1991 Department of the Treasury Internal Revenue Service

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

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

Paperwork Reduction Act Notice.—We ask for the information on these forms to carry out the Internal Revenue laws of the United States. You are required to give us this information. We need it to ensure that taxpayers are complying with these laws and to allow us to figure and collect the right amount of tax.

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

<table>
<thead>
<tr>
<th>Form</th>
<th>Average Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>1099-A</td>
<td>10 minutes</td>
</tr>
<tr>
<td>1099-B</td>
<td>15 minutes</td>
</tr>
<tr>
<td>1099-DIV</td>
<td>14 minutes</td>
</tr>
<tr>
<td>1099-G</td>
<td>12 minutes</td>
</tr>
<tr>
<td>1099-INT</td>
<td>12 minutes</td>
</tr>
<tr>
<td>1099-MISC</td>
<td>14 minutes</td>
</tr>
<tr>
<td>1099-OID</td>
<td>10 minutes</td>
</tr>
<tr>
<td>1099-PATR</td>
<td>12 minutes</td>
</tr>
<tr>
<td>1099-R</td>
<td>20 minutes</td>
</tr>
<tr>
<td>1099-S</td>
<td>7 minutes</td>
</tr>
<tr>
<td>5498</td>
<td>7 minutes</td>
</tr>
<tr>
<td>1096</td>
<td>11 minutes</td>
</tr>
<tr>
<td>W-2G</td>
<td>19 minutes</td>
</tr>
<tr>
<td>5754</td>
<td>12 minutes</td>
</tr>
</tbody>
</table>

If you have comments concerning the accuracy of the time estimates or suggestions for making these forms more simple, we would be happy to hear from you. You can write to both the Internal Revenue Service, Washington, DC 20224, Attention: IRS Reports Clearance Officer, TFP; and the Office of Management and Budget, Paperwork Reduction Project (1545-0112), Washington, DC 20503. DO NOT send these tax forms to either of these offices. Instead, see the instructions on page 4 for information on where to send them.

Items You Should Note

Use Form 1096 To Send Forms to IRS

Copies A of all paper Forms 1099, 1098, 5498, and W-2G must be transmitted to IRS with Form 1096, Annual Summary and Transmittal of U.S. Information Returns. Instructions for completing Form 1096 are contained on Form 1096.

Form 1098—Points

For loans closed after 1990, you are required to report points paid directly by the borrower for the purchase of a principal residence. See Form 1098, Mortgage Interest Statement. New Box 2 was added for this purpose.

See Form 1098, on page 7 and Notice 90-70, 1990-48 I.R.B. 6, for more information.

Form 1099-R Changes—Form W-2P Eliminated

Form W-2P, Statement for Recipients of Annuities, Pensions, Retired Pay, or IRA Payments, has been eliminated effective for tax year 1991. The information previously reported on Form W-2P must be included on Form 1099-R.

Form 1099-R, Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc. As a result, payers who filed Form W-2P with the Social Security Administration (SSA) in the past will now file Form 1099-R with IRS. However, late-filed Forms W-2P and corrections filed on Form W-2c for years before 1991 should be sent to SSA.

Form 1099-R will be used to report any distributions from pensions, annuities, IRAs, etc., that were previously reported on either Form W-2P or 1099-R. As a result, the following changes were made to Form 1099-R:

1. A checkbox was added in Box 2b for “Taxable amount not determined.”
2. A new checkbox was added in Box 2b for “Total distribution” to be used to designate a total distribution.
3. Boxes 12 and 13 were added to allow for reporting of local income tax information.
4. A blank box for additional information was added.
5. The form has been increased in size. As a result, there will be two forms per page rather than three as in prior years.
6. Recipients will be required to attach Form 1099-R to their return if Federal income tax withholding is shown in Box 4. Therefore, Copy B of the official form is for the recipient to attach to his or her Federal income tax return, when required. Copy C is for the recipient’s records, and Copy D is for the payer’s records.

Form 1099-S—Real Estate Reporting Expanded; Federally-Subsidized Financing; Timber Royalties

Most sales or exchanges of real estate closed after 1990 are now reportable on Form 1099-S, Proceeds From Real Estate Transactions. The new reporting requirement applies to such transactions as the sale or exchange of a residence, land, a commercial building, a condominium unit, and stock in a cooperative housing corporation. See Form 1099-S on page 17 for more information.

Until otherwise provided in regulations or forms and instructions, you will not be required to indicate whether the transferor’s financing was federally subsidized, as provided in section 6045(e)(4).


Titles of Forms 1099

The titles of Forms 1099 and W-2G have not changed. “Statement for Recipients of” has been eliminated from the titles of Form W-2G and each Form 1099 on which it appeared. “Information Return for” was eliminated from the title of Form 1099.

Second TIN Notice Indicator

If IRS has notified you twice within 3 calendar years that the payee shown on a 1099 provided an incorrect taxpayer identification number (TIN), you may complete a new checkbox on Forms 1099-B, 1099-DIV, 1099-INT, 1099-MISC, 1099-OID, and 1099-PATR. See the Specific Instructions for each form for more information.

Form 1099-INT—Successor/Predecessor Corporation

If a corporation (successor) acquires substantially all the assets and assumes substantially all the liabilities of another corporation (predecessor), the successor may be able to file a combined Form 1099-INT, Interest Income, to report the interest paid by both corporations during the acquisition year. For more information, see Successor/Predecessor Corporation under Form 1099-INT, later. Also see Rev. Proc. 90-57, 1990-52 I.R.B. 20.

Form 1099-OID—Record Date Reporting May Be Eliminated

Proposed Regulations section 1.6049-4(b), published in the Federal Register on September 7, 1989, eliminates semiannual record date reporting for tax years after 1990. Thus, you would be required to report the OID in the gross income of each record holder. Although those regulations were not yet final at the time this booklet was published, it is expected that they will be final soon and that the new requirement will apply to 1991. For more information, see the regulations.

REMININDER—Substitute Statements to Recipients

IRS is concerned that some payers who are not using the official IRS form (generally Copy B) to furnish statements to recipients may be using substitute statements that do not comply with the rules in Publication 1179, Specifications for Paper Document Reporting and Paper Substitutions for Forms 1096, 1098, 1098 Series, 5498, and W-2G. Pub. 1179, which is revised annually, is a revenue procedure that explains the requirements for format and content of substitute statements to recipients. If you are using a substitute form to furnish information to recipients, it must comply with the requirements in Pub. 1179.

Guide to Information Returns

See the chart on pages 23 and 24 for a brief summary of information return reporting rules.
Backup Withholding

Interest, dividends, rents, royalties, commissions, nonemployee compensation, and certain other payments (including broker and barter transactions and certain payments made by fishing boat operators) may be subject to backup withholding at a 20% rate. To be subject to backup withholding, a payment must be a reportable interest or dividend payment under section 6049(a), 6049(a)(5), 6041(a), 6045, 6050A, or 6050N. If the payment is one of these reportable payments, backup withholding will apply if:

(1) The payee fails to furnish his or her taxpayer identification number (TIN) to you, OR
(2) IRS notifies you to impose backup withholding because the payee furnished an incorrect TIN, OR
(3) You are notified that the payee is subject to backup withholding (under section 35a.3406(e)(1)(C)), OR

For interest and dividend accounts opened or instruments acquired after 1983, the payee fails to certify to you, under penalties of perjury, that he or she is not subject to backup withholding under (3) above, OR

(4) For interest and dividend broker or barter exchange accounts opened or instruments acquired after 1983, the payee fails to certify, under penalties of perjury, that the TIN provided is correct.

Except as explained in (5) above, reportable other payments are subject to backup withholding only if (1) or (2) above applies. Some payees are exempt from backup withholding. For a list of types of exempt payees and other information, please see Form W-9, Request for Taxpayer Identification Number and Certification.

Real estate transactions reportable under section 6045(e) are not subject to backup withholding.

Generally, the period for which the 20% should be withheld is as follows:

(1) Failure to furnish TIN in the manner required. Withholding must be made on all payments made until the TIN is furnished in the manner required. Special backup withholding rules apply if the payee has applied for a TIN. The payee may certify to this on Form W-9 by noting “Applied For” in the TIN block and by signing the form. This form then becomes an “awaiting-TIN certificate,” and the payee has 60 days to obtain a TIN and furnish it to you. For information about whether backup withholding applies during the 60-day period, see Temporary Regulations section 35a.9993-3, Q&A-59A. If you do not receive a TIN from the payee within 60 days and you have not already begun backup withholding, begin backup withholding and continue until the TIN is provided.

(2) Notice from IRS that payee’s TIN is incorrect. “Notice.” — You may elect to withhold on any reportable payment made to the account(s) subject to backup withholding after receipt of the “B” notice, but you must withhold on any reportable payment made to the account more than 30 business days after you received the “B” notice. Stop withholding within 30 days after you receive a certified Form W-9 (or acceptable substitute).

Note: IRS will furnish a notice to you, and you are required to promptly furnish a copy of such notice to the payee. For further information, see Temporary Regulations section 35a.3406-1.

If you receive two incorrect TIN notices within 3 years for the same account, follow the procedures in Temporary Regulations section 35a.3406-1(f).

(3) Notice from IRS that payee is subject to backup withholding. — Start withholding on payments made on the 31st day after the provision is certified to you from IRS, or you may elect to withhold any time before the 31st day. IRS will notify you in writing when to stop withholding, or the payee may furnish you with a written certification from IRS stating when withholding is to stop. In most cases, the stop date will be January 1 of the year following the year of the notice.

Note: You must notify the payee when withholding under this procedure starts. For further information, see Temporary Regulations section 35a.3406-2.

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

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

Note: For information about backup withholding on gambling winnings, see the Specific Instructions for Form W-2G for the specific type of gambling winnings, later. Reporting and Payment of Backup Withholding. — Backup withholding must be reported on Form 941, Employer’s Quarterly Federal Tax Return, or Form 941-E, Quarterly Return of Withheld Federal Income Tax and Hospital Insurance (Medicare) Tax. For more information, see the instructions for Form 941 or 941-E.

Additional Information. — For more information about backup withholding, see Temporary Regulations sections 35a.9999-1, -2, and -3, and 35a.3406-1 and -2.

Penalties.

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

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

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

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

- $15 per information return if you correctly file within 30 days (by March 30 if the due date is February 28) and maximum penalty $75,000 per year ($25,000 for small businesses, defined later).
- $30 per information return if you correctly file more than 30 days after the due date but by August 1; maximum penalty $150,000 per year ($50,000 for small businesses).
- $50 per information return if you file after August 1 or you do not file required information returns; maximum penalty $250,000 per year ($100,000 for small businesses).

Exceptions to the Penalty. —
(1) The penalty may not apply to any failure that you can show was due to reasonable cause and not due to willful neglect.
(2) De Minimis Rule for Corrections. — Even though you cannot show reasonable cause, the penalty for failure to file correct information returns will not apply to a certain number of returns if:

(a) You filed those information returns,
(b) Either you failed to include all the information required to be shown on a return or you included incorrect information, and
(c) You filed corrections of these information returns by August 1.

If you meet all the conditions in (a) through (c), the penalty for filing incorrect returns (but not for filing late) will not apply to the greater of 10 information returns or ½% of 1% of the total number of information returns you are required to file for the calendar year.

(3) For mortgages in existence before 1985, you will not be subject to the penalty for failing to provide the TIN of the payer on record on Form 1098 if you followed the rules for requesting TINs contained in Temporary Regulations section 1.6050H-1T, and you properly and promptly processed the responses.

Lower Maximum Penalties for Small Businesses. — For purposes of the lower maximum penalties shown in parentheses above, you are a small business if your average annual gross receipts for the most recent 3 tax years (or for the period you were in existence, if shorter) ending before the calendar year in which the information returns were due are $5,000,000 or less.

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

Failure To Furnish Correct Payee Statements (Section 6722)

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

The penalty is $50 per statement, regardless of when the correct statement is furnished, with a maximum of $100,000 per year. There is no penalty for furnishing a correct statement by August 1.

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

Forms 1099-R and 5498

The penalties under sections 6721 and 6722 do not apply to Form 1099-R, which is filed under section 6047. The penalty for failure to timely file Form 1099-R is $25 per day with a...
maximum of $15,000 per year. See section 6652(e).

The penalties under sections 6721 and 6722 do not apply to Form 5498, which is filed under section 6652(b). The penalty for failure to timely file Form 5498 is $50 per return with no maximum. See section 6693.

Magnetic Media/Electronic Reporting

Magnetic media reporting may be required for filing all information returns discussed in this publication. Acceptable forms of magnetic media are magnetic tape, tape cartridge, 3½, 5½, and 8 inch diskette, and electronic submissions. Pub. 1220, Specifications for Filing Forms 1098, 1099 Series, 5498, and W-2G Electronically or on Magnetic Tape, Tape Cartridge, 5¼, 3½, and 8 inch Magnetic Diskettes, is the procedure for magnetic media filing available at Internal Revenue Service district offices. Different types of payments, such as interest, dividends, and rents, may be reported on the same tape or other submission. Caution: If you file on magnetic media, do not file the same returns on paper.

The due dates for magnetic media reporting are the same as for paper document reporting.

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

The magnetic media filing requirement does not apply if you apply for and receive an undue hardship waiver. See How To Request a Waiver From Filing on Magnetic Media, later.

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

How To Get Approval To File on Magnetic Media.—File Form 4419, Application for Filing Information Returns Magetically/ Electronically, at least 30 days before the due date of the returns. Only one Form 4419 need be filed for all types of returns that will be filed on magnetic media. Once you have received approval, you need not reapply each year. IRS will provide a written reply to the applicant and further instructions at the time of approval, usually within 30 days. A magnetic media reporting package, which includes all the necessary transmittals, labels, and instructions, will be provided to an approved filer when revenue procedures are available, but not later than October of the year for which the information returns are required.

How To Request a Waiver From Filing on Magnetic Media.—To receive a waiver from the required filing of information returns on magnetic media, file Form 8508, Request for Waiver From Filing Information Returns on Magnetic Media, requesting an undue hardship waiver from filing on magnetic media. You cannot apply for a waiver for more than one tax year at a time. If you need a waiver for more than one tax year, you must reapply at the appropriate time each year (45 days before the due date of the returns). In addition, you must apply for a waiver for corrected returns if the number to be filed exceeds the magnetic media threshold.

Waiver requests generally must be filed 45 days before the due date of the returns. However, new brokers and new barter exchanges may request an undue hardship waiver by filing Form 8508 by the end of the second month following the month in which they became a broker or a barter exchange.

If you are seeking, in a single application, approval for filing returns on magnetic media and, alternatively, a waiver from the magnetic media filing requirement if approval is not granted, submit both Forms 4419 and 8508.

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

Penalty.—If you are required to file on magnetic media but fail to do so, and you do not have an approved waiver on record, you may be subject to a penalty of $50 per return for failure to file information returns unless you establish reasonable cause.

The penalty applies separately to original returns and corrected returns. See Filing Requirement Applies Separately to Originals and Corrections, earlier.

Extension of Time To File.—For information about requesting an extension of time to file, see part B under General Instructions, later.

Paper Document Reporting

Payers filing returns on paper forms must use a separate transmittal, Form 1096, Annual Summary and Transmittal of U.S. Information Returns, for each different type of form.

Required Format.—All Forms 1096, 1098, 1099, and 5498 must be prepared in accordance with the following instructions. If these instructions are not followed, you may be subject to a penalty of $50 per incorrectly filed document.

1. DO NOT CUT OR SEPARATE the forms that are three to a page, or Forms 1099-R, which are two to a page. Forms 1098, 1099, and 5498 are printed three to an 8½ × 11 inch page. Form 1096 is printed one to an 8½ × 11 inch page. These forms must be submitted to IRS on the 8½ × 11 inch page. If at least one form on the page is correctly completed, you must submit the entire page.

2. NO PHOTOCOPIES of any forms are allowable. Official forms are available from your IRS district office.

3. DO NOT STAPLE, tear, or tape any of these forms. It will interfere with IRS’s ability to scan the documents. Send the forms to IRS in a flat mailing (not folded).

4. Pinfeed holes on the form are NOT acceptable. Pinfeed holes must not be in the 8½ × 11 inch page. If they are outside that area, they must be removed before transmission, without tearing or ripping the form.

5. DO NOT change the title of any box on any form. Do not use a form to report information that is not properly reportable on that form. If you are unsure of where to report the data, call your local IRS office.

6. Report information only in the appropriate boxes provided on the forms unless otherwise indicated in these instructions.

7. DO NOT submit any copy other than Copy A to the IRS.

8. DO NOT use prior year forms, unless you are reporting prior year information. Because forms are “read” by machine, you MUST use the current year form to report current year information.

9. Use the official forms or forms that meet the specifications for substitute forms in the 1991 Publication 1179, Specifications for Paper Document Reporting and Paper Substitutes for Forms 1096, 1098, 1099 Series, 5498, and W-2G. If you submit substitute forms that do not meet the current specifications and that are not machine scannable, you may be subject to a penalty of $50 for each return for improper format.

10. Use decimal points to indicate dollars and cents. DO NOT use dollar signs ($), ampersands (&), as accents, commas (,), or other characters.

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

1. Type or machine print data entries using 10 pitch (pica) or 12 pitch (elite) black type. Use block print, not script characters. Dashes and lines must not be handwritten. Dot matrix print must be letter quality 7 × 9 per character, minimum. Insert data in the middle of the blocks well separated from other printing and guidelines, and take other measures to guarantee a dark black, clear, sharp image.

2. You may use the account number box for an account number designation. This number must not appear anywhere else on the form, and this box may not be used for any other item. Showing the account number is optional. However, it may be to your benefit to include the recipient’s account number on paper documents if your system of records uses the account number rather than the name, social security number, or employer identification number for identification purposes. If you furnish the account number, IRS will include it in future notices to you about backup withholding. If you are using window envelopes, the window should not be over the account number. If you are using reduced rate mail, be sure the account number does not appear in the window because the Postal Service may not accept these for reduced rate mail.

3. Do not enter number signs (#); for example, enter 22 rather than Rt. #2. Also, do not enter zeros (0) in money amount boxes (unless the instructions specifically require that you enter zeros); leave them blank when no entry is required.

General Instructions

A. Who Must File.—See the Specific Instructions for each form.

Nominee/Middleman Returns.—Generally, anyone receiving a Form 1099 for amounts that actually belong to another person should file a Form 1099 showing the actual owner as the recipient and the nominee as the payer. The nominee, not the original payer, is responsible for filing the subsequent Forms 1099.
Mergers.—If two corporations merge and the surviving corporation becomes the owner of all the assets and assumes all the liabilities of the absorbed corporation, the reporting requirements explained in this publication will be met if the surviving corporation files Forms 1098, 1099, 5498, and/or W-2G for reportable payments of both corporations. See Rev. Rul. 69-556, 1969-2 C.B. 242.

Payments to Foreign Persons.—See the Instructions for Forms 1042 and 1042S, relating to U.S. source income of foreign persons, and for reporting requirements relating to payments of income items to foreign persons.

B. When To File.—File Form 1096 and Forms 1098, 1099, or W-2G by February 28, 1992. Brokers may file Forms 1096 and 1099-B anytime after the reporting period they elect to adopt (month, quarter, or year), but not later than February 28, 1992. File Form 1096 and Forms 5498 by June 1, 1992. See part H on this page about providing Forms 1096, 1099, 5498, and W-2G to statements to recipients.

For paper or magnetic media filing, you may request an extension of time to file by sending Form 8885, Request for Extension of Time To File Information Returns, to the address shown on the form. You must request the extension by the due date of the returns for your request to be considered. Note: If you are a magnetic media transmitter requesting extensions of time for more than 50 payers, you are encouraged to submit the extension requests on tape or diskette. For more information, write to Internal Revenue Service, Martinsburg Computing Center, P.O. Box 1359, Martinsburg, WV 25401-1359.

C. Where To File.—Send all information returns filed on the following:

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

Florida, Georgia, South Carolina
New Jersey, New York (New York City and counties of Nassau, Rockland, Suffolk, and Westchester)
New York (all other counties), Connecticut, Maine
Massachusetts, Rhode Island, Vermont
Illinois, Iowa, Minnesota, Missouri, Wisconsin
Delaware, District of Columbia, Maryland, Pennsylvania, Virginia
Indiana, Kentucky, Michigan, Ohio, West Virginia
Kansas, New Mexico, Oklahoma, Texas

California (all other counties), Hawaii
Alabama, Arkansas, Louisiana, Mississippi, North Carolina, Tennessee

If you have no legal residence, principal place of business, or principal office or agency in any other county in the area, file your return with the Internal Revenue Service Center, Philadelphia, PA 19255.

Send all information returns filed magnetically/electronically to Internal Revenue Service, Martinsburg Computing Center, P.O. Box 1359, Martinsburg, WV 25401-1359.

D. Reporting Period.—Forms 1098, 1099, and W-2G are used to report amounts received, paid, or credited during the calendar year. Form 5498 is used to report amounts contributed for the calendar year.

E. Recipient Names and Taxpayer Identification Numbers.—Taxpayer identification numbers (TINs) are used to associate and verify amounts reported to IRS with corresponding amounts on tax returns. Therefore, it is important that you furnish correct social security or employer identification numbers for recipients on the forms or magnetic media transmittals. (You may be subject to a penalty for an incorrect or missing TIN. See Penalties on page 2.)

Note: If the recipient does not provide a TIN, leave the box for providing the TIN to IRS blank on the Form 1098, 1099, 5498, or W-2G.

The TIN for individual recipients of information returns (including sole proprietors) is the social security number. For other recipients, including corporations, partnerships, and estates, it is the employer identification number.

Social security numbers have nine digits separated by two hyphens (000-00-0000), and employer identification numbers have nine digits separated by only one hyphen (00-0000000).

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

F. Filer’s Name, Identification Number, and Address.—The TIN for filers of information returns, including sole proprietors and nominees/middlemen, is the Federal employer identification number (EIN). However, sole proprietors and nominees/middlemen who are not otherwise required to have an EIN should use their social security numbers. A sole proprietor is not required to have an EIN unless he or she must file excess or employment tax returns. See Pub. 583, Taxpayers Starting a Business.

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

To obtain an EIN, file Form SS-4, Application for Employer Identification Number, with IRS. If you do not have your EIN by the time you must file information returns, enter “Applied For” in any space where the number must be entered.

Include the room, suite, or other unit number after the street address.

G. Shipping and Mailing.—Persons who file on paper forms and who use more than one type of form should group the forms by form number and prepare separate transmittals for each group. For example, if you must file both Forms 1098 and 1099-A, complete one Form 1098 and then another Form 1099-A and mail another Form 1096 to transmit Forms 1099-A.

If you are sending many forms, you may send them in conveniently sized packages. On each package write your name and TIN, number the packages consecutively, and place Form 1096 in the package number one. Properly regulate捆束 forms and packages to be sent by first-class mail.

H. Statements to Recipients (Borrowers, Participants, Payers/Borrowers, Transferees, or Winners on Certain Forms).—Be sure that the statements you provide to recipients are clear and legible.

Different rules apply to furnishing statements to recipients depending on the type of payment you are reporting and the form you are filing. If you are not using the official IRS form to furnish statements to recipients, see Publication 1179, Specifications for Paper Document Form for Borrowers, Participants, Payers/Borrowers, Transferees, or Winners on Certain Forms and Form 1096, 1098, 1098 Series, 5498, and W-2G, for specific rules about providing “substitute” statements to recipients. A substitute is any statement other than Copy B (generally) of the official form. You may deliver them yourself or buy them from a private printer. However, the substitutes must comply with the format and content requirements specified in Pub. 1179.

Interest, dividend, and royalty payments.—For payments of dividends or interest (including original issue discount) under sections 6042, 6044, or 6049 (reported on Form 1099-DIV, 1099-PATR, 1099-INT, or 1099-OID), you are required to furnish an official Form 1099, or a substitute form, to a payee either in person or in a statement mailing by first-class mail. Payers of royalties are also required to furnish the statement in person or in a statement mailing by first-class mail, but the statement need not be the official form. Statements may be sent by intrastate mail if you use intrastate mail to send account information and other correspondence to the payee.

Statement mailing.—In addition to Forms W-8, W-9, or other 1098, 1099, and 5498 statements, the following enclosures are permitted in a statement mailing: (1) a check, (2) a letter explaining why no check is enclosed, and (3) a statement of the person’s account reflected on Form 1099. You may also include Forms W-2. A letter limited to an explanation of the tax consequences of the information shown on payee’s tax return also may be included. A payee statement may be perforated to a check with respect to the account reported on the payee statement or to a statement of the payee’s specific account if payment is to be credited to the account as reflected on the payee’s statement. The enclosure to which the payee statement is perforated must contain, in a bold and conspicuous type, the legend “Important Tax Return Document Attached.” No additional enclosures, such as additional paper, postal, or quarterly or annual report, are permitted. Even a sentence or two on the year-end statement describing new services offered by the payer is not permitted. However, logos are permitted on the envelope and any enclosures.

For a statement mailing, the legend “Important Tax Return Document Enclosed”
must appear on the outside of the envelope and on each check, letter, or account statement in a bold and conspicuous manner. This legend is not required on any tax form, tax statement, or paid or postmarked letter of tax consequences included in a statement mailing, nor is it required on a check or statement of the payee’s account that is perforated to a Form 1099. Such statement or check must contain the legend “Important Tax Return Document Attached,” described in the preceding paragraph. Further, you need not pluralize the word “document” in the legend simply because more than one payee statement is enclosed.

**Note:** If you follow the more stringent “separately mailed” or “purposely postmarked” language required under the wire fraud laws, your mailing contains only payee statements, Forms W-8 and W-9, and a letter limited to the explanation of the tax consequences of the information shown on a payee statement included in the envelope—you are not required to use the legend “Important Tax Return Document Enclosed” on the envelope.

**Substitute forms.**—You may use substitute Forms 1099-DIV, 1099-INT, 1099-OID, and 1099-PATR if they contain the same language as the official forms and you comply with the time and place of filing requirements of §1179, relating to substitute Forms 1099. Copy B (For Recipient) of the substitute forms must contain the statement: “This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.” The substitute form must contain the applicable instructions as on the back of Copy B of the official form. See Pub. 1179. For information about substitute Form 1099-MISC for royalties, see Other payments, on this page.

**Real estate transactions.**—You must furnish a statement to the transferee containing the same information reported to IRS on Form 1099-S. You may use Copy B of Form 1099-S or a substitute form that complies with Pub. 1179 and Regulations section 1.6045-4(m). You may use a Uniform Settlement Statement (under RESPA) as the written statement if it is conformed to or modified on the statement the legend described below and by designating which information is reported to IRS on Form 1099-S. Any written statement must contain the following: “This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this item is required to be reported and the IRS determines that it has not been reported.” You may furnish the written statement to the transferee in person or by mailing, furnish the statement at or after closing but by January 31, 1992.

**Other payments.**—Statements to recipients for Form 1098, 1098-A, 1099-B, 1099-G, 1099-MISC, 1099-R, 5498, W-2G, 1099-DIV only for section 6041 interest payments only for interest reportable under section 6041, or 1099-OID only for interest reportable under section 6041 need not be, but can be, a copy of the paper form filed with IRS. If you do not use a copy of the paper form, it is important that income items be properly classified for federal tax purposes on the statement you give to recipients. The following messages must appear on the statements as indicated:

1. Forms 5498 and 1099-R—“This information is being furnished to the Internal Revenue Service.”
2. Forms 1099-B, 1099-DIV, 1099-G, 1099-INT, 1099-MISC, and W-2G—“This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.”
3. Form 1099-A—“This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.”
4. Form 1098—(a) “This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.”
   (b) “The amount shown may not be fully deductible on your Federal income tax return. Limitations based on the cost and value of the secured property may apply. In addition, you may only deduct the amount of mortgage interest to the extent it was incurred by you, actually and not reimbursed by another person.”

You may combine the statements with other reports or financial or commercial notices, or expand them to include other information of interest to the recipient. Be sure that all copies of the forms are legible. Appendix B contains instructions similar to those that appear on the back of the recipient’s copy of the official IRS form so that the information may be properly used by the recipient in meeting his or her tax obligations.

For more information about paper substitutes, see Publication 1179.

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

Trustees or issuers of IRAs or SEP’s must provide participants with a statement of the value of the participant’s account by January 31. IRA contribution information must be furnished to the participant by May 31.

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

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

**I. Filing Returns With IRS.**—IRS strongly encourages the quality review of data before filing to prevent erroneous notices being mailed to payees (or others for whom information is being reported). If you must file any Form 1098, 1099, 5498, or W-2G with IRS, and your form is in paper document, you must file a Form 1096, Annual Summary and Transmittal of U.S. Information Returns, with each type of form as the transmittal document. You must group the forms by form number and submit each group with a separate Form 1096. Specific instructions for completing Form 1096 are included on Form 1096. Also see Transmitters, paying agents, etc., below. For information about filing corrected returns, see Corrected and Void Returns, later.

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

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

If you use paper forms, report payments on the appropriate forms as explained in the Specific Instructions, later.

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

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

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

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

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

For information about the election to report and deposit backup withholding under the agent’s TIN and how to prepare forms if the election is made, see Rev. Proc. 84-33, 1984-1 C.B. 502.

J. Corrected and Void Returns.—If a return has been incorrectly prepared and submitted to IRS, you must file a complete corrected return as soon as possible. To determine whether you are required to submit corrected returns, see Magnetic Media Reporting, earlier. All boxes must be completed on the appropriate forms with the correct information, not just the boxes needing correction. Submit Form 1096 and Copies C of corrected Forms to the appropriate service center as soon as possible. If you are making corrections on magnetic media, see the current revenue procedure on magnetic media.

Statements to the recipient (etc.) identified as corrected should be provided to them as soon as possible.

On all Forms 1098, 1099, and 5498, a box is provided for the account number. If the account number was provided on the original return, use this number on the corrected return to help identify the appropriate incorrect return filed when more than one return was filed for a particular individual. The account number may be a checking account number, savings account number, serial number, or any other number assigned.
to the payee by the filer that is unique and will distinguish the specific account. This number must appear on both the original and corrected returns to properly identify and process the correction.

A Form 1096 must be used to transmit all paper forms including corrections. Do not staple the paper forms to Form 1096. Use a separate Form 1096 for each type of return being corrected. Check the "CORRECTED" box on Form 1096 and on the information return only when transmitting corrected Forms 1099, 1098, 5498, or W-2G. DO NOT mark the "CORRECTED" box to transmit additional forms that are not correcting information returns already filed. These additional forms are originals. For example, you filed 10 Forms 1099-MISC with Form 1096. Later, you discovered that you should have filed 15 Forms 1099-MISC instead of 10. The additional 5 returns are originals not corrections. Therefore, do not mark the "CORRECTED" box on Form 1096 or on Form 1099-MISC. In this case, the entries made on Form 1096 should relate only to the additional 5 returns you are transmitting with that Form 1096.

If a completed or partially completed Form 1098, 1099, or 5498 is incorrect and you want to void it, enter an "X" in the "VOID" box at the top of the form. DO NOT CUT the forms that are two or three to a page.

If you make an error while typing or printing a Form 1098, 1099, or 5498, enter an "X" in the "VOID" box at the top of the form. The return will then be disregarded during processing by IRS. Do NOT CUT or separate the forms that are two or three to a page. The entire page must be submitted.

The following chart gives step-by-step instructions for filing corrected returns for three of the most frequently made errors. Correction of errors may require the submission of more than one return. Be sure to read each section thoroughly.

**Guidelines for Filing Corrected Returns on Paper Forms**

<table>
<thead>
<tr>
<th>Error Made on the Original Return</th>
<th>How To File the Corrected Return on Paper Forms</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. No payee TIN (SSN or EIN) or incorrect payee TIN, incorrect name and address. This will require two separate transactions to make the correction properly. Read and follow all instructions for both Transactions 1 and 2.</td>
<td></td>
</tr>
<tr>
<td><strong>TRANSACTION 1: Identify incorrect return submitted.</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Form 1096:</strong>*</td>
<td></td>
</tr>
<tr>
<td>1. Prepare a new transmittal Form 1096.</td>
<td></td>
</tr>
<tr>
<td>2. Enter an &quot;X&quot; in the &quot;CORRECTED&quot; box at the top of the form.</td>
<td></td>
</tr>
<tr>
<td>3. This Form 1096 will be used to transmit your corrected returns. Therefore, complete Form 1096 showing your corrected name, address, and TIN, and in the other boxes enter only information about the corrected returns. For example, enter in Box 3 of Form 1096 only the number of corrected returns being submitted.</td>
<td></td>
</tr>
<tr>
<td><strong>B. Form 1098, 1099, 5498, or W-2G:</strong></td>
<td></td>
</tr>
<tr>
<td>1. Prepare a new information return(s).</td>
<td></td>
</tr>
<tr>
<td>2. Enter an &quot;X&quot; in the &quot;CORRECTED&quot; box at the top of the form(s).</td>
<td></td>
</tr>
<tr>
<td>3. Enter the payer, recipient, and account number information exactly as it appeared on the original incorrect return; HOWEVER, enter &quot;0&quot; (zero) for all money amounts.</td>
<td></td>
</tr>
<tr>
<td><strong>TRANSACTION 2: Report correct information on the correct type of return.</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Form 1096:</strong>*</td>
<td></td>
</tr>
<tr>
<td>1. Prepare a new transmittal Form 1096.</td>
<td></td>
</tr>
<tr>
<td>2. Enter an &quot;X&quot; in the &quot;CORRECTED&quot; box at the top of the form.</td>
<td></td>
</tr>
<tr>
<td>3. This Form 1096 will be used to transmit your corrected returns. Therefore, complete Form 1096 showing your corrected name, address, and TIN, and in the other boxes enter only information about the corrected returns. For example, enter in Box 3 of Form 1096 only the number of corrected returns being submitted.</td>
<td></td>
</tr>
<tr>
<td><strong>B. Form 1098, 1099, 5498, or W-2G:</strong></td>
<td></td>
</tr>
<tr>
<td>1. Prepare a new information return(s).</td>
<td></td>
</tr>
<tr>
<td>2. Enter an &quot;X&quot; in the &quot;CORRECTED&quot; box at the top of the form(s).</td>
<td></td>
</tr>
<tr>
<td>3. Enter the payer, recipient, and account number information exactly as it appeared on the original incorrect return; HOWEVER, enter &quot;0&quot; (zero) for all money amounts.</td>
<td></td>
</tr>
</tbody>
</table>
K. Other Information Returns.—The income information you report on the following returns must not be repeated on the returns discussed in the Specific Instructions in this booklet:

(1) Form W-2 reporting wages and other employee compensation.
(2) Forms 1042S and 1000 reporting income.
(3) Form 2439 reporting undistributed long-term capital gains of a regulated investment company.
(4) Schedule K-1 of Form 1065 reporting distributive shares to members of a partnership.
(5) Schedule K-1 of Form 1041 reporting distributions to beneficiaries of trusts or estates.
(6) Schedule K-1 of Form 1120S reporting distributive shares to shareholders of S corporations.
(7) Schedule K of Form 1120-IC-DISC reporting actual and constructive distributions to shareholders and deferred DISC income.
(8) Schedule Q of Form 1066 reporting income from a REMIC to a residual interests holder.

L. Payments to Corporations and Partnerships.—Reporting generally is not required for payments to corporations except in the case of:

(1) medical payments (Form 1099-MISC),
(2) withheld Federal income tax or foreign tax,
(3) barter exchange transactions (Form 1099-B),
(4) substitute payments in lieu of dividends and tax-exempt interest (Form 1099-MISC),
(5) interest or original issue discount paid or accrued to a regular interest holder of a REMIC (Form 1099-INT or 1099-OID), and
(6) acquisitions or abandonments of secured property (Form 1099-A).

M. Earnings on an IRA or SEP.—Generally, any income with respect to an IRA or SEP, such as interest or dividends, should not be reported on Forms 1099 unless a distribution is made. Distributions should be reported on Form 1099-R.

Specific Instructions

If a distribution includes noncash property, show the fair market value of the property at the time of payment.

Although you generally are not required to report payments smaller than the minimum described for each form, you may prefer, for economy and your own convenience, to file copies A for all payments. IRS encourages this.

Form 1098

Use Form 1098, Mortgage Interest Statement, to report mortgage interest (including reportable points and later) of $600 or more received by you during the year in the course of your trade or business from an individual, including a sole proprietor. File a separate Form 1098 for each mortgage.

The term “interest,” as used in these Form 1098 instructions, includes reportable points, unless otherwise specified.

Exceptions.—You need not file Form 1098 for interest received from a corporation, partnership, trust, estate, association, or company (other than a sole proprietor) even though an individual is a co-borrower and all the trustees, beneficiaries, or members, or shareholders of the payer of record are individuals.

Mortgage Defined.—An obligation incurred after 1987 is a mortgage if real property that is located inside or outside the U.S. secures all or part of the obligation, even though the interest recipient classifies the obligation as other than a mortgage, for example, as a commercial loan.

An obligation incurred after 1984 but before 1988 is a mortgage only if secured primarily by real property.

An obligation in existence on December 31, 1984, is not a mortgage if, at the time the obligation was made, the interest recipient reasonably classified the obligation as other than a mortgage, real property loan, real estate loan, or other similar type of obligation. For example, if an obligation incurred in 1983 was secured by real property, but the interest recipient reasonably classified the obligation as a commercial loan because the proceeds were used to finance the borrower’s business, the obligation is not considered a mortgage for purposes of this reporting requirement. However, if over half of the obligations in a class established by the interest recipient are primarily secured by real property, it is not reasonable to classify those obligations as other than mortgages for purposes of this reporting requirement.

Real property includes a manufactured home as defined in section 25C(a)(10), including certain mobile homes.

Lines of credit and credit card obligations.—Interest received on any mortgage that is in the form of a line of credit or credit card obligation is reportable regardless of how you classified the obligation. A borrower incurs a line of credit or credit card obligation when the borrower first has the right to borrow against the line of credit or credit card, whether or not the borrower actually borrows an amount at that time.

Price Level Adjusted Mortgage.—For a price level adjusted mortgage (PLAM) issued after January 1, 1990, reportable interest on Form 1098 includes payments of accrued original issue discount (OID). The part of each payment treated as OID is determined under Temporary Regulations section 1.1275-6T.

Who Must File.—File this form if you are engaged in a trade or business and, in the course of such business, you receive from an individual $600 or more of mortgage interest on any one mortgage during the calendar year. You are not required to file this form if the interest is not received in the course of your trade or business. For example, you hold the mortgage on your former personal residence. The buyer makes mortgage payments to you. You are not required to file Form 1098.

You must file a separate Form 1098 for each mortgage on which you received interest of $600 or more. You must file less than $600 of interest on a mortgage, no reporting is required on that mortgage.

If you receive $600 or more of mortgage interest in the course of your trade or business, you are subject to the requirement to file Form 1098, even if you are not in the business of lending money. For example, if you are a real estate developer and you provide financing to an individual to buy a home in your subdivision, and that home is security for the financing, you are subject to this reporting requirement. However, if you are a physician and you lend money to your patient or to another business and you lend money to an individual to buy your home, you are not subject to this reporting requirement because you did not receive the interest in the course of your trade or business as a physician.

A governmental unit (or any agency or instrumentality thereof) receiving mortgage interest from an individual of $600 or more must file this form.

Cooperative housing corporation.—A cooperative housing corporation is an interest recipient and must file Form 1098 to report an amount received from its tenant-stockholders that represents the tenant-stockholders’ proportionate share of interest described in section 216(e)(2). This rule applies only to tenant-stockholders who are individuals and from whom the cooperative has received at least $600 of interest during the year.

Collection agents.—Generally, if you receive reportable interest payments on behalf of someone else and you are the first person to receive the interest, for example, if you are a servicing bank collecting payments for a lender, you must file this form and enter your name, address, and EIN in the recipient entity area. You must file this form even though you do not include the interest received in your income but you merely transfer it to another person. If you wish, you may request a direct deposit from the person who you collected the interest in Box 3. The person for whom you are receiving the interest need not file Form 1098.

However, there is an exception to this rule for any period that (1) the first person to receive or collect the interest does not have to file a report on Form 1098, and (2) the person for whom the interest is received or collected would receive the interest in its trade or business if the interest were paid directly to such person. If (1) and (2) apply, the person on whose behalf the interest is received or collected is not required to report on Form 1098. If interest is received or collected on behalf of another person other than an individual, such person is presumed to receive the interest in a trade or business.

Foreign interest recipient.—If you are not a U.S. person, as defined in section 7701(a)(30), you must file Form 1098 only if the interest is received (1) in the U.S., or (2) outside the U.S. if you are a controlled foreign corporation or at least 50% of your gross income from all sources for the 3-year period ending with the close of the tax year preceding the receipt of interest (or for such part of the period as you were in existence) was effectively connected with the conduct of a trade or business in the U.S.

Nonresident Alien Interest Payor.—You must file Form 1098 to report interest paid by a nonresident alien only if all or part of the...
security for the mortgage is real property located in the U.S.

**Payer of Record.** The payer of record is the individual carried on your books and records as the principal borrower. If your books and records do not show the individual as the principal borrower, you must designate a borrower as the principal borrower.

If you permit a subsequent purchaser of the property to assume the loan without releasing the first purchaser from personal liability, the subsequent purchaser is the payer of record. The subsequent purchaser’s name, address, and TIN must appear on Form 1098.

**Multiple Borrowers.** Even though there may be more than one borrower on the mortgage, you are required to prepare Form 1098 only for the payer of record, and only if such payer of record is an individual, showing the total interest received on the mortgage. Even if an individual is a co-borrower, Form 1098 is required unless the payer of record is also an individual.

**Payments by Third Party.** Report all interest received on the mortgage as received from the borrower, except as explained under Seller Payments, below. For example, if the borrower’s mother makes payments on the mortgage, the interest received from the mother is reportable on Form 1098 as received from the borrower.

However, do not report mortgage interest received from any personal residential unit (or any agency or instrumentality thereof). For example, do not report any interest received as housing assistance payments from the Department of Housing and Urban Development (HUD) or mortgages insured under section 235 of the National Housing Act.

**Seller Payments.** Do not report in Box 1 of Form 1098 any interest paid by a seller on a purchaser-borrower’s mortgage, such as on a “buy-down” mortgage. For example, if a real estate developer deposits an amount in escrow and tells you to draw on that escrow account to pay interest on the borrower’s mortgage, do not report in Box 1 the interest received from that escrow account. As another example, do not report in Box 1 any lump sum paid by a real estate developer to pay interest on a purchaser/borrower’s mortgage. However, if you wish, you may use Box 3 to report the payer of record any interest paid by the seller.

**Rule of 78s Method of Accounting.** If you are permitted by Rev. Proc. 83-40, 1983-1 C.B. 774, or any other revenue procedure, to use the Rule of 78s method to calculate interest earned with respect to a transaction, you may report interest earned under the Rule of 78s method on that transaction as interest received from the borrower in a calendar year. The method requires that you pay the monthly payments made by borrowers that the Rule of 78s method was used to calculate interest received and that the borrowers may not deduct the amount reported unless the borrowers are also properly using the Rule of 78s method to determine interest deductions. The notification must also state that the Rule of 78s method may be used only in the case of a self-amortizing consumer loan that requires level payments, at regular intervals (at least annually), over a period of 5 years (with no balloon payment at the end of the loan term), and only when the loan agreement provides for use of the Rule of 78s method to determine interest earned (see Rev. Proc. 83-40 and Rev. Rul. 83-84, 1983-1 C.B. 97). The notice must be furnished to the payer of record on with the statement of the interest received.

**Points.** You must report points paid on the mortgage only if the points meet all the following conditions:

1. The points are interest, i.e., for the use or forbearance of money. Thus, do not report points paid by the borrower as points if the property is used for personal residence.
2. The points conform to an established business practice of charging points in the area where the loan was issued, and the points charged do not exceed the number of points generally charged in that area.
3. The points are for a mortgage loan applied to a closing occurring after 1990.
4. The points are paid directly by the borrower. For purposes of this reporting requirement, an account charged to the borrower as points for the acquisition of a principal residence is treated as paid directly by the borrower.
5. The points are for the purchase of the borrower’s principal residence, which secures the loan.

**Principal residence.** You may rely on a signed written statement of the borrower that states whether the proceeds of the loan are for the purchase of the borrower’s principal residence.

No reporting is required for points: (1) on loans for closings before 1991, (2) paid for loans to improve a principal residence, (3) paid for loans to acquire a second or vacation property, investment property, or trade or business property, (4) paid on a refinancing or home equity loan, or for a line of credit secured by a principal residence, and (5) paid in excess of the amount generally charged in the area, e.g., the payment of excess points to “buy down” the cost of money.

**Report points on Form 1098 regardless of the accounting method you use to report the points as income for Federal income tax purposes.**

**Prepaid Interest.** Report prepaid interest (other than points), only in the year in which it properly accrues. For example, interest received on December 20, 1991, that accrues by December 31 but is not due until February 1, 1992, is reportable on the 1991 Form 1098.

**Exception.** Interest received during the current year that accrues in full by January 15 of the following year may be considered received in the current year, at your option, and is reportable on Form 1098 for the current year. However, if any part of an interest payment accrues after January 15, then you must report the amount that properly accrues by December 31 of the current year is reportable on Form 1098 for the current year. For example, if you receive a payment of interest that accrues for the period December 20 through January 20, you cannot report any of the interest accrued after January 15 in the current year. You must report the interest that accrues after December 31 on Form 1098 for the following year.

**Statement to Payers of Record.** For information about the requirement to furnish a statement to the payer of record, see part H under General Instructions, earlier.

**Recipient’s/Lender’s Name and Address Box.** Enter the name and address of the filer of Form 1098. Use this same name and address on Form 1098.

**Payer’s/Borrower’s Name and Address Box.** Enter the name and address of the person who paid the interest (payer of record).

**Note:** Be careful to enter the recipient’s and payer’s information in the proper boxes.

**Box 1.** Enter the interest (not including points) received on the mortgage from borrowers during the calendar year. Include interest on a mortgage, a home equity loan, or a line of credit or credit card loan secured by real property. Do not include government subsidy payments, seller payments, or prepaid interest that does not meet the exception established earlier in this paragraph. Interest includes prepayment penalties and late charges unless the late charges are for a specific service provided with respect to the mortgage.

**Box 2.** Enter points paid directly on the purchase of a principal residence. For an explanation of reportable points, see Points, earlier.

**Box 3.** Enter any other item you wish to report to the payer, such as real estate taxes, insurance, or if you are a collection agent, the name of the person for whom you collected the interest. This box is optional and is provided only for your convenience. You do not have to report to IRS any information provided in this box. You are not required to report the average balance of the mortgage.

**Form 1099-A**

File Form 1099-A, Acquisition or Abandonment of Secured Property, for each borrower if you lend money in connection with your trade or business and, in full or partial satisfaction of the debt, you acquire an interest in property that is security for the debt, or you have reason to know that the property has been abandoned. You need not be in the business of lending money to be subject to this reporting requirement.

**Property.** Property means real property (such as a personal residence), intangible property, or tangible personal property held for investment or used in a trade or business. No reporting is required for a loan made to an individual and secured by property that is neither held for investment nor used in a trade or business. However, you must file Form 1099-A if the personal property is held for both personal use and for investment or for investment.

No reporting is required if the property securing the loan is located outside the U.S. and the borrower has furnished the lender a statement, under penalties of perjury, that the borrower is an exempt foreign person (unless the lender knows that the statement is false).

**Who Must File.** In addition to the general rules specified above, the following rules apply.

If there are multiple owners of undivided interests in a single loan, such as is the case in pools, fixed investment trusts, other similar arrangements, the trustee, record owner, or person acting in a similar capacity must file Form 1099-A on behalf of all the owners or participants except in the case of participations. In this case, only one form for each borrower must be filed on behalf of all owners with respect to the loan. Similarly, in the case of bond issues, only the trustee or similar person is required to report.

**A government unit, or any of its agencies or instrumentalities, that lends money secured by property must file Form 1099-A.**

A subsequent holder of a loan is treated as the lender for purposes of the reporting requirement for events occurring after the loan is transferred to the new holder.

If more than one person lends money secured by a pledge, the lender forecloses or otherwise acquires an interest in the property and the sale or other acquisition
terminate, reduces, or otherwise impairs the other lender's security interests in the property, the other lenders must file Form 1099-A with respect to each of their loans. For example, if a first trust holder forecloses on a building, and the trust holder knows or has reason to know of such foreclosure, the second trust holder must file Form 1099-A with respect to the second trust even though no part of the second trust was satisfied by the proceeds of the foreclosure sale.

Abandonment.—An abandonment occurs when the objective facts and circumstances indicate that the borrower intended to and has permanently discarded the property from use. You have "reason to know" of and abandonment when you become aware of circumstances indicating that the property has been abandoned. If you expect to commence a foreclosure, execution, or similar sale within 3 months of the date you had reason to know that the property was abandoned, reporting is required as of the date you acquire an interest in the property or a third party purchases the property at such sale. If you expect to-but do not commence such action within 3 months, then reporting must be made at the end of the 3-month period.

Statements to Borrowers.—For information about the requirement of furnishing a statement to the borrower, see part H under General Instructions, earlier.

Box 1.—Enter the date of your acquisition of the secured property or the date you first knew or had reason to know that the property was abandoned. An interest in the property is generally acquired on the earlier of the date title is transferred to the lender or the date possession and the burdens and benefits of ownership are transferred to the lender. If an objection period is provided by law, use the date the objection period expires. If you purchase the property at a sale held to satisfy the debt, such as at a foreclosure or execution sale, use the date of the sale or the date the borrower's right of redemption expires. Please use the following format to indicate the date: MM/DD/YY. For example, January 9, 1991, enter 01/09/91.

For an abandonment, enter the date you knew or had reason to know that the property was abandoned unless you expect to commence a foreclosure, execution, or similar action within 3 months, as explained earlier. If a third party purchases the property at a foreclosure, execution, or similar sale, the property is treated as abandoned, and you have reason to know of its abandonment on the date of sale.

Box 2.—Enter the balance of the debt outstanding at the time the interest in the property was acquired or on the date you first knew or had reason to know that the property was abandoned. Include only unpaid principal on the original debt. Do not include accrued interest or foreclosure costs.

Box 3.—For a foreclosure, execution, or similar sale, enter the gross foreclosure bid price accepted at the sale.

Box 4.—For foreclosure loans only, if an abandonment or a voluntary conveyance to the lender in lieu of foreclosure occurs, enter the appraised value of the property. For a foreclosure, execution, or similar sale, you are not required to enter the appraised value.

Box 5.—Enter an "X" in the applicable box to indicate whether the borrower was personally liable for repayment of the debt at the time the debt was created or, if modified, the time of the last modification.

Box 6.—Enter a general description of the property. For real property, generally you must enter the address of the property, or if the address does not sufficiently identify the property, enter the section, lot, and block. For personal property, enter the applicable type, make, and model. For example, describe a car as "Car—1991 Buick Regal." Use a category such as "Office Equipment" to describe more than one piece of personal property, such as six desks and seven typewriters. Enter "CCC" for crops forfeited on Commodity Credit Corporation loans.

Form 1099-B

Any person, including a governmental unit and any agency or instrumentality thereof, doing business as a broker or barter exchange must file Form 1099-B, Proceeds From Broker and Barter Exchange Transactions, for each person (a) for whom the broker has sold (including short sales) stocks, bonds, commodities, regulated futures contracts, foreign currency contracts, forward contracts, debt instruments, etc., or (b) who exchanged property or services through the barter exchange.

Brokers

The term broker means a person that, in the ordinary course of a trade or business, stands ready to effect sales to be made by others. A corporation is a broker if it regularly stands ready to redeem its stock or retire its debt. However, if there are no facts that indicate otherwise, a corporation that purchases odd-lot shares from its stockholders is not a broker. If you manage a farm for someone else, you are not considered a broker.

For a sale of securities through a "cash on delivery" or similar account, only the broker that receives the gross proceeds from the sale against delivery of the security sold is required to report the sale. However, if such broker's customer is a "second-party broker," that is an exempt recipient, only the second-party broker is required to report the sale.

If the proceeds of a sale are paid in convertible foreign currency, the amount to be reported must be converted into U.S. dollars. You may use the exchange rate on the sales date or the exchange rate on the last business day of the reporting period in which the sale occurred.

Report each transaction involving regulated futures or foreign currency contracts on a separate Form 1099-B. Transactions involving regulated futures or foreign currency contracts are to be reported on an aggregate basis.

To report substitute payments in lieu of dividends and interest, as directed by section 6045(d), do not use Form 1099-B. See Box 8 under Form 1099-MISC, later.

Form 8308, Report of a Sale or Exchange of Certain Partnership Interests, does not have to be filed if Form 1099-B is required for the transfer of the partnership interest.

No return is required by brokers for:

(1) Sales by exempt recipients. Common examples include corporations, charitable organizations, individuals, retirement plans, the United States, a state and political subdivisions.

(2) Sales initiated by dealers in securities and financial institutions.

(3) Sales by certain custodians and trustees,

(4) Sales at issue price of interests in certain regulated investment companies.

(5) Obligor payments on:

(a) Nontransferable obligations, such as savings bonds or CDs.

(b) Obligations for which gross proceeds are reported on other Forms 1099, such as stripped coupons issued prior to July 1, 1982.

(c) Retirement of short-term obligations with original issue discount (reported on Form 1099-INT). However, Form 1099-B is required for the retirement of short-term state obligations having no original issue discount.

(d) Callable demand obligations that have no premium or discount.

(6) Sales of foreign currency unless under a forward or regulated futures contract that requires delivery of foreign currency.

(7) Sales of fractional shares of stock if gross proceeds are less than $20.

(8) Retirements of book-entry or registered form obligations if no interim transfers have occurred.

(9) Exempt foreign persons.

Barter Exchanges

The term barter exchange means any person with members or clients who contract either with each other or with such person to trade or barter property or services either directly or through such person. The term does not include arrangements that provide solely for the informal exchange of similar services on a noncommercial basis. Persons who are not a barter exchange but who trade services do not file Form 1099-B. However, they may be required to file Form 1099-MISC.

Barter exchanges must report each transaction involving noncorporate members or clients of a barter exchange on a separate Form 1099-B. Transactions involving corporate members or clients of a barter exchange may be reported on an aggregate basis.

No return is required by barter exchanges for:

(1) Exchanges through a barter exchange having less than 100 transactions during the calendar year.

(2) Exempt foreign persons.

2nd TIN Not.—You may enter an "X" in this box if you were notified by IRS twice within 3 years that the payee provided an incorrect taxpayer identification number (TIN). If you mark this box, you will comply with a safe harbor due diligence requirement of Temporary Regulations section 35a.9999-3, Q/A-89, and IRS will not send you any further notices about this account.

Statements to Recipients.—For information about the requirement to furnish a statement to the proceeds recipient, see part H under General Instructions, earlier.

Box 1a.—For barter transactions, enter the trade date of the sale or exchange. For barter exchanges, enter the date that cash, property, a credit, or scrib is actually or constructively received. Please use the following format to indicate the date: MM/DD/YY. For example, January 9, 1991, enter 01/09/91. For aggregate reporting, no entry is required.

Box 1b.—For transactions reporting by brokers, enter the CUSIP (Committee on Uniform Security Identification Procedures) number of the obligation.
Box 2.—Enter the gross proceeds from any disposition of securities (including short sales), commodities, or forward contracts. To determine gross proceeds, you may take into account commissions and option premiums if this treatment is consistent with your books. You may not take account state and local transfer taxes. Check the applicable box to indicate which amount has been reported to IRS. Do not include amounts shown in Boxes 6 through 9. Any accrued interest on bonds sold between payment dates (or on a payment date) should not be included in this box. Instead, report this accrued interest on Form 1099-INT. A loss from a closing transaction on a forward contract must be shown as a negative amount by enclosing it in parentheses.

Box 3.—Enter the gross amounts received by a member or client of a barter exchange for goods or services. This includes cash received, property or services received, a credit on your books, or scrip issued. Do not report negative amounts.

Box 4.—Enter backup withholding. For example, persons who have not furnished their taxpayer identification number to you in the manner required are subject to withholding at a 20% rate on certain amounts required to be reported on this form.

Box 5.—For broker transactions, enter a brief description of the security, e.g., 100 shares of XYZ Corp. stock. If necessary, abbreviate the description so that it fits within Box 5. For regulated futures contracts and forward contracts, enter “RF” or other appropriate description and any amount subject to backup withholding. Under Temporary Regulations section 35a.9999-3, Q/A-23. Note: The amount withheld in these situations is to be included in Box 4.

For bartering transactions, show the services or property provided.

Box 6.—Enter the profit or (loss) realized by the customer on closed regulated futures or foreign currency contracts to the end of 1990. For more information on reporting foreign currency contracts, see Temporary Regulations section 35a.9999-3, Q/A-26.

Box 7.—Enter the unrealized profit or (loss) on open regulated futures or foreign currency contracts at the end of 1991.

Box 8.—Enter the unrealized profit or (loss) on open regulated futures or foreign currency contracts as of December 31, 1991.

Box 9.—Enter the aggregate profit or (loss) for the year from regulated futures or foreign currency contracts. Use Boxes 6, 7, and 8 to figure the aggregate profit or (loss).

Form 1099-DIV

File Form 1099-DIV, Dividends and Distributions, for each person (a) to whom you have paid gross dividends and other distributions on stock (Box 1a) of $10 or more, (b) for whom you have withheld and paid any foreign tax on dividends and other distributions on stock if the recipient can claim credit for the foreign income tax paid, (c) for whom you have withheld any Federal income tax under the backup withholding rules, or (d) to whom you paid $600 or more as part of a liquidation.

Section 404(k) Dividend.—Also, report on Form 1099-DIV dividends distributed under section 404(k) of the Employee Retirement Income Security Act as an employee stock ownership plan (ESOP) or a tax-qualified, nonqualified plan. However, if a section 404(k) distribution is made in the same year as a total qualified distribution, the entire amount should be reported as an amount includable in income on Form 1099-R.

Exceptions.—You are not required to file Form 1099-DIV for payments made to certain payees including a corporation, a tax-exempt organization, an individual retirement arrangement (IRA), a U.S. agency, a state, the District of Columbia, a U.S. possession, or a foreign government or international organization. In addition, you are not required to file Form 1099-DIV for payments made to any person who is a U.S. or foreign government or international organization. You are not required to file Form 1099-DIV on any distribution made to a broker or dealer in securities or commodities or to an escrow agent.

Dividends.—See regulations under section 6042 for a definition of dividends.

Note: Certain distributions commonly referred to as “dividends” are actually interest and are to be reported on Form 1099-INT. These include so-called “dividends” on deposit or on share accounts in cooperative banks, credit unions, domestic building and loan associations, domestic and Federal savings and loan associations, and mutual savings banks.

An exempt-interest dividend from a regulated investment company retains its tax-exempt status if reported on Form 1099-DIV or 1099-INT.

Substitute Payments in Lieu of Dividends.—For payments received by a broker on behalf of a customer in lieu of dividends as a result of the transfer of a customer’s securities for use in a short sale, see Box 8 under Form 1099-MISC, later.

RICO If a regulated investment company (RIC) declares a dividend in October, November, or December payable to shareholders of record on a specified date in such a month, the dividends are treated as paid by the RIC and received by the shareholders on the earlier of such fiscal year as long as the dividends are actually paid by the RIC during January of the following year. Such dividends should be reported on Form 1099-DIV for the year preceding the January they are actually paid. See section 852(b)(7).


2nd TIN Not.—You may enter an “X” in this box if you were notified by IRS twice within 3 calendar years that the payee provided an incorrect taxpayer identification number (TIN). If you mark this box, you will comply with a safe harbor due diligence requirement of Temporary Regulations section 35a.9999-3, Q/A-89, and IRS will not send you any further notices.

Statements to Recipients.—For an explanation of the requirement to furnish an original form to recipients in person or by statement mailing, see part H under General Instructions, earlier. Also see Pub. 1179.

Box 1a.—Enter gross dividends, including those from money market funds, and other distributions on stock. Include from nonregulated dividends as gross dividends. Also, include amounts shown in Boxes 1b, 1c, 1d, and 1e. Do not include in Box 1a amounts reported in Boxes 5 and 6.

Box 1b.—Enter ordinary dividends. Also include this amount in Box 1a.

Box 1c.—Enter capital gain distributions. Also include this amount in Box 1a.

Box 1d.—Enter nontaxable distributions, if determined, that are not included in the amount in Box 1a. (File Form 5452, Corporate Report of Nondividend Distributions, if you pay nontaxable distributions to shareholders.)

Box 1e.—Enter the stockholder’s pro rata share of certain amounts deductible by a publicly offered regulated investment company in computing its taxable income. This amount is includable in the stockholder’s gross income under section 67(c) and must also be included in Box 1a.

Form 1099-G

File Form 1099-G, Certain Government Payments, if you have made payments as a unit of a Federal, state, or local government.

Statements to Recipients.—Furnish a copy of Form 1099-G or a statement to each recipient, except as explained below under Box 2. Also see part H under General Instructions, earlier.

Box 1.—Enter payments of $10 or more in unemployment compensation including Railroad Retirement Board payments for unemployment.

Box 2.—Enter refunds, credits, or offsets of state or local income tax of $10 or more you made to recipients. If recipients deducted the tax paid to a state or local government on their Federal income tax returns, any refunds, credits, or offsets, may be taxable to them. If you cannot determine that the recipient did not claim itemized deductions on the recipient’s Federal income tax return for the tax year giving rise to the refund, credit, or offset, you are not required to furnish a copy of Form 1099-G, or a statement to the recipient. However, you must file Form 1099-G with IRS in all cases.

A tax on dividends, a tax on net gains from the sale or exchange of a capital asset, and a tax on the net taxable income of an unincorporated business are taxes on gain or profit, not on interest or gross receipts. Therefore, they are income taxes, and any refund, credit, or offset of $10 or more of these taxes is reportable on Form 1099-G. In the case of the dividends tax and the capital gains tax, if you determine that the recipient did not itemize deductions, as explained above, you are not required to furnish a statement to the recipient. However, in the case of the tax on unincorporated businesses, you must furnish a statement to the recipient in addition to a copy of Form 1099-G or other statement of the return. See the instructions for Form 8 and Rev. Rul. 86-140, 1986-2 C.B. 195.

Box 3.—No entry is required in Box 3 if the refund, credit, or offset is for the 1990 tax year. If it is for any other tax year, enter the year for which the refund, credit, or offset was made in this box. Also, if the refunds, credits, or offsets are for more than one tax year, report the amount for each year on a
separate Form 1099-G. Use the format “YYYY” to make the entry in this box. For example, enter 1989, not ’89.

Box 4.—Enter backup withholding. For example, persons who have not furnished their taxpayer identification number to you become subject to backup withholding at a 28% rate on payments required to be reported in Box 6 or 7 on this form.

Box 5.—Enter any amount in excess of $600 that was owed to the Federal Government and that has been declared uncollectible. Include in the amount you report the principal amount of the debt, plus any administrative costs, and interest. Report 100% of accrued and uncollected interest in 1991.

A Federal agency must report forgiveness of indebtedness when the agency determines that the debt is not collectible and no further efforts to collect the debt will be made or a final discharge of the debt has been entered into. The agency need not wait until the statute of limitations has expired to declare a debt uncollectible.

Report the difference between the outstanding balance of the debt and the amount accepted as payment in full if a debt is compromised. If the debtor cannot pay the debt within a reasonable time or refuses to pay the debt in full and the Government cannot enforce collection in full within a reasonable time, or (2) the cost of collecting the claim does not justify the enforced collection of the full amount. However, if a debt is compromised because there is real doubt of the Government’s ability to prove its case in court for the full amount claimed, then do not report the compromised amount.

Do not report any obligation discharged in a Title 11 bankruptcy case or amounts discharged for a debtor to the extent the debtor is insolvent. For example, if a debtor owes $1000 and his or her liabilities exceed his or her assets by $250 before the debt is discharged, $750 must be reported when the debt is discharged. You must document that the debtor is insolvent through an assets and liabilities analysis certified by the debtor as correct under penalties of perjury.

Box 6.—Enter any amount of a taxable grant administered by a Federal, state, or local government program that finances or grants for projects designed to conserve or produce energy, but only with respect to section 38 property or a dwelling unit located in the U.S. Also report amounts of other taxable grants of $600 or more. A Federal grant or loan is taxable if the amount is not otherwise stated in the legislation authorizing the grant.

Box 7.—Enter U.S.D.A. agricultural subsidy payments made to recipients during the year. If you are a nominee that received subsidy payments for another person, file Form 1099-G to report on your behalf the payments, and report the amount of the payments in Box 7.

Box 8.—If the amount in Box 2 is a refund, credit, or offset attributable to an income tax that applies exclusively to income from a trade or business and not a tax of general applicability, enter an “X” in this box.

Form 1099-INT

File Form 1099-INT, Interest Income, for each person: (1) to whom you paid amounts reportable in Boxes 1 and 3 of at least $10 (except for the $600 limit for interest paid in the course of your trade or business as described in the instructions below in Box 1), (2) for whom you withheld and paid foreign tax on interest, or (3) from whom you withheld any Federal income tax under the backup withholding rules regardless of the amount of the payment.

Only report interest payments made in the course of your trade or business including Federal, state, and local government agencies and offices or for which you were a nominee/middleman.

Exceptions.—You are not required to file Form 1099-INT for payments made to certain payees including a corporation, a tax-exempt organization, an individual retirement arrangement (IRA), a U.S. agency, a state, the District of Columbia, a U.S. possession, or a registered securities or commodities dealer.

Note: Do not report tax-exempt or tax-deferred interest, such as interest on municipal bonds or interest that is earned but not distributed from an individual retirement arrangement (IRA).

An exempt-interest dividend from a regulated investment company retains its tax-exempt status and is not reported on Form 1099-INT or 1099-DIV.

Successor/Predecessor Corporation.—A successor corporation and a predecessor corporation may agree that the successor corporation will file one Form 1099-INT for each payee combining the reportable interest paid by both corporations (under section 6049). If the two corporations do not agree, or if other requirements described below are not met, the predecessor must file Forms 1099-INT to report the interest payments it made during the year, and the successor must file Forms 1099-INT to report its own payments.

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

1. The successor corporation acquires substantially all the assets and assumes substantially all the liabilities of the predecessor corporation.
2. During the year of acquisition, but before the acquisition, the predecessor made reportable interest payments to payees.
3. During the year of acquisition, but after the acquisition, the predecessor did not make any reportable interest payments.

Agreement.—The predecessor and successor must agree that the successor assumes the predecessor’s entire obligation to file Forms 1099-INT for reportable interest payments made in the year of acquisition. If they agree and if the successor satisfies the predecessor’s obligation, the predecessor is relieved of the obligation to file Forms 1099-INT.

Combined Form 1099-INT.—The Form 1099-INT filed by the successor for each payee must include the reportable interest payments made by the predecessor in the acquisition year and the reportable interest payments made by the successor in that year. After backup withholding is combined on the form. When providing Form 1099-INT, or an acceptable substitute form, to the interest recipient, the successor may include additional information explaining the aggregate reporting of the interest.

Statement requirement.—At the due date of Form 1099-INT, the successor must file a statement containing: (1) an indication that Forms 1099-INT are being filed on a combined basis under Rev. Proc. 90-57, and (2) the name, address, and taxpayer identification numbers of both the successor and predecessor corporations. This statement must be sent separately from the Forms 1099-INT to: Internal Revenue Service, Martinsburg Computing Center, P.O. Box 1359, Attn: Chief, Magnetic Media 2, Martinsburg, WV 25401-1359.


2nd Tin Not.—You may enter an “X” in this box if you were notified by IRS twice within 3 calendar years that the payee provided an incorrect taxpayer identification number (TIN). If you mark this box, you will comply with a safe harbor due diligence requirement of Temporary Regulations section 35a.9999-3, Q/A-89, and IRS will not send you any further notices about this account.

Statements to Recipients.—For an explanation of the administrative burden to furnish an official form to recipients in person or by statement mailing, see part H under General Instructions, earlier. Also see Pub. 1179. If you have furnished Forms 1099-INT to a recipient for amounts received during the year at the time of the transaction, such as might have done for window transactions, do not include these same amounts in a Form 1099-INT furnished to the same recipient for other payments during the year.

Payer’s RTN (optional).—If you are a financial institution that wishes to participate in Form 1099-INT, and you deposit in the hands of electronic filers, you may enter your routing and transit number (RTN).

Box 1.—Enter interest not included in Box 3. Include amounts, whether or not designated as interest, that are paid or credited to any person’s account by savings and loan associations, mutual savings banks, by a life insurance company, indebtedness (including bonds, debentures, notes and certificates other than those of the U.S. Treasury) issued in registered form or of a type offered to the public, or from which you withheld Federal income tax or foreign tax. Also include interest paid in the course of your trade or business not meeting these criteria, such as interest on delayed death benefits paid by a life insurance company, if the interest totals $600 or more for the year.

In addition, report interest accrued to a REMIC regular interest holder or paid to a CDO holder, as explained below.

Include in Box 1 any accrued interest on bonds sold between interest dates (or on a payment date).

Also show original issue discount on short-term obligations of one year or less and interest on certain certificates of deposit.

Do not include in Box 1 interest on tax-free covenant bonds, which is reportable on Form 1042S, Foreign Person’s U.S. Source Income Subject to Withholding, or dividends from money market funds, which are reportable on Form 1099-DIV. Also, do not include any deposits in a deposit account.

Box 2.—Enter interest or principal forfeited because of an early withdrawal of time deposits, such as an early withdrawal from a CD, that is deductible from gross income by the recipient. Do not reduce the amount entered in Box 1 by the amount of the forfeiture. For detailed instructions for determining the amount of forfeiture deductible by the depositor, see Rev. Rul. 75-25, 1975-1 C.B. 29, and 75-21, 1975-1 C.B. 30.

Box 3.—Enter interest on U.S. Savings Bonds, Treasury bills, Treasury notes, and Treasury bonds. Do not include this amount in Box 1.
If you make payment on a U.S. Savings Bond or other U.S. obligation on which interest is reportable, enter your name, address, and Federal identification number on Forms 1099-INT and 1096, not those of the U.S. Treasury Department or the Bureau of Public Debt.

Box 4.—Enter backup withholding. For example, persons who have not furnished their taxpayer identification number to you in the manner required become subject to withholding at a 20% rate on payments required to be reported in Box 1 (which may be reduced by the amount reported in Box 2) and Box 3 on this form.

Box 5.—Enter any foreign tax withheld and paid on interest. Report this amount in U.S. dollars.

Box 6.—Enter the name of the foreign country or U.S. possession to which the withheld tax applies.

REMICs and Issuers of Collateralized Debt Obligations.—File Form 1099-INT to report interest of $10 or more, other than original issue discount (OID), accrued to a REMIC regular interest holder during the year or paid to the holder of a collateralized debt obligation (CDO). If you are also reporting OID, this interest and the OID can be reported on Form 1099-OID. It is not necessary to file both Forms 1099-INT and 1099-OID. See Form 1099-OID, later.

REMICs, issuers of CDOs, and any broker or middleman who holds as a nominee a REMIC regular interest or CDO must file.

Report in Box 1 of Form 1099-INT any amount of interest, other than OID, accrued to each REMIC regular interest holder or paid to a CDO holder. If you are a single class REMIC (as defined in Temporary Regulations section 1.6409-7T(e)(2)(ii)), you need not file the regular interest holder, the market price, and the amount of the interest.

You must still file Form 1099-INT including the legend shown on Copy B of the official form and an indication of which items are being furnished to IRS. The statement must also provide information necessary to prove the accuracy of the market discount as specified in Temporary Regulations section 1.6409-7T(f)(2)(X)(G).

In addition, the statement furnished by a REMIC must show the percentage of the REMIC’s assets that are qualifying real property loans and, for each quarter, the percentage of the REMIC’s assets that are real estate assets under section 865(c)(6)(B), and that are assets of a domestic building and loan association under section 7703(a)(19), any of which is computed using the average adjusted basis of the REMIC’s assets during the calendar quarter. For any quarter, if the percentage of the REMIC’s assets for a category is at least 95%, it is sufficient to merely specify that the percentage was at least 95% for that category and calendar quarter.

If less than 95% of the REMIC’s assets are real estate assets, then the Regulations section 1.6409-7T(f)(3)(ii) for information required to be reported to a real estate investment trust (REIT) that holds a regular interest.

The statement must be furnished to holders by March 15. To meet the statement requirement, you must file the REMIC regular interest or CDO holder a copy of Form 1099-INT and a separate statement containing the additional information.

For information about reporting income to REMIC residual interest holders, see the instructions for Q (Form 1066), Quarterly Notice to Residual Interest Holder of REMIC Taxable Income or Net Loss Allocation.

Form 8811 and Reporting by Brokers or Middlemen.—REMICs and issuers of CDOs must also file Form 8811, Information Return for Real Estate Mortgage Investment Conduits (REMICs) and Issuers of Collateralized Debt Obligations, within 30 days after the startup day of the REMIC or issue date of a CDO. IRS will use the information on Forms 8811 to publish an annual report of Mortgage Investment Conduits (REMICs) Reporting Information, for use by certain brokers, middlemen, corporations, and others specified in Temporary Regulations section 1.6409-7T(e)(2).

The request of any such person, a REMIC or CDO issuer must furnish the information specified in Temporary Regulations section 1.6409-7T(e)(2) by the later of 30 days after the end of the calendar quarter for which the request was made or 15 days after receipt of the request.

A broker or middleman who holds a REMIC regular interest or CDO for a corporation, noncalendar year taxpayer, or any exempt recipient specified in Temporary Regulations sections 1.6409-7T(c)(9) through 14 must provide, on request, that information to the requestor by the later of 45 days after the close of the calendar quarter for which the information is requested to the later of 45 days after receipt of the request. However, if the request is made for the last calendar quarter of the year, the information must be furnished by the later of 45 days after receipt of the request or March 15.

Form 1099-MISC

File Form 1099-MISC, Miscellaneous Income, for each person, other than corporations (Boxes 6 and 8 must be reported to corporations), to whom you have paid: (1) at least $10 in royalties or brokerage payments in lieu of a commission in lieu of tax-exempt interest (see Box 8), (2) at least $600 in rents, services (including parts and materials), prizes and awards, and other income payments, and health care payments, or (3) any fishing boat proceeds. In addition, use Form 1099-MISC to report that direct sales of at least $5,000 of consumer products were made to a buyer for resale. You must also file Form 1099-MISC for each person from whom you have withheld any Federal income tax under the backup withholding rules regardless of the amount of the payment. Report only payments made in cash. This box will comply with a safe harbor due diligence requirement of Temporary Regulations section 35a.9999-3, Q/A-89, and IRS will not send you any further notices about this account.

Caution: Be sure to report payments in the proper box because IRS uses this information to determine whether the recipient has properly reported the payment.

Trade or Business.—Payments are to be reported only by persons engaged in a trade or business when payments are made in the course of such trade or business. Thus, personal payments are not reportable. You are engaged in a trade or business if you operate for gain or profit. However, certain nonprofit organizations are considered to be engaged in a trade or business and are subject to the reporting requirement. They include trusts of qualified pension or profit-sharing plans of employers, certain organizations exempt from tax under section 501(c)(d), or farmers’ cooperatives that are exempt from tax under section 521.

Payments for Federal, state, or local government agencies are also reportable.

Exceptions.—Some payments are not required to be reported on Form 1099-MISC, although they may be taxable to the recipient. Payments for which a Form 1099-MISC is not required include: (1) payments to a corporation, except those required to be reported in Boxes 6 and 8, (2) payments for merchandise, (3) payments of rent paid to real estate agents, (4) wages and travel allowances paid to employees (report on Form W-2), and (5) PS 58 costs (report on a separate Form 1099-R). See below for additional payments not reportable on Form 1099-MISC.

Scholarships.—DO NOT use this form to report scholarship or fellowship grants. Scholarship or fellowship grants that are taxable to the recipient because they are paid for teaching, research, or other services as a condition for receiving the grant are considered wages and must be reported on Form W-2. Other taxable scholarship or fellowship payments are not required to be reported by you if you follow the instructions in Notice 87-31, 1987-1 C.B. 475, for more information.

Fees Paid to Informants.—A payment to an informant as an award, fee, or reward for information about criminal activity is not required to be reported if the payment is made by a Federal, state, or local government agency, or by a nonprofit organization exempt from tax under section 501(c)(3) that makes the payment to further the charitable purpose of reducing the burdens of government. For more information, see Regulations section 1.6041-3(n).

Directors’ Fees.—Directors’ fees reportable on Form 1099-MISC must be reported in the year paid even though they may be subject to self-employment social security tax in a prior year because they were earned in that prior year.

Note: For services performed after 1990, self-employment social security and Medicare taxes are due in the year paid for services is received.

Wages Paid to Estate or Beneficiary.—Payments to an estate or beneficiary for wages or other compensation of a deceased employee must be reported on Form 1099-MISC. In addition, they may be reportable on Form W-2 if paid in the year of death. See Rev. Rul. 86-2, C.B. 196, for the reporting requirements.

2nd TN Not.—You may enter an “X” in this box if you were notified by IRS twice within 3 calendar years that the payee provided an incorrect taxpayer identification number (TIN). If you mark this box, we will consult with a safe harbor due diligence requirement of Temporary Regulations section 35a.9999-3, Q/A-89, and IRS will not send you any further notices about this account.

Statements to Recipients.—For information about the requirement of furnishing a
statement to each recipient, see part H under General Instructions, earlier.

Box 1.—Enter amounts paid to recipients for all types of rents, such as real estate rentals paid for office space (unless paid to a real estate agent), machine rentals (for example, hiring a bulldozer to level your parking lot), and pasture rentals (for example, farmers paying for the use of livestock grazing). If the machine rental is part of a contract that includes both the use of the machine and the operator, the rental should be prorated between the rent of the machine (reported in Box 1) and the operator’s charge (reported as nonemployee compensation in Box 7). Public housing agencies must report in Box 1 rental assistance payments made to owners of housing projects. See Rev. Rul. 88-53, 1988-1 C.B. 384.

Box 2.—Enter gross royalty payments of $10 or more before deduction for insurance and other taxes that may have been withheld and paid. Include in this box royalties paid by a publisher directly to an author or literary agent or paid by a literary agent to an author. Do not include surface royalties. They should be reported in Box 3. Also report oil or gas payments for a working interest in Box 2; report working interests in Box 7. Do not report timber royalties made under a “pay-as-cut” contract; report such timber royalties on Form 1099-MISC.

Box 3.—Enter prizes and awards that are not for services rendered. Include the fair market value of merchandise won on game shows. Prizes and awards for services rendered by employees must be reported on Form W-2. Prizes and awards for services rendered by nonemployees are a cost to be allocated to the award; the top commission salesperson, are reported in Box 7.

Prizes and awards received in recognition of past accomplishments in religious, charitable, scientific, artistic, educational, literary, or civic fields are not reportable if:
1. The amount paid for the award did not exceed $200
2. The winner was not required to pay income tax on the prize
3. The prize was not paid to an individual who was not a recipient in the previous year
4. The prize was not paid to a charitable organization or governmental unit pursuant to a designee made in the current year
5. The prize was paid under a contract indicating that the award was in lieu of an individual's services and materials. For example, report the total insurance company payment to the company that reimburses the repair shop under a repair contract. See Rev. Proc. 87-54, 1987-2 C.B. 669.

Also report in this box any payment required to be reported on Form 1099-MISC that should not be reported in one of the other boxes on the form. For example, report punitive damages paid in cases that do not involve personal injury or property damage. Also report payments to nonemployees specified in, and payments similar to, those specified in Rev. Rul. 65-18, 1965-1 C.B. 32, relating to payments to patients and members in Department of Veterans Affairs (VA) hospitals and domiciliaries under the VA therapeutic or rehabilitative program.

Box 4.—Enter backup withholding. For example, persons who have not furnished their taxpayer identification number to you must become subject to withholding at a 20% rate on payments made to persons reported in Boxes 1, 2 (net of severance taxes), 3, 5 (to the extent paid in cash), 6, 7, 8, and 10 on this form.

Box 5.—Enter the share of all proceeds from the sale of a catch or the fair market value of a distribution of live fish to each crew member of fishing boats with normally fewer than 10 crew members.

Box 6.—Enter payments made in the course of your trade or business to each physician or other supplier or provider of medical or health care services, including payments made by medical and health care insurers under health, accident, and sickness insurance programs. In the case of a corporation, list the corporation as the recipient rather than the individual providing the services. See Rev. Ruls. 69-595, 1969-2 C.B. 242, and 70-608, 1970-2 C.B. 286.

The exemption from issuing Form 1099-MISC to a corporation does not apply to payments for medical or health care services provided by corporations, including professional corporations.

Box 7.—Enter nonemployee compensation.
Include fees, commissions, prizes and awards for services rendered, or other forms of compensation for services rendered for your trade or business by an individual who is not your employee. Do not report oil and gas payments for a working interest, whether or not services are performed. Also include expenses incurred for the use of an entertainment facility that you treat as compensation to a nonemployee. Do not report in Box 7, nor elsewhere on Form 1099-MISC, PS 58 costs or an employee’s wages, travel or auto allowance, or bonuses.

If the following four conditions are met, a payment is generally reportable as nonemployee compensation: (1) you made the payment to a nonemployee who is not your employee; (2) you made the payment for services rendered in the course of your trade or business (including government agencies and nonprofit organizations); (3) you made the payment to an individual who is not a corporation, e.g., an individual or a partnership; and (4) you made payments to the payee of at least $600 during the year.

Examples of payments to be reported in Box 7 are:
1. Attorneys' and accountants' fees for professional services.
2. Fees paid by one professional to another, such as fee-splitting or referral fees.
3. Payments by attorneys to witnesses or experts in legal adjudications.
4. Payment for services, including payment for parts or materials used to render the services, unless the person rendering services is in the business of selling parts and materials. For example, report the total insurance company payment to an auto repair shop under a repair contract. See Rev. Proc. 87-54, 1987-2 C.B. 669.

Also report in this box any payment required to be reported on Form 1099-MISC that should not be reported in one of the other boxes on the form. For example, report punitive damages paid in cases that do not involve personal injury or property damage. Also report payments to nonemployees specified in, and payments similar to, those specified in Rev. Rul. 65-18, 1965-1 C.B. 32, relating to payments to patients and members in Department of Veterans Affairs (VA) hospitals and domiciliaries under the VA therapeutic or rehabilitative program.

Box 7.—Enter nonemployee compensation.
Include fees, commissions, prizes and awards for services rendered, or other forms of compensation for services rendered for your trade or business by an individual who is not your employee. Do not report oil and gas payments for a working interest, whether or not services are performed. Also include expenses incurred for the use of an entertainment facility that you treat as compensation to a nonemployee. Do not report in Box 7, nor elsewhere on Form 1099-MISC, PS 58 costs or an employee’s wages, travel or auto allowance, or bonuses.

If the following four conditions are met, a payment is generally reportable as nonemployee compensation: (1) you made the payment to a nonemployee who is not your employee; (2) you made the payment for services rendered in the course of your trade or business (including government agencies and nonprofit organizations); (3) you made the payment to an individual who is not a corporation, e.g., an individual or a partnership; and (4) you made payments to the payee of at least $600 during the year.

Examples of payments to be reported in Box 7 are:
1. Attorneys' and accountants' fees for professional services.
2. Fees paid by one professional to another, such as fee-splitting or referral fees.
3. Payments by attorneys to witnesses or experts in legal adjudications.
4. Payment for services, including payment for parts or materials used to render the services, unless the person rendering services is in the business of selling parts and materials. For example, report the total insurance company payment to an auto repair shop under a repair contract indicating an amount for labor and another amount for parts, as long as the repair shop does not hold itself out as a parts dealer.
5. Commissions paid to nonemployee salespersons, subject to repayment but not earned in the current year.
6. A fee paid to a nonemployee and travel reimbursement for which the nonemployee did not account to the payee if the fee and reimbursement aggregate at least $600.
7. Payments to nonemployee entertainers for services.
8. Exchanges of goods and services between individuals in the course of their trades or businesses. For example, an attorney represents a painter for nonpayment of business debts. In exchange for the painting of the attorney’s law offices. The amount reportable by each on Form 1099-MISC is the fair market value of his or her services rendered. However, if the attorney represents the painter in a divorce proceeding, the attorney must report on Form 1099-MISC his or her services, but the painter need not report. The payment by the painter is not made in the course of the painter’s trade or business, even though the painting services are of the type normally performed in the course of the painter’s trade or business.
9. Taxable fringe benefits for nonemployees. For information on valuation of fringe benefits, see Publication 535, Business Expenses.
10. Gross oil and gas payments for a working interest.

Note: To qualify for relief under section 530 (and in lieu of a Revenue Act of 1972 exception by section 296(c) of Pub. L. 97-248, relating to the employment tax status of independent contractors and employees, employers must file Form 1099-MISC. Additional requirements for relief are discussed in Rev. Proc. 85-18, 1985-1 C.B. 518 Notice 85-13, 1985-1 C.B. 545, for special rules that may apply to certain skilled workers, such as engineers, designers, drafters, computer programmers, and systems analysts, and Rev. Rul. 87-41, 1987-1 C.B. 290.

Golden Parachute Payments.—A typical golden parachute payment is one 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 corporation assets occurs. See section 280G for more information.

In Box 7 report any excess golden parachute payments paid to a nonemployee. Enter the letters “EPP” next to this amount. Also enter the total compensation, including any golden parachute payments. Your entry should be in the following format:

300000EPP
400000

Box 8.—Enter aggregate payments of at least $10 received by a broker on behalf of a customer in lieu of dividends or tax-exempt interest as a result of the transfer of a customer’s securities for use in a short sale. Form 1099-MISC must be filed with IRS and furnished to the customer on whose behalf you received the payment. However, for substitute payments in lieu of dividends, do not file Form 1099-MISC nor furnish it to your customer if your customer is an individual, unless you have reason to know on the record date of the dividend payment that the substitute dividend payment is in lieu of: (1) an exempt-interest dividend, (2) a capital gain dividend, (3) a return of capital, or (4) a dividend subject to a foreign tax credit. Form 1099-MISC is required to be filed for and furnished to an individual on whose behalf you received a payment in lieu of tax-exempt interest. If you are not required to make a report on Form 1099-MISC for substitute dividends of at least $10, you must report the substitute dividends on Form 1099-DIV.

Substitute payment means a payment in lieu of:
1. (tax-exempt interest to the extent that interest (including OID) has accrued while the short sale was open, and (2) a dividend, if the ex-dividend date is after the transfer of stock for use in a short sale and before the closing date of the short sale.

Box 9.—Sales by you of $5,000 or more of consumer products to a person on a buy-sell, deposit-commission, or other commission basis for resale (by the buyer or any other person) anywhere other than in a permanent retail establishment. Enter an “X” in the check box in Box 9. No additional amount is needed.

If you are reporting an amount in Box 7, you may also check Box 9 on the same Form 1099-MISC.
The report required to be given to the recipient for these direct sales need not be made on the official form. It may be in the form of a letter showing this information along with commissions, prizes, awards, etc.

Box 10.—Enter crop insurance proceeds paid to you by insurance companies, unless the farmer year; (3) a financial insurance company that has expenses been capitalized under section 278, 263A, or 447.

Boxes 11 and 12.—These boxes, and Copies 1 and 2, are provided for your convenience only and need not be completed for IRS. If you wish to provide information for the state, and Copy 2 may be used as the recipient, you could use in filing the state income tax return.

Form 1099-OID

File Form 1099-OID, Original Issue Discount, if the original issue discount (OID) includible in gross income is at least $10 and you are any of the following: (1) an issuer with any bond outstanding, (2) a holder of indebtedness in registered or bearer form issued with OID; (2) an issuer of certificates of deposit made, purchased, or renewed after 1970 if the term of the obligation or deposit is more than 30 days after the date of issuance. The information provided on that form will enable IRS to update Pub. 1212. See Form 8281 for details.

Publication 1212. List of Original Issue Discount Instruments, contains information on original outstanding publicly traded discount obligations.

Issuers of certain publicly offered debt instruments having OID must file Form 8281, Information Return for Publicly Offered Original Issuance Discount Obligations, within 30 days after the date of issuance. The information provided on that form will enable IRS to update Pub. 1212. See Form 8281 for details.

Exceptions.—You are not required to file Form 1099-OID for payments made to certain payees including employee benefit plans, tax-exempt organization, an individual retirement arrangement (IRA), a U.S. agency, a state, the District of Columbia, a U.S. possession, or a registered securities or commodities dealer.

Do not report interest on U.S. Savings Bonds on this form. Report it on Form 8291, Taxable Interest. Also report OID on obligations with a term of one year or less on Form 1099-INT.

2nd TIN Not.—You may enter an “X” in this box if you were notified by IRS twice within 3 calendar years that the payee provided an incorrect taxpayer identification number (TIN). If you mark this box, you will comply with a safe harbor due diligence requirement of Temporary Regulations section 35a.9999-3, Q/A-89, and IRS will not send you any further notices about this account.

Statements to Recipients.—For an explanation of the requirement to furnish an official form to recipients in person or by statement mailing, see part H under General Instructions, earlier. Also see Pub. 1179.

Box 1.—Enter the total OID for the calendar year on the obligation if you are using semiannual record date reporting. If you are not using this method, report the OID on the obligation for the part of the year it was owned by the record holder. For REMICs and CDOs, see the discussion about REMICs and CDOs, later.

Box 2.—Enter any interest other than OID paid or credited on this obligation during the year. Some OID instruments pay regular interest, in addition to the OID, at certain intervals during the life of the instrument. However, if OID is the only interest on this obligation, leave this box blank. Interest reported here must be reported on Form 1099-INT. For REMICs and CDOs, see the discussion about REMICs and CDOs, later.

Box 3.—Enter amounts of interest or principal forfeited because of an early withdrawal, such as an early withdrawal from a CD, that are deductible from gross income by the recipient. Do not reduce the amounts in Boxes 1 and 2 by the amount of the forfeiture. For detailed instructions for determining the amount of forfeiture deductible by the holder, see Rev. Ruls. 75-20, 1975-1 C.B. 29, and 75-21, 1975-1 C.B. 367.

Box 4.—Enter backup withholding. For example, persons who have not furnished their taxpayer identification number to you in the manner required to be subject to withholding at a 20% rate on amounts required to be reported in Boxes 1 and 2 (which may be reduced by the amount reported in Box 3) limited to the cash paid on the shares or bonds.

Box 5.—Enter the CUSIP number, if any; if there is no CUSIP number, the abbreviation for the stock exchange, the abbreviation for the issuer used by the stock exchange, the coupon rate, and the year of maturity (e.g., NYSE XYZ 12% 95). If the issuer of the obligation has not provided the name of the issuer. If Box 1 shows the total OID on the obligation for the calendar year because you use semiannual record date reporting, enter the word “Total.” If Box 1 shows the OID on the obligation for the part of the year the recipient owned it because you use actual dates of ownership, enter the word “Actual.”

REMICs and Issuers of Collateralized Debt Obligations.—File Form 1099-OID to report OID of $10 or more accrued to a REMIC regular interest holder or a holder of collateralized debt obligation (CDO). Also use Form 1099-OID to report other interest accrued to a REMIC regular interest holder during the year or paid to a holder of a CDO. Use Form 1099-OID if no OID is includible in the regular interest holder’s or CDO holder’s income for the year.

REMICs, issuers of CDOs, and any broker or middleman who holds as a nominee a REMIC regular interest or CDO must file. Report in Box 1 the aggregate amount of OID includible in the gross income of each REMIC regular interest or CDO holder for the period during the year for which the report is made. Report in Box 2 any amount of interest, other than OID, accrued to each REMIC regular interest holder or paid to each CDO holder. If you are a single REMIC (as defined in Temporary Regulations section 1.67-3T(c)(2)(ii)), include in Box 2 the regular interest holder’s share of investment expenses of the REMIC for the year. You must also provide a statement to the regular interest holder giving an explanation of expenses paid or accrued during the calendar year for which the REMIC is allowed a deduction under section 212.

You are not required to file or issue Form 1099-OID for exempt recipients including the following holders of a REMIC regular interest or a CDO:

(1) A corporation.
(2) A broker.
(3) A middleman/nominee.
(4) A financial institution.

For additional exempt recipients, see Temporary Regulations section 1.6049-7T(c).

You must furnish a statement to the REMIC regular interest or CDO holder containing the information shown on Form 1099-OID including the legend shown on Copy B of the official Form 1099-OID and an indication of which items on the statement are being furnished to IRS. In addition, the statement must show: (1) the daily portion of OID per unit of original principal amount as determined under section 1272(a)(6) and the regulations thereunder for each accrual period and specify the unit of original principal amount if other than $1,000, (2) the length...
of the accrual period, (3) the adjusted issue price (as defined in section 1275(a)(4)(B)(ii)) of the REMIC regular interest or the CDO at the beginning of each accrual period with respect to which interest income is required to be reported, and (4) information necessary to compute accrual of market discount as specified in Temporary Regulations section 1.6049-7T(y)(2)(i)(d) under section 6404.

In addition, a statement furnished by a REMIC must show the percentage of the REMIC’s assets that are qualifying real property loans under section 593, that are real estate assets under section 856(c)(6)(B), and that are assets of a domestic building and loan association under section 7701(a)(19), any of which is computed using the average adjusted basis of the REMIC’s assets during the calendar quarter. For any quarter, if the percentage of the REMIC’s assets for a category is 5%, it is sufficient to merely specify that the percentage was at least 95% for that category and calendar quarter.

If less than 95% of the REMIC’s assets are real estate assets, see Temporary Regulations section 1.6049-7T(y)(3)(ii) for information required to be reported to a real estate investment trust (REIT) that holds a regular interest.

The statement must be furnished to holders by March 15. To meet the statement requirement, you may furnish to the REMIC regular interest or CDO holder a copy of Form 1099-OID and an attachment containing the additional information.

For information about reporting income to REMIC residual interest holders, see the instructions for Schedule Q (Form 1066), Quarterly Notice to Residual Interest Holder of REMIC Taxable Income or Net Loss Distribution.

Form 8811 and Reporting by Brokers or Middlemen.—REMICs and issuers of CDOs must also file Form 8811, Information Return for Real Estate Mortgage Investment Conduits (REMICs) and Issuers of Collateralized Debt Obligations, within 30 days after the startup day of the REMIC or CDO and other specified in Temporary Regulations section 1.6049-7T(e)(4). At the request of any such person, a REMIC or CDO issuer must furnish the information specified in Temporary Regulations section 1.6049-7T(e)(2) by the later of 30 days after the end of the calendar quarter for which the information was requested or 2 weeks after receipt of the request.

A broker or middleman who holds a REMIC regular interest or CDO for a corporation, non-corporate calendar year taxable period, or a REMIC exempt recipient specified in Temporary Regulations sections 1.6049-7T(c)(9) through (14) must likewise provide, on request, that information to the requestor by the later of 45 days after the close of the calendar quarter for which the information was requested or 45 days after receipt of the request. However, if the request is made for the last calendar quarter of the year, the information must be furnished by the later of 45 days after receipt of the request or March 15.

Form 1099-PATR
File Form 1099-PATR, Taxable Distributions Received From Cooperatives, for each person to whom the cooperative has paid at least $10 in patronage dividends and other distributions described in section 6044(b) or from whom you withheld any Federal income tax under the backup withholding rules regardless of the amount of the payment. A cooperative determined to be primarily engaged in the retail sale of goods or services that are generally for personal, living, or family use of the members may ask for and receive exemption from certain IRS reporting requirements. See Form 3491, Consumer Cooperative Exemption Application, for information about how to apply for this exemption.

Report dividends paid on cooperatives’ capital stock on Form 1099-DIV. 2nd TIN Not.—You may enter on an “X” in this box if you were notified by IRS twice within 3 calendar years that the payee provided an incorrect taxpayer identification number (TIN). If you mark this box, you will comply with a safe harbor due diligence requirement of Temporary Regulations section 35a.9999-3, Q/A-89, and IRS will not send you any further notices about the account.

Statements to Recipients.—For an explanation of the requirement to furnish an official form to recipients in person or by statement mailing, see part H under General Instructions, earlier. Also see Pub. 1179.

Box 1.—Enter the total patronage dividends paid in cash (qualified or “cash-out”) checks, qualified written notices of allocation (face amount), and any other payments (for example, for nontaxable written notices of allocation).

Box 2.—Enter the total patronage distribution payments in cash (qualified or “cash-out” checks), qualified written notices of allocation (face amount), and any other payments (for example, for nontaxable written notices of allocation).

Box 3.—Enter the total per-unit retain allocations paid in cash, qualified per-unit retain certificates (face amount), and other payments (for example, for nontaxable written notices of allocation).

Box 4.—Enter backup withholding. For example, persons who have not furnished their taxpayer identification number to you in the manner required become subject to withholding at a 20% rate on payments required to be reported in Boxes 1, 2, 3, and 5 to an extent, if any, in cash or qualified check. See Temporary Regulations section 35a.9999-3, Q/A-10 for more information on backup withholding by cooperatives.

Box 5.—Enter all redemptions of nonqualified written notices of allocation issued as patronage dividends, qualified written notices of allocation issued as nonpatronage allocations (applicable only to farmers’ cooperatives qualifying under section 521), and nonqualified per-unit retain certificates, issued with respect to marketing.

Pass-Through Credits.—Report in the appropriate boxes the patron’s share that the cooperative is passing through to this patron:

Box 6.—Investment credit.

Box 7.—Energy investment credit.

Box 8.—Jobs credit.

Box 9.—Low-income housing credit.

Form 1099-R
Note: Payors who filed Form W-2P, Statement for Recipients of Annuities, Pensions, Retired Pay, or IRA Payments, in the past must now file Form 1099-R with IRS. Form W-2P has been eliminated.

File Form 1099-R, Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc., for each person to whom you have made any designated distribution from a profit-sharing or retirement plan, IRAs, annuities, pensions, etc., whether or not you withheld Federal income tax.

If part of the distribution is taxable and part is nontaxable, file a Form 1099-R reporting the entire distribution. However, if the total amount of the gross distribution paid to someone for the year is less than $1, a Form 1099-R need not be filed for that person.

Also report death benefits paid by employers that are not made as part of a pension, profit-sharing, or retirement plan. See the instructions for Box 1, later. For payments treated as death benefits, see section 72(p). Do not report payments subject to withholding of social security and Medicare taxes on this form. Report such payments on Form W-2.

Reportable disability payments made from a retirement plan should be reported on Form 1099-R.

Do not report amounts totally exempt from tax such as workmen’s compensation and Department of Veterans Affairs (VA) payments.

Insurance Contracts.—Report on Form 1099-R payments of matured or redeemed annuity, endowment, and life insurance contracts. However, if you need to file Form 1099-R to report the surrender of a life insurance contract if it is reasonable to believe that none of the payment is includible in the income of the recipient. If you are reporting the surrender of a life insurance contract on Form 1099-R, enter Code 7 in Box 7.

IRA and SEP Distributions.—Distributions from an individual retirement arrangement (IRA) or simplified employee pension (SEP) must be reported in Boxes 1 and 2a regardless of the amount. But see the instructions for Box 2a for how to report the withdrawal of contributions under section 408(d)(4). Also see Transfers, below.

DECs.—If you are reporting a total distribution from a plan that includes a distribution of deductible voluntary employee contributions (DECs), file two Forms 1099-R—one to report the distribution of DECs, the other to report the distribution from the other part of the plan. Report the distribution of DECs in Boxes 1 and 2a on the separate Form 1099-R.

Transfers.—Do not report direct transfers between trusts (or payees) that involve no payment or distribution of funds to the participant, including the direct transfer to an IRA. Note: A transfer from a qualified plan to an IRA is not considered a trustee-to-trustee transfer and is considered a distribution by the plan participant. Therefore, a Form 1099-R is required for such a transfer.

You must report exchanges of insurance contracts, including a tax-free exchange under section 1035, under which any designated distribution may be made.

402(f) Notices.—When making a distribution eligible for rollover treatment, the plan administrator must provide to the recipient a written explanation of the rollover provisions of the law and, if applicable, of the capital gain and 5-year/10-year averaging provisions. See section 402(f).

Beneficiaries.—Prepare Form 1099-R using the name and taxpayer identification number of the beneficiary, not those of the decedent. If there are multiple beneficiaries, report on each Form 1099-R only the amount paid to
the beneficiary whose name appears on the Form 1099-R, and enter the percentage in Box 9.

Corrective Distributions.—For reporting the distribution of excess deferrals, excess contributions, and excess aggregate contributions made on or before January 1, 1991, file a new Form 1099-R for 1991 and file a CORRECTED Form 1099-R for 1991 for the correct amount of the distribution (not including the amount recharacterized as excess contributions or excess aggregate contributions). Second, file a NEW Form 1099-R for 1991 for the excess contributions or excess aggregate contributions.

To avoid a late filing penalty if the new Form 1099-R is filed after the due date, enter in the box marked 16 the words "Filed To Correct Excess Contributions."

You should also issue copies of the Forms 1099-R to the plan participant with an explanation of why these new forms are being issued.

Filer.—The payer or plan administrator must file Form 1099-R using the same name and employer identification number under which any tax was withheld and to file a quarterly withholding tax return (Form 941 or 941-E).

Statements to Recipients.—For information about the requirement to furnish a statement to each recipient, see part H under General Instructions, earlier.

Box 1.—Enter the total amount of the distribution before income tax or other deductions were withheld. Include premiums paid by a trustee or custodian for current life or other insurance protection (PS 58 costs).

Box 2a.—Enter the appropriate taxable amount in Box 2a. Please furnish a statement to the plan participant showing the value of each bond at the time of distribution. This will provide him or her with the necessary information to figure the interest income on each bond when it is redeemed.

In addition to reporting death benefit payments made from a plan, report here any death benefit payments made by employers that are not made as part of a pension, profit-sharing, or retirement plan. Also enter this amount in Box 2a. Enter Code 4 in Box 7.

For example, the board of directors of XYZ Corporation votes to pay the widow of one of its employees a lump-sum payment of $10,000 as a death benefit. This amount must be reported in Boxes 1 and 2a, and Code 4 must be shown in Box 7.

Section 1035 Exchange.—For a section 1035 exchange, show the total value of the contract in Box 1; enter 0 in Box 2a; show the total premiums paid in Box 5; and enter Code 6 in Box 7.

Box 2a.—Enter the amount includible as income. Do not include "excludable or tax-deferred amounts reportable in Boxes 5, 6, and 8.

Includ PS 58 costs that were reported in Box 1. However, do not report PS 58 costs and a distribution on the same Form 1099-R. Use a separate Form 1099-R for each. Enter Code 6 in Box 7 for the 7 percent exclusion.

Regulations section 1.72-16(b) and Rev. Rul. 55-747, 1955-2 C. B. 228, and 66-110, 1966-1 C. B. 12, for information on the cost of premiums paid by an employee's trust under a qualified plan for insurance protection taxable to plan participants or their beneficiaries.

If you made periodic distributions from a qualified employee plan under section 401(a), from an employee annuity under section 403(a), or from an annuity contract under section 403(b), and the annuity starting date is after July 1, 1986, you may elect to use a simplified safe harbor method to compute the taxable amount. See Notice 88-118, 1988-2 C. B. 450.

Generally, you are not required to compute the taxable amount of an IRA or SEP or designate whether any part of a distribution is a basis of return attributable to nondeductible contributions. Therefore, report the total amount distributed from an IRA or SEP in Box 2a. Enter Code 4 in Box 7. Box 1 must be reported in each case. You must not report the amount distributed from an IRA or SEP in Box 2a. Enter Code 6 in Box 7. In the case of a distribution by a trust representing CDs redeemed early, report the net amount distributed. Do not include any amount paid for IRA insurance protection in a distribution of contributions plus earnings from an IRA under section 408(d)(4) (previously excess contributions), report the gross distribution in Box 1 and only the earnings in Box 2a, and enter Code 4 in Box 2a. Enter Code 6 in Box 7. For a distribution of contributions without earnings after the due date of the individual's return, under section 408(o)(5), enter 0. Include SEC distributions in this box.

Losses.—If a distribution is a loss, do not enter a negative amount in this box. 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 Box 1, leave Box 2a blank, and enter the employee's contributions in Box 5.

Box 2b.—Total amount not determined.—Enter an "X" in this box only if you cannot compute the taxable amount of the payment. If you mark this box, leave Box 2a blank. Please make every effort to compute the taxable amount. See Notice 88-118 for the simplified safe harbor method of computing certain taxable amounts.

Box 2b.—Total distribution.—Enter an "X" in this box only if the payment shown in Box 1 is a total distribution. 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.

Example for Computing Amount Eligible for Capital Gain Election (See Box 3.)

Step I: Total Taxable Amount

Total Distribution

Less: 1. Current actuarial value of any annuity

2. Employee contributions (minus any amounts previously distributed that were not includible in the employee's gross income)

3. Net unrealized appreciation in the value of any employer securities that were part of the lump-sum distribution

Total Taxable Amount

Step II: Capital Gain

Total Taxable Amount (from Step I) × Months of Active Participation Before 1974

Total Months of Active Participation

Capital Gain
plan that were required to be included in the income of the employee when contributed ("after-tax contribution"); plus (b) contributed by the employer but considered to have been contributed by the employee under section 72(f), (c) of the accrued cost of premiums paid for life insurance protection, taxable to the employee in previous years and in the current year under Regulations section 1.72-16 (PS 58 costs), and (d) of premiums paid on commercial annuities. Do not include contributions to IRAs, SEPs, DECs, 401(k) plans, or any contribution to a retirement plan that was not an "after-tax contribution.”

**Box 6.**—Enter the net unrealized appreciation in employer securities in the case of a lump sum. See Regulations section 1.402(q)-1(b) for the determination of the net unrealized appreciation. Use this box if a distribution includes securities of the employer corporation (or a subsidiary or parent corporation) and you can compute the net unrealized appreciation in the employer’s securities. Include this amount in Box 1 but not in Box 2a.

**Box 7.**—Enter the appropriate code(s) from the list below that shows the type of distribution being made. Also, enter an “X” in the IRA/SEP checkbox if the distribution is from an IRA or SEP.

- **P**—Use the codes carefully before choosing the appropriate code. Please enter the appropriate codes accurately because IRS uses the codes to help determine whether the recipient has properly reported the distribution; if the codes are incorrect, we may improperly propose changes to the recipient’s taxes. Use the codes below for distributions from IRAs, SEPs, Keogh’s, qualified plans, commercial annuities, insurance contracts, etc.

A numeric code must be entered in all cases except when Code P or D is used. When applicable, you may enter a numeric and an alpha code. For example, when using a Code P for an IRA distribution under section 408(d)(4), you may also enter Code 1, if it applies. For a normal distribution from a qualified plan that qualifies for 5-year/10-year averaging, enter Codes 7 and A.

When more than one numeric code is applicable to a distribution, it may be necessary to file more than one Form 1099-R. For example, if part of a distribution is premature (Code 1), and another part is not, one Form 1099-R must be filed for the part to which Code 1 applies and another Form 1099-R for the part that is a normal distribution, Code 7. In addition, for the distribution of excess death benefits, excess contributions, or excess aggregate contributions, parts of the distribution may be taxable in two or three different years. Thus, separate Forms 1099-R must be filed using Code 8, P, or D to indicate the year the amount is taxable.

**Codes.**

1. **Early (premature) distribution, no known exception.** Use Code 1 only if the employee/taxpayer has not reached age 59½, and only if none of the exceptions under section 72(q), (t), or (v) are known to apply.

2. **Early (premature) distribution, exception applies (as defined in section 72(q), (t), or (v)).** Use Code 2 only if the employee/taxpayer has not reached age 59½ to indicate that an exception under 72(q), (t), or (v) applies. However, instead of Code 2, use Code 3 or 4, whichever applies, for an early distribution due to disability or death.

3. **Disability.**

4. **Death.** Use Code 4 regardless of the age of the employee/taxpayer to indicate payment to a decedent’s beneficiary, including an estate or trust. Also use it for death benefit payments made by an employer but not made as part of a pension, profit-sharing, or retirement plan.

5. **Prohibited transaction.**

6. **Section 1035 exchange.** Use Code 6 to indicate the tax-free exchange of insurance contracts under section 1035.

7. **Normal distribution.** Use Code 7 for a normal distribution from any plan, including an IRA or SEP, if the employee/taxpayer is at least 59½. Code 7 for the taxable surrender of a life insurance contract.


9. **PS 58 costs.** Use Code 9 to report premiums paid by a trustee or custodian for current life or other insurance protection (PS 58 costs). See Box 2a for more information.

10. **Excess contributions plus earnings/excess deferrals taxable in 1990.** See the explanation for Code 7. IRS suggests that any excess distributions paid before the end of an IRA distribution under section 408(d)(4) advise payees, at the time the distribution is made, that the earnings are taxable in the year in which the contribution was made.

11. **Qualifies for 5-year/10-year averaging.** Use Code A to indicate that the distribution qualifies for the averaging method of computing the tax on lump-sum distributions under section 402(e).

12. **Qualifies for death benefit exclusion.** Use Code B to indicate that the distribution qualifies for the death benefit exclusion under section 101(b).

13. **Qualifies for both A and B.**


**Box 8.**—Enter the current actuarial value of an annuity contract that is a part of a lump-sum distribution. Do not include this item in Boxes 1 and 2a.

To determine the value of an annuity contract, show the value as an amount equal to the current actuarial value of the annuity contract, reduced by an amount equal to the excess of the employee’s contributions over the cash and other property (not including the annuity contract) distributed.

If an annuity contract is part of a multiple recipient lump-sum distribution, enter in Box 8, along with the actuarial value, the percentage of the total annuity contract each Form 1099-R represents.

**Box 9.**—If this is a total distribution and it is made to more than one person, enter the percentage received by the person whose name appears on Form 1099-R. If you need not complete this box, enter IRA or SEP distributions.

**Boxes 10, 11, 12, and 13.**—These boxes and Copies 1 and 2 are provided for your convenience only and need not be completed for IRS. If state or local income tax has been withheld on this distribution, you may enter it in Boxes 10 and 11. In Box 11, enter the taxpayer’s identification number and the payer’s state identification number. The state number is the payer’s identification number assigned by the individual state. In Box 13, enter the name of the locality. Copy 1 may be used to provide information to the state or local tax department, and Copy 2 may be used as the recipient’s copy for use in filing a state or local income tax return.

**Form 1099-S.** File Form 1099-S, Proceeds From Real Estate Transactions, to report the sale or exchange of real estate for less than full fair market value.

**Note:** You are not required to indicate on Form 1099-S that the transferor’s (seller’s) financing was federally subsidized.

**Reportable Real Estate.** Generally, reporting is required if the transaction consists in whole or in part of the sale or exchange for money, indebtedness, property, or services, or any combination thereof. If ownership interest in any of the following:

- Improved or unimproved land, including air space.
- Inherently permanent structures, including any residential, commercial, or industrial building.
- A condominium unit and its appurtenant fixtures and common elements, including land.
- Stock in a cooperative housing corporation (as defined in section 216).

**Sale or exchange.** A sale or exchange includes a transfer of property, a transfer for money, property, or services. A transfer is for consideration if the fair market value of what is received is greater than the fair market value of what is surrendered. If a transfer is for consideration, the parties may be entitled to defer recognition of the gain on the sale because of the purchase of a new residence under section 1034 or because the transferor is entitled to exclude the gain under section 121 because of being age 55. Likewise, a transfer to a corporation that qualifies for nonrecognition of gain under section 351 is a reportable exchange.

**Ownership interest.** An ownership interest includes fee simple interests, life estates, reversions, remainders, and perpetual easements. It also includes a previously created right to possession or use for all or part of any particular year, e.g., a leasehold, easement, or timeshare, if such rights have a remaining term of at least 30 years, including any period for which the holder may renew such rights, determined on the date of closing. For example, a preexisting leasehold on a building with an original term of 99 years and a remaining term of 35 years on the closing date is an ownership interest; however, if the remaining term is 10 years, it is not an ownership interest. An ownership interest does not include any option to acquire real estate.

**Involuntary conversion.** A sale of real estate under threat or imminent of seizure, requisition, or condemnation is generally a reportable transaction.

**Exceptions.** The following is a list of transactions that are not reportable. However, you may choose to report them; but if you do, the return filed and the statement furnished to the transferor must comply with the reporting rules. Some transactions in which the transferor is a corporation (or is considered to be a corporation under Regulations section 1.6045-4(d)(2)), a governmental unit, including a foreign government or an international organization, or an exempt volume transfer. Under this rule, if there
are exempt and nonexempt transferors, you must file Form 1099-S only for the nonexempt transferors.

Exempt volume transferor.—An exempt volume transferor is someone who sold or exchanged during the year, who expects to sell or exchange during the year, or who did sell or exchange in either of the two previous years, at least 10% of reportable real estate to at least 25 separate transferees. In addition, each item of reportable real estate must have been held, at the date of closing, or will be held, primarily for sale to customers in the ordinary course of a trade or business. You are not required to report an exempt volume transferor’s transactions only if you receive the penalties of perjury certification required by Regulation 1.6049-1T(e).

(2) Any transaction that is not a sale or exchange, including a bequest, a gift (including a transaction treated as a gift under section 1041), and a financing or refinancing that is not related to the acquisition of real estate.

(3) A transfer in full or partial satisfaction of a debt secured by the property. This includes a foreclosure, a transfer in lieu of foreclosure, or an abandonment.

(4) A de minimis transfer for less than $600. A transaction is de minimis if it can be determined with certainty that the total money, security, or property received or to be received is less than $600, as measured on the closing date. For example, if a contract for sale provides for total consideration of $1,000 plus other valuable consideration, the transfer is not a de minimis transfer unless you can determine that the “other valuable consideration” is less than $599, as measured on the closing date. The $600 rule applies to the transaction as a whole, not separately to each transferee.

The following are also not reportable if the transaction is not related to the sale or exchange of reportable real estate:

. (5) An interest in crops or surface or subsurface natural resources, i.e., timber, water, ores, and other natural deposits, whether or not natural resources are severed from the land.

(6) A burial plot or vault.

(7) A manufactured structure used as a dwelling that is manufactured and assembled at a location different from that where it is used, but only if such structure is not affixed, on the closing date, to a foundation. This exception applies to an unassembled mobile home.


Gross Proceeds.—See Box 2, later.

Who Must File.—The following explains who is required to file Form 1099-S. Generally, the person responsible for closing, as explained in (1) below, is required to file Form 1099-S. If no one is responsible for closing, the person required to file Form 1099-S is explained in (2) below. However, you may designate the person required to file Form 1099-S in a written agreement, as explained under (3) below.

Note: For each transaction, please be sure that only one person is responsible for filing and that only one Form 1099-S is filed for each transaction.

(1) If you are the person responsible for closing the transaction, you must file Form 1099-S. If a Uniform Settlement Statement, prescribed under the Real Estate Settlement Procedures Act of 1974 (RESPA), is used, the person responsible for closing is the person listed as the settlement agent on that statement. A Uniform Settlement Statement includes any agreements, or substitutions that may be prescribed under RESPA if any such form requires disclosure of the transferor and transferee, the application of the proceeds, and the name of the settlement agent or the person responsible for filing under the settlement statement.

If a Uniform Settlement Statement is not used, or no settlement agent is listed, the person responsible for closing is the person who prepares the closing statement, including a settlement statement or other written document that identifies the transferor, transferee, and real estate transferred, and that describes how the proceeds are to be disbursed.

If no closing statement is used, or if two or more statements are used, the person responsible for closing is, in the following order: (a) the transferee’s attorney if the attorney is present at the delivery of the transferee’s note or a significant part of the cash proceeds to the transferee or if the attorney prepares or reviews the preparation of the documents transferring legal or equitable ownership; (b) the transferee’s attorney if the attorney is present at the delivery of the transferee’s note or a significant part of the cash proceeds to the transferee or if the attorney prepares or reviews the preparation of the documents transferring legal or equitable ownership; or (c) the disbursing title or escrow company that is most substantially involved in disbursing the gross proceeds. If there is more than one attorney described in (a) or (b), the one whose involvement is most significant is the person responsible for filing.

(2) If no one is responsible for closing the transaction as explained in (1) above, the person responsible for filing is, in the following order: (a) the mortgage lender, (b) the transferor’s broker, (c) the transferee’s broker, or (d) the transferee.

For purposes of (2) above, apply the following definitions:

(a) Mortgage lender means a person who lends new funds in connection with the transaction, but only if the loan is at least partially secured by the real estate. If there is more than one lender, the one who lends the most new funds is the mortgage lender.

(b) Transferor’s broker means the broker who contracts with the transferee and who is compensated for the transaction.

(c) Transferee’s broker means the broker who significantly participates in the preparation of the offer to purchase the property or who presents such offer to the transferee. If there is more than one such person, the transferee’s broker is the one who most significantly participates in the preparation of the offer, or if there is no such person, the one who most significantly participates in the presentation of the offer.

(d) Transferee means the person who acquires the greatest interest in the property. If no one acquires the greatest interest, the transferee is the person listed first on the ownership transfer documents.

(3) Designation agreement.—You can enter into a designation agreement at or before closing to designate who must file Form 1099-S for the transaction. The agreement may be in any form and may be executed by the closing party, one or more persons acting as the closing party, or any combination of the parties. The agreement must name the person or persons to whom the agreement is to be sent (or receive a copy of the agreement). You may be designated in the agreement as the person who must file if you are the person responsible for closing (as explained in (1) above) or the person’s attorney (as explained in (1) above), a title or escrow company that is most significant in terms of the gross proceeds disbursed, or the mortgage lender (as explained in (2) above).

The designation agreement may be in any form and may be executed by the closing party. If executed by name and address the person designated as the person responsible for filing; it must include the names and addresses of each person entering into the agreement; it must be signed and dated by all persons entering into the agreement; and it must include the address and any other information necessary to identify the property. Each person who agrees to the designation agreement must retain it for 4 years.

Employees, Agents, and Partners.—If an employee, agent, or partner, acting within the scope of such person’s employment, agency, or partnership, participates in a real estate transaction, only the employer, principal, or partnership, and not the employee, agent, or partner, may be the reporting person. However, the participation of a person listed on the Uniform Settlement Statement as the settlement agent or an agent of another is not attributed to the principal.

Foreign Transferors.—Sales or exchanges involving foreign transferors are reportable.

Multiple Transferors.—For multiple transferees of the same real estate, you must file a separate Form 1099-S for each transferee. At or before closing, you must request from the transferors an allocation of the gross proceeds among the transferees. The request and the response are not required to be in writing. You must make a reasonable effort to contact transferees of whom you have knowledge. However, you may rely on the unchallenged response of any transferee, and you need not make additional contacts with other transferees after at least one transferee has given an allocable portion of gross proceeds (whether or not received in a single response). If you receive the allocation, report gross proceeds on each Form 1099-S accordingly.

You are not required to, but you may, report gross proceeds in accordance with an allocation received after the closing date but before the due date of Form 1099-S (without extensions). However, you cannot report gross proceeds in accordance with an allocation received on or after the due date of Form 1099-S (without extensions).

If no gross proceeds are allocated to a transferee because no allocation or an incomplete allocation is received, you must report the total unallocated gross proceeds on each Form 1099-S for each transferee. If you do not receive any allocation or you receive conflicting allocations, report on each transferee’s Form 1099-S the total unallocated gross proceeds.

Husband and wife.—If the transferees are husband and wife, then only one of the parties to the closing, who held the property as joint tenants, tenants by the entirety, tenants in common, or as community property, treat
them as a single transferor. Only one Form 1099-S showing either of them as the transferor is required. You need not request an allocation of gross proceeds from each spouse, however, if husband and wife are the only transferors. But if you receive an uncontested allocation of gross proceeds from them, file Form 1099-S for each spouse according to the allocation. If there is a contest, you must make a reasonable effort to contact either the husband or wife to request an allocation.

**Partnerships.** If the property is transferred by a partnership, file only one Form 1099-S for the partnership, not separate Forms 1099-S for each partner.

**Multiple Assets Sold.** If real estate is sold or exchanged and other assets are sold or exchanged in the same transaction, report the gross proceeds from the entire transaction on Form 1099-S.

**Taxpayer Identification Numbers (TINs).** You must request the transferor’s TIN no later than the time of closing. The TIN request need not be made in a separate mailing. Rather, it may be included in a personal mailing or in a mailing that includes other items. The transferor is required to furnish his or her TIN and to certify that the TIN is correct.

You may request a TIN on Form W-9. Request the TIN under the legal or common name and Certification. Alternatively, you may provide a written statement to the transferor similar to the following: “You are required by law to provide [insert name of person responsible for filing] with your correct taxpayer identification number. If you do not provide [insert name of person responsible for filing] with your correct taxpayer identification number, you may be subject to civil or criminal penalties for failure to do so.”

The solicitation must contain space for the name, address, and TIN of the transferor, and a place to certify under penalties of perjury that the TIN furnished is the correct TIN of the transferor. The certification must read similar to: “Under penalties of perjury, I certify that the number shown on this statement is my correct taxpayer identification number.” If you use a Uniform Settlement Statement (under RESPA), you may copy of each statement, appropriately modified to solicit the TIN, to the transferor. Keep the Form W-9 or substitute form in your records for 4 years.

**Separate Charge Prohibited.** The law prohibits any person required to file Form 1099-S from separately charging any customer or other person for transferor fees with the requirements to file Form 1099-S.

**Statements to Transferors.** For information about the requirement to furnish a statement to the transferor, see part H under General Instructions, earlier.

**Filer’s Name and Address Box.** Enter the name and address of the person who is filing Form 1099-S. This information must be the same as the date information reported on Form 1096.

**Transferor’s Name and Address Box.** Enter the name and address of the seller or other transferor of the real estate. If a husband and wife are joint sellers, it is only necessary to enter one name and the TIN for that person on the form.

**Box 1.** Enter the closing date. If a Uniform Settlement Statement (under RESPA) is used, the closing date is the date shown as the settlement date on such statement. If a Uniform Settlement Statement is not used, the closing date is the earlier of the date title transfers or the date the economic burden and benefits of ownership shift to the transferee. Please use the following format to indicate the date: MMDDYY. For example, for January 9, 1991, enter 010991.

**Box 2.** Enter the gross proceeds from the sale or exchange of real estate. Gross proceeds means any cash received or be received for the real property by or on behalf of the transferor, including the stated principal amount of a note payable to or for the benefit of the transferor. If the transferor assumes a liability of the transferor or takes the property subject to a liability, such liability is treated as cash and is includable as part of gross proceeds. For a contingent payment transaction, include the maximum determinable proceeds. Also see Multiple Assets Sold.

If you are reporting a like-kind exchange of property for which no gross proceeds are reportable, enter -0- in Box 2 and mark the checkbox in Box 4.

Gross proceeds do not include the value of property or services received or to be received by, or on behalf of, the transferor or separately stated cash received for personal property, such as draperies, carpeting, or a washer and dryer.

Do not reduce gross proceeds by any expenses paid by the transferor, such as sales commissions, deed preparation, advertising, and legal or title expenses. However, if the real estate is acquired by the transferee as a qualified replacement property, the cost of such property generally will be included in the contract sales price shown on the statement. If other property or services was exchanged, see Box 4, below.

**Contingent payment transaction.**—A contingent payment transaction is one in which the receipt, by or on behalf of the transferor, is subject to a contingency. The maximum determinable proceeds means the greatest amount of cash or other property subject to the contingency. The maximum determinable proceeds are the greatest amount that can be determined with certainty.

**Box 3.** Enter the address of the property, including the city, state, and ZIP code, and 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.”

**Box 4.** 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, enter an “X” in the checkbox in Box 4. If the transferor receives property (other than cash) or services to satisfy a debt having a stated principal amount, you must also mark the checkbox.

**Form 5498**

File Form 5498, Individual Retirement Arrangement Information, with the IRS on or before June 15, 1992, for each person for whom you maintained an individual retirement arrangement (IRA) or simplified employee pension (SEP) during 1991. For a SEP, complete only Box 4 for the value of the annuity and do not complete contributions on Form 5498. For an IRA, complete all applicable boxes. If no IRA contributions were made for 1991, complete only Box 4.

For contributions made between January 1 and June 15, 1992 you may choose to enter the alternate reporting method and report the fair market value of the IRA on the date on which you choose, or the alternate method of valuation as of the day of the year in which the contribution was made. This alternate value will usually be the same or lower because you will be

**Transfers.**—For reporting purposes, contributions and rollovers do not include direct transfers between trustees (or issuers) that do not include the rollover of funds to the participant. Therefore, you need not include these transactions on Form 5498.

**Note:** A transfer from a qualified plan to an IRA is not considered a trustee-to-trustee transfer. It is considered a rollover and subsequent rollover by the plan participant. Therefore, a Form 5498 is required for such a transfer.

**Statements to Participants.**—Trustees or issuers of IRAs or SEPs must provide participants with a statement of the December 31, 1991, value of the participant’s account by January 31, 1992, in any written format. Trustees or issuers of IRAs must provide participants with contribution information by May 31. You are not required to provide navigational data to IRS or to participants as to whether a contribution is deductible or nontaxable. In addition, the participant is not required to tell you whether a contribution is deductible or nontaxable.

If the trustee or issuer furnished a statement of the fair market value of the IRA to the participant by January 31, 1992, and no contributions were made to the IRA by the participant for 1991, the trustee or issuer need not furnish another statement (or Form 5498) to the participants to report contributions. However, Form 5498 must be filed with IRS by June 1, 1992, to report the December 31, 1991, fair market value of the IRA. This rule also applies to beneficiary accounts under the inherited IRA rules below.

**Total Distribution, No Contributions.**—Generally, if a total distribution was made from an IRA during the year and no contributions were made for that year, you need not file Form 5498 nor furnish the annual statement to reflect that the fair market value on December 31, 1991, was $0.

**Distributions.**—Report distributions from IRAs and SEPs on Form 1099-R. For a distribution of contributions plus earnings, report the distribution on Form 1099-R using the applicable code.

**Inherited IRAs.**—In the year an IRA owner dies, you, as an IRA trustee or issuer, generally must file a Form 5498 and furnish an annual statement for the decedent and a Form 5498 and an annual statement for each nonspouse beneficiary. An IRA holder must be able to identify the source of each IRA he or she holds for purposes of fashioning a valuation of a distribution from an IRA. Thus, the decedent’s name must be shown on the beneficiary’s Form 5498 and annual statement. For example, you may enter “Brian Young, as beneficiary of Joan Smith” or something similar that signifies that the IRA was once owned by Joan Smith. You may abbreviate the word “beneficiary” as, for example, “benef.”

For a spousal beneficiary, unless the spouse makes the IRA his or her own by making contributions to the IRA includes a rollover contribution, or by not taking distributions required by section 401(a)(9)(B), treat the spouse as a nonspouse beneficiary for reporting purposes. If the spouse makes the IRA his or hers, enter the alternate reporting method and report the fair market value of the IRA on the date on which you choose, or the alternate method of valuation as of the day of the year in which the contribution was made. This alternate value will usually be zero because you will be
Backup Withholding. If a recipient fails to furnish a payer a reportable gambling winnings with a correct taxpayer identification number (TIN), the payer is required to withhold 20% of the proceeds and to report this amount on Form W-2G unless the winnings are already subject to regular withholding at the rate of 20%. This is referred to as backup withholding. Backup withholding applies to the amount of the winnings reduced, at the option of the payer, by the amount wagered. If more than one person shares in the winnings from a single wager, the aggregate amount of the winnings will determine the amount of the proceeds for purposes of reporting and backup withholding.

In the case of multiple wagers sold on one ticket, such as the $12 box bet on a Big Triple or Trifecta, the wager will be considered to be six $2 bets and not one $12 bet for purposes of computing the amount to be reported or withheld. Winnings on a $12 box bet must be reported if they are $600 or more, and Federal income tax must be withheld if the proceeds amount to more than $1,000 or, in the event the proceeds do not exceed $1,000, if the recipient fails to provide a TIN.

Identical wagers (for example, two $2 bets on a particular horse to win the same race) are aggregated for purposes of the reporting and backup withholding requirements. Also, identical wagers that are not part of the payment for which the W-2G is being prepared are aggregated for purposes of withholding to determine if the total amount of proceeds from identical wagers is more than $1,000. If the person presenting the ticket for payment is the sole owner of the ticket, Form W-2G should be completed showing the name, address, and identification number of the winner. If Federal income tax is to be withheld, the winner then signs the W-2G, under penalties of perjury, stating that he or she is the sole owner and that the information listed on the form is correct. In this case, Form 5754 is not used.

Box 1.—Enter payments of $600 or more if the payment is at least 300 times the amount of a single wager.
Box 2.—Enter the amount of Federal income tax withheld, whether regular withholding or backup withholding.
Box 3.—Enter the type of wager if other than a regular race bet, for example, Daily Double or Big Triple.
Box 4.—Enter the date of the winning event. This must be the date the full amount was paid if paid after the date of the race (or game).
Box 5.—Not applicable.
Box 6.—Enter the race (or game) applicable to the winning ticket.
Box 7.—Enter the amount of additional winnings from identical wagers.
Box 8 or 10.—Enter the cashier and/or window number making the winning payment.
Boxes 11 and 12.—Enter the identification numbers of the person receiving the winnings.
Box 13.—(optional) Enter the abbreviated name of the state and your state identification number.
Box 14.—(optional) Enter the amount of state income tax withheld.

Instructions for Payers of Gambling Winnings From State- Conducted Lotteries.
File Form W-2G for every person to whom you pay $600 or more in gambling winnings if such winnings are at least 300 times the amount of the single wager. You must withhold Federal income tax, at the rate of 20%, from the amount of winnings less the amount wagered if such winnings less the wager exceed $1,000 and if the winnings are at least 300 times the amount of the single wager. If the recipient of reportable gambling winnings does not provide a TIN, you must impose backup withholding at the rate of 20% on any such winnings that are not subject to regular gambling withholding under the preceding sentence. That is, if the winnings are at least 300 times not more than $1,000, backup withholding applies to the amount of the winnings reduced, at the option of the payer, by the amount wagered. If more than one person shares in the winnings from a single wager, the aggregate amount of the winnings will determine the amount of the proceeds for purposes of reporting and backup withholding.

In the case of multiple wagers sold on one ticket, such as the $12 box bet on a Big Triple or Trifecta, the wager will be considered to be six $2 bets and not one $12 bet for purposes of computing the amount to be reported or withheld. Winnings on a $12 box bet must be reported if they are $600 or more, and Federal income tax must be withheld if the proceeds amount to more than $1,000 or, in the event the proceeds do not exceed $1,000, if the recipient fails to provide a TIN.

Identical wagers (for example, two $2 bets on a particular horse to win the same race) are aggregated for purposes of the reporting and backup withholding requirements. Also, identical wagers that are not part of the payment for which the W-2G is being prepared are aggregated for purposes of withholding to determine if the total amount of proceeds from identical wagers is more than $1,000. If the person presenting the ticket for payment is the sole owner of the ticket, Form W-2G should be completed showing the name, address, and identification number of the winner. If Federal income tax is to be withheld, the winner then signs the W-2G, under penalties of perjury, stating that he or she is the sole owner and that the information listed on the form is correct. In this case, Form 5754 is not used.

Box 1.—Enter payments of $600 or more if the payment is at least 300 times the amount of a single wager.
Box 2.—Enter the amount of Federal income tax withheld, whether regular withholding or backup withholding.
Box 3.—Enter the type of wager if other than a regular race bet, for example, Daily Double or Big Triple.
Box 4.—Enter the date of the winning event. This must be the date the full amount was paid if paid after the date of the race (or game).
Box 5.—Not applicable.
Box 6.—Enter the race (or game) applicable to the winning ticket.
Box 7.—Enter the amount of additional winnings from identical wagers.
Box 8 or 10.—Enter the cashier and/or window number making the winning payment.
Boxes 11 and 12.—Enter the identification numbers of the person receiving the winnings.
Box 13.—(optional) Enter the abbreviated name of the state and your state identification number.
Box 14.—(optional) Enter the amount of state income tax withheld.

Instructions for Payers of Gambling Winnings From State- Conducted Lotteries.
File Form W-2G for every person to whom you pay $600 or more from a state-conducted lottery if such winnings are at least 300 times the amount of the single wager. You must withhold Federal income tax, at the rate of 20%, from the amount of winnings less the price of the winning ticket if such winnings less the price of the winning ticket exceed $5,000. If the recipient of the reportable lottery winnings does not provide a TIN, you must impose backup withholding at the rate of 20% on any such winnings that are not subject to regular gambling withholding under the terms of the preceding sentence. That is, if the amount of the lottery winnings is at least $600 but not more than $5,000, backup withholding applies to the amount of the winnings reduced, at the option of the payer, by the amount wagered.

Installment payments of $5,000 or less are subject to regular 20% gambling withholding if the aggregate proceeds from such wager will exceed $5,000.

If payments are to be made for the life of a person (or for the lives of more than one person), and it is actuarially determined that the aggregate proceeds from such wager are
exceed $5,000, such payments are subject to regular 20% gambling withholding.

The price of the wager must be deducted from the total winnings to determine whether reporting or withholding is required. The deduction for the cost of the wager should be made at the time of the first payment.

Noncash payments, such as automobiles, are to be taken into account at their fair market values for purposes of reporting and withholding. If the fair market value exceeds $5,000, after deducting the price of the wager, it is subject to regular gambling withholding. In such a case, the tax that must be withheld is computed as follows: (1) if payment of the withholding tax is made by the winner to the payee of winnings, 20% of the noncash payment less the amount of the wager is subject to withholding; (2) if the payee of winnings also pays the withholding tax, 25% of the noncash payment less the wager is subject to withholding. If the method under (2) is used, the sum of the noncash payment and withholding tax is entered in Box 1. See Regulations section 31.3402(g)-1 for more information.

A payment of winnings is considered made when it is paid, either actually or constructively, to the winner. Winnings are constructively paid when they are credited to, or set apart for, that person without any substantial limitation or restriction on the time, manner, or condition of payment.

When a person other than a state lottery employee or agent makes the payments, as in the case of an insurance company handling the winnings as an annuity, that other person must deduct and withhold as originally required of the state lottery payer.

Box 1.—Enter payments of $600 or more.

Box 2.—Enter the amount of Federal income tax withheld, whether backup withholding or regular gambling withholding.

Box 3.—Enter the name of the lottery (Instant, Big 50, Baker's Dozen, etc.) and the price of the ticket (50¢, $1, etc.).

Box 4.—Enter the date of the drawing of the winning number. This might not be the date the winnings are paid.

Box 5.—Enter the ticket number or other identifying number.

Boxes 6 through 8 and 10 through 12.—Not applicable to lottery winnings.

Box 13.—(optional) Enter the abbreviated name of the state and your state identification number.

Box 14.—(optional) Enter the amount of state income tax withheld.

**Instructions for Sweepstakes, Wagering Pools, and Certain Lotteries**

File Form W-2G for each person to whom you pay $1,200 or more in gambling winnings from bingo or slot machines, or $1,500 or more from keno after the price of the wager for the winning keno game is deducted. If the winnings are of a noncash nature, the fair market value of the item won is to be considered the amount of the winnings. Total all winnings from each bingo or keno game. Winnings and losses from other wagering transactions are not to be taken into account in arriving at the $1,200 or $1,500 figure. If the recipient of reportable gambling winnings from bingo, keno, or slot machines does not provide a TIN, you must deduct backup withholding at the rate of 20% on any such winnings. Backup withholding applies to the amount of the winnings reduced, at the option of the payee, by the amount wagered. Regular gambling withholding does not apply to winnings from bingo, keno, or slot machines.

Box 1.—Enter payments of $1,200 or more from bingo or slot machines or payments of $1,500 or more from keno.

Box 2.—Enter the amount of any backup withholding.

Box 3.—Enter the type of wager, such as bingo, keno, and slot machines, and the amount of the wager.

Box 4.—Enter the date of the wagering transaction.

Box 5.—Enter the ticket number, card number (and color, if applicable), machine serial number, or any other information that will help identify the winning transaction.

Boxes 6 through 8.—Not applicable.

Box 9.—Enter the initials of the person paying the winnings.

Box 10.—Enter the location of the person paying the winnings, if applicable.

Boxes 11 and 12.—Enter the identification numbers of the person receiving the winnings.

Box 13.—(optional) Enter the abbreviated name of the state and your state identification number.

Box 14.—(optional) Enter the amount of state income tax withheld.

**Instructions for Payers of Gambling Winnings From Keno, Bingo, and Slot Machines**

File Form W-2G for every person to whom you pay $1,200 or more in gambling winnings from bingo or slot machines, or $1,500 or more from keno after the price of the wager for the winning keno game is deducted. If the winnings are of a noncash nature, the fair market value of the item won is to be considered the amount of the winnings. Total all winnings from each bingo or keno game. Winnings and losses from other wagering transactions are not to be taken into account in arriving at the $1,200 or $1,500 figure. If the recipient of reportable gambling winnings from bingo, keno, or slot machines does not provide a TIN, you must deduct backup withholding at the rate of 20% on any such winnings. Backup withholding applies to the amount of the winnings reduced, at the option of the payee, by the amount wagered. These requirements apply to church raffles, charity drawings, etc.

Box 1.—Enter all payments of $600 or more.

Box 2.—Enter the amount of Federal income tax withheld, whether regular gambling withholding or backup withholding.

Box 3.—Enter the type of wager, such as a raffle or a 50-50 drawing.

Box 4.—Enter the date of the wagering transaction.

Boxes 5 through 8 and 10.—Not applicable.

Boxes 11 and 12.—Enter the identification numbers of the person receiving the winnings.

Box 13.—(optional) Enter the abbreviated name of the state and your state identification number.

Box 14.—(optional) Enter the amount of state income tax withheld.

**Form 5754**

Form 5754, Statement by Person(s) Receiving Gambling Winnings, is used only in preparing Form W-2G when the person receiving the winnings is not the actual winner or is a member of a group of two or more winners on the same winning ticket.

The person receiving the winnings must furnish all the information required by Form 5754. However, a recipient of winnings from state-conducted lotteries need not provide identification other than his or her taxpayer identification number. Part I lists the identification of the person to whom the winnings are paid, and Part II lists the actual winners, their respective shares of the winnings, and any additional winnings from identical wagers. If the person receiving the winnings is also one of the winners, the first name listed in Part II should be the same as the name in Part I. In this case, the "Amount won" box and, if applicable, the "Winnings from identical wagers" box must be completed for that person, but the other boxes may be marked "Same as above."

In Part II, the person receiving the winnings must provide the name, address, identification number, respective share of the winnings, and additional winnings from identical wagers for each of the winners. In addition, if Federal income tax is to be witheld, the form must be signed, under penalties of perjury, and dated by the person receiving the winnings. The form must be returned to the payer for preparation of Form W-2G for each of the persons listed as winners. Forms W-2G may be issued immediately or by January 31 following the year of the payment. Do not file Form 5754 with IRS.
Alphabetical List of Types of Payments

Below is an alphabetical list of some payments and the forms to file to report them. The list was developed to help you determine which form to file. However, it is not a complete list of all payments, and the absence of a payment from the list does not indicate that the payment is not reportable.

<table>
<thead>
<tr>
<th>Type of Payment</th>
<th>Report on Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abandonment</td>
<td>.1099-A</td>
</tr>
<tr>
<td>Advance earned income credit</td>
<td>.W-2</td>
</tr>
<tr>
<td>Agriculture payments</td>
<td>1099-G</td>
</tr>
<tr>
<td>Allocated tips</td>
<td>.W-2</td>
</tr>
<tr>
<td>Annuities</td>
<td>1099-R</td>
</tr>
<tr>
<td>Auto reimbursements:</td>
<td></td>
</tr>
<tr>
<td>Employee</td>
<td>.W-2</td>
</tr>
<tr>
<td>Nonemployee</td>
<td>1099-MISC</td>
</tr>
<tr>
<td>Awards:</td>
<td></td>
</tr>
<tr>
<td>Employee</td>
<td>.W-2</td>
</tr>
<tr>
<td>Nonemployee</td>
<td>1099-MISC</td>
</tr>
<tr>
<td>Bartering exchange income</td>
<td>1099-B</td>
</tr>
<tr>
<td>Bonuses:</td>
<td></td>
</tr>
<tr>
<td>Employee</td>
<td>.W-2</td>
</tr>
<tr>
<td>Nonemployee</td>
<td>1099-MISC</td>
</tr>
<tr>
<td>Broker transactions</td>
<td>1099-B</td>
</tr>
<tr>
<td>Car expense:</td>
<td></td>
</tr>
<tr>
<td>Employee</td>
<td>.W-2</td>
</tr>
<tr>
<td>Nonemployee</td>
<td>1099-MISC</td>
</tr>
<tr>
<td>Christmas bonuses:</td>
<td></td>
</tr>
<tr>
<td>Employee</td>
<td>.W-2</td>
</tr>
<tr>
<td>Nonemployee</td>
<td>1099-MISC</td>
</tr>
<tr>
<td>Commissions:</td>
<td></td>
</tr>
<tr>
<td>Employee</td>
<td>.W-2</td>
</tr>
<tr>
<td>Nonemployee</td>
<td>1099-MISC</td>
</tr>
<tr>
<td>Commodities transactions,</td>
<td>1099-B</td>
</tr>
<tr>
<td>Compensation:</td>
<td></td>
</tr>
<tr>
<td>Employee</td>
<td>.W-2</td>
</tr>
<tr>
<td>Nonemployee</td>
<td>1099-MISC</td>
</tr>
<tr>
<td>Crop insurance proceeds</td>
<td>1099-MISC</td>
</tr>
<tr>
<td>Dependent care payments</td>
<td>.W-2</td>
</tr>
<tr>
<td>Direct sales of consumer products for resale.</td>
<td>1099-MISC</td>
</tr>
<tr>
<td>Directors’ fees</td>
<td>1099-MISC</td>
</tr>
<tr>
<td>Discharge of indebtedness, Federal Government</td>
<td>1099-G</td>
</tr>
<tr>
<td>Distributions in liquidation</td>
<td>1099-DIV</td>
</tr>
<tr>
<td>Dividends</td>
<td>1099-DIV</td>
</tr>
<tr>
<td>Education expense reimbursement:</td>
<td></td>
</tr>
<tr>
<td>Employee</td>
<td>.W-2</td>
</tr>
<tr>
<td>Nonemployee</td>
<td>1099-MISC</td>
</tr>
<tr>
<td>Employee compensation</td>
<td>.W-2</td>
</tr>
<tr>
<td>Employee business expense reimbursement</td>
<td>.W-2</td>
</tr>
<tr>
<td>Excess deferrals, excess contributions, distributions of</td>
<td>1099-R</td>
</tr>
<tr>
<td>Fees:</td>
<td></td>
</tr>
<tr>
<td>Employee</td>
<td>.W-2</td>
</tr>
<tr>
<td>Nonemployee</td>
<td>1099-MISC</td>
</tr>
<tr>
<td>Fishing boat crew members proceeds</td>
<td>1099-MISC</td>
</tr>
<tr>
<td>Foreclosures</td>
<td>.1099-A</td>
</tr>
<tr>
<td>Foreign persons’ income</td>
<td>.1042S</td>
</tr>
<tr>
<td>401(k) contributions</td>
<td>.W-2</td>
</tr>
<tr>
<td>404(k) dividend</td>
<td>1099-DIV</td>
</tr>
<tr>
<td>Type of Payment</td>
<td>Report on Form</td>
</tr>
<tr>
<td>Gambling winnings</td>
<td>.W-2</td>
</tr>
<tr>
<td>Golden parachute:</td>
<td></td>
</tr>
<tr>
<td>Employee</td>
<td>.W-2</td>
</tr>
<tr>
<td>Nonemployee</td>
<td>1099-MISC</td>
</tr>
<tr>
<td>Grants, taxable</td>
<td>1099-G</td>
</tr>
<tr>
<td>Health services</td>
<td>1099-MISC</td>
</tr>
<tr>
<td>Income tax refunds, state and local</td>
<td>1099-G</td>
</tr>
<tr>
<td>Interest</td>
<td>1099-INT</td>
</tr>
<tr>
<td>Interest, mortgage</td>
<td>1098</td>
</tr>
<tr>
<td>IRA contributions</td>
<td>5498</td>
</tr>
<tr>
<td>IRA distributions,</td>
<td>1099-R</td>
</tr>
<tr>
<td>Medical services,</td>
<td>1099-MISC</td>
</tr>
<tr>
<td>Mileage:</td>
<td></td>
</tr>
<tr>
<td>Employee</td>
<td>.W-2</td>
</tr>
<tr>
<td>Nonemployee</td>
<td>1099-MISC</td>
</tr>
<tr>
<td>Mortgage interest</td>
<td>1098</td>
</tr>
<tr>
<td>Moving expense</td>
<td>.W-2</td>
</tr>
<tr>
<td>Nonqualified plan distribution</td>
<td>.W-2</td>
</tr>
<tr>
<td>Original issue discount (OID).</td>
<td>.1099-OID</td>
</tr>
<tr>
<td>Patronage dividends</td>
<td>1099-PATR</td>
</tr>
<tr>
<td>Pension</td>
<td>1099-R</td>
</tr>
<tr>
<td>Points</td>
<td>1098</td>
</tr>
<tr>
<td>Prizes:</td>
<td></td>
</tr>
<tr>
<td>Employee</td>
<td>.W-2</td>
</tr>
<tr>
<td>Nonemployee</td>
<td>1099-MISC</td>
</tr>
<tr>
<td>Profit-sharing plan</td>
<td>1099-R</td>
</tr>
<tr>
<td>PS 58 costs</td>
<td>1099-R</td>
</tr>
<tr>
<td>Real estate transactions</td>
<td>.1099-S</td>
</tr>
<tr>
<td>Rents</td>
<td>1099-MISC</td>
</tr>
<tr>
<td>Retirement</td>
<td>1099-R</td>
</tr>
<tr>
<td>Royalties</td>
<td>1099-MISC</td>
</tr>
<tr>
<td>Timber, pay-as-cut contract</td>
<td>.1099-S</td>
</tr>
<tr>
<td>Sales:</td>
<td></td>
</tr>
<tr>
<td>Real estate</td>
<td>.1099-S</td>
</tr>
<tr>
<td>Securities</td>
<td>1099-B</td>
</tr>
<tr>
<td>SEP contributions</td>
<td>.W-2</td>
</tr>
<tr>
<td>SEP distributions</td>
<td>1099-R</td>
</tr>
<tr>
<td>Severance pay</td>
<td>.W-2</td>
</tr>
<tr>
<td>Sick pay</td>
<td>.W-2</td>
</tr>
<tr>
<td>Substitute payments in lieu of dividends or tax-exempt interest</td>
<td>1099-MISC</td>
</tr>
<tr>
<td>Supplemental unemployment,</td>
<td>.W-2</td>
</tr>
<tr>
<td>Tips</td>
<td>.W-2</td>
</tr>
<tr>
<td>Unemployment benefits</td>
<td>1099-G</td>
</tr>
<tr>
<td>Vacation allowance:</td>
<td></td>
</tr>
<tr>
<td>Employee</td>
<td>.W-2</td>
</tr>
<tr>
<td>Nonemployee</td>
<td>1099-MISC</td>
</tr>
<tr>
<td>Wages</td>
<td>.W-2</td>
</tr>
<tr>
<td>Form Number</td>
<td>Title</td>
</tr>
<tr>
<td>-------------</td>
<td>----------------------------------------------------------------------</td>
</tr>
<tr>
<td>1042S</td>
<td>Foreign Person's U.S. Source Income Subject to Withholding</td>
</tr>
<tr>
<td>1098</td>
<td>Mortgage Interest Statement</td>
</tr>
<tr>
<td>1099-A</td>
<td>Acquisition or Abandonment of Secured Property</td>
</tr>
<tr>
<td>1099-B</td>
<td>Proceeds From Broker and Barter Exchange Transactions</td>
</tr>
<tr>
<td>1099-DIV</td>
<td>Dividends and Distributions</td>
</tr>
<tr>
<td>1099-G</td>
<td>Certain Government Payments</td>
</tr>
<tr>
<td>1099-INT</td>
<td>Interest Income</td>
</tr>
<tr>
<td>1099-MISC</td>
<td>Miscellaneous Income</td>
</tr>
<tr>
<td>1099-OID</td>
<td>Original Issue Discount</td>
</tr>
<tr>
<td>1099-PATR</td>
<td>Taxable Distributions Received From Cooperatives</td>
</tr>
<tr>
<td>1099-R</td>
<td>Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.</td>
</tr>
<tr>
<td>1099-S</td>
<td>Proceeds From Real Estate Transactions</td>
</tr>
<tr>
<td>4789</td>
<td>Currency Transaction Report</td>
</tr>
<tr>
<td>5498</td>
<td>Individual Retirement Arrangement Information</td>
</tr>
<tr>
<td>Form Number</td>
<td>Title</td>
</tr>
<tr>
<td>-------------</td>
<td>-------</td>
</tr>
<tr>
<td>8027</td>
<td>Employer's Annual Information Return of Tip Income and Allocated Tips</td>
</tr>
<tr>
<td>8300</td>
<td>Report of Cash Payments Over $10,000 Received in a Trade or Business</td>
</tr>
<tr>
<td>8308</td>
<td>Report of a Sale or Exchange of Certain Partnership Interests</td>
</tr>
<tr>
<td>W-2G</td>
<td>Certain Gambling Winnings</td>
</tr>
<tr>
<td>W-2</td>
<td>Wage and Tax Statement</td>
</tr>
</tbody>
</table>

**Index**
- Abandonments ........................................... 9
- Account number box .................................. 3
- Agriculture payments ................................. 11
- Annuity distributions ................................. 15
- Backup withholding .................................. 20
- Barter exchange transactions .................... 9
- Broker transactions ................................. 9
- Certain government payments ...................... 10
- Changes this year ..................................... 1
- Consumer products of $5,000, indicator for ...... 13
- Corrected returns, how to file ..................... 5
- Crop insurance proceeds ............................. 14
- Death benefit payments ............................. 15
- Directors' fees ....................................... 12
- Discharge of indebtedness by Federal Government 11
- Dividends ............................................... 10
- Due dates ............................................. 4
- Fair market value of IRA and SEP .................. 19
- Federally-subsidized indebtedness ............... 17
- Fishing boat proceeds ................................ 13
- Foreclosures ......................................... 8
- Form 1098 ............................................. 1
- Form 1099-A ........................................... 7
- Form 1099-B ........................................... 9
- Form 1099-DIV ........................................ 10
- Form 1099-G ........................................... 10
- Form 1099-INT ........................................ 11
- Form 1099-MISC ....................................... 12
- Form 1099-OID ........................................ 14
- Form 1099-PATR ....................................... 15
- Form 1099-R ........................................... 15
- Form 1099-S ........................................... 17
- Form 5498 ............................................. 19
- Form 5754 ............................................. 21
- Form W-2G ............................................. 20
- Form W-2 ............................................. 20
- Gambling winnings ..................................... 20
- Golden parachute payments ....................... 13
- Grants, taxable ........................................ 11
- Guide to information returns, chart ............. 23
- Informants, fees ..................................... 12
- Interest income ..................................... 11
- Interest, mortgage .................................. 7
- IRA contributions ................................... 19
- IRA/SEP distributions .............................. 15
- Life insurance contract distributions ........... 15
- Magnetic media/electronic reporting ............. 3
- Medical payments .................................. 13
- Mortgage interest ................................... 7
- Nominee/middleman .................................. 3
- Nonemployee compensation ....................... 13
- Original issue discount ............................ 14
- Paper document reporting ......................... 3
- Patronage distributions ............................ 15
- Penalties ............................................. 2
- Pension distributions .............................. 15
- Points .................................................. 1
- Prizes and awards ................................... 8
- Profit-sharing distributions ..................... 13
- PS 58 costs .......................................... 15
- Qualified plan distributions ..................... 15
- Real estate transactions ........................... 17
- Refunds, state and local tax ...................... 10
- REMICs reporting requirements .................. 12
- Rents .................................................. 14
- Royalties ............................................. 13
- Timber ................................................ 1
- Sales of stock ....................................... 18
- Section 1035 exchange ............................ 9
- Statement mailing requirement ................... 16
- Statements to recipients ........................... 4
- Substitute forms .................................... 4
- Substitute payments in lieu of dividends and tax-exempt interest .. 1, 5
- Taxpayer identification numbers .................. 1
- Types of payments, alphabetical list ............ 19
- Unemployment compensation ..................... 22
- Void returns ......................................... 5
- When to file ......................................... 4
- Where to file ......................................... 4
- Who must file ....................................... 3