2027

Instructions for Form 1099-B

Proceeds From Broker and Barter Exchange Transactions

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

Future Developments

For the latest information about developments related to Form 1099-B and its instructions, such as legislation enacted after they were published, go to *IRS.gov/Form1099B*.

You can get Pub. 1099, General Instructions for Certain Information Returns, at *IRS.gov/Pub1099*.

Reminders

In addition to these specific instructions, you should also use the current Pub. 1099. Those general instructions include information about the following topics.

- Who must file.
- When and where to file.
- Electronic reporting.
- Corrected and void returns.
- Statements to recipients.
- Taxpayer identification numbers (TINs).
- Backup withholding.
- Penalties.
- The definitions of terms applicable for chapter 4 purposes that are referenced in these instructions.
- Other general topics.

Address fields. For the Payer's and Recipient's information, we separated the address fields into individual entry boxes.

Digital assets. For each digital asset sale that a broker has effected for a customer in 2027, the broker must complete Form 1099-DA, Digital Asset Proceeds From Broker Transactions, as described in the instructions for that form. If you effected a sale of a digital asset that is also a security for which Form 1099-B would be required (dual classification asset), you should generally file Form 1099-DA and not Form 1099-B. There are three exceptions to the requirement to report a sale of a dual classification asset on a Form 1099-DA. See *Sales of digital assets*, later. Additionally, certain dispositions of digital assets held by a widely held fixed investment trust (WHFIT) may be reported on either Form 1099-B or Form 1099-DA. See *Widely held fixed investment trusts (WHFITs)*, later.

E-filing returns. The Taxpayer First Act of 2019 authorized the Department of the Treasury and the IRS to issue regulations that reduce the 250-return e-file threshold. T.D. 9972, published February 23, 2023, lowered the e-file threshold to 10 (calculated by aggregating all information returns), effective for information returns required to be filed on or after January 1, 2024. Go to *IRS.gov/InfoReturn* for e-file options.

Information Returns Intake System (IRIS). The IRS has developed IRIS, an online portal for e-filing information returns. Go to *IRS.gov/IRIS* for more information.

Online fillable copies. To ease statement furnishing requirements, Copies B, 1, and 2 are fillable online in a PDF format available at *IRS.gov/Form1099B*. You can complete these copies online for furnishing statements to recipients and for retaining in your own files.

Specific Instructions

A broker or barter exchange must file Form 1099-B for each person:

- For whom the broker has sold (including short sales) stocks, commodities, regulated futures contracts, foreign currency contracts (pursuant to a forward contract or regulated futures contract), forward contracts, debt instruments, options, securities futures contracts, etc., for cash;
- Who received cash, stock, or other property from a corporation that the broker knows or has reason to know has had its stock acquired in an acquisition of control or had a substantial change in capital structure reportable on Form 8806, Information Return for Acquisition of Control or Substantial Change in Capital Structure; or
- Who exchanged property or services through a barter exchange.

Qualified Opportunity Funds (QOF)

A QOF is an investment vehicle organized as a corporation or a partnership for the purpose of investing in qualified opportunity zone property. See section 1400Z-2(d).

Reporting dispositions of QOF investments. Report all dispositions of interests in the QOF regardless of the identity of the person who disposed of it. For example, if the person is a corporation, you should still file a Form 1099-B. A disposition includes any disposition of the investment (whether or not the disposition is for consideration), including by gift or inheritance.

Report each disposition on a separate Form 1099-B, regardless of how many dispositions any one person has made in the calendar year. The reporting *Exceptions* under *Brokers*, and the reporting *Exceptions* under *Barter Exchanges*, later, do not apply to dispositions of interests in a QOF. If you are a QOF that is not a broker or barter exchange and do not know that a broker or barter exchange reported a disposition of an interest in the QOF, then complete the following on the form in the manner instructed for the respective items and boxes.

- **Box 1a.** For interests in the QOF, enter the appropriate descriptions. For example, for stock, enter the number of

shares or units; for partnerships, enter the percentage of investment.
- **Box 1b.** Enter the acquisition date of any interest in the QOF, if known.
- **Box 1c.** Enter the date of disposition of any interest in the QOF.
- **Box 1d.** Enter the gross cash proceeds from the disposition of any interest in the QOF, if known.
- **Box 3.** Check the "QOF" box for reporting the disposition of an interest in the QOF.

QOFs must furnish a statement to the person who disposed of the interest in the QOF investment. For additional information on furnishing statements, see part M in the current Pub. 1099.

If you are a broker or barter exchange, including a QOF that is a broker or barter exchange, complete Form 1099-B as usual for all dispositions of interests in QOFs. Follow the specific instructions for brokers or barter exchanges (for example, the reporting of basis for a QOF investment that is a covered security). Complete all boxes as appropriate, depending on the nature of the interest disposed. For example, if the QOF investment is stock, you must complete box 1e to report cost or other basis. Also, you must check the QOF box in box 3 for all dispositions of QOF investments.

Brokers

A broker is any person who, in the ordinary course of a trade or business, stands ready to effect sales to be made by others. A broker may include a U.S. or foreign person or a governmental unit and any subsidiary agency.

You are considered a broker if:
- You are an obligor that regularly issues and retires its own debt obligations, or
- You are a corporation that regularly redeems its own stock.

However, for a sale, redemption, or retirement at an office outside the United States, only a U.S. payer or U.S. intermediary is a broker. See Regulations sections 1.6045-1(g)(1) and 1.6049-5(c)(5).

You are not considered a broker if:
- You are a corporation that purchases odd-lot shares from its stockholders on an irregular basis (unless facts indicate otherwise),
- You manage a farm for someone else, or
- You are an international organization that redeems or retires its own debt. See Regulations section 1.6045-1(a)(1).

Reporting

How many transactions to report on each form. Report each transaction (other than regulated futures, foreign currency, or Section 1256 option contracts) on a separate Form 1099-B. Report transactions involving regulated futures, foreign currency, or Section 1256 option contracts on an aggregate basis. However, you may report these contracts on an aggregate basis on a separate Form 1099-B for each type of contract, including separate forms for digital asset and non-digital asset contracts of the same type. For example, you must report all Section 1256 contracts, whether they are digital assets or non-digital assets, on at least one Form 1099-B, but you can choose to report digital asset Section 1256 option contracts separately from non-digital asset Section 1256 option contracts.

How many forms to file for each transaction. Report sales of each of the following types of securities on a separate Form 1099-B, even if all three types were sold in a single transaction.
- Covered securities (defined later) with short term gain or loss.
- Covered securities with long-term gain or loss.
- Noncovered securities (securities that are not covered securities) if you choose to check box 5 when reporting their sale.

Closing transactions. In the case of an option, a regulated futures contract, a securities futures contract, or a forward contract, a sale includes any closing transaction. A closing transaction is a lapse, an expiration, a settlement, an abandonment, or other termination of a position (which includes a right or an obligation under a forward contract, a regulated futures contract, a securities futures contract, or an option).

Example. If an option is a covered security and the option has a zero basis at the time of the closing transaction, enter -0- in box 1e.

Substitute statements. Brokers that use substitute statements may be able to report customer transactions (digital asset sales (Form 1099-DA), securities sales (Form 1099-B), interest earned (Forms 1099-INT and 1099-OID), dividends (Form 1099-DIV), and foreign taxes paid (Forms 1099-DIV and 1099-INT)) for the year on a single substitute statement. For details, see Pub. 1179, General Rules and Specifications for Substitute Forms 1096, 1098, 1099, 5498, and Certain Other Information Returns, at *IRS.gov/Pub1179*, which provides the rules for substitute forms.

Additional information required for covered securities. For each sale of a covered security for which you are required to file Form 1099-B, report the date of acquisition (box 1b); whether the gain or loss is short term or long term, and whether any portion of the gain or loss is ordinary (box 2); cost or other basis (box 1e); the amount of accrued market discount (box 1f); and the loss disallowed due to a wash sale (box 1g). When selling a noncovered security and reporting it on a separate Form 1099-B, you may check box 5 and leave boxes 1b, 1e, 1f, 1g, and 2 blank. If you check box 5, you may choose to report the information requested in boxes 1b, 1e, 1f, 1g, and 2 and will not be subject to penalties under section 6721 or 6722 for failure to report this information correctly.

Example. Your customer Arlo bought shares of stock in ABC Corporation in April 2010, April 2026, and August 2026. The shares of stock bought in 2026 are covered securities. The shares of stock bought in April 2010 are noncovered securities. In June 2027, Arlo sells all of the stock in a single transaction. Even though the stock was sold in a single transaction, you must report the sale of the covered securities on two separate 2027 Forms 1099-B (one for the securities bought in April 2026 with long term gain or loss and one for the securities bought in August 2026 with short term gain or loss). You must report the sale of the noncovered securities on a third Form 1099-B

or on the Form 1099-B reporting the sale of the covered securities bought in April 2026 (reporting long term gain or loss). You may check box 5 if reporting the noncovered securities on a third Form 1099-B. If you check box 5, you may leave boxes 1b, 1e, 1f, 1g, and 2 blank or you may complete boxes 1b, 1e, 1f (if applicable), 1g (if applicable), and 2 and not be subject to penalties under section 6721 or 6722 for failing to report this information correctly.

Short sales of securities. Do not report a short sale entered into after 2010 until the year a customer delivers a security to satisfy the short sale obligation, unless there is backup withholding. See *Backup withholding*, later. Disregard sections 1259 (constructive sales) and 1233(h) (short sales of property that becomes worthless). Report the short sale on a single Form 1099-B unless:

- You are reporting both short term and long term gain or loss from a short sale closed by delivery of covered securities (as explained earlier under *How many forms to file for each transaction*),
- The securities delivered to close the short sale include both covered securities and noncovered securities (as explained earlier under *How many forms to file for each transaction*), or
- There was backup withholding and other conditions apply (see *Backup withholding*, later).

Report on Form 1099-B the relevant information about the security sold to open the short sale, with the exceptions described in the following paragraphs.

In box 1a, report the quantity of the security delivered to close the short sale.

In box 1b, report the acquisition date of the security delivered to close the short sale.

In box 1c, report the date the security was delivered to close the short sale.

In box 1e, report the adjusted basis of the security delivered to close the short sale.

In box 2, report whether any gain or loss on the closing of the short sale is short term or long term based on the acquisition date of the security delivered to close the short sale. Apply section 1233(d), if applicable.

If the short sale is closed by delivery of a noncovered security, you may check box 5. In this case, you do not have to complete boxes 1b, 1e, 1f, 1g, and 2. However, if you choose to report the information in those boxes and check box 5, you will not be subject to the penalties under sections 6721 and 6722 for failure to report that information correctly.

If a short sale obligation is satisfied by delivery of a security transferred into a customer's account accompanied by a transfer statement indicating the security was borrowed, see Regulations section 1.6045-1(c)(3)(xi)(C).

In the case of a short sale, you can take backup withholding either:

- From the gross proceeds when the short sale is opened, or
- From any gain when the short sale is closed if you expect to be able to determine the gain on the short sale at that time.

Backup withholding. If backup withholding was taken from the gross proceeds when a short sale was opened in 2027 but the short sale was not closed by the end of 2027, file a 2027 Form 1099-B. Report the tax withheld in box 4. In box 1a, enter a brief description of the transaction (for example, "$5,000 short sale of 100 shares of ABC stock not closed"). Leave the other numbered boxes blank. File a final Form 1099-B for the year the short sale is closed, as described above, but do not include the 2027 tax withheld on that Form 1099-B.

Widely held fixed investment trusts (WHFITs). Trustees and middlemen must report the amount of non-pro rata partial principal payments (as defined in Regulations section 1.671-5(b)(13)), trust sales proceeds (as defined in Regulations section 1.671-5(b)(21)), redemption asset proceeds (as defined in Regulations section 1.671-5(b)(14)), redemption proceeds (as defined in Regulations section 1.671-5(b)(15)), the sales asset proceeds (as defined in Regulations section 1.671-5(b)(17)), and the sales proceeds (as defined in Regulations section 1.671-5(b)(18)) that are attributable to a trust interest holder (TIH) for the calendar year on Form 1099-B.

Report a disposition of digital assets held by the WHFIT. You may choose to report this disposition of digital assets on either Form 1099-B or Form 1099-DA. See *Sales of digital assets*, later.

To determine the amount of each item of proceeds to be reported on Form 1099-B, see, generally, Regulations section 1.671-5. If the trustee provides WHFIT information using the safe harbor rules in Regulations section 1.671-5(f)(1) or (g)(1), the trustee or intermediary must determine the amounts reported on Forms 1099 under Regulations section 1.671-5(f)(2) or (g)(2), as appropriate.

Check box 5 and leave boxes 1b, 1e, 1f, 1g, and 2 blank if:

- You are a broker reporting the sale of a security held by a WHFIT to the WHFIT trustee; or
- You are a trustee or intermediary of a WHFIT reporting non-pro rata partial principal payments, trust sale proceeds, redemption asset proceeds, redemption proceeds, sales asset proceeds, and sales proceeds to a TIH.

Requirement to furnish a tax information statement to TIH. A tax information statement that includes the information provided to the IRS on Form 1099-B, as well as additional information identified in Regulations section 1.671-5(e), must be provided to TIHs. The written tax information statement furnished to the TIH for 2027 is due on or before March 15, 2028. The amount of an item of a trust expense that is attributable to a TIH must be included on the tax information statement provided to the TIH and is not required to be included in box 5 on the Form 1099-DIV. See Regulations section 1.671-5(e) for a complete list of the items of information that must be included in the statement to the TIH.

Acquisition of control or substantial change in capital structure. File Form 1099-B for each customer who received cash, stock, or other property from a corporation that you know, or have reason to know based on readily available information, must recognize gain under section 367(a) from the transfer of property to a foreign corporation in an acquisition of control or substantial change in capital structure reportable on Form

8806. Readily available information includes information from a clearing organization, such as the Depository Trust Company (DTC), or from information published on IRS.gov.

Note: For more information, see Form 8806, available at *IRS.gov/Form8806*.

You are not required to file a second Form 1099-B for a customer who received only cash for stock acquired in an acquisition of control if you report the cash as proceeds from a sale on another Form 1099-B. You are also not required to file Form 1099-B for a customer who is an exempt recipient (under Regulations section 1.6045-1(c)(3)(i) or 1.6043-4(b)(5)). For a list of exempt recipients, see the current Instructions for Form 1099-CAP.

Enter in box 1d the aggregate amount of cash and the fair market value (FMV) of any stock and other property received in exchange for stock held in your custody. Also, check box 7.

In box 1a, show the corporation's name and the number of shares of the corporation's stock you held that were exchanged. Also, enter the class or classes of stock (for example, preferred, common, etc.) that were exchanged, whether for cash or other property. Abbreviate the class to fit the entry. For example, enter "C" for common stock, "P" for preferred, or "O" for other. Also, abbreviate any subclasses.

Leave the other numbered boxes and the CUSIP number box blank unless you are required to file a Form 1099-B to report proceeds you paid to the customer from the acquisition of control or substantial change in capital structure and you choose to file and furnish one Form 1099-B for amounts reported under both Regulations sections 1.6045-1 and 1.6045-3. If you choose to combine the reporting for both, do not combine other transactions the customer may have had during the year with the reporting of the acquisition of control or change in capital structure. Also, in box 1e, report the total basis of the customer's stock. Do not enter an amount in box 1e that is greater than the amount entered in box 1d.

Cash on delivery account. 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 securities 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.

Foreign currency. If the purchase amount or sales proceeds are paid in foreign currency, you must report the amount of foreign currency in U.S. dollars. Generally, you must determine the reportable amount (other than amounts representing accrued interest or original issue discount) as of the date you receive, credit, or make the payment, whichever applies, at the spot rate or by following a reasonable spot rate convention, such as a month-end spot rate or a monthly average spot rate.

When reporting the purchase or sale of a security traded on an established securities market, you must determine the U.S. dollar amounts to be reported (other than amounts representing accrued interest or original issue discount) as of the settlement date, at the spot rate or by following a reasonable spot rate convention. See Regulations section 1.6045-1(d)(8).

Generally, payments of foreign currency amounts representing accrued interest or original issue discount must be translated using the average rate for the interest accrual period, although certain customers may elect to translate such amounts using the spot rate on the last day of the interest accrual period. See Regulations sections 1.988-2(b)(2) and 1.6045-1(n)(4)(v).

Substitute payments. Do not report substitute payments in lieu of dividends and tax-exempt interest on Form 1099-B. Instead, report these payments in box 8 of Form 1099-MISC, Miscellaneous Information. See section 6045(d) and the Instructions for Forms 1099-MISC and 1099-NEC.

Stock options granted in connection with the performance of services. If an employee, former employee, or other service provider, in connection with the performance of services, obtains substantially vested shares of stock from the exercise of a stock option and sells that stock through a broker on the same day, then the broker may not be required to report the sale on Form 1099-B. For details, see Revenue Procedure 2002-50, which is on page 173 of Internal Revenue Bulletin 2002-29 at *IRS.gov/pub/irs-irbs/irb02-29.pdf*.

Partnership sale. Form 8308, Report of a Sale or Exchange of Certain Partnership Interests, does not have to be filed if, under section 6045, a return is required to be filed by a broker on Form 1099-B for the transfer of the partnership interest.

Exceptions. Brokers are not required to file but may file Form 1099-B for the following.

1. Sales for exempt recipients, including the following.
   a. Charitable organizations.
   b. IRAs.
   c. Archer MSAs and health savings accounts (HSAs).
   d. The United States or any state or a political subdivision of the United States or any state.
   e. Corporations. However, see *Identifying a corporation*, later, for instructions about how to know whether a customer is a corporation for this purpose. Also, you must file Form 1099-B for the sale of a covered security (defined later) by an S corporation if the S corporation acquired the covered security after 2011.
2. Sales initiated by dealers in securities and financial institutions.
3. Sales by custodians and trustees, provided the sale is reported on a properly filed Form 1041, U.S. Income Tax Return for Estates and Trusts.
4. Sales of shares in a regulated investment company that is a money market fund.
5. Obligor payments on the following.
   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 before July 1, 1982.

c. Callable demand obligations issued before January 1, 2014, 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 issued before January 1, 2014, if no interim transfers have occurred.

9. Sales for exempt foreign persons as defined in Regulations section 1.6045-1(g)(1).

10. Sales of Commodity Credit Corporation certificates.

11. Spot or forward sales of agricultural commodities. See *Spot or forward sales of agricultural commodities*, later.

12. Some sales of precious metals. See *Sales of precious metals*, later.

13. Grants or purchases of options, purchases due to exercises of call options, or entering into contracts that require delivery of personal property or an interest therein.

14. Sales (including retirements) of short-term obligations issued on or after January 1, 2014. However, a broker may be required to file a Form 1099-INT for interest or original issue discount on a short term obligation.

Identifying a corporation. For sales of covered securities (defined later) that were acquired after 2011, you cannot rely on Regulations section 1.6049-4(c)(1)(ii)(A) to tell whether a customer is a corporation. However, for sales of all securities, you can treat a customer as an exempt recipient if one of the following statements is true.

1. The name of the customer contains the term "insurance company," "indemnity company," "reinsurance company," or "assurance company."

2. The name of the customer indicates it is an entity listed as a per se corporation under Regulations section 301.7701-2(b)(8)(i).

3. You receive a properly completed exemption certificate on Form W-9 that shows the customer is not an S corporation.

4. You receive a Form W-8 that includes a certification that the person whose name is on the form is a foreign corporation.

Spot or forward sales of agricultural commodities. Agricultural commodities include grain, feed, livestock, meat, oil seed, timber, and fiber. A spot sale is a sale that results in almost immediate delivery of a commodity. A forward sale is a sale under a forward contract. However, sales and exchanges of timber for lump-sum payments must be reported on Form 1099-S, Proceeds From Real Estate Transactions.

Report sales of agricultural commodities under a regulated futures contract, sales of derivative interests in agricultural commodities, and sales of receipts for agricultural commodities issued by a designated warehouse on Form 1099-B. A designated warehouse is a warehouse, depository, or other similar entity designated by a commodity exchange in which or out of which a particular type of agricultural commodity is deliverable to satisfy a regulated futures contract. Sales of warehouse receipts issued by any other warehouse are not reportable.

Sales of precious metals. A sale of a precious metal (gold, silver, platinum, or palladium) in any form for which the Commodity Futures Trading Commission (CFTC) has not approved trading by regulated futures contract (RFC) is not reportable. Further, even if the sale is of a precious metal in a form for which the CFTC has approved trading by RFC, the sale is not reportable if the quantity, by weight or by number of items, is less than the minimum required quantity to satisfy a CFTC-approved RFC.

For example, a broker selling a single gold coin does not need to file Form 1099-B even if the coin is of such form and quality that it could be delivered to satisfy a CFTC-approved RFC if all CFTC-approved contracts for gold coins currently call for delivery of at least 25 coins.

Sales of precious metals for a single customer during a 24-hour period must be aggregated and treated as a single sale to determine if this exception applies. This exception does not apply if the broker knows or has reason to know that a customer, either alone or with a related person, is engaging in sales to avoid information reporting.

Sales of digital assets. A digital asset is any digital representation of value that is recorded on a cryptographically secured distributed ledger without regard to whether each individual transaction involving that digital asset is actually recorded on that distributed ledger and that is not cash (that is, U.S. dollars or any convertible foreign currency issued by a government or central bank).

For sales of digital assets, complete Form 1099-DA.

For sales of digital assets that are also securities for which the Form 1099-B would be required (dual classification asset), you should generally file Form 1099-DA and not Form 1099-B. There are three exceptions to the requirement to report a sale of a dual classification asset on a Form 1099-DA. See Regulations section 1.6045-1(c)(8).

1. For transactions involving dual classification assets that are digital assets solely because their sales are cleared or settled on a limited access regulated network, as described in Regulations section 1.6045-1(c)(8)(iii)(B), you should file Form 1099-B and not Form 1099-DA.

2. For transactions involving dual classification assets that constitute Section 1256 contracts, including regulated futures contracts or Section 1256 option contracts on digital assets, you should report the Section 1256 contract transactions on an aggregate basis on Form 1099-B. However, in the event delivery of the underlying digital asset is made with respect to a Section 1256 contract, which includes a regulated futures contract, a Section 1256 nonequity option contract, or a Section 1256 foreign currency contract, report the delivery of the underlying digital asset as a sale on Form 1099-DA.

3. For transactions involving dual classification assets that are shares in money market funds, you should not file Form 1099-DA and you are not required to file but may file Form 1099-B.

For rules related to sales of digital assets for exempt foreign persons, see Regulations section 1.6045-1(g)(4).

Dual classification assets that are tokenized securities. For transactions involving dual classification assets that are tokenized securities, you should file Form 1099-DA and not Form 1099-B. A tokenized security is a dual classification asset that provides the holder with an interest in another asset that is a security that is otherwise subject to reporting on Form 1099-B. Additionally, a tokenized security is an asset the offer and sale of which is registered with the U.S. Securities and Exchange Commission other than an asset treated as a security for securities law purposes solely as an investment contract. See Regulations section 1.6045-1(c)(8)(i)(D).

Exemption certificate. A broker may require an exempt recipient to file a properly completed Form W-9, Request for Taxpayer Identification Number and Certification, or similar form. A broker may treat an exempt recipient that fails to do so as a recipient that is not exempt. See part J in the current Pub. 1099 for more information.

Transfer Statement

Any person that transfers custody of a specified security (defined later) to a broker after 2010 (after 2011 if the stock is in a regulated investment company and after 2014 for certain debt instruments, options, and securities futures contracts) must give the broker a written transfer statement within 15 days after the date of settlement for the transfer.

The transferor must furnish a separate statement for each security and if transferring custody of the same security acquired on different dates or at different prices, for each acquisition. However, a separate statement is not required for:

- Noncovered securities, and
- Securities acquired more than 5 years before the transfer for which basis is determined using an average basis method.

These rules apply to:

- Any broker,
- Anyone that acts as a custodian of securities in the ordinary course of a trade or business,
- Any issuer of securities,
- Any trustee or custodian of an individual retirement plan, or
- Any agent of the above.

These rules do not apply to:

- The beneficial owner of a security or any agent substituted for an undisclosed beneficial owner,
- Any governmental unit or any agency or instrumentality of a governmental unit holding escheated securities, or
- Any organization that holds and transfers obligations among members as a service to its members.

Information required. Each transfer statement must include:

- Date the statement is furnished;
- Name, address, and telephone number of the person furnishing the statement;
- Name, address, and telephone number of the broker receiving custody of the security;
- Name of the customer(s) for the account from which the security is transferred;
- Account number for the transferring account and, if different, the receiving account;
- CUSIP or other security identifier number of the transferred security;
- Number of shares or units;
- Type of security (such as stock, debt instrument, or option);
- Date the transfer was initiated and settlement date of the transfer (if known); and
- The security's total adjusted basis, original acquisition date, and, if applicable, the holding period adjustment under section 1091.

For a debt instrument, the following additional information is required.

- A description of the payment terms used by the broker to compute any basis adjustments under Regulations section 1.6045-1(n).
- The issue price.
- The issue date, if different from the original acquisition date.
- The adjusted issue price as of the transfer date.
- The initial basis.
- Any market discount that has accrued as of the transfer date.
- Any bond premium that has been amortized as of the transfer date.
- Any acquisition premium that has been amortized as of the transfer date.
- Whether the transferring broker has computed any of the information by taking into account one or more elections under Regulations section 1.6045-1(n).
- The last date on or before the transfer date that the broker made an adjustment for a particular item relating to a debt instrument transferred on or after January 1, 2016.

For all option transfers, include the following.

- The date of grant or acquisition of the option, the amount of the premium paid or received, and any other information required to fully describe the option.
- For the transfer of a Section 1256 option on or after January 1, 2016, also provide the original basis of the option and the FMV of the option as of the end of the prior calendar year.

The adjusted basis, original acquisition date, holding period adjustment, and the additional information for a debt instrument or option described above are not required if the transfer statement identifies the security as a noncovered security.

If the names of the customer(s) for the transferring and receiving accounts are not the same, the transfer statement must also include the name of the customer(s) for the account to which the security is transferred. However, if the transfer is to or from an account for which a broker, custodian, or other person subject to the transfer reporting rules is the customer, the transfer statement must treat the beneficial owner or, if applicable, an agent substituted by an undisclosed beneficial owner as the customer for both accounts, and the broker receiving the transfer statement should treat the security as held

for the beneficial owner or the beneficial owner's agent regardless of the customer listed for the broker's account.

The person furnishing and the broker receiving the transfer statement can agree to combine the information in any format or to use a code in place of one or more required items. The transferor should determine the adjusted basis and other information to be reported as explained in these instructions. If the basis of the transferred security is determined using an average basis method, any securities acquired more than 5 years prior to the transfer may be reported on a single statement on which the original acquisition date is reported as "various," but only if the other information reported applies to all the securities.

Effect on Form 1099-B and other transfer statements. In preparing Form 1099-B or a transfer statement for securities you transfer to someone else, you must take into account all the information (other than securities classifications) reported on a transfer statement you receive, unless the statement is incomplete or you know it is incorrect. If you do not receive a required transfer statement by the due date, you must request one from the transferor. If a complete transfer statement is not furnished, either after you requested one or because no transfer statement was required, you may treat the security as noncovered. However, you must file a corrected Form 1099-B within 30 days of receiving a transfer statement indicating that the security is a covered security. But you do not have to file a corrected Form 1099-B if you receive the statement more than 3 years after you filed the original Form 1099-B. You must also furnish a corrected transfer statement within 15 days of receiving a transfer statement indicating that a security is a covered security if you transferred the security transferred to you. But you do not have to furnish a corrected transfer statement if you receive the transfer statement more than 18 months after you furnished your transfer statement.

More information. For more information about transfer statements, including definitions, exceptions, rules for gift transfers, transfers from a decedent's estate, and transfers of borrowed securities, see Regulations section 1.6045A-1.

Issuer Returns for Actions Affecting Basis

An issuer of a specified security (defined later) that takes an organizational action that affects the basis of the security must file an issuer return on Form 8937, Report of Organizational Actions Affecting Basis of Securities. This applies to organizational actions after 2010 (after 2011 if the stock is in a regulated investment company and after 2013 for debt instruments, options, and securities futures contracts). The return is due on or before the 45th day following the organizational action or, if earlier, January 15 of the next calendar year.

An issuer is not required to file this return if, by the due date, the issuer posts the return with the required information in a readily accessible format in an area of its primary public website dedicated to this purpose and, for 10 years, keeps the return accessible to the public on its primary public website or the primary public website of any successor organization. An issuer may electronically sign a return that is publicly reported on the issuer's public website. The electronic signature must identify the individual who is signing the return.

Effect on Form 1099-B and transfer statements. In preparing Form 1099-B or a transfer statement, you must take into account all the information reported by the issuer of the security on a statement that the issuer furnishes to you or is deemed to furnish to you, unless the issuer statement is incomplete or you know it is incorrect. Take into account only those organizational actions taken by the issuer of the security during the period you held custody of the security (beginning with the date on which you received a transferred security). If you receive or are deemed to receive an issuer statement after filing Form 1099-B, you must file a corrected Form 1099-B within 30 days of receiving the issuer statement. But you do not have to file a corrected Form 1099-B if you receive the issuer statement more than 3 years after you filed the original Form 1099-B. If you receive or are deemed to receive an issuer statement after furnishing a transfer statement for a covered security, you must furnish a corrected transfer statement within 15 days of receiving the issuer statement. But you do not have to furnish a corrected transfer statement if you receive the issuer statement more than 18 months after you furnished the original transfer statement.

More information. For more information, see Form 8937 and its instructions, and Regulations section 1.6045B-1.

Barter Exchanges

A barter exchange is any person or organization with members or clients that contract with each other (or with the barter exchange) to jointly trade or barter property or services. The term does not include arrangements that provide solely for the informal exchange of similar services on a noncommercial basis. Persons who do not contract with a barter exchange but who trade services do not file Form 1099-B. However, they may have to file Form 1099-MISC.

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

Member information. In the recipient area of Form 1099-B, enter information about the member or client that provided the property or services in the exchange.

Exceptions. Barter exchanges are not required to file Form 1099-B for:

1. Exchanges through a barter exchange having fewer than 100 transactions during the year,
2. Exempt foreign persons, as defined in Regulations section 1.6045-1(g)(1), or
3. Exchanges involving property or services with an FMV of less than $1.00.

Statements to Recipients

If you are required to file Form 1099-B, you must provide a statement to the recipient. For more information about the requirement to furnish a statement to the recipient, see part M in the current Pub. 1099.

Truncating recipient's taxpayer identification number (TIN) on payee statements. Pursuant to Regulations section 301.6109-4, all filers of this form may truncate a recipient's TIN (social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN)) on payee statements. Truncation is not allowed on any documents the filer files with the IRS. A filer's TIN may not be truncated on any form. See part J in the current Pub. 1099.

Country

For a list of country codes, go to *IRS.gov/CountryCodes*.

2nd TIN Not. Checkbox

You may enter an "X" in this box if you were notified by the IRS twice within 3 calendar years that the payee provided an incorrect TIN. If you mark this box, the IRS will not send you any further notices about this account.

However, if you received both IRS notices in the same year, or if you received them in different years but they both related to information returns filed for the same year, do not check the box at this time. For purposes of the two-notices-in-3-years rule, you are considered to have received one notice and you are not required to send a second "B" notice to the taxpayer on receipt of the second notice. See part N in the current Pub. 1099 for more information. Also, see Revenue Procedure 2014-43.

For more information on the TIN Matching System offered by the IRS, see the current Pub. 1099.

CUSIP Number

For transactional reporting by brokers, enter the CUSIP (Committee on Uniform Security Identification Procedures) number of the security or other applicable identifying number.

Account Number

The account number is required if you have multiple accounts for a recipient for whom you are filing more than one Form 1099-B. The account number is also required if you check the "FATCA filing requirement" checkbox. See *FATCA Filing Requirement Checkbox* below. Additionally, the IRS encourages you to designate an account number for all Forms 1099-B that you file. See part L in the current Pub. 1099.

FATCA Filing Requirement Checkbox

Check the box if you are a Foreign Financial Institution (FFI) reporting payments to a U.S. account pursuant to an election described in Regulations section 1.1471-4(d)(5)(i)(A). In addition, check the box if you are a U.S. payer that is reporting on Form 1099-B as part of satisfying your requirement to report with respect to a U.S. account for chapter 4 purposes, as described in Regulations section 1.1471-4(d)(2)(iii)(A).

Applicable Checkbox on Form 8949

Use this box to enter a one-letter code that will assist the recipient in reporting the transaction on Form 8949 and/or Schedule D (Form 1040). Use the code below that applies to how the recipient will report the transaction.

Code A. This code indicates a short term transaction for which the cost or other basis is being reported to the IRS. Use this code to report a transaction that the recipient will report on Schedule D (Form 1040), line 1a, or on Form 8949 with box A checked with totals being carried to Schedule D (Form 1040), line 1b.

Code B. This code indicates a short term transaction for which the cost or other basis is not being reported to the IRS. Use this code to report a transaction that the recipient will report on Form 8949 with box B checked with totals being carried to Schedule D (Form 1040), line 2.

Code D. This code indicates a long term transaction for which the cost or other basis is being reported to the IRS. Use this code to report a transaction that the recipient will report on Schedule D (Form 1040), line 8a, or on Form 8949 with box D checked with totals being carried to Schedule D (Form 1040), line 8b.

Code E. This code indicates a long term transaction for which the cost or other basis is not being reported to the IRS. Use this code to report a transaction that the recipient will report on Form 8949 with box E checked, with totals being carried to Schedule D (Form 1040), line 9.

Code X. Use this code to report a transaction if you cannot determine whether the recipient should check box B or box E on Form 8949 because the holding period is unknown.

Box 1a. Description of Property

For stock and debt instruments, enter the issuer's name and the number of shares or units you held that were exchanged. For stock, also enter the class or classes of stock (for example, preferred, common, etc.) that were exchanged, whether for cash or other property. Abbreviate the class to fit the entry. For example, enter "C" for common stock, "P" for preferred, or "O" for other. Also, abbreviate any subclasses. For a non-Section 1256 option or securities futures contract, enter the name of the underlier and the number of shares or units covered by the contract.

For bartering transactions, describe the service or property provided.

For regulated futures contracts and forward contracts, enter "RFC," "digital asset RFC," or other appropriate description.

For Section 1256 option contracts, enter "Section 1256 option," "digital asset Section 1256 option," or other appropriate description.

If you are reporting more than one type of Section 1256 contract on a single form, please describe the types of contracts being reported. For example, enter "Section 1256 options and digital asset Section 1256 options."

See *Acquisition of control or substantial change in capital structure*, earlier, for the information to enter in box 1a for that type of transaction.

Box 1b. Date Acquired

Enter the acquisition date of any securities sold. Leave this box blank if:

- The securities sold were acquired on a variety of dates, or
- You check box 5 and do not choose to complete box 1b.

For short sales, see *Short sales of securities*, earlier.

Box 1c. Date Sold or Disposed

For broker transactions, enter the trade date of the sale or exchange. For short sales, see *Short sales of securities*, earlier. For barter exchanges, enter the date that cash, property, a credit, or scrip is actually or constructively received.

Box 1d. Proceeds

Enter the gross cash proceeds from all dispositions (including short sales) of securities, commodities, options, securities futures contracts, or forward contracts. Show a loss, such as one from a closing transaction on a written option or forward contract, as a negative amount by enclosing it in parentheses.

You must reduce the proceeds by commissions and transfer taxes related to the sale. For securities sold because of the exercise of an option granted or acquired before 2014, you may but are not required to take into account option premiums in determining gross proceeds if that is consistent with your books. For securities sold because of the exercise of an option granted after 2013 or for the treatment of an option granted or acquired after 2013, see Regulations section 1.6045-1(m) for details.

If you reduce gross proceeds by option premiums, check the second box in box 6. Otherwise, check the first box.

Do not include amounts shown in boxes 8 through 11.

If identical stock is sold at separate times on the same calendar day by a single trade order and a single confirmation is given that reports to the customer an aggregate price or an average price per share, you can determine gross proceeds by averaging the proceeds for each share. However, do not do this if the customer notifies you in writing of an intent to determine the proceeds from the sale by the actual proceeds per share and you receive that notification by January 15 of the calendar year following the year of the sale. You may extend the January 15 deadline but not beyond the due date for filing Form 1099-B.

Do not include any accrued qualified stated interest on bonds sold between payment dates (or on a payment date) in this box. Instead, report this accrued interest on Form 1099-INT.

For reporting an acquisition of control or substantial change in capital structure, see *Acquisition of control or substantial change in capital structure*, earlier.

Box 1e. Cost or Other Basis

Enter the adjusted basis of any securities sold unless the security is not a covered security and you check box 5. If you check box 5 and are not reporting basis, leave box 1e blank. Enter -0- in box 1e only if the securities sold actually had a basis of zero.

Covered security. A covered security is any of the following.

- Stock acquired for cash in an account after 2010 except stock for which the average basis method is available.
- Stock for which the average basis method is available and that is acquired for cash in an account after 2011.
- A specified security transferred to an account if the broker or other custodian of the account receives a transfer statement (explained earlier) reporting the security as a covered security.
- Certain debt instruments or options that are specified securities acquired for cash in an account after 2013. See Regulations section 1.6045-1(a)(15)(i)(C) and (E).
- Certain debt instruments or options that are specified securities acquired for cash in an account after 2015. See Regulations sections 1.6045-1(a)(15)(i)(D) and 1.6045-1(m)(2)(ii). This includes variable-rate debt instruments; inflation-indexed debt instruments; contingent payment debt instruments; convertible debt instruments; options on debt instruments with payments denominated in or determined by reference to a currency other than the U.S. dollar; and options issued as part of investment units.
- A securities futures contract entered into in an account after 2013.
- A security acquired due to a stock dividend, stock split, reorganization, redemption, stock conversion, recapitalization, corporate division, or other similar action, if the basis of the acquired security is determined from the basis of a covered security.

Specified security. A specified security is any of the following.

- Any share of stock (or any interest treated as stock, such as an American Depositary Receipt) in an entity organized as or treated for federal tax purposes as a corporation (foreign or domestic). For this purpose, a security classified as stock by the issuer is treated as stock. If the issuer has not classified the security, the security is not treated as stock unless the broker knows that the security is reasonably classified as stock under general federal tax principles.
- Any debt instrument other than a debt instrument subject to Section 1272(a)(6) (certain interests in or

mortgages held by a real estate mortgage investment conduit (REMIC), certain other debt instruments with payments subject to acceleration, and pools of debt instruments the yield on which may be affected by prepayments), or any short term obligation. For this purpose, a security classified as debt by the issuer is treated as debt. If the issuer has not classified the security, the security is not treated as debt unless the broker knows that the security is reasonably classified as debt under general federal tax principles or that the instrument or position is treated as a debt instrument under a specific provision of the Code.

- Any option on one or more specified securities (which includes an index substantially all the components of which are specified securities), any option on financial attributes of specified securities, or a warrant or stock right.
- Any securities futures contract.

Noncovered security. A noncovered security is any security that is not a covered security.

The following securities are not covered securities.

- Stock acquired in 2011 that was transferred in 2011 to a dividend reinvestment plan that meets the requirements of Regulations section 1.1012-1(e)(6). However, a covered security acquired in 2011 and transferred to a dividend reinvestment plan after 2011 remains a covered security. For purposes of this rule, stock is considered transferred to a dividend reinvestment plan if it is held in a plan that is not a dividend reinvestment plan and the plan amends its plan documents to become a dividend reinvestment plan. The stock is considered transferred as of the effective date of the plan amendments.
- A security acquired due to a stock dividend, stock split, reorganization, redemption, stock conversion, recapitalization, corporate division, or other similar action if the basis of the acquired security is determined from the basis of a noncovered security.
- A security that, when acquired, did not have to be reported on Form 1099-B because it was acquired from an exempt recipient or an exempt foreign person, as defined in Regulations section 1.6045-1(g)(1).
- A security for which reporting is required by Regulations section 1.6049-5(d)(3)(ii) (certain securities owned by a foreign intermediary or flow-through entity).
- A debt instrument if the terms of the debt instrument are not reasonably available to the broker within 90 days of the date the debt instrument was acquired by the customer and the debt instrument is either a debt instrument issued by a non-U.S. issuer or a tax-exempt obligation issued before January 1, 2014.

Identification of securities. If the customer has acquired securities on different dates or at different prices and sells less than the entire position in the security, report the sale according to the customer's adequate and timely identification of the security to be sold. If no identification is provided, report the sale in this order.

1. Any shares for which the acquisition date is unknown.
2. The shares that were purchased or acquired first, whether they are covered or noncovered securities.

Average basis method. Generally, the average basis method is available for either of the following types of stock if the customer leaves the shares with a custodian or agent in an account and acquires identical shares of stock at different prices in the account.

- Stock in most mutual funds or other regulated investment companies.
- Stock acquired after 2010 in connection with a dividend reinvestment plan that meets the requirements of Regulations section 1.1012-1(e)(6).

Compute basis using the average basis method if:

- The customer elects that method; or
- You choose the average basis method as your default method, and the customer does not give you any other instructions.

Generally, determine the average basis of a share of stock by dividing the aggregate basis of all shares of identical stock in an account by the total number of shares, regardless of holding period. However, for this purpose, shares of stock in a dividend reinvestment plan are not identical to shares of stock with the same CUSIP number that are not in a dividend reinvestment plan. The basis of each share of identical stock in the account is the aggregate basis of all shares of that stock in the account divided by the aggregate number of shares. Unless a single-account election is in effect, you may not average together the basis of identical stock held in separated accounts that is sold, exchanged, or otherwise disposed of after December 31, 2011. See Regulations section 1.1012-1(e) for details.

Adjusted basis. The adjusted basis begins with the initial basis (defined later) as of the date the security is acquired in an account.

In reporting the adjusted basis, take into account all information, other than the classification of the security (such as stock), reported on a transfer statement or issuer return furnished to you or deemed furnished to you unless that statement or return is incomplete or you know it is incorrect. See *Transfer Statement* and *Issuer Returns for Actions Affecting Basis*, earlier. Also, treat Form 2439 as an issuer return and take into account the effects of undistributed capital gains reported to you on the form by a regulated investment company or real estate investment trust.

You are not required to consider other transactions, elections, or events occurring outside the account when determining basis.

You are also not required to apply section 1259 (constructive sales), section 475 (mark-to-market method of accounting), section 1296 (mark-to-market method of accounting for marketable stock in a passive foreign investment company), and section 1092 (straddles).

For a debt instrument, see Regulations sections 1.6045-1(n)(7) and 1.6045-1(n)(11) for the rules to determine adjusted basis for a debt instrument acquired at a premium or discount.

Initial basis. If a customer paid cash for a security, the initial basis is:

1. The total cash paid by the customer or credited against the customer's account for the security, plus

2. The commissions and transfer taxes to buy the security.

You may but do not have to:
- Take option premiums into account to determine the initial basis of securities acquired by exercising an option granted or acquired before 2014, or
- Increase initial basis for income recognized upon the exercise of a compensatory option or the vesting or exercise of other equity-based compensation arrangements granted or acquired before 2014.

You cannot increase initial basis for income recognized upon the exercise of a compensatory option or the vesting or exercise of other equity-based compensation arrangements granted or acquired after 2013. For rules related to options granted or acquired after 2013, see Regulations section 1.6045-1(m).

You must report the basis of identical stock by averaging the basis of each share if:
- The stock was purchased at separate times on the same calendar day in executing a single trade order, and
- The broker executing the trade provides a single confirmation to the customer that reports an aggregate total price or an average price per share.

However, do not average the basis if the customer timely notifies you in writing of an intent to determine basis by the actual cost per share.

The initial basis of a security transferred to an account is generally the basis reported on the transfer statement. If a transfer statement indicates that the security is acquired as a gift, you must apply the relevant basis rules for property acquired by gift in determining the initial basis, except you do not have to adjust the basis for gift tax. Treat the initial basis as equal to the gross proceeds from the sale if:
- Neither gain nor loss is recognized because of the basis rules for gift property, or
- The initial basis depends on FMV as of the date of the gift and you neither know nor can readily ascertain this value.

Short sales. In the case of a short sale, report the adjusted basis of the security delivered to close the short sale.

Wash sales. If a customer acquired securities that caused a loss from a sale of other securities to be both nondeductible under section 1091 and the loss was reported as a wash sale adjustment on a Form 1099-B for the sale at a loss, increase the adjusted basis of the acquired securities by the amount of the disallowed loss.

Corporate mergers. Report only the net reduction in basis between stock exchanged and stock received when reporting the payment of cash paid as part of a corporate merger, reorganization, or similar event that is taxable only to the extent that cash or property other than stock or securities ("boot") is received and for which no loss can be recognized. Enter only the amount of the reduction attributable to the amount reported in box 1d. Enter the amount as a positive number. However, do not apply this rule and instead report adjusted basis, as described earlier, for any stock considered to have been redeemed or sold, for example, fractional shares of stock resulting from the merger that are only paid in cash.

Example. Your customer Adrian buys 100 shares of covered stock in MNO Corporation for $5,000 in February 2027. MNO Corporation merges with PQR Corporation in December 2027. The merger is taxable only to the extent that boot is received. Adrian receives 100 shares of PQR stock with a value of $4,700 and $800 cash boot in exchange for Adrian's MNO stock. Adrian's resulting basis in the PQR stock is $4,700. Report the $800 cash boot in box 1d and report $300 in box 1e to reflect the net reduction in basis from $5,000 (for the MNO stock) to $4,700 (for the PQR stock).

Box 1f. Accrued Market Discount

Enter the amount of accrued market discount in box 1f.

Box 1g. Wash Sale Loss Disallowed

Wash sales. Report wash sale loss amount disallowed. You must report any loss disallowed under section 1091 if both the sale and purchase transactions occur in the same account with respect to covered securities with the same CUSIP number. You are permitted but are not required to report in box 1g all loss disallowed under section 1091. For example, you may report a disallowed loss even though a security is sold in one account and repurchased in a different account. Increase the adjusted basis of the acquired securities by the amount of the disallowed loss reported in box 1g.

You also do not have to apply the wash sale rules if:
- The purchased security is transferred to another account before the wash sale,
- The purchased security was purchased in another account and later transferred into the account from which securities were sold,
- The securities are treated as held in separate accounts, or
- The customer has notified you in writing (including in an electronic format) that they have made a valid and timely mark-to-market election under section 475 and identify the account from which the securities were sold as containing only securities subject to the election.

For more details, see Regulations section 1.6045-1(d)(6)(iii).

Example. Your customer Alex buys 100 shares for $1,000 in September 2026. In October 2026, Alex sells them for $600. Within 30 days of the sale, Alex buys 75 shares with the same CUSIP number in the same account. Since Alex's loss is $400 ($1,000 minus $600) but the loss on 75 shares is disallowed, Alex's disallowed loss is $300. Report the $600 gross proceeds from the sale in box 1d, $1,000 basis in box 1e, and $300 wash sale loss disallowed in box 1g. The $300 in disallowed loss is added to Alex's basis in the newly purchased 75 shares.

Box 2. Type of Gain or Loss

Determine whether the gain or loss is short term or long term under Section 1222, and whether any portion of the gain or loss is ordinary. In making the determination, you must do the following.

- Consider any information reported on a transfer statement.
- Consider any information reported on Form 8937.
- Apply the rules for stock acquired from a decedent.
- Apply the rules for stock acquired as a gift.
- If a customer acquired securities that caused a loss from a sale of other securities to be both nondeductible under section 1091 and reported in box 5 of a 2013 or earlier Form 1099-B (or reported on a 2014 or 2015 Form 1099-B with code W in box 1f and an adjustment amount in box 1g), use the rules in section 1223(3) to determine the holding period of the acquired securities.
- In the case of a short sale, report whether any gain or loss on the closing of the short sale is short term or long term based on the acquisition date of the security delivered to close the short sale. Apply the rule in section 1233(d), if applicable.

Except as provided below, in addition to checking the applicable short term or long term box, you are required to check the "Ordinary" checkbox if all or a portion of the gain or loss may be ordinary. You may not report both short term and long term gain or loss on the same Form 1099-B.

For transactions that are denominated in a currency other than the U.S. dollar, brokers must check the "Ordinary" checkbox because these transactions may be section 988 transactions to the customer. Because a customer may make an election to treat gains and losses on certain section 988 transactions as capital, the broker must also check the short term or long term box to indicate whether any portion of the gain or loss may be short term or long term. Brokers are not required to check the "Ordinary" checkbox if the security is a market discount bond or passive foreign investment company stock. Brokers are required to check the "Ordinary" checkbox if the security is a contingent payment debt instrument subject to the noncontingent bond method.

You are not required to consider other transactions, elections, or events occurring outside the account when determining whether the gain or loss on the sale is short term or long term. You are also not required to apply holding-period-related adjustments under section 1259 (constructive sales), 475 (mark-to-market method of accounting), 1092 (straddles), 1233(b)(2) (short sales), 1296 (mark-to-market method of accounting for marketable stock in a passive foreign investment company), 852(b)(4)(A), 857(b)(8), 852(b)(4)(B) (regulated investment company and real estate investment trust adjustments), and Regulations section 1.1221-2(b) (hedging transactions).

Box 3. Check if Proceeds Are From Collectibles or From a QOF

Check the "Collectibles" box if the proceeds you are reporting in box 1d are from a transaction involving collectibles. Check the "QOF" box if you are reporting a disposition of an interest in a QOF. A QOF includes a QOF that is a qualified rural opportunity fund.

Box 4. Federal Income Tax Withheld

Enter backup withholding. For example, persons who have not furnished their TIN to you in the manner required are subject to withholding on certain amounts required to be reported on this form. This is called backup withholding. For more information on backup withholding, including the rate, see part N in the current Pub. 1099 and go to *IRS.gov/Form1099B*.

Use Form W-9 to request the TIN of the recipient. For foreign recipients, request that the recipient complete the appropriate Form W-8. See the Instructions for the Requester of Forms W-8BEN, W-8BEN-E, W-8ECI, W-8EXP, and W-8IMY.

Box 5. Check if a Noncovered Security

You may check the box if reporting the sale of a noncovered security. Do not check this box if reporting the sale of a covered security.

If you check this box, you do not have to complete boxes 1b, 1e, 1f, 1g, and 2, and you do not have to check box 12. If you check box 5 and choose to complete boxes 1b, 1e, 1f, 1g, and 2, you are not subject to penalties under section 6721 or 6722 for failure to report boxes 1b, 1e, 1f, 1g, and 2 correctly. If you do not check box 5, you are subject to penalties under sections 6721 and 6722 for failure to report boxes 1b, 1e, 1f, 1g, and 2 correctly even if you are reporting the sale of a noncovered security.

Box 6. Reported to IRS

See *Box 1d. Proceeds*, earlier.

Box 7. Check if Loss Not Allowed Based on Amount in Box 1d

See *Acquisition of control or substantial change in capital structure*, earlier.

Regulated Futures Contracts, Foreign Currency Contracts, and Section 1256 Option Contracts (Boxes 8 Through 11)—Brokers Only

If you complete boxes 8 through 11, do not complete any other numbered box except box 1a and, if applicable, box 4. Also, do not complete the "Applicable checkbox on Form 8949" box.

Box 8. Profit or (Loss) Realized in 2027 on Closed Contracts

Enter the profit or (loss) realized by the customer on closed regulated futures, foreign currency, or Section 1256 option contracts in 2027.

Box 9. Unrealized Profit or (Loss) on Open Contracts—12/31/2026

Enter the unrealized profit or (loss) on open regulated futures, foreign currency, or Section 1256 option contracts at the end of 2026. Do not include amounts related to

contracts that were open on December 31, 2026, and were transferred to another broker during 2027.

Box 10. Unrealized Profit or (Loss) on Open Contracts—12/31/2027

Enter the unrealized profit or (loss) on open regulated futures, foreign currency, or Section 1256 option contracts at the end of 2027.

Box 11. Aggregate Profit or (Loss) on Contracts

Enter the aggregate profit or (loss) for the year from regulated futures, foreign currency, or Section 1256 option contracts. Use boxes 8, 9, and 10 to figure the aggregate profit or (loss).

Box 12. Check if Basis Reported to IRS

Check this box if:

- You are not checking box 5, or
- You are checking box 5 but are reporting basis to the IRS in box 1e anyway.

Box 13. Bartering

Enter the gross amounts received by a member or client of a barter exchange. This includes cash received, the FMV of any property or services received, and the FMV of any trade credits or scrip credited to the member's or client's account. However, do not include amounts received by a member or client in a subsequent exchange of credits or scrip. Do not report negative amounts.

Boxes 14 Through 16. State Information

These boxes may be used by payers who participate in the Combined Federal/State Filing Program and/or who are required to file paper copies of this form with a state tax department. See Pub. 5717, Information Returns Intake System (IRIS) Taxpayer Portal User Guide, for more information regarding the Combined Federal/State Filing Program. They are provided for your convenience only and need not be completed for the IRS. Use the state information boxes to report payments for up to two states. Keep the information for each state separated by the dash line. If you withheld state income tax on this payment, you may enter it in box 16. In box 14, enter the abbreviated name of the state. In box 15, enter the payer's state identification number. The state number is the payer's identification number assigned by the individual state.

If a state tax department requires that you send them a paper copy of this form, use Copy 1 to provide information to the state tax department. Give Copy 2 to the recipient for use in filing the recipient's state income tax return.