created', click '**OK**'.

Click '**Start the Fire Application**'

Subsequent connections to The FIRE System

Click '**Log On**'.

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

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

At Menu Options:

Click '**Information Returns**'

Enter your **TCC**:

Enter your **EIN**:

Click '**Submit**'.

The system will then display the company name, address, city, state, ZIP code and phone number. This information will be used to contact or send any correspondence 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):

FIRE Replacement (file was originally transmitted on this system)

Click file to be replaced

Magnetic Media Replacement File

Enter the alpha character from Form 9267, Media Tracking Slip, that was returned with your magnetic media shipment.

Click **'Submit'**.

Enter the **drive/path/filename** of the file you want to upload or click **'Browse'** to locate the file.

Click **'Upload'**.

When the upload is complete, the screen will display the total bytes received and the file name to be recorded on your Form 4804, Box 7b.

If you have more files to upload for that TCC:

Click **'File Another'**; otherwise,

Click **'Back to Main Menu'**.

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

At the Main Menu:

Enter **'B'** for file status.

Press the Tab key to advance to TCC box; otherwise, enter **'E'** to exit.

Enter your **TCC**:

Enter your **EIN**:

Choose the appropriate option.

Tab to the file you want to look at and press **ENTER**.

If 'Results' indicate:

'File Good' and you agree with the 'Count of Payees' and have mailed your Form 4804, you are finished with this file. (Form 4804 is not needed on a replacement file unless the number of payees has changed from the original/correction file.)

'File Bad' - Correct the errors and 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 finished viewing your files, click on **'Main Menu'**.

Click **'Log Off'**.

Close your Web Browser.

IMPORTANT

Go back into your Dial-Up Network and click 'hang-up'; otherwise, you may stay connected and incur unnecessary phone charges.

Sec. 10. Communication Software Specifications (Text Interface)

.01 Communications software settings must be:

- No parity
- Eight data bits
- One stop bit

.02 Terminal Emulation must be **VT100**.

.03 Due to the large number of communication products available, it is impossible to provide specific information on all software/hardware configurations. However, since most of our filers use Windows 95, 98 or NT software, the following instruc-

tions are geared toward those products (Procomm, PCAnywhere and many other communications packages are also acceptable and the product does not necessarily need to be Windows based.):

Uploading Files Using Hyperterminal in Windows 95, 98 or NT

Select **Programs**

Accessories

Communications (Windows 98)

Hyperterminal

The first time you log on, select **Hyperterminal**, **Hyperterm** or **Hyperterm.exe**, whichever is available on your system. Thereafter, you can just select the icon that you have saved.

A box will appear titled '**Connection Description**'.

Enter a name and choose an icon for the connection:

Country Code: United States of America

Area Code: **304**

Phone Number: **262-2400**

Connect Using: (default)

(If you need to modify the phone number, select **File**, then **Properties** to enter defaults for the area code, phone numbers and/or special access codes.)

Click on **Dial**.

A 'Connect' box will appear to show the status.

Once you have connected to The FIRE System, if you do not get a menu within a few seconds, press the **ENTER** key one time.

First Time Logon

When you have connected to the system, enter '**new**' to create your logon name and password.

Complete the registration information and enter '**y**' to create account.

Logon Name and Password

Logon Name: Enter a logon name. Most users enter their first and last name as the logon name.

Password: Enter a password of your choosing (1-8 alpha/numerics - case sensitive).

After entering the password, you will go to the Main Menu.

Transferring Your Electronic File

Enter '**A**' for Electronic Filing.

After reading Information Notice, press **ENTER**.

Enter '**A**' for Forms 1098, 1099, 5498, W-2G, 1042-S, 8027 and Questionable Forms W-4.

Press the Tab key to advance to TCC box; otherwise, enter '**E**' to exit.

Enter your **TCC**:

Enter your **EIN**:

The system will then display the company name, address, city, state, ZIP code, and phone number. This information will be used to contact or send correspondence (if necessary) regarding this transmission. If you need to update, enter '**n**' to change information; otherwise, enter '**y**' to accept.

Select one of the following:

'**A**' for an Original file

'**B**' for a Replacement file

'**C**' for a Correction file

'**D**' for a Test file

If you selected 'B**' for a replacement file, select one of the following:**

'**A**' Replacement Files For This System

This option is to replace an original/correction file that was submitted electronically on this system but was bad and needs to be replaced. Select the file needing replaced.

'B' Magnetic media replacement files

Enter the alpha character from Form 9267, Media Tracking Slip, that was returned with your magnetic media shipment.

Choose one of the following protocols (Hyperterminal is normally set to Zmodem by default):

X - Xmodem

Y - Ymodem

Z - Zmodem (Zmodem will normally give you the fastest transfer rate.)

At this point, you must start the upload from your PC.

To send a file:

Go to the hyperterminal menu bar.

Click on **Transfer**.

Click on **Send file**.

A box will appear titled 'Send File'.

Enter the drive/path/filename or click on **Browse** to locate your file.

Click on **Send**.

When the upload is complete, the screen will display the total bytes received and the file name to be recorded on your Form 4804, Box 7b.

Press **ENTER** to continue.

If you have more files to send for the same TCC/EIN, enter 'y'; otherwise, enter 'n'.

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

At the Main Menu:

Enter **'B'** for file status.

Press the Tab key to advance to TCC box; otherwise, enter **'E'** to exit.

Enter your **TCC**:

Enter your **EIN**:

Choose the appropriate option.

Tab to the file you want to look at and press **ENTER**.

If 'Results' indicate:

'File Good' and you agree with the 'Count of Payees' and have mailed your Form 4804, you are finished with this file. (Form 4804 is not needed on a replacement file unless the number of payees changes from the original/correction file.)

'File Bad' - Correct the errors and 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.

When you are finished, enter **'E'** from the Main Menu to logoff.

Enter **'2'** to hang-up.

Sec. 11. Modem Configuration

.01 Hardware features

- (a) Enable hardware flow control
- (b) Enable modem error control
- (c) Enable modem compression

Sec. 12. Common Problems Associated with Electronic Filing

.01 Refer to Part A, Section 19, for common format errors associated with magnetic/electronic files.

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

1. No Form 4804, Transmittal of Information Returns Reported Magnetically/Electronically.

Even though you have sent your information returns electronically, you still need to mail a signed Form 4804 by the due date of the return. See Part C, Section 7.04, for the mailing address.

2. Transmitter does not dial back to the electronic 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.

3. Incorrect file is not replaced timely.

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

4. 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.

5. Transmitter sends a file and 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 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 at 304-263-8700 to see if this is a possibility. However, this will count as a replacement. (See Part A, Sec. 17, for the definition of replacement.)

6. Transmitter sends an original file that is good, 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.

7. File is formatted as EBCDIC.

All files submitted electronically must be in standard ASCII code.

Part D. Magnetic/Electronic Specifications For Extensions of Time

Sec. 1. General

.01 The specifications in Part D include the required 200-byte record format for extensions of time to file requests submitted magnetically or electronically. 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 Only filers who have been assigned a Transmitter Control Code may request an extension of time magnetically or electronically. If you meet the threshold of more than 50 payers when requesting an extension but are below the 250 documents threshold, you must still submit a Form 4419, Application for Filing Information Returns Magnetically/Electronically. Requests for extensions of time may be made for Forms 1098, 1099, 5498, W-2G, W-2, 1042-S and 8027.

.03 For Tax Year 2000 (returns due to be filed in 2001), transmitters requesting an extension of time to file for **more than 50 payers (not payees) are required to file the extension request magnetically or electronically.** Transmitters requesting an extension of time for 10 to 50 payers (not payees) are encouraged to file the request magnetically or electronically. The request may be filed on tape, tape cartridge, 3 1/2-inch diskette, or electronically.

.04 For extension requests filed on magnetic media, the transmitter must mail the completed, signed Form 8809, Request 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 the Form 8809 the same day the transmission is made.

.05 **Transmitters submitting an extension of time magnetically or electronically should not submit a list of payer names and TINs with the Form 8809 since this information is included on the magnetic or electronic file. However, Line 6 of the Form 8809 must be completed with the total number of records included on the magnetic media or electronic file.**

.06 To be considered, an extension request must be postmarked or transmitted by the due date of the returns; otherwise, the request will be denied.

.07 A magnetically-filed request for an extension of time should be sent using the following address:

If by Postal Service, truck or air freight:  

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 the Form 8809, it is imperative that the attention line be present on all envelopes or packages containing Extension of Time (EOT) requests.

.08 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 the 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. 10, 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.

.09 Transmitters who submit their extension of time requests magnetically or electronically will receive a letter from IRS/MCC with an attached list of the payers, based on information contained in the file, specifying approval and/or denial.

.10 Do not submit tax year 2000 extensions of time to file requests on magnetic media before *January 1, 2001* or electronically before *January 8, 2001*.

.11 Filers may request an extension of time **as soon as they are aware** that an extension is necessary but not later than the due date of the return. It will take a minimum of 30 days for IRS/MCC to respond to an extension request. Under certain circumstances a request for an extension of time could be denied. In such cases, the transmitter receives a denial letter. When this denial letter is received, the transmitter has 20 days to provide the additional or necessary information and resubmit the extension request to IRS/MCC.

.12 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

.13 A request for an extension of time to file is not automatically granted. Approval or denial is dependent on information provided on the Form 8809. If the Form 8809 is not completed properly, processing may be delayed or the request may be denied.

.14 If the first request for an extension of time to file was submitted magnetically or electronically, additional extension requests should be submitted in the same manner.

.15 If an additional extension of time is needed, a second Form 8809 and file may be submitted before the end of the initial extension period with a postmark reflecting the date mailed. Line 7 on the form should be checked to indicate that the original extension has been received and the additional extension is being requested.

.16 See Part A, Sec. 11, for complete information on requesting an extension of time to file information returns. If there are additional questions or concerns, contact IRS/MCC.

Sec. 2. Magnetic Tape, Tape Cartridge, 8mm, 4mm and QIC (Quarter-Inch Cartridge), 3 1/2-inch Diskette and Electronic Specifications

.01 Tape specifications are as follows:

- (a) 9 track.
- (b) EBCDIC (Extended Binary Coded Decimal Interchange Code) or ASCII (American Standard Coded Information Interchange) recording mode.
- (c) 1600 or 6250 BPI.
- (d) A block must not exceed 32,600 tape positions and must be a multiple of 200.
- (e) Record length of 200 bytes.
- (f) Labeled or unlabeled tapes may be submitted.

.02 Tape cartridge specifications are as follows:

- (a) Must be IBM 3480, 3490, or AS400 compatible.
- (b) Must meet American National Standard Institute (ANSI) standards and have the following characteristics:
 - (1) Tape cartridges will be 1/2-inch tape contained in plastic cartridges which are approximately 4-inches by 5-inches by 1-inch in dimension.
 - (2) Magnetic tape will be chromium dioxide particle based 1/2-inch tape.
 - (3) Cartridges will be 18-track or 36-track parallel. Indicate on the external media label if the tape cartridge is 18- or 36-track.
 - (4) Mode will be full function.
 - (5) The data may be compressed using EDRC (Memorex) or IDRC (IBM) compression.
 - (6) Either EBCDIC or ASCII.
- (c) A block must not exceed 32,600 tape positions and must be a multiple of 200.
- (d) Record length of 200 bytes.
- (e) Labeled or unlabeled tape cartridges may be submitted.

.03 8mm, 4mm, and Quarter Inch Cartridge Specifications

- (a) In most instances, IRS/MCC can process 8mm tape cartridges that meet the following specifications:
 - (1) Must meet American National Standard Institute (ANSI) standards, and have the following characteristics:
 - (a) Created from an AS400 operating system **only**.
 - (b) 8mm (.315-inch) tape cartridges will be 2 1/2-inch by 3 3/4-inch.
 - (c) The 8mm tape cartridges must meet the following specifications:

Tracks	Density	Capacity
1	20 (43245 BPI)	2.3 Gb
1	21 (45434 BPI)	5 Gb

- (d) Mode will be full function.
 - (e) **Compressed data is not acceptable.**
 - (f) Either EBCDIC (Extended Binary Coded Decimal Interchange Code) or ASCII (American Standard Coded Information Interchange) may be used. However, IRS/MCC encourages the use of EBCDIC. This information must appear on the external media label affixed to the cartridge.
 - (g) A file may consist of more than one cartridge; however, no more than 250,000 documents may be transmitted per file or per cartridge. The filename, for example; IRSEOT, will contain a three digit extension. The extension will indicate the sequence of the cartridge within the file, 1 of 3, 2 of 3, or 3 of 3, and will appear in the header label IRSEOT.001, IRSEOT.002, and IRSEOT.003 on each cartridge of the file.
- (2) The 8mm (.315-inch) tape cartridge records defined in this Revenue Procedure may be blocked subject to the following:
- (a) A block must not exceed 32,600 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 9's; however, the last block of the file may be filled with 9's 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 a 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 200.
 - (d) Various SAVE commands have been successful, however, the **SAVE OBJECT COMMAND is not acceptable.**
 - (e) Records may not span blocks.
- (3) For faster processing, IRS/MCC encourages transmitters to use header labeled cartridges. IRSEOT may be used as a suggested filename.
- (4) 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.
- (5) IRS/MCC can only read one data file on a tape. A data file is a group of records which may or may not begin with a tapemark, but must end with a trailer label. Any data beyond the trailer label cannot be read by IRS programs.
- (b) 4mm (.157-inch) cassettes are now acceptable with the following specifications:
- (1) 4mm cassettes will be 2 1/4-inch by 3-inch.
 - (2) The tracks are 1 (one).
 - (3) The density is 19 (61000 BPI).
 - (4) The typical capacity is DDS (DAT data storage) at 1.3 Gb or 2 Gb, or DDS-2 at 4 Gb.
 - (5) The general specifications for 8mm cartridges will also apply to the 4mm cassettes.
- (c) Various Quarter-Inch Cartridges (QIC) (1/4-inch) are also acceptable.
- (1) QIC cartridges will be 4" by 6".
 - (2) QIC cartridges must meet the following specification:

Size	Tracks	Density	Capacity
QIC-24	8/9	5 (8000 BPI)	45Mb or 60Mb
QIC-120	15	15 (10000 BPI)	120Mb or 200Mb
QIC-150	18	16 (10000 BPI)	150Mb or 250Mb
QIC-525	26	17 (16000 BPI)	525Mb
QIC-1000	30	21 (36000 BPI)	1Gb
QIC-2Gb	42	34 (40640 BPI)	2Gb

- (3) The general specifications that apply to 8mm cartridges will also apply to QIC cartridges.

☛ **Note: Advanced Metal Evaporated (AME) cartridges are not acceptable.**

.04 Diskette specifications are as follows:

- (a) 3 1/2-inches in diameter.
- (b) ASCII recording mode **only**. Additional specifications may be found in Part B, Sec. 5, of this Revenue Procedure.
- (c) Record length of 200 bytes.
- (d) Diskettes must be created using the MS-DOS operating system.
- (e) Filename of IRSEOT must be used. No other filenames are acceptable. If a file will consist of more than one diskette, the filename IRSEOT will contain a three-digit extension. This extension will indicate the sequence of the diskettes within the file. For example, the first diskette will be named IRSEOT.001, the second diskette will be name IRSEOT.002, etc.
- (f) Delimiter character commas (,) or quotes (") must not be used.

(g) Positions 199 and 200 of each record have been reserved for use as carriage return/line feed (cr/lf) characters, if applicable.
.05 Electronic Filing specifications (See Note.)

(a) A transmitter must have a Transmitter Control Code (TCC).

(b) Filers can determine the acceptability of files submitted by checking the file status area of the system. These reports will be available on the electronic system within 5 business days if the Form 8809 is received timely by IRS/MCC.

☞ **Note:** See Part C, Electronic Filing Specifications, for detailed information on filing with IRS/MCC electronically.

Sec. 3. Record Layout

.01 Positions 6 through 185 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 P.O. 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. 18.)										
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	<p>Required. Enter the document for which you are requesting an extension of time using the following codes:</p> <table border="1"> <thead> <tr> <th>Code</th> <th>Document</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>W-2</td> </tr> <tr> <td>2</td> <td>1098, 1098-E, 1098-T, 1099-A, 1099-B, 1099-C, 1099-DIV, 1099-G, 1099-INT, 1099-LTC, 1099-MISC, 1099-MSA, 1099-OID, 1099-PATR, 1099-R, 1099-S, or W-2G</td> </tr> <tr> <td>3</td> <td>5498</td> </tr> <tr> <td>4</td> <td>1042-S</td> </tr> </tbody> </table>	Code	Document	1	W-2	2	1098, 1098-E, 1098-T, 1099-A, 1099-B, 1099-C, 1099-DIV, 1099-G, 1099-INT, 1099-LTC, 1099-MISC, 1099-MSA, 1099-OID, 1099-PATR, 1099-R, 1099-S, or W-2G	3	5498	4	1042-S
Code	Document												
1	W-2												
2	1098, 1098-E, 1098-T, 1099-A, 1099-B, 1099-C, 1099-DIV, 1099-G, 1099-INT, 1099-LTC, 1099-MISC, 1099-MSA, 1099-OID, 1099-PATR, 1099-R, 1099-S, or W-2G												
3	5498												
4	1042-S												

Record Layout for Extension of Time (Continued)

Field Position	Field Title	Length	Description and Remarks
			5 REMIC Documents (1099-INT or 1099-OID)
			6 5498- MSA
187	Foreign Entity Indicator	1	Enter character "X" if the payer is a foreign entity.
188-198	Blank	11	Enter blanks.
199-200	Blank	2	Enter blanks. Diskette filers may code the ASCII 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	Blank	Blank or CR/LF		
177-185	186	187	188-198	199-200		

Part E. Miscellaneous Information

Sec. 1. Addresses for Martinsburg Computing Center

To submit an application to file, correspondence, and magnetic media files, use the following:

Mailing by U. S. Postal Service, truck or air freight:  

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

To submit magnetically filed and paper extension and waiver requests, use the following address:

Mailing by U.S. Postal Service, truck or air freight:  

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

Sec. 2. Telephone Numbers for Contacting IRS/MCC

Information Reporting Program Call Site: 304-263-8700 

Telecommunication Device for the Deaf (TDD): 304-267-3367

**Between 8:30 a.m. and 4:30 p.m. Eastern Time
 Monday through Friday**



HOURS OF OPERATION – FIRE SYSTEM & FAX
24 HOURS A DAY
7 DAYS A WEEK

This is the end of Publication 1220 for Tax Year 2000.

Weighted Average Interest Rate Update

Notice 2000-27

Notice 88-73 provides guidelines for determining the weighted average interest rate and the resulting permissible range of

interest rates used to calculate current liability for the purpose of the full funding limitation of § 412(c)(7) of the Internal Revenue Code as amended by the Omnibus Budget Reconciliation Act of 1987 and as further amended by the Uruguay Round Agreements Act, Pub. L. 103-465 (GATT).

The average yield on the 30-year Treasury Constant Maturities for April 2000 is 5.85 percent.

The following rates were determined for the plan years beginning in the month shown below.

Month	Year	Weighted Average	90% to 105% Permissible Range	90% to 110% Permissible Range
May	2000	6.02	5.41 to 6.32	5.41 to 6.62

Drafting Information

The principal author of this notice is Todd Newman of the Employee Plans, Tax Exempt and Government Entities Division. For further information regarding this notice, call the Employee Plans Actuarial hotline, (202) 622-6076 between 2:30 and 3:30 p.m. Eastern time (not a toll-free number). Mr. Newman's number is (202) 622-8458 (also not a toll-free number).

SECTION I. NONTAXABLE SALE

(A) *General rule.* Section 4121 imposes a tax on the producer's sale of coal from mines in the United States. Under the Export Clause of the United States Constitution, art. I, §9, cl.5, this tax does not apply to the producer's sale of coal if (1) the coal was in the stream of export when sold by the producer and (2) the coal is actually exported. See *A.G. Spalding & Bros. v. Edwards*, 262 U.S. 66 (1923), II-1 C.B. 263, *United States v. IBM*, 517 U.S. 843 (1996), 1996-2 C.B. 163, and *Ranger Fuel Corp. v. United States*, 33 F. Supp. 2d 466 (E.D. Va. 1998).

in the United States under terms of a contract showing that the coal is to be shipped to a foreign country.

(C) *Proof of exportation.* Exportation may be evidenced by (1) a copy of the export bill of lading issued by the delivering carrier, (2) a certificate signed by the agent or representative of the export carrier showing actual exportation of the coal, (3) a certificate of landing signed by a customs officer of the foreign country to which the coal is exported, or (4) in a case in which the foreign country has no customs administration, a statement of the foreign consignee showing receipt of the coal.

Coal Exports

Notice 2000-28

This notice provides guidance relating to the coal excise tax imposed by § 4121 of the Internal Revenue Code. The notice provides rules under the Code for making a nontaxable sale of coal for export or for obtaining a credit or refund when tax has been paid with respect to a nontaxable sale of coal for export.

(B) *In the stream of export when sold by the producer.* Coal is in the stream of export when sold by the producer if the sale is a step in the exportation of the coal to its ultimate destination in a foreign country. For example, coal is placed into the stream of export when (1) the coal is loaded on an export vessel and title is transferred from the producer to a foreign purchaser, or (2) the producer sells the coal to an export broker

(D) *Sale.* Sale means an agreement whereby the seller transfers the coal (that is, the title or the substantial incidents of ownership) to the buyer for consideration, which may consist of money, services, or other things.

SECTION II. CREDIT OR REFUND

(A) *General rule.* Tax paid on coal is treated as an overpayment under § 6402 if the coal is (1) in the stream of export

when sold by the producer and (2) actually exported. A claim for a credit or refund may be made only by (1) the producer that paid the tax to the government, or (2) the exporter of the coal, if the person that paid the tax waives the right to the claim. The requirements in paragraphs (B) and (C) of this section are similar to the requirements in § 6416(a) and (c).

(B) *Information to be submitted; claims by the producer.* Each claim by the producer that paid the tax to the government must contain the following information with respect to the coal covered by the claim:

(1) The quarter and year for which the tax was reported on Form 720, Quarterly Federal Excise Tax Return, the IRS No. listed on the form (IRS No. 36, 37, 38, or 39) on which the tax was reported, the amount of tax paid on the coal, and the date the tax was paid;

(2) A statement that the claimant has evidence that the coal was in the stream of export when sold by the producer and actually was exported; and

(3) A statement that the claimant:

(a) Has neither included the tax in the price of the coal with respect to which it was imposed nor collected the amount of the tax from its buyer;

(b) Has repaid the amount of the tax to the ultimate purchaser of the coal; or

(c) Has obtained the written consent of the ultimate purchaser of the coal to the allowance of the claim.

(C) *Information to be submitted; claims by the exporter.* Each claim by an exporter of coal that is not the producer of the coal must contain the following information with respect to the coal covered by the claim:

(1) A statement by the person that paid the tax to the government that that

person has waived the right to claim a refund of the tax;

(2) A statement by the person that paid the tax to the government that provides the quarter and year for which the tax was reported on Form 720, Quarterly Federal Excise Tax Return, the IRS No. listed on the form (IRS No. 36, 37, 38, or 39) on which the tax was reported, the amount of tax paid on the coal, and the date the tax was paid;

(3) A statement that the claimant has evidence that the coal was in the stream of export when sold by the producer;

(4) The proof of exportation; and

(5) A statement that the claimant:

(a) Has neither included the tax in the price of the coal with respect to which it was imposed nor collected the amount of the tax from its buyer;

(b) Has repaid the amount of the tax to the ultimate purchaser of the coal; or

(c) Has obtained the written consent of the ultimate purchaser of the coal to the allowance of the claim.

(D) *Form of claim.* Each claim for refund must be filed on Form 8849, Claim for Refund of Excise Taxes, in accordance with the instructions for that form. Each claim for a credit against excise tax liability must be filed on Part I, Line 1, of Schedule C of Form 720 in accordance with the instructions for that form.

(E) *Time for filing.* Claims must be filed within the period prescribed by § 6511. Thus, claims generally must be filed within 3 years of the time the Form 720 reporting the tax was filed or 2 years from the time the tax was paid, whichever is later.

(F) *Interest.* Section 6611 (relating to interest on overpayments) applies to claims made under § 6402.

SECTION III. PAPERWORK REDUCTION ACT

The collections of information contained in this notice have been reviewed and approved by the Office of Management and Budget in accordance with the Paperwork Reduction Act (44 U.S.C. 3507) under control number 1545-1690.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid OMB control number.

The collections of information in this notice are in sections II.(B) and II.(C). This information is required to support exempt sales and claims for credits or refunds. The collections of information are required to obtain a tax benefit. The likely respondents are businesses.

The estimated total annual reporting burden is 400 hours.

The estimated annual burden per respondent 1 hour.

The estimated number of respondents is 400.

The estimated frequency of responses is on occasion.

Books or records relating to a collection of information must be retained as long as their contents may become material in the administration of any internal revenue law. Generally, tax returns and tax return information are confidential, as required by 26 U.S.C. 6103.

SECTION IV. DRAFTING INFORMATION

The principal author of this notice is Frank Boland of the Office of Assistant Chief Counsel (Passthroughs and Special Industries). For further information regarding this notice, contact Mr. Boland at (202) 622-3130 (not a toll-free call).

Part IV. Items of General Interest

IRS/SSA Information Reporting Program Seminars

Announcement 2000-47

IRS and SSA Announce Year-End Training for Employers/Payers

To help employers and information return filers (payers) with year-end wage/tax reporting, the Internal Revenue Service/Martinsburg Computing Center and the Social Security Administration have arranged the following training sessions on filing Forms 1042-S, 1099, W-2 and related issues.

IRS Nationwide Tax Forums

Six two-day Nationwide Tax Forums offer employers/payers detailed sessions on a wide variety of year-end wage and tax filing topics, such as:

- New filer information
- Electronic filing
- Backup withholding and IRP penalties
- Form 1042-S
- Form W-2 filing

There is a nominal fee to attend a forum. For more information, contact the IRS/MCC Information Reporting Program (IRP) Call Site at 304-263-8700 between 8:30 a.m. and 4:30 p.m. Eastern time, Monday through Friday. The dates and locations are as follows:

<u>Location</u>	<u>Date</u>
Atlantic City, NJ	July 19-20
Chicago, IL	August 9-10
Las Vegas, NV	September 13-14
Miami, FL	July 26-27
New Orleans, LA	September 6-7
St. Louis, MO	August 16-17

IRS/SSA Information Reporting Program Seminars

Five IRP seminars for employers/payers will be offered in one-day sessions, free of charge. The content, condensed into one day, is similar to the Nationwide Tax Forums. Following is a schedule of seminar sites and dates, as well as telephone numbers of the Internal Revenue Service office closest to the sites. Please contact the appropriate office for the exact location and times.

<u>Location</u>	<u>Date</u>	<u>Phone</u>	<u>FAX</u>
Frederick, MD	July 11	410 962-2635	410 962-0823
Dallas, TX	August 25	214 767-3755	
Denver, CO	August 23	303 446-1661	303 446-1344
New York, NY	September 19	212 436-1523	212 436-1629
Seattle, WA	September 26	206 220-5803	206 220-5551

A representative of SSA will discuss magnetic media reporting and electronic filing specifications for Forms W-2/W-3. There may be an IRS District Office session at some sites in the afternoon.

Please contact the appropriate office for the exact location and times. **The agenda for the day has also been included for your convenience.**

AGENDA

MORNING SESSION

- 9:00a Welcome
- 9:10a **IRS/MCC**
New Fire System
- 10:00a Break
- 10:15a **SSA**
Magnetic Media and Electronic
Filing of Forms W-2 and W-3.
- 12:00p Lunch

AFTERNOON SESSION

- IRS/MCC**
1:00p New Filer/Problem Filer
- IRS/MCC**
2:00p Backup Withholding and Penalties
- IRS/MCC**
3:00p Form 1042-S

IRS/District Office Presentation
(This is optional and some districts may not plan a presentation.)

Announcement of the Disbarment and Suspension of Attorneys, Certified Public Accountants, Enrolled Agents, and Enrolled Actuaries From Practice Before the Internal Revenue Service

Under Section 330, Title 31 of the United States Code, the Secretary of the Treasury, after due notice and opportunity for hearing, is authorized to suspend or disbar from practice before the Internal Revenue Service any person who has violated the rules and regulations governing the recognition of attorneys, certified public accountants, enrolled agents or enrolled actuaries to practice before the Internal Revenue Service.

Attorneys, certified public accountants, enrolled agents, and enrolled actuaries are prohibited in any Internal Revenue Service

matter from directly or indirectly employing, accepting assistance from, being employed by or sharing fees with, any practitioner disbarred or under suspension from practice before the Internal Revenue Service.

To enable attorneys, certified public accountants, enrolled agents and enrolled actuaries to identify such disbarred or suspended practitioners, the Director of Practice will announce in the Internal Revenue Bulletin the names and addresses of practitioners who have been suspended from such practice, their designation as attorney, certified public accountant, enrolled

agent or enrolled actuary, and the date of disbarment or period of suspension. This announcement will appear in the weekly Bulletin for five successive weeks or as long as it is practicable for each attorney, certified public accountant, enrolled agent or enrolled actuary so suspended or disbarred and will be consolidated and published in the Cumulative Bulletin.

After due notice and opportunity for hearing before an administrative law judge, the following individuals has been disbarred from practice before the Internal Revenue Service:

Name	Address	Designation	Effective Date
Kolesar, Gary	N. Patchogue, NY	CPA	October 27, 1999

Announcement of the Consent Voluntary Suspension of Attorneys, Certified Public Accountants, Enrolled Agents, and Enrolled Actuaries From Practice Before the Internal Revenue Service

Under 31 Code of Federal Regulations, Part 10, an attorney, certified public accountant, enrolled agent or enrolled actuary, in order to avoid the institution or conclusion of a proceeding for his disbarment or suspension from practice before the Internal Revenue Service, may offer his consent to suspension from such practice. The Director of Practice, in his discretion, may suspend an attorney, certified public accountant, enrolled agent or enrolled actuary in accordance with the consent offered.

Attorneys, certified public accountants, enrolled agents and enrolled actuaries are

prohibited in any Internal Revenue Service matter from directly or indirectly employing, accepting assistance from, being employed by or sharing fees with, any practitioner disbarred or suspended from practice before the Internal Revenue Service.

To enable attorneys, certified public accountants, enrolled agents and enrolled actuaries to identify practitioners under consent suspension from practice before the Internal Revenue Service, the Director of Practice will announce in the Internal Revenue Bulletin the names and addresses of practitioners who have been suspended from such practice, their designation as at-

torney, certified public accountant, enrolled agent or enrolled actuary, and date or period of suspension. This announcement will appear in the weekly Bulletin at the earliest practicable date after such action and will continue to appear in the weekly Bulletins for five successive weeks or for as many weeks as is practicable for each attorney, certified public accountant, enrolled agent or enrolled actuary so suspended and will be consolidated and published in the Cumulative Bulletin.

The following individuals have been placed under consent suspension from practice before the Internal Revenue Service:

Name	Address	Designation	Date of Suspension
Quann, Warren	Elk Grove, CA	Attorney	Indefinite from March 1, 1999
Helms, W. Richard	Western Springs, IL	Attorney	March 1, 1999 to August 31, 2002

Dillahunty, Larry L.	St. Petersburg, FL	Attorney	March 1, 1999 to February 28, 2003
Friesen, Alan	Lincoln, NE	CPA	March 8, 1999 to July 7, 2002
Cummins, Richard L.	Torrance, CA	CPA	March 20, 1999 to March 19, 2002
Potter, Thomas C.	Oneonta, NY	CPA	April 16, 1999 to October 15, 2000
Jenkins, Gordon	Idaho Falls, ID	Attorney	May 1, 1999 to October 31, 2002
Blair Jr., John D.	Charleston, WV	CPA	June 1, 1999 to May 31, 2002
Cadle, Larry	Anchorage, AK	Attorney	June 21, 1999 to December 31, 2001
Schorr, Harvey	Voorheese, NJ	CPA	July 1, 1999 to December 31, 2001
Fernandez, Michael J.	Camillus, NY	CPA	July 7, 1999 to July 6, 2000
Polking, William G.	Carol, IA	Attorney	September 27, 1999 to September 26, 2000
Luxen, Robert J.	Oak Lawn, IL	CPA	October 1, 1999 to June 30, 2001
Underwood, Kenneth	Chattanooga, TN	CPA	October 14, 1999 to April 13, 2001
Vancho, John	Greenwich, CT	CPA	November 1, 1999 to October 31, 2001
Enkulenko, Thomas	Moscow, PA	CPA	November 15, 1999 to November 14, 2000
Moody, James E.	Pittsburgh, PA	CPA	December 1, 1999 to November 30, 2000
Patterson, Robert A.	Marietta, GA	CPA	December 13, 1999 to December 12, 2002
Hanson, Raymond L.	Boise, ID	CPA	January 1, 2000 to December 31, 2001
Wallach, Steven	North Brook, IL	CPA	February 25, 2000 to February 24, 2002

Watkins Sr., Richard	Washington, MO	CPA	March 15, 2000 to September 14, 2002
Peltin, Ronald	Escanaba, MI	Enrolled Agent	March 15, 2000 to March 14, 2003
Arwood, B. Joe	Chuckey, TN	CPA	March 20, 2000 to June 19, 2001
Gazzola, Frank L.	N. Mankato, MN	CPA	May 1, 2000 to October 31, 2002
O'Hearn, James	Bakersfield, CA	Enrolled Agent	June 1, 2000 to May 31, 2002
Dooner Jr., William	Toms River, NJ	Enrolled Agent	June 1, 2000 to August 31, 2000

Announcement of the Expedited Suspension of Attorneys, Certified Public Accountants, Enrolled Agents, and Enrolled Actuaries From Practice Before the Internal Revenue Service

Under title 31 of the Code of Federal Regulations, section 10.76, the Director of Practice is authorized to immediately suspend from practice before the Internal Revenue Service any practitioner who, within five years, from the date the expedited proceeding is instituted, (1) has had a license to practice as an attorney, certified public accountant, or actuary suspended or revoked for cause; or (2) has been convicted of any crime under title 26 of the United States Code or, of a felony under title 18 of the United States Code involving dishonesty or breach of trust.

Attorneys, certified public accountants, enrolled agents, and enrolled actuaries are

prohibited in any Internal Revenue Service matter from directly or indirectly employing, accepting assistance from, being employed by, or sharing fees with, any practitioner disbarred or suspended from practice before the Internal Revenue Service.

To enable attorneys, certified public accountants, enrolled agents, and enrolled actuaries to identify practitioners under expedited suspension from practice before the Internal Revenue Service, the Director of Practice will announce in the Internal Revenue Bulletin the names and addresses of practitioners who have been suspended from such practice, their designation as attorney, certified public accountant, enrolled

agent, or enrolled actuary, and date or period of suspension. This announcement will appear in the weekly Bulletin at the earliest practicable date after such action and will continue to appear in the weekly Bulletins for five successive weeks or for as many weeks as is practicable for each attorney, certified public accountant, enrolled agent, or enrolled actuary so suspended and will be consolidated and published in the Cumulative Bulletin.

The following individuals have been placed under suspension from practice before the Internal Revenue Service by virtue of the expedited proceeding provisions of the applicable regulations:

Name	Address	Designation	Date of Suspension
Moeller, David G.	Golden Valley, MN	Attorney	Indefinite from March 8, 1999
Dais, Robert E.	Plano, TX	CPA	Indefinite from March 15, 1999
Taylor, Donald J.	Sequim, WA	CPA	Indefinite from March 15, 1999
Thurson, Terrance N.	Jacksonville, FL	CPA	Indefinite from March 15, 1999

Hartman, Richard	Merrick, NY	Attorney	Indefinite from March 15, 1999
Mandel, Stewart I.	Univ. Heights, OH	Attorney	Indefinite from March 15, 1999
Gowin, Dennis L.	Falls Church, VA	CPA	Indefinite from March 15, 1999
Kelly, Richard	Lloyd Harbor, NY	Attorney	Indefinite from March 16, 1999
Nagel, Maxine M.	Renton, WA	CPA	Indefinite from March 16, 1999
Cox, James L.	Bedford, TX	CPA	Indefinite from March 23, 1999
Shields, Morris R.	Omaha, NE	CPA	Indefinite from March 23, 1999
Stradone, Mark A.	San Antonio, TX	CPA	Indefinite from March 24, 1999
Anderson, David J.	Minnetonka, MN	CPA	Indefinite from March 28, 1999
Budenz, Lawrence J.	Miamisburg, OH	CPA	Indefinite from March 28, 1999
Hogan, Kelly M.	Ogallala, NE	Attorney	Indefinite from March 28, 1999
Fernez, Daniel J.	Monroe, CT	CPA	Indefinite from March 28, 1999
Fitsos, John	Sacramento, CA	Attorney	Indefinite from March 28, 1999
Schweitzer, Clifford A.	Aberdeen, SD	CPA	Indefinite from April 2, 1999
Magdalena, Lynn Joseph	McAlester, OK	CPA	Indefinite from April 2, 1999
Parrott, George	Nashville, TN	CPA	Indefinite from April 2, 1999
Elder Jr., Wilton K.	Burlington, NC	Attorney	Indefinite from May 6, 1999
Passero, Robert	Seal Beach, CA	CPA	Indefinite from July 8, 1999

Stringham, Richard	Columbia, MO	CPA	Indefinite from July 8, 1999
Koseluk, Alexander F.	Omaha, NE	Attorney	Indefinite from July 19, 1999
Dotson, Marshall F.	Jacksonville, NC	Attorney	Indefinite from July 27, 1999
Schaffer, Clark D.	Atlantic Beach, FL	CPA	Indefinite from July 27, 1999
Zimmerman, Robert	Alpharetta, GA	CPA	Indefinite from January 17, 2000

Definition of Terms

Revenue rulings and revenue procedures (hereinafter referred to as "rulings") that have an effect on previous rulings use the following defined terms to describe the effect:

Amplified describes a situation where no change is being made in a prior published position, but the prior position is being extended to apply to a variation of the fact situation set forth therein. Thus, if an earlier ruling held that a principle applied to A, and the new ruling holds that the same principle also applies to B, the earlier ruling is amplified. (Compare with *modified*, below).

Clarified is used in those instances where the language in a prior ruling is being made clear because the language has caused, or may cause, some confusion. It is not used where a position in a prior ruling is being changed.

Distinguished describes a situation where a ruling mentions a previously published ruling and points out an essential difference between them.

Modified is used where the substance of a previously published position is being changed. Thus, if a prior ruling held that a principle applied to A but not to B, and the new ruling holds that it ap-

plies to both A and B, the prior ruling is modified because it corrects a published position. (Compare with *amplified* and *clarified*, above).

Obsoleted describes a previously published ruling that is not considered determinative with respect to future transactions. This term is most commonly used in a ruling that lists previously published rulings that are obsoleted because of changes in law or regulations. A ruling may also be obsoleted because the substance has been included in regulations subsequently adopted.

Revoked describes situations where the position in the previously published ruling is not correct and the correct position is being stated in the new ruling.

Superseded describes a situation where the new ruling does nothing more than restate the substance and situation of a previously published ruling (or rulings). Thus, the term is used to republish under the 1986 Code and regulations the same position published under the 1939 Code and regulations. The term is also used when it is desired to republish in a single ruling a series of situations, names, etc., that were previously published over a period of time in separate rulings. If the

new ruling does more than restate the substance of a prior ruling, a combination of terms is used. For example, *modified* and *superseded* describes a situation where the substance of a previously published ruling is being changed in part and is continued without change in part and it is desired to restate the valid portion of the previously published ruling in a new ruling that is self contained. In this case the previously published ruling is first modified and then, as modified, is superseded.

Supplemented is used in situations in which a list, such as a list of the names of countries, is published in a ruling and that list is expanded by adding further names in subsequent rulings. After the original ruling has been supplemented several times, a new ruling may be published that includes the list in the original ruling and the additions, and supersedes all prior rulings in the series.

Suspended is used in rare situations to show that the previous published rulings will not be applied pending some future action such as the issuance of new or amended regulations, the outcome of cases in litigation, or the outcome of a Service study.

Abbreviations

The following abbreviations in current use and formerly used will appear in material published in the Bulletin.

A—Individual.
Acq.—Acquiescence.
B—Individual.
BE—Beneficiary.
BK—Bank.
B.T.A.—Board of Tax Appeals.
C.—Individual.
C.B.—Cumulative Bulletin.
CFR—Code of Federal Regulations.
CI—City.
COOP—Cooperative.
Ct.D.—Court Decision.
CY—County.
D—Decedent.
DC—Dummy Corporation.
DE—Donee.
Del. Order—Delegation Order.
DISC—Domestic International Sales Corporation.
DR—Donor.
E—Estate.
EE—Employee.

E.O.—Executive Order.
ER—Employer.
ERISA—Employee Retirement Income Security Act.
EX—Executor.
F—Fiduciary.
FC—Foreign Country.
FICA—Federal Insurance Contribution Act.
FISC—Foreign International Sales Company.
FPH—Foreign Personal Holding Company.
F.R.—Federal Register.
FUTA—Federal Unemployment Tax Act.
FX—Foreign Corporation.
G.C.M.—Chief Counsel's Memorandum.
GE—Grantee.
GP—General Partner.
GR—Grantor.
IC—Insurance Company.
I.R.B.—Internal Revenue Bulletin.
LE—Lessee.
LP—Limited Partner.
LR—Lessor.
M—Minor.
Nonacq.—Nonacquiescence.
O—Organization.
P—Parent Corporation.

PHC—Personal Holding Company.
PO—Possession of the U.S.
PR—Partner.
PRS—Partnership.
PTE—Prohibited Transaction Exemption.
Pub. L.—Public Law.
REIT—Real Estate Investment Trust.
Rev. Proc.—Revenue Procedure.
Rev. Rul.—Revenue Ruling.
S—Subsidiary.
S.P.R.—Statements of Procedural Rules.
Stat.—Statutes at Large.
T—Target Corporation.
T.C.—Tax Court.
T.D.—Treasury Decision.
TFE—Transferee.
TFR—Transferor.
T.I.R.—Technical Information Release.
TP—Taxpayer.
TR—Trust.
TT—Trustee.
U.S.C.—United States Code.
X—Corporation.
Y—Corporation.
Z—Corporation.

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¹ A cumulative list of all revenue rulings, revenue procedures, Treasury decisions, etc., published in Internal Revenue Bulletins 1999–27 through 1999–52 is in Internal Revenue Bulletin 2000–1, dated January 3, 2000.

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