

# 2009 Form 1040-V



Department of the Treasury  
Internal Revenue Service

## What Is Form 1040-V and Do You Have To Use It?

It is a statement you send with your check or money order for any balance due on the "Amount you owe" line of your 2009 Form 1040, Form 1040A, or Form 1040EZ. Using Form 1040-V allows us to process your payment more accurately and efficiently. We strongly encourage you to use Form 1040-V, but there is no penalty if you do not.

## How To Fill In Form 1040-V

**Line 1.** Enter your social security number (SSN). If you are filing a joint return, enter the SSN shown first on your return.

**Line 2.** If you are filing a joint return, enter the SSN shown second on your return.

**Line 3.** Enter the amount you are paying by check or money order.

**Line 4.** Enter your name(s) and address exactly as shown on your return. Please print clearly.

## How To Prepare Your Payment

- Make your check or money order payable to the "United States Treasury." Do not send cash.
- Make sure your name and address appear on your check or money order.
- Enter "2009 Form 1040," your daytime phone number, and your SSN on your check or money order. If you are filing a joint return, enter the SSN shown first on your return. If you are filing Form 1040A or Form 1040EZ, enter "2009 Form 1040A" or "2009 Form 1040EZ," whichever is appropriate, instead of "2009 Form 1040."
- To help process your payment, enter the amount on the right side of your check like this: \$ XXX.XX. Do not use dashes or lines (for example, do not enter "\$ XXX—" or "\$ XXX <sup>xx</sup>/<sub>100</sub>").

## How To Send In Your 2009 Tax Return, Payment, and Form 1040-V

- Detach Form 1040-V along the dotted line.
- Do not staple or otherwise attach your payment or Form 1040-V to your return or to each other. Instead, just put them loose in the envelope.
- Mail your 2009 tax return, payment, and Form 1040-V in the envelope that came with your 2009 tax return instruction booklet.

**Note.** If you do not have that envelope or you moved or used a paid preparer, mail your return, payment, and Form 1040-V to the address shown on the back that applies to you.

**Paperwork Reduction Act Notice.** We ask for the information on Form 1040-V to help us carry out the Internal Revenue laws of the United States. If you use Form 1040-V, you must provide the requested information. Your cooperation will help us ensure that we are collecting the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by Internal Revenue Code section 6103.

The average time and expenses required to complete and file this form will vary depending on individual circumstances. For the estimated averages, see the instructions for your income tax return. If you have suggestions for making this form simpler, we would be happy to hear from you. See the instructions for your income tax return.

Cat. No. 20975C

Form **1040-V** (2009)

▼ Detach Here and Mail With Your Payment and Return ▼

<b>Form 1040-V</b> Department of the Treasury Internal Revenue Service (99)		<b>Payment Voucher</b>		OMB No. 1545-0074 <b>2009</b>	
► Do not staple or attach this voucher to your payment or return.					
<b>Print or type</b>	1 Your social security number (SSN)	2 If a joint return, SSN shown second on your return	3 Amount you are paying by check or money order	Dollars	Cents
	4 Your first name and initial		Last name		
	If a joint return, spouse's first name and initial		Last name		
	Home address (number and street)				Apt. no.
	City, town or post office, state, and ZIP code (If a foreign address, enter city, province or state, postal code, and country.)				

Cat. No. 20975C

IF you live in . . .	THEN use this address if you:	
	Prepared your own return . . .	Used a paid preparer . . .
Florida, Georgia, North Carolina, South Carolina	Department of the Treasury Internal Revenue Service Center Atlanta, GA 39901-0102	Internal Revenue Service Center P.O. Box 105017 Atlanta, GA 30348-5017
Alabama, Kentucky, Louisiana, Mississippi, Tennessee, Texas	Department of the Treasury Internal Revenue Service Center Austin, TX 73301-0102	Internal Revenue Service Center P.O. Box 1214 Charlotte, NC 28201-1214
Idaho, Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Montana, Nebraska, North Dakota, Oklahoma, South Dakota, Wisconsin, Wyoming	Department of the Treasury Internal Revenue Service Center Fresno, CA 93888-0102	Internal Revenue Service Center P.O. Box 802501 Cincinnati, OH 45280-2501
Alaska, Arizona, California, Colorado, Hawaii, Nevada, New Mexico, Oregon, Utah, Washington	Department of the Treasury Internal Revenue Service Center Fresno, CA 93888-0102	Internal Revenue Service Center P.O. Box 7704 San Francisco, CA 94120-7704
Arkansas, Connecticut, Delaware, District of Columbia, Maryland, Missouri, Ohio, Rhode Island, Virginia, West Virginia	Department of the Treasury Internal Revenue Service Center Kansas City, MO 64999-0102	Internal Revenue Service Center P.O. Box 970011 St. Louis, MO 63197-0011
Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Vermont	Department of the Treasury Internal Revenue Service Center Kansas City, MO 64999-0102	Internal Revenue Service Center P.O. Box 37008 Hartford, CT 06176-0008
A foreign country, American Samoa, or Puerto Rico (or are excluding income under Internal Revenue Code section 933), or use an APO or FPO address, or file Form 2555, 2555-EZ, or 4563, or are a dual-status alien or nonpermanent resident of Guam or the Virgin Islands*	Department of the Treasury Internal Revenue Service Center Austin, TX 73301-0215 USA	Internal Revenue Service Center P.O. Box 1303 Charlotte, NC 28201-1303 USA

\*Permanent residents of Guam or the Virgin Islands should not use Form 1040-V.

Form <b>1096</b> Department of the Treasury Internal Revenue Service		<b>Annual Summary and Transmittal of U.S. Information Returns</b>								OMB No. 1545-0108 <b>2009</b>			
FILER'S name													
Street address (including room or suite number)													
City, state, and ZIP code													
Name of person to contact						Telephone number ( )			<b>For Official Use Only</b> [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ]				
Email address						Fax number ( )							
1 Employer identification number		2 Social security number		3 Total number of forms		4 Federal income tax withheld \$		5 Total amount reported with this Form 1096 \$					
6 Enter an "X" in only one box below to indicate the type of form being filed.								7 If this is your <b>final return</b> , enter an "X" here . . . . ▶ <input type="checkbox"/>					
W-2G 32	1098 81	1098-C 78	1098-E 84	1098-T 83	1099-A 80	1099-B 79	1099-C 85	1099-CAP 73	1099-DIV 91	1099-G 86	1099-H 71	1099-INT 92	1099-LTC 93
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1099-MISC 95	1099-OID 96	1099-PATR 97	1099-Q 31	1099-R 98	1099-S 75	1099-SA 94	3921 25	3922 26	5498 28	5498-ESA 72	5498-SA 27		
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		

Return this entire page to the Internal Revenue Service. Photocopies are not acceptable.

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

<b>Signature ▶</b>	<b>Title ▶</b> <a href="#">authorized representative</a>	<b>Date ▶</b>
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### Instructions

**Reminder.** The only acceptable method of filing information returns with Enterprise Computing Center—Martinsburg (ECC—MTB) is electronically through the FIRE system. See Pub. 1220, Specifications for Filing Forms 1098, 1099, 3921, 3922, 5498, and W-2G Electronically.

**Purpose of form.** Use this form to transmit paper Forms 1099, 1098, 3921, 3922, 5498, and W-2G to the Internal Revenue Service. Do not use Form 1096 to transmit electronically. For electronic submissions, see Pub. 1220, Specifications for Filing Forms 1098, 1099, 3921, 3922, 5498, and W-2G Electronically.

**Caution:** If you are required to file 250 or more information returns of any one type, you must file electronically. If you are required to file electronically but fail to do so, and you do not have an approved waiver, you may be subject to a penalty. For more information, see part F in the 2009 General Instructions for Forms 1099, 1098, 3921, 3922, 5498, and W-2G.

**Who must file.** The name, address, and TIN of the filer on this form must be the same as those you enter in the upper left area of Forms 1099, 1098, 3921, 3922, 5498, or W-2G. A filer is any person or entity who files any of the forms shown in line 6 above.

**Preadressed Form 1096.** If you received a preaddressed Form 1096 from the IRS with Package 1096, use it to transmit paper Forms 1099, 1098, 3921, 3922, 5498, and W-2G to the Internal Revenue Service. If any of the preprinted information is incorrect, make corrections on the form.

If you are not using a preaddressed form, enter the filer's name, address (including room, suite, or other unit number), and TIN in the spaces provided on the form.

**When to file.** File Form 1096 as follows.

- With Forms 1099, 1098, 3921, 3922, or W-2G, file by March 1, 2010.
- With Forms 5498, 5498-ESA, or 5498-SA, file by June 1, 2010.

### Where To File

Send all information returns filed on paper with Form 1096 to the following:

<b>If your principal business, office or agency, or legal residence in the case of an individual, is located in</b>	<b>Use the following three-line address</b>
Alabama, Arizona, Arkansas, Connecticut, Delaware, Florida, Georgia, Kentucky, Louisiana, Maine, Massachusetts, Mississippi, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, Texas, Vermont, Virginia, West Virginia	Department of the Treasury Internal Revenue Service Center Austin, TX 73301

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

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

If your legal residence or principal place of business is outside the United States, file with the Department of the Treasury, Internal Revenue Service Center, Austin, TX 73301.

**Transmitting to the IRS.** Group the forms by form number and transmit each group with a separate Form 1096. For example, if you must file both Forms 1098 and 1099-A, complete one Form 1096 to transmit your Forms 1098 and another Form 1096 to transmit your Forms 1099-A. You need not submit original and corrected returns separately. Do not send a form (1099, 5498, etc.) containing summary (subtotal) information with Form 1096. Summary information for the group of forms being sent is entered only in boxes 3, 4, and 5 of Form 1096.

**Box 1 or 2.** Complete only if you are not using a preaddressed Form 1096. Make an entry in either box 1 or 2; not both. Individuals not in a trade or business must enter their social security number (SSN) in box 2; sole proprietors and all others must enter their employer identification number (EIN) in box 1. However, sole proprietors who do not have an EIN must enter their SSN in box 2. Use the same EIN or SSN on Form 1096 that you use on Forms 1099, 1098, 3921, 3922, 5498, or W-2G.

**Box 3.** Enter the number of forms you are transmitting with this Form 1096. Do not include blank or voided forms or the Form 1096 in your total. Enter the number of correctly completed forms, not the number of pages, being transmitted. For example, if you send one page of three-to-a-page Forms 1098 with a Form 1096 and you have correctly completed two Forms 1098 on that page, enter "2" in box 3 of Form 1096.

**Box 4.** Enter the total federal income tax withheld shown on the forms being transmitted with this Form 1096.

**Box 5.** No entry is required if you are filing Forms 1099-A or 1099-G. For all other forms, enter the total of the amounts from the specific boxes of the forms listed below.

Form W-2G	Box 1
Form 1098	Boxes 1, 2, and 4
Form 1098-C	Box 4c
Form 1098-E	Box 1
Form 1098-T	Boxes 1, 2, 4, 5, 6, and 10
Form 1099-B	Boxes 2 and 3
Form 1099-C	Box 2
Form 1099-CAP	Box 2
Form 1099-DIV	Boxes 1a, 2a, 3, 8, and 9
Form 1099-H	Box 1
Form 1099-INT	Boxes 1, 3, and 8
Form 1099-LTC	Boxes 1 and 2
Form 1099-MISC	Boxes 1, 2, 3, 5, 6, 7, 8, 10, 13, and 14
Form 1099-OID	Boxes 1, 2, and 6
Form 1099-PATR	Boxes 1, 2, 3, and 5
Form 1099-Q	Box 1
Form 1099-R	Box 1
Form 1099-S	Box 2
Form 1099-SA	Box 1
Form 3921	Boxes 3 and 4
Form 3922	Boxes 3, 4, and 5
Form 5498	Boxes 1, 2, 3, 4, 5, 8, 9, 10, 12b, 13a, 14a, and 15a
Form 5498-ESA	Boxes 1 and 2
Form 5498-SA	Box 1

**Final return.** If you will not be required to file Forms 1099, 1098, 3921, 3922, 5498, or W-2G in the future, either on paper or electronically, enter an "X" in the "final return" box.

**Corrected returns.** For information about filing corrections, see the 2009 General Instructions for Forms 1099, 1098, 3921, 3922, 5498, and W-2G. Originals and corrections of the same type of return can be submitted using one Form 1096.

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RECIPIENT'S/LENDER'S name, address, and telephone number		OMB No. 1545-0901
		<b>2009</b>
		Form <b>1098</b>

**Mortgage Interest Statement**

RECIPIENT'S federal identification no.	PAYER'S social security number	<b>1</b> Mortgage interest received from payer(s)/borrower(s) \$
PAYER'S/BORROWER'S name		<b>2</b> Points paid on purchase of principal residence \$
Street address (including apt. no.)		<b>3</b> Refund of overpaid interest \$
City, state, and ZIP code		<b>4</b> Mortgage insurance premiums \$
Account number (see instructions)		<b>5</b>

**Copy A**  
**For Internal Revenue Service Center**  
**File with Form 1096.**  
 For Privacy Act and Paperwork Reduction Act Notice, see the **2009 General Instructions for Forms 1099, 1098, 3921, 3922, 5498, and W-2G.**

Form **1098**

Cat. No. 14402K

Department of the Treasury - Internal Revenue Service

**Do Not Cut or Separate Forms on This Page — Do Not Cut or Separate Forms on This Page**

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RECIPIENT'S/LENDER'S name, address, and telephone number	<b>* Caution:</b> <i>The amount shown may not be fully deductible by you. Limits based on the loan amount and the cost and value of the secured property may apply. Also, you may only deduct interest to the extent it was incurred by you, actually paid by you, and not reimbursed by another person.</i>	OMB No. 1545-0901 <b>2009</b> Form <b>1098</b>
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**Mortgage  
Interest  
Statement**

RECIPIENT'S federal identification no.	PAYER'S social security number	<b>1</b> Mortgage interest received from payer(s)/borrower(s)* \$	<b>Copy B For Payer</b> The information in boxes 1, 2, 3, and 4 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 the IRS determines that an underpayment of tax results because you overstated a deduction for this mortgage interest or for these points or because you did not report this refund of interest on your return.
PAYER'S/BORROWER'S name		<b>2</b> Points paid on purchase of principal residence \$	
Street address (including apt. no.)		<b>3</b> Refund of overpaid interest \$	
City, state, and ZIP code		<b>4</b> Mortgage insurance premiums \$	
Account number (see instructions)		<b>5</b>	

Form **1098**

(keep for your records)

Department of the Treasury - Internal Revenue Service

## Instructions for Payer/Borrower

A person (including a financial institution, a governmental unit, and a cooperative housing corporation) who is engaged in a trade or business and, in the course of such trade or business, received from you at least \$600 of mortgage interest (including certain points) on any one mortgage in the calendar year must furnish this statement to you.

If you received this statement as the payer of record on a mortgage on which there are other borrowers, furnish each of the other borrowers with information about the proper distribution of amounts reported on this form. Each borrower is entitled to deduct only the amount he or she paid and points paid by the seller that represent his or her share of the amount allowable as a deduction. Each borrower may have to include in income a share of any amount reported in box 3.

If your mortgage payments were subsidized by a government agency, you may not be able to deduct the amount of the subsidy. See the instructions for Form 1040, Schedule A, C, or E for how to report the mortgage interest. Also, for more information, see Pub. 936, Home Mortgage Interest Deduction, and Pub. 535, Business Expenses.

**Account number.** May show an account or other unique number the lender has assigned to distinguish your account.

**Box 1.** Shows the mortgage interest received during the year. This amount includes interest on any obligation secured by real property, including a home equity, line of credit, or credit card loan. This amount does not include points, government subsidy payments, or seller payments on a "buy-down" mortgage. Such amounts are deductible by you only in certain circumstances. **Caution:** *If you prepaid interest in*

*2009 that accrued in full by January 15, 2010, this prepaid interest may be included in box 1. However, you cannot deduct the prepaid amount in 2009 even though it may be included in box 1. If you hold a mortgage credit certificate and can claim the mortgage interest credit, see Form 8396, Mortgage Interest Credit. If the interest was paid on a mortgage, home equity, line of credit, or credit card loan secured by your personal residence, you may be subject to a deduction limitation.*

**Box 2.** Not all points are reportable to you. Box 2 shows points you or the seller paid this year for the purchase of your principal residence that are required to be reported to you. Generally, these points are fully deductible in the year paid, but you must subtract seller-paid points from the basis of your residence. Other points not reported in box 2 may also be deductible. See Pub. 936 to figure the amount you can deduct.

**Box 3. Do not deduct this amount.** It is a refund (or credit) for overpayment(s) of interest you made in a prior year or years. If you itemized deductions in the year(s) you paid the interest, you may have to include part or all of the box 3 amount on the "Other income" line of your 2009 Form 1040. No adjustment to your prior year(s) tax return(s) is necessary. For more information, see Pub. 936 and *Itemized Deduction Recoveries* in Pub. 525, Taxable and Nontaxable Income.

**Box 4.** Shows mortgage insurance premiums which may qualify to be treated as deductible mortgage interest. See the Schedule A (Form 1040) instructions.

**Box 5.** The interest recipient may use this box to give you other information, such as the address of the property that secures the debt, real estate taxes, or insurance paid from escrow.

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RECIPIENT'S/LENDER'S name, address, and telephone number		OMB No. 1545-0901
		<b>2009</b>
		Form <b>1098</b>

**Mortgage  
Interest  
Statement**

RECIPIENT'S federal identification no.	PAYER'S social security number	1 Mortgage interest received from payer(s)/borrower(s)	<b>Copy C For Recipient</b> For Privacy Act and Paperwork Reduction Act Notice, see the <b>2009 General Instructions for Forms 1099, 1098, 3921, 3922, 5498, and W-2G.</b>
		\$	
PAYER'S/BORROWER'S name		2 Points paid on purchase of principal residence	
Street address (including apt. no.)		\$	
City, state, and ZIP code		3 Refund of overpaid interest	
Account number (see instructions)		\$	
		4 Mortgage insurance premiums	
		\$	
		5	

Form **1098**

Department of the Treasury - Internal Revenue Service



## Instructions for Recipients/Lenders

General and specific form instructions are provided as separate products. The products you should use to complete Form 1098 are the 2009 General Instructions for Forms 1099, 1098, 3921, 3922, 5498, and W-2G and the 2009 Instructions for Form 1098. A chart in the general instructions gives a quick guide to which form must be filed to report a particular payment. To order these instructions and additional forms, visit the IRS website at [www.irs.gov](http://www.irs.gov) or call 1-800-TAX-FORM (1-800-829-3676).

**Caution:** *Because paper forms are scanned during processing, you cannot file Forms 1096, 1098, 1099, 3921, 3922, or 5498 that you print from the IRS website.*

**Due dates.** Furnish Copy B of this form to the payer by February 1, 2010.

File Copy A of this form with the IRS by March 1, 2010. If you file electronically, the due date is March 31, 2010. To file electronically, you must have software that generates a file according to the specifications in Pub. 1220, Specifications for Filing Forms 1098, 1099, 3921, 3922, 5498, and W-2G Electronically. IRS does not provide a fill-in form option.

**Need help?** If you have questions about reporting on Form 1098, call the information reporting customer service site toll free at 1-866-455-7438 or 304-263-8700 (not toll free). For TTY/TDD equipment, call 304-267-3367 (not toll free).

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LENDER'S name, street address, city, state, ZIP code, and telephone no.		OMB No. 1545-0877 <b>2009</b> Form <b>1099-A</b>	<b>Acquisition or Abandonment of Secured Property</b>
LENDER'S federal identification number	BORROWER'S identification number		
BORROWER'S name		<b>1</b> Date of lender's acquisition or knowledge of abandonment	<b>2</b> Balance of principal outstanding \$
Street address (including apt. no.)		<b>3</b>	<b>4</b> Fair market value of property \$
City, state, and ZIP code		<b>5</b> Was borrower personally liable for repayment of the debt? <input type="checkbox"/> Yes <input type="checkbox"/> No	
Account number (see instructions)		<b>6</b> Description of property	

**Copy A**  
**For Internal Revenue Service Center**  
**File with Form 1096.**  
For Privacy Act and Paperwork Reduction Act Notice, see the **2009 General Instructions for Forms 1099, 1098, 3921, 3922, 5498, and W-2G.**

Form **1099-A**

Cat. No. 14412G

Department of the Treasury - Internal Revenue Service

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**Acquisition or  
Abandonment of  
Secured Property**

LENDER'S name, street address, city, state, ZIP code, and telephone no.			OMB No. 1545-0877 <b>2009</b> Form <b>1099-A</b>	<b>Copy B For Borrower</b>  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 taxable income results from this transaction and the IRS determines that it has not been reported.
LENDER'S federal identification number	BORROWER'S identification number	1 Date of lender's acquisition or knowledge of abandonment	2 Balance of principal outstanding \$	
BORROWER'S name  Street address (including apt. no.)  City, state, and ZIP code		3	4 Fair market value of property \$	
		5 Was borrower personally liable for repayment of the debt? <input type="checkbox"/> Yes <input type="checkbox"/> No		
Account number (see instructions)		6 Description of property		

Form **1099-A**

(keep for your records)

Department of the Treasury - Internal Revenue Service

## Instructions for Borrower

Certain lenders who acquire an interest in property that was security for a loan or who have reason to know that such property has been abandoned must provide you with this statement. You may have reportable income or loss because of such acquisition or abandonment. Gain or loss from an acquisition generally is measured by the difference between your adjusted basis in the property and the amount of your debt canceled in exchange for the property, or, if greater, the sale proceeds. If you abandoned the property, you may have income from the discharge of indebtedness in the amount of the unpaid balance of your canceled debt. You also may have a loss from abandonment up to the adjusted basis of the property at the time of abandonment. Losses on acquisitions or abandonments of property held for personal use are not deductible. See Pub. 4681, Canceled Debts, Foreclosures, Repossessions, and Abandonments (for Individuals), for information about foreclosures and abandonments.

Property means any real property (such as a personal residence); any intangible property; and tangible personal property that is held for investment or used in a trade or business.

If you borrowed money on this property with someone else, each of you should receive this statement.

**Account number.** May show an account or other unique number the lender assigned to distinguish your account.

**Box 1.** For a lender's acquisition of property that was security for a loan, the date shown is generally the earlier of the date title was transferred to the lender or the date possession and the burdens and benefits of

ownership were transferred to the lender. This may be the date of a foreclosure or execution sale or the date your right of redemption or objection expired. For an abandonment, the date shown is the date on which the lender first knew or had reason to know that the property was abandoned or the date of a foreclosure, execution, or similar sale.

**Box 2.** Shows the debt (principal only) owed to the lender on the loan when the interest in the property was acquired by the lender or on the date the lender first knew or had reason to know that the property was abandoned.

**Box 4.** Shows the fair market value of the property. If the amount in box 4 is less than the amount in box 2, and your debt is canceled, you may have cancellation of debt income. If the property was your main home, see Pub. 523, Selling Your Home, to figure any taxable gain or ordinary income.

**Box 5.** Shows whether you were personally liable for repayment of the loan when the debt was created or, if modified, when it was last modified.

**Box 6.** Shows the description of the property acquired by the lender or abandoned by you. If "CCC" is shown, the form indicates the amount of any Commodity Credit Corporation loan outstanding when you forfeited your commodity.

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LENDER'S name, street address, city, state, ZIP code, and telephone no.		OMB No. 1545-0877 <b>2009</b> Form <b>1099-A</b>	<b>Acquisition or Abandonment of Secured Property</b>
LENDER'S federal identification number	BORROWER'S identification number		
BORROWER'S name		<b>1</b> Date of lender's acquisition or knowledge of abandonment	<b>2</b> Balance of principal outstanding \$
Street address (including apt. no.)		<b>3</b>	<b>4</b> Fair market value of property \$
City, state, and ZIP code		<b>5</b> Was borrower personally liable for repayment of the debt? <input type="checkbox"/> Yes <input type="checkbox"/> No	
Account number (see instructions)		<b>6</b> Description of property	

**Copy C  
For Lender**

For Privacy Act and Paperwork Reduction Act Notice, see the **2009 General Instructions for Forms 1099, 1098, 3921, 3922, 5498, and W-2G.**

Form **1099-A**

Department of the Treasury - Internal Revenue Service

## Instructions for Lenders

General and specific form instructions are provided as separate products. The products you should use to complete Form 1099-A are the 2009 General Instructions for Forms 1099, 1098, 3921, 3922, 5498, and W-2G and the 2009 Instructions for Forms 1099-A and 1099-C. A chart in the general instructions gives a quick guide to which form must be filed to report a particular payment. To order these instructions and additional forms, visit the IRS website at [www.irs.gov](http://www.irs.gov) or call 1-800-TAX-FORM (1-800-829-3676).

**Caution:** *Because paper forms are scanned during processing, you cannot file Forms 1096, 1098, 1099, 3921, 3922, or 5498 that you print from the IRS website.*

**Due dates.** Furnish Copy B of this form to the borrower by February 1, 2010.

File Copy A of this form with the IRS by March 1, 2010. If you file electronically, the due date is March 31, 2010. To file electronically, you must have software that generates a file according to the specifications in Pub. 1220, Specifications for Filing Forms 1098, 1099, 3921, 3922, 5498, and W-2G Electronically. IRS does not provide a fill-in form option.

**Need help?** If you have questions about reporting on Form 1099-A, call the information reporting customer service site toll free at 1-866-455-7438 or 304-263-8700 (not toll free). For TTY/TDD equipment, call 304-267-3367 (not toll free).

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**Proceeds From  
Broker and  
Barter Exchange  
Transactions**

PAYER'S name, street address, city, state, ZIP code, and telephone no.		1a Date of sale or exchange	OMB No. 1545-0715	
		1b CUSIP no.	<b>2009</b>	
		Form <b>1099-B</b>		
		2 Stocks, bonds, etc.	Reported } <input type="checkbox"/> Gross proceeds to IRS } <input type="checkbox"/> Gross proceeds less commissions and option premiums	
		\$		
PAYER'S federal identification number	RECIPIENT'S identification number	3 Bartering	4 Federal income tax withheld	
		\$		
RECIPIENT'S name		5 No. of shares exchanged	6 Classes of stock exchanged	
Street address (including apt. no.)		7 Description		
City, state, and ZIP code		8 Profit or (loss) realized in 2009	9 Unrealized profit or (loss) on open contracts—12/31/2008	
		\$		
CORPORATION'S name		10 Unrealized profit or (loss) on open contracts—12/31/2009	11 Aggregate profit or (loss)	
		\$		
Account number (see instructions)	2nd TIN not.	12 Check the box if recipient cannot take a loss on their tax return based on the amount in box 2 . . . . . <input type="checkbox"/>		
	<input type="checkbox"/>			

**Copy A  
For  
Internal Revenue  
Service Center**

**File with Form 1096.**

For Privacy Act and Paperwork Reduction Act Notice, see the **2009 General Instructions for Forms 1099, 1098, 3921, 3922, 5498, and W-2G.**

CORRECTED (if checked)

**Proceeds From  
Broker and  
Barter Exchange  
Transactions**

PAYER'S name, street address, city, state, ZIP code, and telephone no.		1a Date of sale or exchange	OMB No. 1545-0715		
		1b CUSIP no.	<b>2009</b>		
		Form <b>1099-B</b>			
		2 Stocks, bonds, etc. \$	Reported } to IRS }	<input type="checkbox"/> Gross proceeds <input type="checkbox"/> Gross proceeds less commissions and option premiums	
PAYER'S federal identification number	RECIPIENT'S identification number	3 Bartering \$	4 Federal income tax withheld \$		
RECIPIENT'S name  Street address (including apt. no.)  City, state, and ZIP code		5 No. of shares exchanged	6 Classes of stock exchanged		
		7 Description			
		8 Profit or (loss) realized in 2009 \$	9 Unrealized profit or (loss) on open contracts—12/31/2008 \$		
CORPORATION'S name		10 Unrealized profit or (loss) on open contracts—12/31/2009 \$	11 Aggregate profit or (loss) \$		
Account number (see instructions)		12 If the box is checked, the recipient cannot take a loss on their tax return based on the amount in box 2 . . . <input type="checkbox"/>			

**Copy B  
For Recipient**  
This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.

Form **1099-B**

(keep for your records)

Department of the Treasury - Internal Revenue Service



## Instructions for Recipient

Brokers and barter exchanges must report proceeds from transactions to you and the IRS on Form 1099-B. Reporting is also required when your broker knows or has reason to know that a corporation in which you own stock has had a change in control or a substantial change in capital structure. You may be required to recognize gain from the receipt of cash, stock, or other property that was exchanged for the corporation's stock. If your broker reported this type of transaction to you, the corporation is identified in the box below your name and address on Form 1099-B.

**Account number.** May show an account or other unique number the payer assigned to distinguish your account.

**Box 1a.** Shows the trade date of the transaction. For aggregate reporting, no entry will be present.

**Box 1b.** For broker transactions, may show the CUSIP (Committee on Uniform Security Identification Procedures) number of the item reported.

**Box 2.** Shows the aggregate proceeds from transactions involving stocks, bonds, other debt obligations, commodities, or forward contracts. May show the proceeds from the disposition of your interest(s) in a widely held fixed investment trust. Losses on forward contracts and changes in control or substantial change in capital structure are shown in parentheses. This box does not include proceeds from regulated futures contracts. The broker must indicate whether gross proceeds or gross proceeds less commissions and option premiums were reported to the IRS. Report this amount on Schedule D (Form 1040), Capital Gains and Losses. However, if box 12 is checked, you cannot take a loss on your tax return based on gross proceeds from an acquisition of control or substantial change in capital structure reported in box 2. Do not report this loss on Schedule D (Form 1040). The broker should advise you of any losses on a separate statement.

**Box 3.** Shows the cash you received, the fair market value of any property or services you received, and/or the fair market value of any trade credits or scrip credited to your account by a barter exchange. See Pub. 525, Taxable and Nontaxable Income, for information on how to report this income.

**Box 4.** Shows backup withholding. Generally, a payer must backup withhold at a 28% rate if you did not furnish your taxpayer identification number to the payer. See Form W-9, Request for Taxpayer Identification Number and Certification, for information on backup withholding. Include this amount on your income tax return as tax withheld.

**Box 5.** Shows the number of shares of the corporation's stock that you held which were exchanged in the change in control or substantial change in capital structure.

**Box 6.** Shows the class or classes of the corporation's stock that were exchanged in the change in control or substantial change in capital structure.

**Box 7.** Shows a brief description of the item or service for which the proceeds or bartering income is being reported. For regulated futures contracts and forward contracts, "RFC" or other appropriate description may be shown.

### Regulated Futures Contracts:

**Box 8.** Shows the profit or (loss) realized on regulated futures or foreign currency contracts closed during 2009.

**Box 9.** Shows any year-end adjustment to the profit or (loss) shown in box 8 due to open contracts on December 31, 2008.

**Box 10.** Shows the unrealized profit or (loss) on open contracts held in your account on December 31, 2009. These are considered sold as of that date. This will become an adjustment reported in box 9 in 2010.

**Box 11.** Boxes 8, 9, and 10 are all used to figure the aggregate profit or (loss) on regulated futures or foreign currency contracts for the year. Include this amount on your 2009 Form 6781.

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**Proceeds From  
Broker and  
Barter Exchange  
Transactions**

PAYER'S name, street address, city, state, ZIP code, and telephone no.		1a Date of sale or exchange	OMB No. 1545-0715	
		1b CUSIP no.	<b>2009</b>	
		Form <b>1099-B</b>		
		2 Stocks, bonds, etc. \$	Reported to IRS } <input type="checkbox"/> Gross proceeds <input type="checkbox"/> Gross proceeds less commissions and option premiums	
PAYER'S federal identification number	RECIPIENT'S identification number	3 Bartering \$	4 Federal income tax withheld \$	<p><b>Copy C For Payer</b> For Privacy Act and Paperwork Reduction Act Notice, see the <b>2009 General Instructions for Forms 1099, 1098, 3921, 3922, 5498, and W-2G.</b></p>
RECIPIENT'S name		5 No. of shares exchanged	6 Classes of stock exchanged	
Street address (including apt. no.)		7 Description		
City, state, and ZIP code		8 Profit or (loss) realized in 2009 \$	9 Unrealized profit or (loss) on open contracts—12/31/2008 \$	
CORPORATION'S name		10 Unrealized profit or (loss) on open contracts—12/31/2009 \$	11 Aggregate profit or (loss) \$	
Account number (see instructions)	2nd TIN not. <input type="checkbox"/>	12 Check the box if recipient cannot take a loss on their tax return based on the amount in box 2 . . . . . <input type="checkbox"/>		

Form **1099-B**

Department of the Treasury - Internal Revenue Service

## Instructions for Payers

General and specific form instructions are provided as separate products. The products you should use for 2009 are the General Instructions for Forms 1099, 1098, 3921, 3922, 5498, and W-2G and the 2009 Instructions for Form 1099-B. A chart in the general instructions gives a quick guide to which form must be filed to report a particular payment. To order these instructions and additional forms, visit the IRS website at [www.irs.gov](http://www.irs.gov) or call 1-800-TAX-FORM (1-800-829-3676).

**Caution:** *Because paper forms are scanned during processing, you cannot file with the IRS Forms 1096, 1098, 1099, 3921, 3922, or 5498 that you print from the IRS website.*

**Due dates.** Furnish Copy B of this form to the recipient by February 16, 2010.

File Copy A of this form with the IRS by March 1, 2010. If you file electronically, the due date is March 31, 2010. To file electronically, you must have

software that generates a file according to the specifications in Pub. 1220, Specifications for Filing Forms 1098, 1099, 3921, 3922, 5498, and W-2G Electronically. IRS does not provide a fill-in form option.

**Foreign recipient.** If the recipient of the proceeds is a nonresident alien, you may have to withhold federal income tax and file Form 1042-S, Foreign Person's U.S. Source Income Subject to Withholding. See the Instructions for Form 1042-S and Pub. 515, Withholding of Tax on Nonresident Aliens and Foreign Entities.

**Need help?** If you have questions about reporting on Form 1099-B, call the information reporting customer service site toll free at 1-866-455-7438 or 304-263-8700 (not toll free). For TTY/TDD equipment, call 304-267-3367 (not toll free).

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CREDITOR'S name, street address, city, state, ZIP code, and telephone no.		1 Date canceled	OMB No. 1545-1424  <b>2009</b> Form <b>1099-C</b>	<b>Cancellation of Debt</b>
		2 Amount of debt canceled \$		
		3 Interest if included in box 2 \$		
CREDITOR'S federal identification number	DEBTOR'S identification number	4 Debt description		
DEBTOR'S name				
Street address (including apt. no.)		5 Was borrower personally liable for repayment of the debt?  <input type="checkbox"/> Yes <input type="checkbox"/> No		
City, state, and ZIP code				
Account number (see instructions)		6 Check for bankruptcy <input type="checkbox"/>	7 Fair market value of property \$	

Form **1099-C**

Cat. No. 26280W

Department of the Treasury - Internal Revenue Service

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CREDITOR'S name, street address, city, state, ZIP code, and telephone no.		1 Date canceled	OMB No. 1545-1424 <b>2009</b> Form <b>1099-C</b>	<b>Cancellation of Debt</b>
		2 Amount of debt canceled \$		
		3 Interest if included in box 2 \$		
CREDITOR'S federal identification number	DEBTOR'S identification number	4 Debt description		<b>Copy B For Debtor</b> 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 taxable income results from this transaction and the IRS determines that it has not been reported.
DEBTOR'S name				
Street address (including apt. no.)		5 Was borrower personally liable for repayment of the debt? <input type="checkbox"/> Yes <input type="checkbox"/> No		
City, state, and ZIP code		6 Bankruptcy (if checked) <input type="checkbox"/>		7 Fair market value of property \$
Account number (see instructions)				

Form **1099-C**

(keep for your records)

Department of the Treasury - Internal Revenue Service

## Instructions for Debtor

**Note.** You may not have to include in income all or a portion of certain qualified principal residence indebtedness canceled in 2009. See Pub. 4681, Canceled Debts, Foreclosures, Repossessions, and Abandonments (for individuals), for more information.

If a federal government agency, certain agencies connected with the Federal Government, financial institution, credit union, or an organization having a significant trade or business of lending money (such as a finance or credit card company) cancels or forgives a debt you owe of \$600 or more, this form must be provided to you. Generally, if you are an individual, you must include all canceled amounts, even if less than \$600, on the "Other income" line of Form 1040. If you are a corporation, partnership, or other entity, report the canceled debt on your tax return. See the tax return instructions.

However, some canceled debts are not includible, or fully includible, in your income, such as certain student loans, certain debts reduced by the seller after purchase, qualified farm debt, qualified real property business debt, qualified principal residence indebtedness, or debts canceled in bankruptcy. See Pub. 4681. Do not report a canceled debt as income if you did not deduct it but would have been able to do so on your tax return if you had paid it. Also, do not include canceled debts in your income to the extent you were insolvent immediately before the cancellation of the debt. If you exclude a canceled debt from your income, file Form 982, Reduction of Tax Attributes Due to Discharge of Indebtedness (and Section 1082 Basis Adjustment).

**Account number.** May show an account or other unique number the creditor assigned to distinguish your account.

**Box 1.** Shows the date the debt was canceled.

**Box 2.** Shows the amount of debt canceled. **Note:** If you do not agree with this amount, contact your creditor.

**Box 3.** Shows interest if included in the canceled debt in box 2. See Pub. 525, Taxable and Nontaxable Income, to see if you must include the interest in gross income.

**Box 4.** Shows a description of the debt. If box 7 is completed, box 4 shows a description of the property.

**Box 5.** Shows whether borrower is personally liable for repayment of the debt. See Pub. 4681 for reporting instructions.

**Box 6.** If the box is marked, the creditor has indicated the debt was canceled in a bankruptcy proceeding.

**Box 7.** If, in the same calendar year, a foreclosure or abandonment of property occurred in connection with the cancellation of the debt, the fair market value (FMV) of the property will be shown, or you will receive a separate Form 1099-A, Acquisition or Abandonment of Secured Property. Generally, the gross foreclosure bid price is considered to be the FMV. For an abandonment or voluntary conveyance in lieu of foreclosure, the FMV is generally the appraised value of the property. You may have income or loss because of the acquisition or abandonment. If the property was your main home, see Pub. 523, Selling Your Home, to figure any taxable gain or ordinary income. See Pub. 4681, for information about foreclosures and abandonments.

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CREDITOR'S name, street address, city, state, ZIP code, and telephone no.		1 Date canceled	OMB No. 1545-1424  <b>2009</b> Form <b>1099-C</b>	<b>Cancellation of Debt</b>
		2 Amount of debt canceled \$		
		3 Interest if included in box 2 \$		
CREDITOR'S federal identification number	DEBTOR'S identification number	4 Debt description		<b>Copy C For Creditor</b>  For Privacy Act and Paperwork Reduction Act Notice, see the <b>2009 General Instructions for Forms 1099, 1098, 3921, 3922, 5498, and W-2G.</b>
DEBTOR'S name				
Street address (including apt. no.)		5 Was borrower personally liable for repayment of the debt?  <input type="checkbox"/> Yes <input type="checkbox"/> No		
City, state, and ZIP code		6 Check for bankruptcy <input type="checkbox"/>		7 Fair market value of property \$
Account number (see instructions)				

Form **1099-C**

Department of the Treasury - Internal Revenue Service

## Instructions for Creditors

General and specific form instructions are provided as separate products. The products you should use to complete Form 1099-C are the 2009 General Instructions for Forms 1099, 1098, 3921, 3922, 5498, and W-2G and the 2009 Instructions for Forms 1099-A and 1099-C. A chart in the general instructions gives a quick guide to which form must be filed to report a particular payment. To order these instructions and additional forms, visit the IRS website at [www.irs.gov](http://www.irs.gov) or call 1-800-TAX-FORM (1-800-829-3676).

**Caution:** *Because paper forms are scanned during processing, you cannot file Forms 1096, 1098, 1099, 3921, 3922, or 5498 that you print from the IRS website.*

**Due dates.** Furnish Copy B of this form to the debtor by February 1, 2010.

File Copy A of this form with the IRS by March 1, 2010. If you file electronically, the due date is March 31, 2010. To file electronically, you must have software that generates a file according to the specifications in Pub. 1220, Specifications for Filing Forms 1098, 1099, 3921, 3922, 5498, and W-2G Electronically. IRS does not provide a fill-in form option.

**Need help?** If you have questions about reporting on Form 1099-C, call the information reporting customer service site toll free at 1-866-455-7438 or 304-263-8700 (not toll free). For TTY/TDD equipment, call 304-267-3367 (not toll free).



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**Changes in  
Corporate  
Control and  
Capital Structure**

CORPORATION'S name, street address, city, state, ZIP code, and telephone no.		1 Date of sale or exchange	OMB No. 1545-1814
		2 Aggregate amount rec'd* \$	<b>2009</b> Form <b>1099-CAP</b>
		3 No. of shares exchanged	
CORPORATION'S federal identification no.	SHAREHOLDER'S identification no.		
SHAREHOLDER'S name			
Street address (including apt. no.)			
City, state, and ZIP code			
Account number (see instructions)			
		5	
		* The shareholder cannot claim a loss based on the amount in box 2.	

**Copy A  
For  
Internal Revenue  
Service Center  
File with Form 1096.  
For Paperwork  
Reduction Act  
Notice, see the  
2009 General  
Instructions for  
Forms 1099, 1098,  
3921, 3922, 5498,  
and W-2G.**

Form **1099-CAP**

Cat. No. 35115M

Department of the Treasury - Internal Revenue Service

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CORRECTED (if checked)

**Changes in  
Corporate  
Control and  
Capital Structure**

CORPORATION'S name, street address, city, state, ZIP code, and telephone no.		1 Date of sale or exchange	OMB No. 1545-1814
		2 Aggregate amount rec'd* \$	<b>2009</b> Form <b>1099-CAP</b>
		3 No. of shares exchanged	4 Classes of stock exchanged
CORPORATION'S federal identification no.	SHAREHOLDER'S identification no.		
SHAREHOLDER'S name			
Street address (including apt. no.)		5	
City, state, and ZIP code			
Account number (see instructions)		* You cannot claim a loss based on the amount in box 2.	

**Copy B  
For Shareholder**

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 taxable income results from this transaction and the IRS determines that it has not been reported.

Form **1099-CAP**

(keep for your records)

Department of the Treasury - Internal Revenue Service

## Instructions for Shareholder

A corporation in which you own stock that has had a change in control or a substantial change in capital structure must send you this statement by January 31 of the year following the calendar year of the change. You have received this statement because the corporation has reasonably determined that you may be required to recognize gain from the receipt of cash, stock, or other property that was exchanged for the corporation's stock. Report any gain from the exchange on Schedule D (Form 1040), Capital Gains and Losses. However, you cannot claim a (loss) on Schedule D (Form 1040) as a result of this exchange. See Pub. 550, Investment Income and Expenses, chapter 4, for additional information.

**Account number.** May show an account or other unique number the payer corporation assigned to distinguish your account.

**Box 1.** Shows the date the stock was exchanged for cash, stock, or other property.

**Box 2.** Shows the aggregate amount of any cash and the fair market value of any stock or other property received by you in the exchange for the stock you held.

**Box 3.** Shows the number of shares of the corporation's stock that you held which were exchanged in the transaction.

**Box 4.** Shows the class or classes of stock that were exchanged.

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**Changes in  
Corporate  
Control and  
Capital Structure**

CORPORATION'S name, street address, city, state, ZIP code, and telephone no.		1 Date of sale or exchange	OMB No. 1545-1814
		2 Aggregate amount rec'd* \$	<b>2009</b> Form <b>1099-CAP</b>
		3 No. of shares exchanged	
CORPORATION'S federal identification no.	SHAREHOLDER'S identification no.		
SHAREHOLDER'S name			
Street address (including apt. no.)			
City, state, and ZIP code			
Account number (see instructions)		5	
		* The shareholder cannot claim a loss based on the amount in box 2.	

**Copy C**  
**For Corporation**  
 For Paperwork  
 Reduction Act  
 Notice, see the  
**2009 General**  
**Instructions for**  
**Forms 1099, 1098,**  
**3921, 3922, 5498,**  
**and W-2G.**

Form **1099-CAP**

Department of the Treasury - Internal Revenue Service

## Instructions for Corporations

General and specific form instructions are provided as separate products. The products you should use for 2009 are the General Instructions for Forms 1099, 1098, 3921, 3922, 5498, and W-2G and the 2009 Instructions for Form 1099-CAP. A chart in the general instructions gives a quick guide to which form must be filed to report a particular payment. To order these instructions and additional forms, visit the IRS website at [www.irs.gov](http://www.irs.gov) or call 1-800-TAX-FORM (1-800-829-3676).

**Caution:** *Because paper forms are scanned during processing, you cannot file with the IRS Forms 1096, 1098, 1099, 3921, 3922, or 5498 that you print from the IRS website.*

**Due dates.** Generally, furnish Copy B of this form to the shareholder by February 1, 2010. However, if the recipient is a clearing organization, furnish Copy B by January 5, 2010.

File Copy A of this form with the IRS by March 1, 2010. If you file electronically, the due date is March 31, 2010. To file electronically, you must have software that generates a file according to the specifications in Pub. 1220, Specifications for Filing Forms 1098, 1099, 3921, 3922, 5498, and W-2G Electronically. IRS does not provide a fill-in form option.

**Need help?** If you have questions about reporting on Form 1099-CAP, call the information reporting customer service site toll free at 1-866-455-7438 or 304-263-8700 (not toll free). For TTY/TDD equipment, call 304-267-3367 (not toll free).

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PAYER'S name, street address, city, state, ZIP code, and telephone no.		1a Total ordinary dividends	OMB No. 1545-0110	<b>2009</b> Form <b>1099-DIV</b>	<b>Dividends and Distributions</b>
		\$			
		1b Qualified dividends			
PAYER'S federal identification number		RECIPIENT'S identification number		2a Total capital gain distr.	2b Unrecap. Sec. 1250 gain
				\$	\$
RECIPIENT'S name		2c Section 1202 gain	2d Collectibles (28%) gain	<b>Copy A</b> <b>For Internal Revenue Service Center</b> <b>File with Form 1096.</b>  For Privacy Act and Paperwork Reduction Act Notice, see the <b>2009 General Instructions for Forms 1099, 1098, 3921, 3922, 5498, and W-2G.</b>	
Street address (including apt. no.)		\$	\$		
		3 Nondividend distributions	4 Federal income tax withheld		
City, state, and ZIP code		\$	\$		
Account number (see instructions)		2nd TIN not.	5 Investment expenses		
		<input type="checkbox"/>	\$		
		6 Foreign tax paid	7 Foreign country or U.S. possession		
		\$			
		8 Cash liquidation distributions	9 Noncash liquidation distributions		
		\$	\$		

Form **1099-DIV**

Cat. No. 14415N

Department of the Treasury - Internal Revenue Service

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PAYER'S name, street address, city, state, ZIP code, and telephone no.		<b>1a</b> Total ordinary dividends	OMB No. 1545-0110	<b>2009</b> Form <b>1099-DIV</b>	<b>Dividends and Distributions</b>
		\$			
		<b>1b</b> Qualified dividends			
		<b>2a</b> Total capital gain distr.	<b>2b</b> Unrecap. Sec. 1250 gain	<b>Copy B For Recipient</b>	
		\$	\$		
PAYER'S federal identification number	RECIPIENT'S identification number				
RECIPIENT'S name		<b>2c</b> Section 1202 gain	<b>2d</b> Collectibles (28%) gain	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.	
		\$	\$		
Street address (including apt. no.)		<b>3</b> Nondividend distributions	<b>4</b> Federal income tax withheld		
		\$	\$		
City, state, and ZIP code			<b>5</b> Investment expenses		
			\$		
Account number (see instructions)		<b>6</b> Foreign tax paid	<b>7</b> Foreign country or U.S. possession		
		\$			
		<b>8</b> Cash liquidation distributions	<b>9</b> Noncash liquidation distributions		
		\$	\$		

Form **1099-DIV**

(keep for your records)

Department of the Treasury - Internal Revenue Service

## Instructions for Recipients

**Account number.** May show an account or other unique number the payer assigned to distinguish your account.

**Box 1a.** Shows total ordinary dividends that are taxable. Include this amount on line 9a of Form 1040 or 1040A. Also, report it on Schedule B (Form 1040) or Schedule 1 (Form 1040A), if required.

The amount shown may be dividends a corporation paid directly to you as a participant (or beneficiary of a participant) in an employee stock ownership plan (ESOP). Report it as a dividend on your Form 1040/1040A but treat it as a plan distribution, not as investment income, for any other purpose.

**Box 1b.** Shows the portion of the amount in box 1a that may be eligible for the 15% or zero capital gains rates. See the Form 1040/1040A instructions for how to determine this amount. Report the eligible amount on line 9b, Form 1040 or 1040A.

**Box 2a.** Shows total capital gain distributions from a regulated investment company or real estate investment trust. Report the amounts shown in box 2a on Schedule D (Form 1040), line 13. But, if no amount is shown in boxes 2c–2d and your only capital gains and losses are capital gain distributions, you may be able to report the amounts shown in box 2a on line 13 of Form 1040 (line 10 of Form 1040A) rather than Schedule D. See the Form 1040/1040A instructions.

**Box 2b.** Shows the portion of the amount in box 2a that is unrecaptured section 1250 gain from certain depreciable real property. Report this amount on the Unrecaptured Section 1250 Gain Worksheet—Line 19 in the Schedule D instructions (Form 1040).

**Box 2c.** Shows the portion of the amount in box 2a that is section 1202 gain from certain small business stock that may be subject to a 50% exclusion and certain empowerment zone business stock that may be subject to a 60% exclusion. See the Schedule D (Form 1040) instructions.

**Box 2d.** Shows 28% rate gain from sales or exchanges of collectibles. If required, use this amount when completing the 28% Rate Gain Worksheet—Line 18 in the instructions for Schedule D (Form 1040).

**Box 3.** Shows the part of the distribution that is nontaxable because it is a return of your cost (or other basis). You must reduce your cost (or other basis) by this amount for figuring gain or loss when you sell your stock. But if you get back all your cost (or other basis), report future distributions as capital gains. See Pub. 550, Investment Income and Expenses.

**Box 4.** Shows backup withholding. For example, a payer must backup withhold on certain payments at a 28% rate if you did not give your taxpayer identification number to the payer. See Form W-9, Request for Taxpayer Identification Number and Certification, for information on backup withholding. Include this amount on your income tax return as tax withheld.

**Box 5.** Shows your share of expenses of a nonpublicly offered regulated investment company, generally a nonpublicly offered mutual fund. If you file Form 1040, you may deduct these expenses on the "Other expenses" line on Schedule A (Form 1040) subject to the 2% limit. This amount is included in box 1a.

**Box 6.** Shows the foreign tax that you may be able to claim as a deduction or a credit on Form 1040. See the Form 1040 instructions.

**Box 7.** This box should be left blank if a regulated investment company reported the foreign tax shown in box 6.

**Boxes 8 and 9.** Shows cash and noncash liquidation distributions.

**Nominees.** If this form includes amounts belonging to another person, you are considered a nominee recipient. You must file Form 1099-DIV with the IRS for each of the other owners to show their share of the income, and you must furnish a Form 1099-DIV to each. A husband or wife is not required to file a nominee return to show amounts owned by the other. See the 2009 General Instructions for Forms 1099, 1098, 3921, 3922, 5498, and W-2G.



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PAYER'S name, street address, city, state, ZIP code, and telephone no.		1a Total ordinary dividends		OMB No. 1545-0110	<b>Dividends and Distributions</b>  <b>2009</b>  Form <b>1099-DIV</b>	
		\$				
		1b Qualified dividends				
PAYER'S federal identification number		2a Total capital gain distr.		2b Unrecap. Sec. 1250 gain	<b>Copy C For Payer</b>	
		\$		\$		
RECIPIENT'S identification number						
RECIPIENT'S name		2c Section 1202 gain		2d Collectibles (28%) gain	<b>For Privacy Act and Paperwork Reduction Act Notice, see the 2009 General Instructions for Forms 1099, 1098, 3921, 3922, 5498, and W-2G.</b>	
		\$		\$		
		3 Nondividend distributions		4 Federal income tax withheld		
		\$		\$		
Street address (including apt. no.)				5 Investment expenses		
				\$		
City, state, and ZIP code		6 Foreign tax paid		7 Foreign country or U.S. possession		
		\$				
Account number (see instructions)		2nd TIN not.	8 Cash liquidation distributions	9 Noncash liquidation distributions		
		<input type="checkbox"/>	\$	\$		

Form **1099-DIV**

Department of the Treasury - Internal Revenue Service

## Instructions for Payers

General and specific form instructions are provided as separate products. The products you should use to complete Form 1099-DIV are the 2009 General Instructions for Forms 1099, 1098, 3921, 3922, 5498, and W-2G and the 2009 Instructions for Form 1099-DIV. A chart in the general instructions gives a quick guide to which form must be filed to report a particular payment. To order these instructions and additional forms, visit the IRS website at [www.irs.gov](http://www.irs.gov) or call 1-800-TAX-FORM (1-800-829-3676).

**Caution:** *Because paper forms are scanned during processing, you cannot file with the IRS Forms 1096, 1098, 1099, 3921, 3922, or 5498 that you print from the IRS website.*

**Due dates.** Furnish Copy B of this form to the recipient by February 1, 2010.

File Copy A of this form with the IRS by March 1, 2010. If you file electronically, the due date is March 31, 2010. To file electronically, you must have

software that generates a file according to the specifications in Pub. 1220, Specifications for Filing Forms 1098, 1099, 3921, 3922, 5498, and W-2G Electronically. IRS does not provide a fill-in form option.

**Foreign dividend recipient.** If the recipient of the dividend is a nonresident alien, you may have to withhold federal income tax and file Form 1042-S, Foreign Person's U.S. Source Income Subject to Withholding. See the Instructions for Form 1042-S and Pub. 515, Withholding of Tax on Nonresident Aliens and Foreign Entities.

**Need help?** If you have questions about reporting on Form 1099-DIV, call the information reporting customer service site toll free at 1-866-455-7438 or 304-263-8700 (not toll free). For TTY/TDD equipment, call 304-267-3367 (not toll free).

9292

VOID

CORRECTED

PAYER'S name, street address, city, state, ZIP code, and telephone no.		Payer's RTN (optional)	OMB No. 1545-0112	<b>2009</b> <b>Interest Income</b> Form <b>1099-INT</b>	
		1 Interest income \$			
		2 Early withdrawal penalty \$			
PAYER'S federal identification number	RECIPIENT'S identification number	3 Interest on U.S. Savings Bonds and Treas. obligations \$	<b>Copy A</b> <b>For</b> <b>Internal Revenue</b> <b>Service Center</b> <b>File with Form 1096.</b> For Privacy Act and Paperwork Reduction Act Notice, see the <b>2009 General</b> <b>Instructions for</b> <b>Forms 1099,</b> <b>1098, 3921, 3922,</b> <b>5498, and W-2G.</b>		
RECIPIENT'S name		4 Federal income tax withheld \$			5 Investment expenses \$
Street address (including apt. no.)		6 Foreign tax paid \$			7 Foreign country or U.S. possession
City, state, and ZIP code		8 Tax-exempt interest \$			9 Specified private activity bond interest \$
Account number (see instructions)	2nd TIN not. <input type="checkbox"/>				

Form **1099-INT**

Cat. No. 14410K

Department of the Treasury - Internal Revenue Service

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CORRECTED (if checked)

PAYER'S name, street address, city, state, ZIP code, and telephone no.		Payer's RTN (optional)		OMB No. 1545-0112			
		1 Interest income \$		<b>2009</b> Form <b>1099-INT</b>			
		2 Early withdrawal penalty \$					
PAYER'S federal identification number	RECIPIENT'S identification number	3 Interest on U.S. Savings Bonds and Treas. obligations \$		<b>Copy B For Recipient</b> This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.			
RECIPIENT'S name  Street address (including apt. no.)  City, state, and ZIP code		4 Federal income tax withheld \$				5 Investment expenses \$	
		6 Foreign tax paid \$				7 Foreign country or U.S. possession	
Account number (see instructions)		8 Tax-exempt interest \$				9 Specified private activity bond interest \$	

Form **1099-INT**

(keep for your records)

Department of the Treasury - Internal Revenue Service

## Instructions for Recipient

**Account number.** May show an account or other unique number the payer assigned to distinguish your account.

**Box 1.** Shows taxable interest paid to you during the calendar year by the payer. This does not include interest shown in box 3. May also show the total amount of the credits from clean renewable energy bonds, Gulf tax credit bonds, qualified forestry conservation bonds, new clean renewable energy bonds, qualified energy conservation bonds, qualified zone academy bonds, and Midwestern tax credit bonds that must be included in your interest income. These amounts were treated as paid to you during 2009 on the credit allowance dates (March 15, June 15, September 15, and December 15). For more information, see Form 8912, Credit to Holders of Tax Credit Bonds.

**Box 2.** Shows interest or principal forfeited because of early withdrawal of time savings. You may deduct this amount to figure your adjusted gross income on your income tax return. See the instructions for Form 1040 to see where to take the deduction.

**Box 3.** Shows interest on U.S. Savings Bonds, Treasury bills, Treasury bonds, and Treasury notes. This may or may not all be taxable. See Pub. 550. This interest is exempt from state and local income taxes. This interest is not included in box 1.

**Box 4.** Shows backup withholding. Generally, a payer must backup withhold at a 28% rate if you did not furnish your taxpayer identification number (TIN) or you did not furnish the correct TIN to the payer. See Form W-9. Include this amount on your income tax return as tax withheld.

**Box 5.** Any amount shown is your share of investment expenses of a single-class REMIC. If you file Form 1040, you may deduct these expenses on the "Other expenses" line of Schedule A (Form 1040) subject to the 2% limit. This amount is included in box 1.

**Box 6.** Shows foreign tax paid. You may be able to claim this tax as a deduction or a credit on your Form 1040. See your Form 1040 instructions.

**Box 8.** Shows tax-exempt interest, including exempt-interest dividends from a mutual fund or other regulated investment company, paid to you during the calendar year by the payer. Report this amount on line 8b of Form 1040 or Form 1040A. This amount may be subject to backup withholding. See box 4.

**Box 9.** Shows tax-exempt interest subject to the alternative minimum tax. This amount is included in box 8. See the Instructions for Form 6251.

**Nominees.** If this form includes amounts belonging to another person(s), you are considered a nominee recipient. Complete a Form 1099-INT for each of the other owners showing the income allocable to each. File Copy A of the form with the IRS. Furnish Copy B to each owner. List yourself as the "payer" and the other owner(s) as the "recipient." File Form(s) 1099-INT with Form 1096 with the Internal Revenue Service Center for your area. On Form 1096 list yourself as the "filer." A husband or wife is not required to file a nominee return to show amounts owned by the other.

VOID     CORRECTED

PAYER'S name, street address, city, state, ZIP code, and telephone no.		Payer's RTN (optional)		OMB No. 1545-0112			
		1 Interest income		<span style="font-size: 2em; font-weight: bold;">2009</span>			
		\$					
		2 Early withdrawal penalty		Form <b>1099-INT</b>			
		\$					
PAYER'S federal identification number	RECIPIENT'S identification number	3 Interest on U.S. Savings Bonds and Treas. obligations		<b>Copy C For Payer</b>  For Privacy Act and Paperwork Reduction Act Notice, see the <b>2009 General Instructions for Forms 1099, 1098, 3921, 3922, 5498, and W-2G.</b>			
RECIPIENT'S name  Street address (including apt. no.)  City, state, and ZIP code		4 Federal income tax withheld				5 Investment expenses	
		\$				\$	
		6 Foreign tax paid				7 Foreign country or U.S. possession	
Account number (see instructions)		8 Tax-exempt interest				9 Specified private activity bond interest	
		\$		\$			
		2nd TIN not.					
		<input type="checkbox"/>					

Form **1099-INT**

Department of the Treasury - Internal Revenue Service

## Instructions for Payers

General and specific form instructions are provided as separate products. The products you should use to complete Form 1099-INT are the 2009 General Instructions for Forms 1099, 1098, 3921, 3922, 5498, and W-2G and the 2009 Instructions for Forms 1099-INT and 1099-OID. To order these instructions and additional forms, visit the IRS website at [www.irs.gov](http://www.irs.gov), or call 1-800-TAX-FORM (1-800-829-3676).

**Caution:** *Because paper forms are scanned during processing, you cannot file with the IRS Forms 1096, 1098, 1099, 3921, 3922, or 5498 that you print from the IRS website.*

**Due dates.** Furnish Copy B of this form to the recipient by February 1, 2010.

File Copy A of this form with the IRS by March 1, 2010. If you file electronically, the due date is March 31, 2010. To file electronically, you must have software that generates a file according to the specifications in Pub. 1220, Specifications for Filing Forms 1098, 1099, 3921, 3922, 5498, and W-2G Electronically. IRS does not provide a fill-in form option.

**Forms 1099-INT and 1098.** If you received mortgage interest in the course of your trade or business, you may have to report it to the payer of such mortgage interest and to the IRS on Form 1098, Mortgage Interest Statement. Do not report mortgage interest to the payer on Form 1099-INT. See the instructions for Form 1098 for information on reporting mortgage interest.

**Foreign recipient.** If the recipient is a nonresident alien, you may have to withhold federal income tax and file Form 1042-S, Foreign Person's U.S. Source Income Subject to Withholding. See the Instructions for Form 1042-S and Pub. 515, Withholding of Tax on Nonresident Aliens and Foreign Entities.

**Need help?** If you have questions about reporting on Form 1099-INT, call the information reporting customer service site toll free at 1-866-455-7438 or 304-263-8700 (not toll free). For TTY/TDD equipment, call 304-267-3367 (not toll free).

9696

VOID

CORRECTED

PAYER'S name, street address, city, state, ZIP code, and telephone no.		1 Original issue discount for 2009	OMB No. 1545-0117  <b>2009</b> Form <b>1099-OID</b>	<b>Original Issue Discount</b>
		\$		
		2 Other periodic interest		
		\$		
PAYER'S federal identification number	RECIPIENT'S identification number	3 Early withdrawal penalty	4 Federal income tax withheld	
		\$	\$	
RECIPIENT'S name		5 Description		
Street address (including apt. no.)		6 Original issue discount on U.S. Treasury obligations		
		\$		
City, state, and ZIP code		7 Investment expenses		
		\$		
Account number (see instructions)	2nd TIN not.			
	<input type="checkbox"/>			

**Copy A**  
**For**  
**Internal Revenue**  
**Service Center**  
**File with Form 1096.**  
For Privacy Act  
and Paperwork  
Reduction Act  
Notice, see the  
**2009 General**  
**Instructions for**  
**Forms 1099,**  
**1098, 3921, 3922,**  
**5498, and W-2G.**

Form **1099-OID**

Cat. No. 14421R

Department of the Treasury - Internal Revenue Service

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CORRECTED (if checked)

PAYER'S name, street address, city, state, ZIP code, and telephone no.		1 Original issue discount for 2009*	OMB No. 1545-0117 <b>2009</b> Form <b>1099-OID</b>	<b>Original Issue Discount</b>
		\$		
		2 Other periodic interest		
		\$		
PAYER'S federal identification number	RECIPIENT'S identification number	3 Early withdrawal penalty	<b>4 Federal income tax withheld</b>	<b>Copy B For Recipient</b> This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.
RECIPIENT'S name  Street address (including apt. no.)  City, state, and ZIP code		5 Description	\$	
		6 Original issue discount on U.S. Treasury obligations*	\$	
		7 Investment expenses	\$	
Account number (see instructions)		* This may not be the correct figure to report on your income tax return. See instructions on the back.		

Form **1099-OID**

(keep for your records)

Department of the Treasury - Internal Revenue Service

## Instructions for Recipient

Original issue discount (OID) is the excess of an obligation's stated redemption price at maturity over its issue price (acquisition price for a stripped bond or coupon). OID is taxable as interest over the life of the obligation. If you are the holder of an OID obligation, generally you must include an amount of OID in your gross income each year you hold the obligation. Obligations that may have OID include a bond, debenture, note, certificate, or other evidence of indebtedness having a term of more than 1 year. For example, the OID rules may apply to certificates of deposit (CDs), time deposits, bonus savings plans, and other deposit arrangements, especially if the payment of interest is deferred until maturity. In addition, the OID rules apply to Treasury inflation-protected securities. See Pub. 550, Investment Income and Expenses, for more information.

If, as the record holder, you receive Form 1099-OID showing amounts belonging to another person, you are considered a nominee recipient. Complete a Form 1099-OID for each of the other owners showing the amounts allocable to each. File Copy A of the form with the IRS. Furnish Copy B to each owner. List yourself as the "payer" and the other owner as the "recipient." File Form(s) 1099-OID with Form 1096, Annual Summary and Transmittal of U.S. Information Returns, with the Internal Revenue Service Center for your area. On Form 1096, list yourself as the "filer." A husband or wife is not required to file a nominee return to show amounts owned by the other. If you bought or sold an obligation during the year and you are not a nominee, you are not required to issue or file Form 1099-OID showing the OID or stated interest allocable to the seller/buyer of the obligation.

**Account number.** May show an account or other unique number the payer assigned to distinguish your account.

**Box 1.** Shows the OID on the obligation for the part of the year you owned it. Report the amount in box 1 as interest income on your income tax return. However, depending on the type of debt instrument, the issue or acquisition date, and other factors (for example, if you paid acquisition or bond premium, or the obligation is a

stripped bond or coupon), you may have to figure the correct amount of OID to report on your return. See Pub. 1212, Guide to Original Issue Discount (OID) Instruments, for details on how to figure the correct OID.

**Box 2.** Shows other interest on this obligation for the year, which is an amount separate from the OID. If you held the obligation the entire year, report this amount as interest income on your tax return. If you disposed of the obligation or acquired it from another holder during the year, see Pub. 550 for reporting instructions. If there is an amount in both boxes 2 and 6, the amount in box 2 is interest on a U.S. Treasury obligation and is exempt from state and local income taxes.

**Box 3.** Shows interest or principal forfeited if you withdrew the money before the maturity date of the obligation, such as from a CD. You may deduct this amount to figure your adjusted gross income on your income tax return. See the instructions for Form 1040 to see where to take the deduction.

**Box 4.** Shows backup withholding. Generally, a payer must backup withhold at a 28% rate if you did not furnish your taxpayer identification number (TIN) or you did not furnish the correct TIN to the payer. See Form W-9, Request for Taxpayer Identification Number and Certification, for information on backup withholding. Include this amount on your income tax return as tax withheld.

**Box 5.** Shows the identification number (CUSIP number) or description of the obligation. The description may include the stock exchange, issuer, coupon rate, and year of maturity.

**Box 6.** Shows OID on a U.S. Treasury obligation for the part of the year you owned it. Report this amount as interest income on your federal income tax return, and see Pub. 1212 to figure any appropriate adjustments to this amount. This OID is exempt from state and local income taxes and is not included in box 1.

**Box 7.** Any amount shown is your share of investment expenses of a single-class REMIC. If you file Form 1040, you may deduct these expenses on the "Other expenses" line of Schedule A (Form 1040) subject to the 2% limit. This amount is included in box 2.

VOID     CORRECTED

PAYER'S name, street address, city, state, ZIP code, and telephone no.		1 Original issue discount for 2009	OMB No. 1545-0117  <b>2009</b> Form <b>1099-OID</b>	<b>Original Issue Discount</b>   <b>Copy C</b> <b>For Payer</b>  For Privacy Act and Paperwork Reduction Act Notice, see the <b>2009 General Instructions for Forms 1099, 1098, 3921, 3922, 5498, and W-2G.</b>
		\$		
2 Other periodic interest	\$			
\$				
PAYER'S federal identification number	RECIPIENT'S identification number	3 Early withdrawal penalty	4 Federal income tax withheld	
RECIPIENT'S name  Street address (including apt. no.)  City, state, and ZIP code		5 Description	\$	
		6 Original issue discount on U.S. Treasury obligations	\$	
		7 Investment expenses	\$	
Account number (see instructions)	2nd TIN not. <input type="checkbox"/>			

Form **1099-OID**

Department of the Treasury - Internal Revenue Service

## Instructions for Payers

General and specific form instructions are provided as separate products. The products you should use to complete Form 1099-OID are the 2009 General Instructions for Forms 1099, 1098, 3921, 3922, 5498, and W-2G and the 2009 Instructions for Forms 1099-INT and 1099-OID. A chart in the general instructions gives a quick guide to which form must be filed to report a particular payment. To order these instructions and additional forms, visit the IRS website at [www.irs.gov](http://www.irs.gov) or call 1-800-TAX-FORM (1-800-829-3676).

**Caution:** *Because paper forms are scanned during processing, you cannot file with the IRS Forms 1096, 1098, 1099, 3921, 3922, or 5498 that you print from the IRS website.*

**Due dates.** Furnish Copy B of this form to the recipient by February 1, 2010.

File Copy A of this form with the IRS by March 1, 2010. If you file electronically, the due date is March 31, 2010. To file electronically, you must have

software that generates a file according to the specifications in Pub. 1220, Specifications for Filing Forms 1098, 1099, 3921, 3922, 5498, and W-2G Electronically. IRS does not provide a fill-in form option.

**Foreign recipient.** If the recipient is a nonresident alien, you may have to withhold federal income tax and file Form 1042-S, Foreign Person's U.S. Source Income Subject to Withholding. See the Instructions for Form 1042-S and Pub. 515, Withholding of Tax on Nonresident Aliens and Foreign Entities.

**Need help?** If you have questions about reporting on Form 1099-OID, call the information reporting customer service site toll free at 1-866-455-7438 or 304-263-8700 (not toll free). For TTY/TDD equipment, call 304-267-3367 (not toll free).

9898

 VOID  CORRECTED

**Distributions From  
Pensions, Annuities,  
Retirement or  
Profit-Sharing  
Plans, IRAs,  
Insurance  
Contracts, etc.**

PAYER'S name, street address, city, state, and ZIP code		1 Gross distribution		OMB No. 1545-0119	
		\$		<b>2009</b>	
		2a Taxable amount			
PAYER'S federal identification number		2b Taxable amount not determined <input type="checkbox"/>		Total distribution <input type="checkbox"/>	
		3 Capital gain (included in box 2a)		4 Federal income tax withheld	
PAYER'S federal identification number		RECIPIENT'S identification number			
RECIPIENT'S name		5 Employee contributions /Designated Roth contributions or insurance premiums		6 Net unrealized appreciation in employer's securities	
Street address (including apt. no.)		7 Distribution code(s)		8 Other	
City, state, and ZIP code		9a Your percentage of total distribution %		9b Total employee contributions	
Account number (see instructions)		10 State tax withheld		11 State/Payer's state no.	
1st year of desig. Roth contrib.		13 Local tax withheld		14 Name of locality	
		15 Local distribution			

**Copy A  
For  
Internal Revenue  
Service Center**

**File with Form 1096.**

For Privacy Act and Paperwork Reduction Act Notice, see the **2009 General Instructions for Forms 1099, 1098, 3921, 3922, 5498, and W-2G.**

Form 1099-R

Cat. No. 14436Q

Department of the Treasury - Internal Revenue Service

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VOID     CORRECTED

**Distributions From  
Pensions, Annuities,  
Retirement or  
Profit-Sharing  
Plans, IRAs,  
Insurance  
Contracts, etc.**

PAYER'S name, street address, city, state, and ZIP code		1 Gross distribution		OMB No. 1545-0119	
		\$		<b>2009</b>	
		2a Taxable amount			
PAYER'S federal identification number		2b Taxable amount not determined <input type="checkbox"/>		Total distribution <input type="checkbox"/>	
		3 Capital gain (included in box 2a)		4 Federal income tax withheld	
PAYER'S federal identification number		RECIPIENT'S identification number			
RECIPIENT'S name		5 Employee contributions /Designated Roth contributions or insurance premiums		6 Net unrealized appreciation in employer's securities	
Street address (including apt. no.)		7 Distribution code(s)		8 Other	
City, state, and ZIP code		IRA/SEP/SIMPLE <input type="checkbox"/>		%	
		9a Your percentage of total distribution %		9b Total employee contributions \$	
1st year of desig. Roth contrib.		10 State tax withheld		11 State/Payer's state no.	
		\$		\$	
		\$		\$	
Account number (see instructions)		13 Local tax withheld		14 Name of locality	
		\$		\$	
		\$		\$	
				12 State distribution \$	
				\$	
				\$	
				15 Local distribution \$	
				\$	

**Copy 1  
For  
State, City,  
or Local  
Tax Department**

CORRECTED (if checked)

**Distributions From  
Pensions, Annuities,  
Retirement or  
Profit-Sharing  
Plans, IRAs,  
Insurance  
Contracts, etc.**

PAYER'S name, street address, city, state, and ZIP code		1 Gross distribution		OMB No. 1545-0119	
		\$		2009 Form 1099-R	
		2a Taxable amount			
		\$			
		2b Taxable amount not determined <input type="checkbox"/>		Total distribution <input type="checkbox"/>	
PAYER'S federal identification number	RECIPIENT'S identification number	3 Capital gain (included in box 2a)		4 Federal income tax withheld	
		\$		\$	
RECIPIENT'S name		5 Employee contributions /Designated Roth contributions or insurance premiums		6 Net unrealized appreciation in employer's securities	
		\$		\$	
Street address (including apt. no.)		7 Distribution code(s)		8 Other	
		IRA/SEP/SIMPLE <input type="checkbox"/>		\$ %	
City, state, and ZIP code		9a Your percentage of total distribution %		9b Total employee contributions	
		\$		\$	
	1st year of desig. Roth contrib.	10 State tax withheld		11 State/Payer's state no.	
		\$		\$	
		\$		\$	
Account number (see instructions)		13 Local tax withheld		14 Name of locality	
		\$		\$	
		\$		15 Local distribution	
		\$		\$	

**Copy B  
Report this  
income on your  
federal tax  
return. If this  
form shows  
federal income  
tax withheld in  
box 4, attach  
this copy to  
your return.**

This information is being furnished to the Internal Revenue Service.

Form 1099-R

Department of the Treasury - Internal Revenue Service

## Instructions for Recipient

**What's new.** If any of the distribution relates to your economic stimulus payment, see the instructions for Form 1040 or 1040A. Generally, distributions from pensions, annuities, profit-sharing and retirement plans (including section 457 state and local government plans), IRAs, insurance contracts, etc., are reported to recipients on Form 1099-R.

**Qualified plans.** If your annuity starting date is after 1997, you must use the simplified method to figure your taxable amount if your payer did not show the taxable amount in box 2a. See the instructions for Form 1040 or 1040A.

**IRAs.** For distributions from a traditional individual retirement arrangement (IRA), simplified employee pension (SEP), or savings incentive match plan for employees (SIMPLE), generally the payer is not required to compute the taxable amount. See the Form 1040 or 1040A instructions to determine the taxable amount. If you are at least age 70½, you must take minimum distributions from your IRA (other than a Roth IRA). If you do not, you may be subject to a 50% excise tax on the amount that should have been distributed. See Pub. 590 for more information on IRAs.

**Roth IRAs.** For distributions from a Roth IRA, generally the payer is not required to compute the taxable amount. You must compute any taxable amount on Form 8606. An amount shown in box 2a may be taxable earnings on an excess contribution.

**Loans treated as distributions.** If you borrow money from a qualified plan, section 403(b) plan, or government plan, you may have to treat the loan as a distribution and include all or part of the amount borrowed in your income. There are exceptions to this rule. If your loan is taxable, Code L will be shown in box 7. See Pub. 575.

**Account number.** May show an account or other unique number the payer assigned to distinguish your account.

**Box 1.** Shows the total amount you received this year. The amount may have been a direct rollover, a transfer or conversion to a Roth IRA, a recharacterized IRA contribution; or you may have received it as periodic payments, as nonperiodic payments, or as a total distribution. Report the amount on Form 1040 or 1040A on the line for "IRA distributions" or "Pensions and annuities" (or the line for "Taxable amount"), and on Form 8606, as applicable. However, if this is a lump-sum distribution, see Form 4972. If you have not reached minimum retirement age, report your disability payments on the line for "Wages, salaries, tips, etc." on your tax return. Also report on that line permissible withdrawals from eligible automatic contribution arrangements and corrective distributions of excess deferrals, excess contributions, or excess aggregate contributions except if you are self-employed.

If a life insurance, annuity, or endowment contract was transferred tax free to another trustee or contract issuer, an amount will be shown in this box and Code 6 will be shown in box 7. You need not report this on your tax return.

**Box 2a.** This part of the distribution is generally taxable. If there is no entry in this box, the payer may not have all the facts needed to figure the taxable amount. In that case, the first box in box 2b should be checked. You may want to get one of the free publications from the IRS to help you figure the taxable amount. See *Additional information* on the back of Copy 2. For an IRA distribution, see *IRAs and Roth IRAs* above. For a direct rollover, other than from a qualified plan to a Roth IRA, zero should be shown, and you must enter zero (-0-) on the "Taxable amount" line of your tax return. If you roll over a distribution (other than a designated Roth account contribution) from a qualified plan (including a governmental section 457(b) plan) or section 403(b) plan to a Roth IRA, you must include on the "Taxable amount" line of your tax return the amount shown in this box plus the amount in box 6, if any.

(Continued on the back of Copy C.)



CORRECTED (if checked)

**Distributions From  
Pensions, Annuities,  
Retirement or  
Profit-Sharing  
Plans, IRAs,  
Insurance  
Contracts, etc.**

OMB No. 1545-0119  
**2009**  
Form **1099-R**

**Copy C  
For Recipient's  
Records**

PAYER'S name, street address, city, state, and ZIP code		<b>1</b> Gross distribution		Total distribution <input type="checkbox"/>							
		\$									
		<b>2a</b> Taxable amount									
PAYER'S federal identification number		RECIPIENT'S identification number		<b>2b</b> Taxable amount not determined <input type="checkbox"/>							
				\$							
				<b>3</b> Capital gain (included in box 2a)							
RECIPIENT'S name		Street address (including apt. no.)		City, state, and ZIP code		<b>4</b> Federal income tax withheld		This information is being furnished to the Internal Revenue Service.			
						\$					
						<b>5</b> Employee contributions /Designated Roth contributions or insurance premiums					
Street address (including apt. no.)		City, state, and ZIP code		<b>6</b> Net unrealized appreciation in employer's securities		IRA/SEP/SIMPLE <input type="checkbox"/>		Other %			
				\$							
				<b>7</b> Distribution code(s)							
1st year of desig. Roth contrib.		10 State tax withheld		11 State/Payer's state no.		12 State distribution		13 Local tax withheld			
										\$	
										\$	
Account number (see instructions)		14 Name of locality		15 Local distribution		16 Total employee contributions		17 State distribution			
										\$	
										\$	

Form **1099-R**

(keep for your records)

Department of the Treasury - Internal Revenue Service

## Instructions for Recipient (*Continued*)

If this is a total distribution from a qualified plan and you were born before January 2, 1936 (or you are the beneficiary of someone born before January 2, 1936), you may be eligible for the 10-year tax option. See the Form 4972 instructions for more information.

**Box 2b.** If the first box is checked, the payer was unable to determine the taxable amount, and box 2a should be blank. If the second box is checked, the distribution was a total distribution that closed out your account. If you are an eligible retired public safety officer who elected to exclude from income distributions from your eligible plan used to purchase certain insurance premiums, the amount shown in box 2a has not been reduced by the exclusion amount. See the instructions for Form 1040 or Form 1040A for more information.

**Box 3.** If you received a lump-sum distribution from a qualified plan and were born before January 2, 1936 (or you are the beneficiary of someone born before January 2, 1936), you may be able to elect to treat this amount as a capital gain on Form 4972 (not on Schedule D (Form 1040)). See the Form 4972 instructions. For a charitable gift annuity, report as a long-term capital gain on Schedule D.

**Box 4.** Shows federal income tax withheld. Include this amount on your income tax return as tax withheld, and if box 4 shows an amount (other than zero), attach Copy B to your return. Generally, if you will receive payments next year that are not eligible rollover distributions, you can change your withholding or elect not to have income tax withheld by giving the payer Form W-4P.

**Box 5.** Generally, this shows the employee's investment in the contract (after-tax contributions), if any, recovered tax free this year; the portion that is your basis in a designated Roth account; the part of premiums paid on commercial annuities or insurance contracts recovered tax free; or the nontaxable part of a charitable gift annuity. This box does not show any IRA contributions. If the amount shown is your basis in a designated Roth account, the year you first made contributions to that account may be entered in the box next to box 10.

**Box 6.** If you received a lump-sum distribution from a qualified plan that includes securities of the employer's company, the net unrealized appreciation (NUA) (any increase in value of such securities while in the trust) is taxed only when you sell the securities unless you choose to include it in your gross income this year. However, if the distribution was a qualified rollover contribution to a Roth IRA, see the instructions for *Box 2a*. See Pub. 575 and the Form 4972 instructions. If you did not receive a lump-sum distribution, the amount shown is the NUA attributable to employee contributions, which is not taxed until you sell the securities.

**Box 7.** The following codes identify the distribution you received. For more information on these distributions, see the instructions for your tax return. Also, certain distributions may be subject to an additional 10% tax. See the instructions for Forms 5329 and 8606.

- 1**—Early distribution, no known exception (in most cases, under age 59½).
- 2**—Early distribution, exception applies (under age 59½).
- 3**—Disability.
- 4**—Death.
- 5**—Prohibited transaction.
- 6**—Section 1035 exchange (a tax-free exchange of life insurance, annuity, or endowment contracts).
- 7**—Normal distribution.
- 8**—Excess contributions plus earnings/excess deferrals (and/or earnings) taxable in 2009.
- 9**—Cost of current life insurance protection.
- A**—May be eligible for 10-year tax option (see Form 4972).
- B**—Designated Roth account distribution.
- D**—Excess contributions plus earnings/excess deferrals taxable in 2007.

*(Continued on the back of Copy 2.)*

CORRECTED (if checked)

**Distributions From  
Pensions, Annuities,  
Retirement or  
Profit-Sharing  
Plans, IRAs,  
Insurance  
Contracts, etc.**

PAYER'S name, street address, city, state, and ZIP code		1 Gross distribution		OMB No. 1545-0119	
		\$		<b>2009</b>	
		2a Taxable amount			
PAYER'S federal identification number		2b Taxable amount not determined <input type="checkbox"/>		Total distribution <input type="checkbox"/>	
		\$		\$	
		3 Capital gain (included in box 2a)		4 Federal income tax withheld	
PAYER'S federal identification number		RECIPIENT'S identification number			
RECIPIENT'S name		5 Employee contributions /Designated Roth contributions or insurance premiums		6 Net unrealized appreciation in employer's securities	
		\$		\$	
		7 Distribution code(s)		8 Other	
Street address (including apt. no.)		IRA/SEP/SIMPLE <input type="checkbox"/>		\$ %	
City, state, and ZIP code		9a Your percentage of total distribution %		9b Total employee contributions \$	
		1st year of desig. Roth contrib.		10 State tax withheld	
		\$		11 State/Payer's state no.	
		\$		\$	
Account number (see instructions)		13 Local tax withheld		14 Name of locality	
		\$		\$	
		\$		\$	
				15 Local distribution	
				\$	
				\$	

**Copy 2  
File this copy  
with your state,  
city, or local  
income tax  
return, when  
required.**

Form **1099-R**

Department of the Treasury - Internal Revenue Service

## Instructions for Recipient (Continued)

- E**—Excess annual additions under section 415 and certain excess amounts under section 403(b) plans.
- F**—Charitable gift annuity.
- G**—Direct rollover of a distribution (other than a designated Roth account distribution) to a qualified plan, a section 403(b) plan, a governmental section 457(b) plan, or an IRA.
- H**—Direct rollover of a designated Roth account distribution to a Roth IRA.
- J**—Early distribution from a Roth IRA, no known exception (in most cases, under age 59½).
- L**—Loans treated as distributions.
- N**—Recharacterized IRA contribution made for 2009 and recharacterized in 2009.
- P**—Excess contributions plus earnings/excess deferrals taxable in 2008.
- Q**—Qualified distribution from a Roth IRA.
- R**—Recharacterized IRA contribution made for 2008 and recharacterized in 2009.
- S**—Early distribution from a SIMPLE IRA in first 2 years, no known exception (under age 59½).
- T**—Roth IRA distribution, exception applies.
- U**—Dividend distribution from ESOP under sec. 404(k).

**Note.** This distribution is not eligible for rollover.

If the IRA/SEP/SIMPLE box is checked, you have received a traditional IRA, SEP, or SIMPLE distribution.

**Box 8.** If you received an annuity contract as part of a distribution, the value of the contract is shown. It is not taxable when you receive it and should not be included in boxes 1 and 2a. When you receive periodic payments from the annuity contract, they are taxable at that time. If the distribution is made to more than one person, the percentage of the annuity contract distributed to you is also shown. You will need this information if you use the 10-year tax option (Form 4972).

**Box 9a.** If a total distribution was made to more than one person, the percentage you received is shown.

**Box 9b.** For a life annuity from a qualified plan or from a section 403(b) plan (with after-tax contributions), an amount may be shown for the employee's total investment in the contract. It is used to compute the taxable part of the distribution. See Pub. 575.

**Boxes 10–15.** If state or local income tax was withheld from the distribution, boxes 12 and 15 may show the part of the distribution subject to state and/or local tax.

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**Additional information.** You may want to see:

- Form W-4P**, Withholding Certificate for Pension or Annuity Payments,
- Form 4972**, Tax on Lump-Sum Distributions,
- Form 5329**, Additional Taxes on Qualified Plans (Including IRAs) and Other Tax-Favored Accounts,
- Form 8606**, Nondeductible IRAs,
- Pub. 560**, Retirement Plans for Small Business (SEP, SIMPLE, and Qualified Plans),
- Pub. 571**, Tax-Sheltered Annuity Plans (403(b) Plans),
- Pub. 575**, Pension and Annuity Income,
- Pub. 590**, Individual Retirement Arrangements (IRAs),
- Pub. 721**, Tax Guide to U.S. Civil Service Retirement Benefits,
- Pub. 939**, General Rule for Pensions and Annuities,
- Pub. 969**, Health Savings Accounts and Other Tax-Favored Health Plans.

VOID     CORRECTED

**Distributions From  
Pensions, Annuities,  
Retirement or  
Profit-Sharing  
Plans, IRAs,  
Insurance  
Contracts, etc.**

PAYER'S name, street address, city, state, and ZIP code		1 Gross distribution		OMB No. 1545-0119		<b>2009</b> Form <b>1099-R</b>
		\$				
		2a Taxable amount				
		2b Taxable amount not determined <input type="checkbox"/>		Total distribution <input type="checkbox"/>		<b>Copy D For Payer</b>
PAYER'S federal identification number		RECIPIENT'S identification number		3 Capital gain (included in box 2a)		
				\$		\$
RECIPIENT'S name  Street address (including apt. no.)  City, state, and ZIP code		5 Employee contributions /Designated Roth contributions or insurance premiums		6 Net unrealized appreciation in employer's securities		For Privacy Act and Paperwork Reduction Act Notice, see the <b>2009 General Instructions for Forms 1099, 1098, 3921, 3922, 5498, and W-2G.</b>
		\$		\$		
		7 Distribution code(s)		IRA/SEP/SIMPLE <input type="checkbox"/>		
		9a Your percentage of total distribution _____ %		9b Total employee contributions		
		\$		\$		
		10 State tax withheld		11 State/Payer's state no.		12 State distribution
		\$				\$
		\$				\$
Account number (see instructions)		13 Local tax withheld		14 Name of locality		15 Local distribution
		\$				\$
		\$				\$

# Instructions for Payers

We provide general and specific form instructions as separate products. The products you should use to complete Form 1099-R are the 2009 General Instructions for Forms 1099, 1098, 3921, 3922, 5498, and W-2G and the 2009 Instructions for Forms 1099-R and 5498. A chart in the general instructions gives a quick guide to which form must be filed to report a particular payment. To order these instructions and additional forms, visit the IRS website at [www.irs.gov](http://www.irs.gov) or call 1-800-TAX-FORM (1-800-829-3676).

**Caution:** *Because paper forms are scanned during processing, you cannot file with the IRS Forms 1096, 1098, 1099, 3921, 3922, or 5498 that you print from the IRS website.*

**Due dates.** Furnish Copies B, C, and 2 of this form to the recipient by February 1, 2010.

File Copy A of this form with the IRS by March 1, 2010. If you file electronically, the due date is March 31, 2010. To file electronically, you must have software that generates a file according to the specifications in Pub. 1220, Specifications for Filing Forms 1098, 1099, 3921, 3922, 5498, and W-2G Electronically. IRS does not provide a fill-in form option.

**Need help?** If you have questions about reporting on Form 1099-R, call the information reporting customer service site toll free at 1-866-455-7438 or 304-263-8700 (not toll free). For TTY/TDD equipment, call 304-267-3367 (not toll free).



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# Instructions for Forms 1099-A and 1099-C

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

## What's New

**Form 1099-C revised.** Boxes 1, 2, and 3 have been repositioned and box 4 has been enlarged and named "Debt description." A new box 5 is used to indicate whether the borrower was personally liable for repayment of the debt.

**Creditor's phone number.** A central phone number must be indicated in the Creditor's information box on Form 1099-C for use by debtors who will receive the form. The phone number must allow the debtor to reach a person having knowledge of the canceled debt.

**Change of reporting entities.** The number of entities who must report cancellation of debt after the expiration of the nonpayment testing period has been reduced. See *Who Must File* and *When is a Debt Canceled* in the *Specific Instructions for Form 1099-C*.

## Reminder

In addition to these specific instructions, you should also use the 2009 General Instructions for Forms 1099, 1098, 3921, 3922, 5498, and W-2G. Those general instructions include information about the following topics.

- Backup withholding.
- Electronic reporting requirements.
- Penalties.
- Who must file (nominee/middleman).
- When and where to file.
- Taxpayer identification numbers.
- Statements to recipients.
- Corrected and void returns.
- Other general topics.

You can get the general instructions from the IRS website at [www.irs.gov](http://www.irs.gov) or by calling 1-800-TAX-FORM (1-800-829-3676).

## Specific Instructions for 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.

### Coordination With Form 1099-C

If, in the same calendar year, you cancel a debt in connection with a foreclosure or abandonment of secured property, it is not necessary to file both Form 1099-A and Form 1099-C, Cancellation of Debt, for the same debtor. You may file Form 1099-C only. You will meet your Form 1099-A filing requirement for the debtor by completing boxes 5 and 7 on Form 1099-C. However, if you file both Forms 1099-A and 1099-C, do not complete boxes 5 and 7 on Form 1099-C. See the instructions for Form 1099-C on page 2.

### Property

Property means any real property (such as a personal residence), any intangible property, and tangible personal property except:

- No reporting is required for tangible personal property (such as a car) held only for personal use. However, you must file Form 1099-A if the property is totally or partly held for use in a trade or business or for investment.
- No reporting is required if the property securing the loan is located outside the United States 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 rule specified above, the following rules apply.

**Multiple owners.** If there are multiple owners of undivided interests in a single loan, such as in pools, fixed investment trusts, or 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 of beneficial interests or participations. In this case, only one form for each borrower must be filed on behalf of all owners with respect to the loan. Similarly, for bond issues, only the trustee or similar person is required to report.

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

**Subsequent holder.** A subsequent holder of a loan is treated as a lender and is required to report events occurring after the loan is transferred to the new holder.

**Multiple lenders.** If more than one person lends money secured by property and one lender forecloses or otherwise acquires an interest in the property and the sale or other acquisition terminates, reduces, or otherwise impairs the other lenders' security interests in the property, the other lenders must file Form 1099-A for each of their loans. For example, if a first trust holder forecloses on a building, and the second trust holder knows or has reason to know of such foreclosure, the second trust holder must file Form 1099-A for 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 an abandonment based on all the facts and circumstances concerning the status of the property. You will be deemed to know all the information that would have been discovered through a reasonable inquiry when, in the ordinary course of business, you become aware or should 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, the reporting requirement arises at the end of the 3-month period.

### Statements to Borrowers

If you are required to file Form 1099-A, you must provide a statement to the borrower. Furnish a copy of Form 1099-A or an acceptable substitute statement to each borrower. For more information about the requirement to furnish a statement to the borrower, see part M in the 2009 General Instructions for Forms 1099, 1098, 3921, 3922, 5498, and W-2G.

### Account Number

The account number is required if you have multiple accounts for a borrower for whom you are filing more than one Form 1099-A. Additionally, the IRS encourages you to designate an account number for all Forms 1099-A that you file. See part L in the 2009 General Instructions for Forms 1099, 1098, 3921, 3922, 5498, and W-2G.



## Box 1. Date of Lender's Acquisition or Knowledge of Abandonment

For an acquisition, enter the date you acquired the secured property. An interest in the property generally is 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 later of the date of sale or the date the borrower's right of redemption, if any, expires.

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. Balance of Principal Outstanding

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. Reserved

## Box 4. Fair Market Value (FMV) of Property

For a foreclosure, execution, or similar sale, enter the FMV of the property. See Temporary Regulations section 1.6050J-1T, Q/A-32. Generally, the gross foreclosure bid price is considered to be the FMV. If an abandonment or voluntary conveyance to the lender in lieu of foreclosure occurred, check "Yes" in box 5 and enter the appraised value of the property. Otherwise, make no entry in this box.

## Box 5. Was Borrower Personally Liable for Repayment of the Debt

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, at the time of the last modification.

## Box 6. Description of Property

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—2007 Honda Accord." Use a category such as "Office Equipment" to describe more than one piece of personal property, such as six desks and seven computers. Enter "CCC" for crops forfeited on Commodity Credit Corporation loans.

## Specific Instructions for Form 1099-C



*The Creditor's phone number must be provided in the Creditor's information box. It should be a central number for all canceled debts at which a person may be reached who will insure the debtor is connected with the correct department.*



*Do not file Form 1099-C when fraudulent debt is canceled due to identity theft. Form 1099-C is to be used only for cancellations of debts for which the debtor actually incurred the underlying debt.*

File Form 1099-C, Cancellation of Debt, for each debtor for whom you canceled a debt owed to you of \$600 or more only if:

1. You are an entity described under *Who Must File* on this page and
2. An identifiable event has occurred. It does not matter whether the actual cancellation is on or before the date of the identifiable event. See *When Is a Debt Canceled* on page 3.



*Form 1099-C must be filed regardless of whether the debtor is required to report the debt as income.*

The debtor may be an individual, corporation, partnership, trust, estate, association, or company.

Do not combine multiple cancellations of a debt to determine whether you meet the \$600 reporting requirement unless the separate cancellations are under a plan to evade the Form 1099-C requirements.

## Coordination With Form 1099-A

If, in the same calendar year, you cancel a debt in connection with a foreclosure or abandonment of secured property, it is not necessary to file both Form 1099-A, Acquisition or Abandonment of Secured Property, and Form 1099-C for the same debtor. You may file Form 1099-C only. You will meet your Form 1099-A filing requirement for the debtor by completing boxes 5 and 7 on Form 1099-C. However, you may file both Forms 1099-A and 1099-C; if you do, do not complete boxes 5 and 7 on Form 1099-C. See the instructions for Form 1099-A on page 1 and *Box 5* and *Box 7* on page 4.

## Who Must File

File Form 1099-C if you are:

1. A financial institution described in section 581 or 591(a) (such as a domestic bank, trust company, building and loan or savings and loan association).
2. A credit union.
3. Any of the following, its successor, or subunit of one of the following:
  - a. Federal Deposit Insurance Corporation,
  - b. Resolution Trust Corporation,
  - c. National Credit Union Administration,
  - d. Any other federal executive agency, including government corporations,
  - e. Any military department,
  - f. U.S. Postal Service, or
  - g. Postal Rate Commission.
4. A corporation that is a subsidiary of a financial institution or credit union, but only if, because of your affiliation, you are subject to supervision and examination by a federal or state regulatory agency.
5. A federal government agency including:
  - a. A department,
  - b. An agency,
  - c. A court or court administrative office, or
  - d. An instrumentality in the judicial or legislative branch of the government.
6. Any organization whose significant trade or business is the lending of money, such as a finance company or credit card company (whether or not affiliated with a financial institution). The lending of money is a significant trade or business if money is lent on a regular and continuing basis. Regulations section 1.6050P-2(b) lists three safe harbors under which reporting may not be required for the current year. See *Safe harbor rules* below.

**Safe harbor rules.** The three safe harbor rules in which an entity will not be considered to have a significant trade or business of lending money are:

1. No prior year reporting required. An organization will not have a significant trade or business of lending money for the current year if the organization was not required to report in the prior year and if its gross income from lending money in the most recent test year (see item 3 below) is less than both 15% of the organization's gross income and \$5 million.
2. Prior year reporting requirement. An organization that had a prior year reporting requirement will not have a significant trade or business of lending money for the current year if, for each of the three most recent test years, its gross income from lending money is less than both 10% of the organization's gross income and \$3 million.
3. No test year. Newly formed organizations are considered not to have a significant trade or business of lending money even if the organization lends money on a regular and continuing basis. However, this safe harbor does not apply to an entity formed or availed of for the principal purpose of holding loans acquired or originated by another entity. In this instance, the transferee entity (including real estate mortgage investment conduits (REMICs) and pass-through securitized indebtedness arrangements) may be required to report cancellation of indebtedness on Form 1099-C. See Regulations section 1.6050P-1(e)(5).



**Test year defined.** A test year is a taxable year of the organization that ends before July 1 of the previous calendar year. For example, X, a calendar year taxpayer who has a significant trade or business of lending money, is formed in year one. X will not have a test year in year one or year two. However, for year three, X's test year will be year one. In year three, year one is the only year that ended before July 1 of the previous calendar year (in this example, year two).

**Penalties.** There are penalties for failure to file correct information returns by the due date and for failure to furnish correct payee statements. See part O in the 2009 General Instructions for Forms 1099, 1098, 3921, 3922, 5498, and W-2G for details.

**Exceptions.** Until further guidance is issued, no penalty will apply for failure to file Form 1099-C, or provide statements to debtors, for amounts:

- Discharged in nonlending transactions or
- Forgiven pursuant to the terms of a debt obligation.

**Multiple creditors.** If a debt is owned (or treated as owned for federal income tax purposes) by more than one creditor, each creditor that is described under *Who Must File* on page 2 must issue a Form 1099-C if that creditor's part of the canceled debt is \$600 or more. To meet this requirement, a lead bank, fund administrator, or other designee of the creditor may file a single Form 1099-C reporting the aggregate canceled debt or may file Form 1099-C for that creditor's part of the canceled debt. Use any reasonable method to determine the amount of each creditor's part of the canceled debt.

Debt owned by a partnership is treated as owned by the partners and must follow the rules for multiple creditors.

**Pass-throughs and REMICs.** Until further guidance is issued, no penalty will apply for failure to file Form 1099-C, or provide statements to debtors, for a canceled debt held in a pass-through securitized debt arrangement or held by a REMIC. However, see item 3 under *Safe harbor rules* on page 2.

A pass-through securitized debt arrangement is any arrangement in which one or more debts are pooled and held for 20 or more persons whose interests in the debt are undivided co-ownership interests that are freely transferable. Co-ownership interests that are actively traded personal property (as defined in Regulations section 1.1092(d)-1) are presumed to meet these requirements.

## Debt Defined

A debt is any amount owed to you including stated principal, stated interest, fees, penalties, administrative costs, and fines. The amount of debt canceled may be all or only part of the total amount owed. However, for a lending transaction, you are required to report only the stated principal. See *Exceptions* on this page.

## When To File

Generally, file Form 1099-C for the year in which an identifiable event occurs. See *Exceptions* on this page. If you cancel a debt before an identifiable event occurs, you may choose to file Form 1099-C for the year of cancellation. No further reporting is required even if a second identifiable event occurs on the same debt. Also, you are not required to file an additional or corrected Form 1099-C if you receive payment on a prior year debt.

## When Is a Debt Canceled

A debt is canceled on the date an identifiable event occurs. An identifiable event is:

1. A discharge in bankruptcy under Title 11 of the U.S. Code for business or investment debt (see *Exceptions* below).
2. A cancellation or extinguishment making the debt unenforceable in a receivership, foreclosure, or similar federal or state court proceeding.
3. A cancellation or extinguishment when the statute of limitations for collecting the debt expires, or when the statutory period for filing a claim or beginning a deficiency judgment proceeding expires. Expiration of the statute of limitations is an identifiable event only when a debtor's affirmative statute of limitations defense is upheld in a final judgment or decision of a court and the appeal period has expired.
4. A cancellation or extinguishment when the creditor elects foreclosure remedies that by law end or bar the creditor's right to collect the debt. This event applies to a mortgage lender or holder

who is barred by local law from pursuing debt collection after a "power of sale" in the mortgage or deed of trust is exercised.

5. A cancellation or extinguishment due to a probate or similar proceeding.

6. A discharge of indebtedness under an agreement between the creditor and the debtor to cancel the debt at less than full consideration.

7. A discharge of indebtedness because of a decision or a defined policy of the creditor to discontinue collection activity and cancel the debt. A creditor's defined policy can be in writing or an established business practice of the creditor. A creditor's practice to stop collection activity and abandon a debt when a particular nonpayment period expires is a defined policy.

8. The expiration of nonpayment testing period. This applies only to entities described in numbers 1, 2, 3, and 4 under *Who Must File* on page 2. This event occurs when the creditor has not received a payment on the debt during the testing period. The testing period is a 36-month period ending on December 31 plus any time when the creditor was precluded from collection activity by a stay in bankruptcy or similar bar under state or local law. The creditor can rebut the occurrence of this identifiable event if:

a. The creditor (or a third-party collection agency) has engaged in significant bona fide collection activity during the 12-month period ending on December 31 or

b. Facts and circumstances that exist on January 31 following the end of the 36-month period indicate that the debt was not canceled.

Significant bona fide collection activity does not include nominal or ministerial collection action, such as an automated mailing. Facts and circumstances indicating that a debt was not canceled include the existence of a lien relating to the debt (up to the value of the security) or the sale or packaging for sale of the debt by the creditor.

## Exceptions

You are not required to report on Form 1099-C the following:

1. Certain bankruptcies. You are not required to report a debt discharged in bankruptcy unless you know from information included in your books and records that the debt was incurred for business or investment purposes. If you are required to report a business or investment debt discharged in bankruptcy, report it for the later of:

a. The year in which the amount of discharged debt first can be determined or

b. The year in which the debt is discharged in bankruptcy.

A debt is incurred for business if it is incurred in connection with the conduct of any trade or business other than the trade or business of performing services as an employee. A debt is incurred for investment if it is incurred to purchase property held for investment (as defined in section 163(d)(5)).

2. Interest. You are not required to report interest. However, if you choose to report interest as part of the canceled debt in box 2, you must show the interest separately in box 3.

3. Nonprincipal amounts. Nonprincipal amounts include penalties, fines, fees, and administrative costs. For a lending transaction, you are not required to report any amount other than stated principal. A lending transaction occurs when a lender loans money to, or makes advances on behalf of, a borrower (including revolving credit and lines of credit). For a nonlending transaction, nonprincipal amounts are included in the debt. However, until further guidance is issued, no penalties will be imposed for failure to report these amounts in nonlending transactions.

4. Foreign debtors. Until further guidance is issued, no penalty will apply if a financial institution does not file Form 1099-C for a debt canceled by its foreign branch or foreign office for a foreign debtor provided all the following apply:

a. The financial institution is engaged in the active conduct of a banking or similar business outside the United States.

b. The branch or office is a permanent place of business that is regularly maintained, occupied, and used to carry on a banking or similar financial business.

c. The business is conducted by at least one employee of the branch or office who is regularly in attendance at the place of business during normal working hours.

d. The indebtedness is extended outside the United States by the branch or office in connection with that trade or business.

e. The financial institution does not know or have reason to know that the debtor is a U.S. person.

5. Related parties. Generally, a creditor is not required to file Form 1099-C for the deemed cancellation of a debt that occurs when the creditor acquires the debt of a related debtor, becomes related to the debtor, or transfers the debt to another creditor related to the debtor. However, if the transfer to a related party by the creditor was for the purpose of avoiding the Form 1099-C requirements, Form 1099-C is required. See section 108(e)(4).

6. Release of a debtor. You are not required to file Form 1099-C if you release one of the debtors on a debt as long as the remaining debtors are liable for the full unpaid amount.

7. Guarantor or surety. You are not required to file Form 1099-C for a guarantor or surety. A guarantor is not a debtor for purposes of filing Form 1099-C even if demand for payment is made to the guarantor.

8. Seller financing. Organizations whose principal trade or business is the sale of non-financial goods or non-financial services, and who extend credit to customers in connection with the purchase of those non-financial goods and non-financial services, are not considered to have a significant trade or business of lending money, with respect to the credit extended in connection with the purchase of those goods or services, for reporting discharge of indebtedness on Form 1099-C. See Regulations section 1.6050P-2(c). But the reporting applies if a separate financing subsidiary of the retailer extends the credit to the retailer's customers.

## Multiple Debtors

For debts of \$10,000 or more incurred after 1994 that involve debtors who are jointly and severally liable for the debt, you must report the entire amount of the canceled debt on each debtor's Form 1099-C. Multiple debtors are jointly and severally liable for a debt if there is no clear and convincing evidence to the contrary. If it can be shown that joint and several liability does not exist, a Form 1099-C is required for each debtor for whom you canceled a debt of \$600 or more.

For debts incurred before 1995 and for debts of less than \$10,000 incurred after 1994, you must file Form 1099-C only for the primary (or first-named) debtor.

If you know or have reason to know that the multiple debtors were husband and wife who were living at the same address when the debt was incurred, and you have no information that these circumstances have changed, you may file only one Form 1099-C.

## Recordkeeping

If you are required to file Form 1099-C, you must retain a copy of that form or be able to reconstruct the data for at least 4 years from the due date of the return.

## Requesting TINs

You must make a reasonable effort to obtain the correct name and taxpayer identification number (TIN) of the person whose debt was canceled. You may obtain the TIN when the debt is incurred. If you do not obtain the TIN before the debt is canceled, you must request the debtor's TIN. Your request must clearly notify the debtor that the IRS requires the debtor to furnish its TIN and that failure to furnish such TIN subjects the debtor to a \$50 penalty imposed by the IRS. You may use Form W-9, Request for Taxpayer Identification Number and Certification, to request the TIN. However, a debtor is not required to certify his or her TIN under penalties of perjury.

## Statements to Debtors

If you are required to file Form 1099-C, you must provide a statement to the debtor. Furnish a copy of Form 1099-C or an acceptable substitute statement to each debtor. In the 2009 General Instructions for Forms 1099, 1098, 3921, 3922, 5498, and W-2G, see:

- Part M for more information about the requirement to furnish a statement to the debtor and
- Part J for specific procedures to complete Form 1099-C for debtors in bankruptcy.

## Account Number

The account number is required if you have multiple accounts for a debtor for whom you are filing more than one Form 1099-C. Additionally, the IRS encourages you to designate an account number for all Forms 1099-C that you file. See part L in the 2009 General Instructions for Forms 1099, 1098, 3921, 3922, 5498, and W-2G.

## Box 1. Date Canceled

Enter the date the debt was canceled. See *When Is a Debt Canceled* on page 3.

## Box 2. Amount of Debt Canceled

Enter the amount of the canceled debt. See *Debt Defined* on page 3 and *Exceptions* on page 3. Do not include any amount the lender receives in satisfaction of the debt by means of a settlement agreement, foreclosure sale, etc.

## Box 3. Interest if Included in Box 2

Enter any interest you included in the canceled debt in box 2. You are not required to report interest in box 2. But if you do, you also must report it in box 3.

## Box 4. Debt Description

Enter a description of the origin of the debt, such as student loan, mortgage, or credit card expenditure. Be as specific as possible. If you are filing a combined Form 1099-C and 1099-A, include a description of the property.

## Box 5. Was Borrower Personally Liable for Repayment of the Debt

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, at the time of the last modification.

## Box 6. Check for Bankruptcy

Check the box if you are reporting a debt discharged in bankruptcy.

## Box 7. Fair Market Value (FMV) of Property

If you are filing a combined Form 1099-C and 1099-A for a foreclosure, execution, or similar sale, enter the FMV of the property. Generally, the gross foreclosure bid price is considered to be the FMV. If an abandonment or voluntary conveyance to the lender in lieu of foreclosure occurred, enter the appraised value of the property.



# Instructions for Form 1099-B

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

## What's New

**New due date for statements sent to recipients.** The due date for furnishing statements to recipients has been changed to February 15 for statements due after 2008. For details, see the 2009 General Instructions for Forms 1099, 1098, 3921, 2922, 5498, and W-2G.

## Reminder

In addition to these specific instructions, you should also use the 2009 General Instructions for Forms 1099, 1098, 3921, 3922, 5498, and W-2G. Those general instructions include information about the following topics.

- Backup withholding.
- Electronic reporting requirements.
- Penalties.
- Who must file (nominee/middleman).
- When and where to file.
- Taxpayer identification numbers.
- Statements to recipients.
- Corrected and void returns.
- Other general topics.

You can get the general instructions from the IRS website at [www.irs.gov](http://www.irs.gov) or by calling 1-800-TAX-FORM (1-800-829-3676).

## Specific Instructions

A broker or barter exchange must file Form 1099-B, Proceeds From Broker and Barter Exchange Transactions, for each person:

- For whom the broker has sold (including short sales) stocks, bonds, commodities, regulated futures contracts, foreign currency contracts (pursuant to a forward contract or regulated futures contract), forward contracts, debt instruments, etc.,
- Who received cash, stock, or other property from a corporation that the broker knows or has reason to know has undergone a change in control or substantial change in capital structure, or
- Who exchanged property or services through a barter exchange.

### 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. middleman is a broker. See Regulations sections 1.6045-1(g)(1)(i) 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

**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.

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 middleman must determine the amounts reported on Forms 1099 under Regulations section 1.671-5(f)(2) or (g)(2), as appropriate.

**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 for 2009 furnished to the TIH is due on or before March 15, 2010. 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.** Any broker that holds shares on behalf of a customer in a corporation that the broker knows or has reason to know based on readily available information has engaged in a transaction of acquisition of control or substantial change in capital structure, must file Form 1099-B. Readily available information includes information from a clearing organization, such as the Depository Trust Company (DTC) or from information published on the IRS website.



Go to [www.irs.gov](http://www.irs.gov) and enter keyword "Form 8806" in the upper right corner to find information on the IRS website.

A broker is not required to file Form 1099-B for a customer who is an exempt recipient (under Regulations sections 1.6045-1(c)(3)(i) or 1.6043-4(b)(5)). For a list of exempt recipients, see the 2009 Instructions for Form 1099-CAP.



If a broker is required to file a Form 1099-B for a customer to report proceeds from an acquisition of corporate control or change in capital structure, the broker may satisfy the filing requirements by filing and furnishing one Form 1099-B for amounts reported under both Regulations sections 1.6045-1 and 1.6045-3. However, if the customer had additional transactions during the year with the reporting corporation, then a separate Form 1099-B would be required to report each of these transactions.

**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 proceeds of a sale are paid in foreign currency, you must convert the amount to be reported into U.S. dollars. Generally, you must convert the foreign currency on the payment date at the spot rate or by following a reasonable spot rate convention. For example, you may use a month-end spot rate or monthly average spot rate. See Regulations section 1.6045-1(d)(6).

**Transactional/aggregate reporting.** Report each transaction (other than regulated futures or foreign currency contracts) on a separate Form 1099-B. Report transactions involving regulated futures or foreign currency contracts on an aggregate basis.

**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 Income. See section 6045(d) and the Instructions for Form 1099-MISC.

**Stock options.** 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 Rev. Proc. 2002-50 which is on page 173 of Internal Revenue Bulletin 2002-29 at [www.irs.gov/pub/irs-irbs/irb02-29.pdf](http://www.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:

1. Sales for exempt recipients, including corporations, charitable organizations, IRAs, Archer MSAs, health savings accounts (HSAs), the United States, a state, or political subdivisions.
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 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 before July 1, 1982.
  - c. Retirement of short-term obligations with original issue discount that is reported on Form 1099-INT, Interest Income. 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 as defined in Regulations section 1.6045-1(g)(1)(i).

10. Sales of Commodity Credit Corporation certificates.

11. Spot or forward sales of agricultural commodities. See below.

12. Some sales of precious metals. See below.

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

***Spot or forward sales of agricultural commodities.***

Agricultural commodities include grain, feed, livestock, meat, oil seed, timber, or 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, 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. 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 that may be used to satisfy a Commodity Futures Trading Commission (CFTC)-approved regulated futures contract (RFC) if the quantity, by weight or by number of items, is less than the minimum required to satisfy a CFTC-approved RFC is not reportable. Further, a sale of a precious metal in any form that cannot be used to satisfy a CFTC-approved RFC is not reportable.

For example, Form 1099-B is not required to be filed for the sale of a single gold coin in the form and quality deliverable in satisfaction of a CFTC-approved contract because all CFTC 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.



*No reporting on Form 1099-B will be required for securities futures contracts (SFCs) unless guidance issued after Notice 2003-8, which is on page 310 of Internal Revenue Bulletin 2003-4 at [www.irs.gov/pub/irs-irbs/irb03-04.pdf](http://www.irs.gov/pub/irs-irbs/irb03-04.pdf), imposes such a reporting obligation.*

**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 2009 General Instructions for Forms 1099, 1098, 3921, 3922, 5498, and W-2G for more information.

## 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 a barter exchange but who trade services do not file Form 1099-B. However, they may be required 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 the 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).
3. Exchanges involving property or services with a fair market value 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 2009 General Instructions for Forms 1099, 1098, 3921, 3922, 5498, and W-2G.

## 2nd TIN Not.

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 taxpayer identification number (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 upon receipt of the second notice. See part N in the 2009 General Instructions for Forms 1099, 1098, 3921, 3922, 5498, and W-2G for more information.



*For more information on the TIN Matching System offered by the IRS, see the 2009 General Instructions for Forms 1099, 1098, 3921, 3922, 5498, and W-2G.*

## Corporation's Name

For an acquisition of control or change in capital structure, enter the corporation's name.

## 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. Additionally, the IRS encourages you to designate an account number for all Forms 1099-B that you file. See part L in the 2009 General Instructions for Forms 1099, 1098, 3921, 3922, 5498, and W-2G.

## Box 1a. Date of Sale or Exchange

For broker transactions, enter the trade date of the sale or exchange. For barter exchanges, enter the date that cash,

property, a credit, or scrip is actually or constructively received.

## Box 1b. CUSIP No.

For transactional reporting by brokers, enter the CUSIP (Committee on Uniform Security Identification Procedures) number of the obligation.

## Box 2. Stocks, Bonds, etc.

Enter the aggregate gross proceeds from all dispositions of securities (including short sales), commodities, or forward contracts. For reporting an acquisition of control or substantial change in capital structure, include in box 2 the aggregate amount of cash and the fair market value of any stock or other property received. See *Reporting* on page 1 for more information for brokers. Show a loss, such as one from a closing transaction on a forward contract, as a negative amount by enclosing it in parentheses. If the aggregate amount reported includes a loss from a corporation that has undergone a change in control or substantial change in capital structure, advise the recipient separately of the loss amount from this transaction and check box 12. The recipient is prohibited from using the loss to offset other capital gains.

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 into account state and local transfer taxes. Check the applicable box to indicate which amount has been reported to the IRS. Do not include amounts shown in boxes 8 through 11.

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

## Box 3. Bartering

Enter the gross amounts received by a member or client of a barter exchange. This includes cash received, the fair market value of any property or services received, and the fair market value 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.

## 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 at a 28% rate on certain amounts required to be reported on this form. Use Form W-9 to request the TIN of the recipient. For foreign recipients, request the recipient complete the appropriate Form W-8. See the Instructions for the Requester of Forms W-8BEN, W-8ECI, W-8EXP, and W-8IMY.

## Box 5. Number of Shares Exchanged

Enter the number of shares in the reporting corporation that were exchanged by the shareholder.

## Box 6. Classes of Stock Exchanged

Enter the class of stock (for example, preferred, common, etc.) exchanged in the reporting corporation for cash or other property received. 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.

## Box 7. Description

For transactions other than an acquisition of control or substantial change in capital structure, enter a brief description of the disposition item (for example, 100 shares of XYZ Corp. stock). If necessary, abbreviate the description so that it fits within box 7. For regulated futures contracts

and forward contracts, enter "RFC" or other appropriate description.

For bartering transactions, describe the services or property provided.

**Regulated Futures Contracts—Brokers Only:**

**Box 8. Profit or (Loss) Realized in 2009**

Enter the profit or (loss) realized by the customer on closed regulated futures or foreign currency contracts in 2009.

**Box 9. Unrealized Profit or (Loss) on Open Contracts—12/31/2008**

Enter the unrealized profit or (loss) on open regulated futures or foreign currency contracts at the end of 2008.

**Box 10. Unrealized Profit or (Loss) on Open Contracts—12/31/2009**

Enter the unrealized profit or (loss) on open regulated futures or foreign currency contracts at the end of 2009.

**Box 11. Aggregate Profit or (Loss)**

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



# Instructions for Form 1099-CAP

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

## Reminder

In addition to these specific instructions, you should also use the 2009 General Instructions for Forms 1099, 1098, 3921, 3922, 5498, and W-2G. Those general instructions include information about the following topics.

- Backup withholding.
- Electronic reporting requirements.
- Penalties.
- Who must file (nominee/middleman).
- When and where to file.
- Taxpayer identification numbers.
- Statements to recipients.
- Corrected and void returns.
- Other general topics.

You can get the general instructions from the IRS website at [www.irs.gov](http://www.irs.gov) or by calling 1-800-TAX-FORM (1-800-829-3676).

## Specific Instructions

File Form 1099-CAP, Changes in Corporate Control and Capital Structure, for shareholders of a corporation if control of the corporation was acquired or it underwent a substantial change in capital structure. Form 1099-CAP is furnished to shareholders who receive cash, stock, or other property from an acquisition of control or a substantial change in capital structure.

### When To File

File Form 1099-CAP with the IRS by March 1, 2010 (March 31, 2010, if filed electronically); furnish the statement to shareholders by February 1, 2010.

**Special reporting date—clearing organizations.** A corporation must file Form 1099-CAP and furnish a copy to each of its shareholders who receives any stock or other consideration in the transaction and who is not an exempt recipient. A clearing organization, such as the Depository Trust Company (DTC), is not an exempt recipient. The corporation is therefore required to file and furnish a copy of Form 1099-CAP to a clearing organization with respect to shares held by the clearing organization unless it makes a consent election, as discussed below. Furnish Form 1099-CAP to the clearing organization on or before January 5 of the year following the calendar year in which the transaction took place. If you are furnishing the DTC with Forms 1099-CAP, see Notice 2004-9, 2004-04 I.R.B. 334, available at [http://www.irs.gov/irb/2004-04\\_IRB/ar12.html](http://www.irs.gov/irb/2004-04_IRB/ar12.html).

### Who Must File



**TIP** Any broker that holds shares on behalf of a customer in a corporation that the broker knows or has reason to know based on readily available information has engaged in a transaction of acquisition of

control or substantial change in capital structure must file Form 1099-B unless the customer is an exempt recipient. Readily available information includes information from a clearing organization, such as the DTC. Information is also published on the IRS website. Go to [www.irs.gov](http://www.irs.gov) and enter keyword "Form 8806" in the upper right corner.

A domestic corporation that is required to file Form 8806, Information Return for Acquisition of Control or Substantial Change in Capital Structure, must file Form 1099-CAP with the IRS and furnish a copy to each shareholder who receives cash, stock, or other property as a result of the acquisition of control or substantial change in capital structure and who is not an exempt recipient. However, if the corporation can reasonably determine that the receipt of such stock would not cause the shareholder to recognize gain, then the corporation is not required to report the fair market value of any stock provided to a shareholder. Corporations do not file Form 1099-CAP under one of the following conditions.

- The transaction involves the acquisition of control within an affiliated group or involves stock valued at less than \$100 million.
- The corporation makes the consent election on Form 8806. Under the election, the corporation is not required to file Form 1099-CAP with respect to shares held by a clearing organization because it allows the IRS to publish information necessary for brokers to meet their reporting obligations.
- The corporation properly reports the transaction under section 6043(a).
- Information returns are filed under section 6042 (Form 1099-DIV) or section 6045 (Form 1099-B), unless the corporation knows or has reason to know that such returns were not filed.

### Exempt Recipients

The corporation is not required to file Form 1099-CAP for the following shareholders including brokers who are also exempt.

- Any shareholder who receives only stock for its stock in the corporation.
- Any shareholder whose amount of cash plus the fair market value (FMV) of any stock and other property does not exceed \$1,000.
- Any shareholder from whom the corporation has received a properly completed exemption certificate.



- Any one of the following:
  1. A corporation, except a subchapter S corporation;
  2. A tax-exempt organization;
  3. An individual retirement account (IRA);
  4. The U.S. government or a state;
  5. A foreign government, an international organization, or a foreign central bank of issue;
  6. A real estate investment trust (REIT);
  7. A regulated investment company (RIC);
  8. A securities or commodities dealer;
  9. An entity registered under the Investment Company Act of 1940;
  10. A common trust fund; or
  11. A financial institution such as a bank, savings and loan, credit union, or similar organization.
- Any foreign person the corporation associates with a valid Form W-8BEN, Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding, or other documentation upon which the corporation relies in order to treat the shareholder as a foreign beneficial owner or foreign payee. See Regulations section 1.6049-5(c) for more information.



*Corporations are not relieved of their withholding obligations on nonresident aliens under section 1441.*

## Acquisition of Control

An acquisition of control of a corporation (first corporation) occurs if, in a transaction or series of related transactions, before an acquisition of stock of the first corporation (directly or indirectly) by a second corporation, the second corporation does not have control of the first corporation; after the acquisition, the second corporation has control of the first corporation; the FMV of the stock acquired in the transaction and in any related transactions as of the date or dates on which the stock was acquired is \$100 million or more; the shareholders of the first corporation receive stock or other property pursuant to the acquisition; and the first corporation or any of its shareholders is required to recognize gain under section 367(a) as a result of the transaction.

For these purposes, control is defined as the ownership of stock possessing at least 50 percent of the total combined voting power of all classes of stock entitled to vote, or at least 50 percent of the total value of shares of all classes of stock.

See Form 8806 and Regulations section 1.6043-4 for details and special rules with respect to constructive ownership of stock.

**Section 338 election.** An acquisition of stock of a corporation under which a section 338 election is made is treated as an acquisition of stock and not as an acquisition of the assets of the corporation.

## Substantial Change in Capital Structure

A change in capital structure occurs if:

- The amount of cash or other property provided to its shareholders is \$100 million or more and the corporation in a transaction or series of transactions merges, consolidates, or otherwise combines with another corporation or transfers all or substantially all of its assets to one or more corporations;
- Transfers all or part of its assets to another corporation under bankruptcy proceedings including distributing its stock or securities;
- Changes its identity, form, or place of organization; and

- The corporation or any of its shareholders is required to recognize gain under section 367(a) as a result of the transaction.

## Penalties for Failure To File

The penalties under section 6652(l) for failure to file information returns under section 6043(c) apply. For purposes of the section 6652(l) penalty, Form 8806 and all Forms 1099-CAP required to be filed are treated as one return. Thus, the penalty will not exceed \$500 for each day the failure continues, up to a maximum of \$100,000, for any acquisition of control or any substantial change in capital structure. If a corporation (transferor) transfers all or substantially all of its assets to another entity (transferee) and is required to file Form 1099-CAP, the transferor must satisfy the reporting requirements. If the transferor fails to file Form 1099-CAP, then the transferee must meet the filing requirements. If the filing requirements are not met by either the transferor or transferee, then both are jointly and severally liable for the applicable penalties.

Failure to file Forms 1099-CAP also includes the requirement to file electronically. For more information on penalties for failure to file electronically, see part F in the 2009 General Instructions for Forms 1099, 1098, 3921, 3922, 5498, and W-2G.

## Statement to Shareholder

If required to file Form 1099-CAP, you must provide a statement to the shareholder. For more information about the requirement to furnish a statement to the shareholder, see part M in the 2009 General Instructions for Forms 1099, 1098, 3921, 3922, 5498, and W-2G.

## 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-CAP. Additionally, the IRS encourages you to designate an account number for all Forms 1099-CAP that you file. See part L in the 2009 General Instructions for Forms 1099, 1098, 3921, 3922, 5498, and W-2G.

## Name, Address, Telephone Number, and TIN

Generally, this will be the reporting corporation's information and employer identification number (EIN).

### Box 1. Date of Sale or Exchange

Enter the trade date of the sale or exchange, actually or constructively received.

### Box 2. Aggregate Amount Received

Enter the aggregate amount of cash and the fair market value of any stock and other property received in exchange for the number of shares exchanged in the reporting corporation.

### Box 3. No. of Shares Exchanged

Enter the number of shares the shareholder exchanged in the reporting corporation for cash or other property received.

### Box 4. Classes of Stock Exchanged

Enter the class or classes of stock (for example, preferred, common, etc.) exchanged in the reporting corporation for cash or other property received. Abbreviate the class to fit the entry. For example, you may enter "C" for common stock, "P" for preferred, or "O" for other. Also, abbreviate any subclasses.





# Instructions for Form 1099-DIV

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

## What's New

**Section 404(k) dividends.** Beginning in 2009, all distributions from an employee stock ownership plan that are section 404(k) dividends must be reported on Form 1099-R. Payments of section 404(k) dividends directly from the corporation to the plan participants or their beneficiaries must be reported on Form 1099-DIV.

**Qualified tax credit bonds.** If any qualified tax credit bond is held by a regulated investment company (RIC) or a real estate investment trust (REIT), the credit determined is interest and is included in gross income as a distribution to the shareholders or beneficiaries. See *RICs and REITs* on page 2.

## Reminder

In addition to these specific instructions, you should also use the 2009 General Instructions for Forms 1099, 1098, 3921, 3922, 5498, and W-2G. Those general instructions include information about the following topics.

- Backup withholding.
- Electronic reporting requirements.
- Penalties.
- Who must file (nominee/middleman).
- When and where to file.
- Taxpayer identification numbers.
- Statements to recipients.
- Corrected and void returns.
- Other general topics.

You can get the general instructions from the IRS website at [www.irs.gov](http://www.irs.gov) or by calling 1-800-TAX-FORM (1-800-829-3676).

## Specific Instructions

File Form 1099-DIV, Dividends and Distributions, for each person:

- To whom you have paid dividends (including capital gain dividends) and other distributions on stock of \$10 or more,
- For whom you have withheld and paid any foreign tax on dividends and other distributions on stock,
- For whom you have withheld any federal income tax on dividends under the backup withholding rules, or
- To whom you have paid \$600 or more as part of a liquidation.

### Dividends

If you make a payment that may be a dividend but you are unable to determine whether any part of the payment is a dividend by the time you must file Form 1099-DIV, the entire payment must be reported as a dividend. See the regulations under section 6042 for a definition of dividends.

### Exceptions

You are not required to report on Form 1099-DIV the following:

1. Taxable dividend distributions from life insurance contracts and employee stock ownership plans are reported on Form 1099-R, Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.

2. Exempt-interest dividends from regulated investment companies retain their tax-exempt status, but are reported on Form 1099-INT, Interest Income (see section 852(b)(5)).

3. 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 a loan of a customer's securities, see the instructions for box 8 in the 2009 Instructions for Form 1099-MISC.



**TIP** *Substitute payments in lieu of dividends may be reported on a composite statement to the recipient with Form 1099-DIV. See Pub. 1179, General Rules and Specifications for Substitute Forms 1096, 1098, 1099, 3921, 3922, 5498, W-2G, and 1042-S.*

4. Payments made to certain payees including a corporation, tax-exempt organization, any IRA, Archer MSA, or health savings account (HSA), U.S. agency, state, the District of Columbia, U.S. possession, or registered securities or commodities dealer.



**CAUTION** *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.*

### Qualified Dividends

Except as provided below, qualified dividends are dividends paid during the tax year from domestic corporations and qualified foreign corporations. For individuals, estates, and trusts, qualified dividends are taxed at a maximum rate of 15% (generally, the rate is zero for individuals whose other income is taxed at the 10% or 15% rate).

**Exceptions.** The following dividends are not qualified dividends.

- Dividends the recipient received on any share of stock held for less than 61 days during the 121-day period that began 60 days before the ex-dividend date. See the instructions for box 1b on page 3. When determining the number of days the recipient held the stock, you cannot count certain days during which the recipient's risk of loss was diminished. The ex-dividend date is the first date following the declaration of a dividend on which the purchaser of a stock is not entitled to receive the next dividend payment. When counting the number of days the recipient held the stock, include the day the recipient disposed of the stock but not the day the recipient acquired it.
- Dividends attributable to periods totaling more than 366 days that the recipient received on any share of preferred stock held for less than 91 days during the 181-day period that began 90 days before the ex-dividend date. See the instructions for box 1b on page 3. When determining the number of days the recipient held the stock, you cannot count certain days during which the recipient's risk of loss was diminished. Preferred dividends attributable to periods totaling less than 367 days are subject to the 61-day holding period rule above.
- Dividends that relate to payments that the recipient is obligated to make with respect to short sales or positions in substantially similar or related property.
- Dividends paid by a regulated investment company that are not treated as qualified dividend income under section 854.

- Dividends paid by a real estate investment trust that are not treated as qualified dividend income under section 857(c).
- Deductible dividends paid on employer securities. See *Section 404(k) Dividends*, below.

**Qualified foreign corporation.** A foreign corporation is a qualified foreign corporation if it is:

1. Incorporated in a possession of the United States or
2. Eligible for benefits of a comprehensive income tax treaty with the United States that the Treasury Department determines is satisfactory for this purpose and that includes an exchange of information program.



*For a list of income tax treaties of the United States that (a) are comprehensive, (b) include an information exchange program, and (c) have been determined by the Treasury Department to be satisfactory for this purpose, see Notice 2006-101, 2006-47 I.R.B. 930, available at [www.irs.gov/irb/2006-47\\_IRB/ar07.html](http://www.irs.gov/irb/2006-47_IRB/ar07.html)*

If the foreign corporation does not meet either 1 or 2 above, then it may be treated as a qualified foreign corporation for any dividend paid by the corporation if the stock associated with the dividend paid is readily tradable on an established securities market in the United States. See Notice 2003-71, 2003-43 I.R.B. 922, available at [www.irs.gov/irb/2003-43\\_IRB/ar10.html](http://www.irs.gov/irb/2003-43_IRB/ar10.html), for more information on when a stock may be considered to be readily tradable. For additional requirements that must be met, see Notice 2006-3, 2006-3 I.R.B. 306, available at [www.irs.gov/irb/2006-03\\_IRB/ar11.html](http://www.irs.gov/irb/2006-03_IRB/ar11.html).



*For guidance on the extent to which distributions, inclusions, and other amounts received by, or included in the income of, individual shareholders as ordinary income from foreign corporations subject to certain anti-deferral regimes may be treated as qualified dividends, see Notice 2004-70, 2004-44 I.R.B. 724, available at [www.irs.gov/irb/2004-44\\_IRB/ar09.html](http://www.irs.gov/irb/2004-44_IRB/ar09.html).*

## Section 404(k) Dividends

Report as ordinary dividends in box 1a of Form 1099-DIV payments of 404(k) dividends directly from the corporation to the plan participants or their beneficiaries.

Section 404(k) dividends are not subject to backup withholding. Also, these dividends are not eligible for the zero and 15% capital gains rates (see *Exceptions* under *Qualified Dividends* on page 1).

## RICs and REITs

**Qualified dividends.** If any part of the total ordinary dividends reported in box 1a is qualified dividends, report the qualified dividends in box 1b.



*For guidance pertaining to dividends designated by RICs and REITs, see Notice 2004-39, 2004-22 I.R.B. 982, (capital gain dividends of RICs and REITs) available at [www.irs.gov/irb/2004-22\\_IRB/ar11.html](http://www.irs.gov/irb/2004-22_IRB/ar11.html) and Rev. Rul. 2005-31, 2005-21 I.R.B. 1084, (limitations applicable to dividends received from RICs) available at [www.irs.gov/irb/2005-21\\_IRB/ar07.html](http://www.irs.gov/irb/2005-21_IRB/ar07.html).*

**Dividend payment delayed until January.** If a regulated investment company (RIC) or a real estate investment trust (REIT) 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 or REIT and received by the recipients on December 31 of such year as long as the dividends are actually paid by the RIC or REIT during January of the following year. Report the dividends on Form 1099-DIV for the year preceding the January they are actually paid. See sections 852(b)(7) and 857(b)(9) for RICs and REITs respectively.

If a dividend paid in January is subject to backup withholding, withhold when the dividend is actually paid. Therefore, backup withhold in January, deposit the withholding when appropriate, and reflect it on Form 945, Annual Return of Withheld Federal Income Tax, for the year withheld. However, since the dividend is reportable on Form 1099-DIV in the prior

year, the related backup withholding is also reportable on the prior year Form 1099-DIV.

**Qualified small business stock—RICs.** Under section 1202, a 50% exclusion may be allowed on the gain from the sale or exchange of qualified small business stock issued after August 10, 1993, and held for more than 5 years. A 60% exclusion may be allowed if the stock is empowerment zone business stock acquired after December 21, 2000. If any part of the capital gain distribution reported in box 2a may qualify for this exclusion (taking into consideration the recipient's holding period), report the gain in box 2c, and furnish the recipient a statement that reports separately for each designated section 1202 gain the:

- Name of the corporation that issued the stock that was sold,
- Date(s) on which the RIC acquired the stock,
- Date sold,
- Recipient's part of the sales price,
- Recipient's part of the RIC's basis in the stock, and
- Amount of the recipient's section 1202 gain and whether the gain is gain on empowerment zone business stock.

**Qualified tax credit bonds.** If a RIC or REIT holds any qualified tax credit bonds, the credit determined is interest and is included in gross income as a distribution to the shareholder or beneficiary. Attach a statement to Form 1099-DIV showing the amount of the credit. See section 54A and Notice 2009-15.

## Restricted Stock

For information about reporting dividends on restricted stock, see Rev. Proc. 80-11, 1980-1 C.B. 616, distinguished by Rev. Proc. 83-38, 1983-1 C.B. 773, and Rev. Rul. 83-22, 1983-1 C.B. 17.

## Widely Held Fixed Investment Trusts (WHFITs)

Trustees and middlemen must report the gross amount of dividend income attributable to a trust income holder (TIH) in the appropriate box on Form 1099-DIV, if that amount exceeds \$10. If the trustee or middleman provides WHFIT information using the safe harbor rules in Regulations section 1.671-5(f)(1) or (g)(1), the trustee or middleman must determine the amounts reported on all Forms 1099 under section 1.671-5(f)(2) or (g)(2), as appropriate.

**Due date exception and other requirements for furnishing the tax information statement to TIHs.** A tax information statement that includes the information provided to the IRS on all Forms 1099 filed for the calendar year with respect to the TIH's interest in the WHFIT, as well as additional information identified in Regulations section 1.671-5(e), must be provided to the TIHs. The written tax information statement furnished to the TIH for 2009 is due on or before March 15, 2010. The amount of an item of 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.

For more filing requirements, see the 2009 General Instructions for Forms 1099, 1098, 3921, 3922, 5498, and W-2G.

## Statements to Recipients

If you are required to file Form 1099-DIV, you must provide a statement to the recipient. For information about the requirement to furnish an official or acceptable substitute Form 1099-DIV to recipients in person, by statement mailing, or electronically, see part M in the 2009 General Instructions for Forms 1099, 1098, 3921, 3922, 5498, and W-2G.

## 2nd TIN Not.

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 taxpayer identification number (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 2009 General Instructions for Forms 1099, 1098, 3921, 3922, 5498, and W-2G for more information.



For information on the TIN Matching System offered by the IRS, see the 2009 General Instructions for Forms 1099, 1098, 3921, 3922, 5498, and W-2G.

### 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-DIV. Additionally, the IRS encourages you to designate an account number for all Forms 1099-DIV that you file. See part L in the 2009 General Instructions for Forms 1099, 1098, 3921, 3922, 5498, and W-2G.

### Box 1a. Total Ordinary Dividends

Enter dividends, including dividends from money market funds, net short-term capital gains from mutual funds, and other distributions on stock. Include reinvested dividends and section 404(k) dividends paid directly from the corporation. Include as a dividend the amount of the recipient's share of investment expenses that you report in box 5.



An S corporation reports as dividends on Form 1099-DIV only distributions made during 2009 out of accumulated earnings and profits. See section 1368 for more information.

### Box 1b. Qualified Dividends

Enter the portion of the dividends in box 1a that qualify for the zero and 15% capital gains rates. Include dividends for which it is impractical to determine if the section 1(h)(11)(B)(iii) holding period requirement has been met. See *Qualified Dividends* on page 1.

You must report a dividend paid by a foreign corporation according to the guidance provided in Notice 2003-79, 2003-50 I.R.B.1206, available at [www.irs.gov/irb/2003-50\\_IRB/ar16.html](http://www.irs.gov/irb/2003-50_IRB/ar16.html) and Notice 2004-71, 2004-45, I.R.B. 793, available at [www.irs.gov/irb/2004-45\\_IRB/ar09.html](http://www.irs.gov/irb/2004-45_IRB/ar09.html), which contain the rules for reporting the dividend for tax years 2003 and 2004. These rules are extended for 2005 and subsequent tax years by Notice 2006-3, 2006-3 I.R.B. 306, available at [www.irs.gov/irb/2006-03\\_IRB/ar11.html](http://www.irs.gov/irb/2006-03_IRB/ar11.html)

### Box 2a. Total Capital Gain Distr.

Enter total capital gain distributions (long-term). Include all amounts shown in boxes 2b, 2c, and 2d.



For more information about reporting amounts in boxes 2b through 2d, see section 1(h).

### Box 2b. Unrecap. Sec. 1250 Gain

Enter any amount included in box 2a that is an unrecaptured section 1250 gain from certain depreciable real property.

### Box 2c. Section 1202 Gain

Enter any amount included in box 2a that is a section 1202 gain from certain qualified small business stock. See *Qualified small business stock—RICs* on page 2.

### Box 2d. Collectibles (28%) Gain

Enter any amount included in box 2a that is a 28% rate gain from sales or exchanges of collectibles.

### Box 3. Nondividend Distributions

Enter nondividend distributions, if determinable.



File Form 5452, *Corporate Report of Nondividend Distributions*, if you are a corporation and paid nondividend distributions to shareholders.

### Box 4. Federal Income Tax Withheld

Enter backup withholding. For example, if a recipient does not furnish its TIN to you in the manner required, you must backup withhold at a 28% rate on certain dividend payments reported on this form. Use Form W-9, Request for Taxpayer Identification Number and Certification, to request the TIN of the recipient. For foreign recipients, use the applicable Form W-8. See the Instructions for the Requester of Forms W-8BEN, W-8ECI, W-8EXP, and W-8IMY.

### Box 5. Investment Expenses

Enter the recipient's *pro rata* share of certain amounts deductible by a nonpublicly offered RIC in computing its taxable income. This amount is includible in the recipient's gross income under section 67(c) and must also be included in box 1a. Do not include any investment expenses in box 1b.

### Box 6. Foreign Tax Paid

Enter creditable foreign tax withheld and paid (within the meaning of section 901) on dividends and other distributions on stock. A RIC must report only the amount it elects to pass through to the recipient. Report this amount in U.S. dollars.

### Box 7. Foreign Country or U.S. Possession

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

**RICs—special reporting instructions.** Do not complete box 7. Under Regulations section 1.853-4, country-by-country reporting to shareholders for the amount reported in box 6 is not required. The requirement to file a separate statement to the Internal Revenue Service has been modified to require filing a statement that elects the application of section 853 for the tax year with the return for the tax year. See Regulations section 1.853-4 for more information. Do not send the statement with the Forms 1096 and 1099.



Boxes 8 and 9 apply only to corporations in partial or complete liquidation. Do not include these amounts in box 1a or 1b.

### Box 8. Cash Liquidation Distr.

Enter cash distributed as part of a liquidation.

### Box 9. Noncash Liquidation Distr.

Enter noncash distributions made as part of a liquidation. Show the fair market value as of the date of distribution.





# Instructions for Forms 1099-INT and 1099-OID

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

## What's New

**New tax credit bonds.** The credit allowable to holders of the following tax credit bonds is treated as interest.

- Qualified forestry conservation bonds issued after May 22, 2008.
- New clean renewable energy bonds.
- Qualified energy conservation bonds.
- Qualified zone academy bonds.
- Midwestern tax credit bonds.

Report this interest in box 1 on Form 1099-INT. See the instructions for box 1.

## Reminder

**General instructions.** In addition to these specific instructions, you should also use the 2009 General Instructions for Forms 1099, 1098, 3921, 3922, 5498, and W-2G. Those general instructions include information about the following topics.

- Backup withholding.
- Electronic reporting requirements.
- Penalties.
- Who must file (nominee/middleman).
- When and where to file.
- Taxpayer identification numbers.
- Statements to recipients.
- Corrected and void returns.
- Other general topics.

You can get the general instructions from the IRS website at [www.irs.gov](http://www.irs.gov) or by calling 1-800-TAX-FORM (1-800-829-3676).

## Specific Instructions for Form 1099-INT

File Form 1099-INT, Interest Income, for each person:

1. To whom you paid amounts reportable in boxes 1, 3, and 8 of at least \$10 (or at least \$600 of interest paid in the course of your trade or business described in the instructions for *Box 1. Interest Income* on page 2),
2. For whom you withheld and paid any foreign tax on interest, or
3. From whom you withheld (and did not refund) any federal income tax under the backup withholding rules regardless of the amount of the payment.

Report only interest payments made in the course of your trade or business including federal, state, and local government agencies and activities deemed nonprofit, or for which you were a nominee/middleman. Report tax-exempt interest, including exempt-interest dividends from a regulated investment company (RIC), only on Form 1099-INT. You do not need to report tax-exempt interest that is original issue discount (OID). Report interest that is taxable OID in box 1 or 6 of Form 1099-OID, Original Issue Discount, not on Form 1099-INT.

**Canadian nonresident aliens.** If you pay U.S. bank deposit interest of at least \$10 to a nonresident alien who resides in Canada, you may have to report the interest on Form 1042-S, Foreign Person's U.S. Source Income Subject to Withholding.

This interest is not subject to backup withholding. See the Instructions for Form 1042-S.

**Exceptions to reporting.** No Form 1099-INT is required to be filed for payments made to exempt recipients or for interest excluded from reporting.

**Exempt recipients.** You are not required to file Form 1099-INT for payments made to certain payees including but not limited to a corporation, a tax-exempt organization, any IRA, Archer MSA, or health savings account (HSA), a U.S. agency, a state, the District of Columbia, a U.S. possession, a registered securities or commodities dealer, nominees or custodians, brokers, or notional principal contract (swap) dealers. For additional exempt recipients, see Regulations section 1.6049-4 for more information.

**Interest excluded from reporting.** You are not required to file Form 1099-INT for interest on an obligation issued by an individual, interest on amounts from sources outside the United States paid outside the United States by a non-U.S. payer or non-U.S. middleman, certain portfolio interest, interest on an obligation issued by an international organization and paid by that organization, and payments made to a foreign beneficial owner or foreign payee. See Regulations section 1.6049-5 for more information.

**Other exception.** Do not report tax-deferred interest, such as interest that is earned but not distributed from an IRA.

**When is a payment made?** Generally, interest is paid when it is credited or set apart for a person without any substantial limitation or restriction as to the time, manner, or condition of payment. The interest must be made available so that it may be drawn on at any time and its receipt brought within the control and disposition of the person.

For payments made on obligations subject to transactional reporting (for example, savings bonds, interest coupons, and other demand obligations), interest is paid at the time the obligation is presented for payment. For example, interest on a coupon detached from a bond is paid when it is presented for payment.

**Reporting interest and OID.** If you are reporting interest and original issue discount (OID) on any obligation, you may report both the taxable interest and the OID on Form 1099-OID. It is not necessary to file both Forms 1099-INT and 1099-OID. On Form 1099-OID, report the interest in box 2 and the OID in box 1 or 6. However, you may choose to report the interest on Form 1099-INT and the OID on Form 1099-OID.

**Statements to recipients.** If you are required to file Form 1099-INT, you must furnish a statement to the recipient. For more information about the requirement to furnish an official form or acceptable substitute statement to recipients in person, by statement mailing, or electronically, see part M in the 2009 General Instructions for Forms 1099, 1098, 3921, 3922, 5498, and W-2G. If you have furnished Forms 1099-INT to a recipient for amounts received during the year at the time of the transactions, such as you 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.

**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-INT. Additionally, the IRS encourages you to designate an account number for all Forms 1099-INT that

you file. See part L in the 2009 General Instructions for Forms 1099, 1098, 3921, 3922, 5498, and W-2G.

**2nd TIN not.** 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 taxpayer identification number (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. You are not required to send a second "B" notice upon receipt of the second notice. See part N in the 2009 General Instructions for Forms 1099, 1098, 3921, 3922, 5498, and W-2G for more information.



*For information on the TIN Matching System offered by the IRS, see page 2 in the 2009 General Instructions for Forms 1099, 1098, 3921, 3922, 5498, and W-2G.*

**Payer's RTN (optional).** If you are a financial institution that wishes to participate in the program for direct deposit of refunds, you may enter your routing and transit number (RTN).

### Box 1. Interest Income

Enter interest not included in box 3. Include amounts of \$10 or more, whether or not designated as interest, that are paid or credited to the person's account by savings and loan associations, mutual savings banks not having capital stock represented by shares, building and loan associations, cooperative banks, homestead associations, credit unions, or similar organizations. Include interest on bank deposits, accumulated dividends paid 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 amounts from which you withheld federal income tax or foreign tax. In addition, report interest of \$10 or more accrued to a trust interest holder (TIH) of a widely held fixed investment trust (WHFIT), a real estate mortgage investment conduit (REMIC), a financial asset securitization investment trust (FASIT) regular interest holder, or paid to a collateralized debt obligation (CDO) holder, as explained below.

Also include interest of \$600 or more paid in the course of your trade or business not meeting the above criteria, such as interest on delayed death benefits paid by a life insurance company, interest received with damages, interest on a state or federal income tax refund, or interest attributable to a swap with significant nonperiodic payments.

Include in box 1 any accrued interest on bonds sold between interest dates (or on a payment date). Also show OID on short-term obligations of 1 year or less and interest on all bearer certificates of deposit.

Do not include in box 1 interest on tax-free covenant bonds or dividends from money market funds (which are reportable on Form 1099-DIV). Do not include any description in box 1.

**Interest to holders of tax credit bonds.** Report amounts of \$10 or more paid on the following tax credit bonds.

- Clean renewable energy bonds.
- Gulf tax credit bonds.
- Qualified forestry conservation bonds.
- New clean renewable energy bonds.
- Qualified energy conservation bonds.
- Qualified zone academy bonds.
- Midwestern tax credit bonds.

Treat these amounts as paid on the credit allowance date. The credit allowance dates are March 15, June 15, September 15, December 15, and the last day on which the bond is outstanding. For bonds issued during the 3-month period ending on a credit allowance date and for bonds which are redeemed or mature, the amount of the credit is determined ratably based on the portion of the 3-month period during which the bond is outstanding.

Generally, interest paid is not required to be reported to the list of recipients below. However, if they are holders of the tax credit bonds listed above, the interest must be reported.

- A corporation,
- A dealer in securities or commodities required to register as such under the laws of the United States, a state, the District of Columbia, or a possession of the United States,
- A real estate investment trust as defined in section 856,
- An entity registered at all times during the tax year under the Investment Company Act of 1940,
- A common trust fund as defined in section 584(a), or
- Any trust which is exempt from tax under section 664(c).

### Box 2. Early Withdrawal Penalty

Enter interest or principal forfeited because of an early withdrawal of time deposits, such as an early withdrawal from a certificate of deposit (CD), that is deductible from gross income by the recipient. Do not reduce the amount reported in box 1 by the amount of the forfeiture. For detailed instructions for determining the amount of forfeiture deductible by the depositor, see Rev. Ruls. 75-20, 1975-1 C.B. 29, and 75-21, 1975-1 C.B. 367.

### Box 3. Interest on U.S. Savings Bonds and Treas. Obligations

Enter interest on U.S. Savings Bonds, Treasury bills, Treasury notes, and Treasury bonds. Do not include 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 Form 1099-INT and Form 1096, Annual Summary and Transmittal of U.S. Information Returns, not those of the U.S. Treasury Department or the Bureau of Public Debt.

### Box 4. Federal Income Tax Withheld

Enter backup withholding. For example, if a recipient does not furnish its TIN to you in the manner required, you must backup withhold at a 28% rate on payments required to be reported in box 1 (which may be reduced by the amount reported in box 2), box 3, and box 8 on this form.

For information on requesting the recipient's TIN, see part J in the 2009 General Instructions for Forms 1099, 1098, 3921, 3922, 5498, and W-2G.

### Box 5. Investment Expenses

For single-class REMICs only, see *Box 5. Investment Expenses* under *Rules for REMICs, FASITs, and Issuers of CDOs* on page 3.

### Box 6. Foreign Tax Paid

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

### Box 7. Foreign Country or U.S. Possession

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

### Box 8. Tax-Exempt Interest

Enter interest of \$10 or more that is credited or paid to the person's account if that interest is used to finance government operations and is issued by a state, the District of Columbia, a U.S. possession, an Indian tribal government, or a political subdivision. A political subdivision includes port authorities, toll road commissions, utility services authorities, community redevelopment agencies, and qualified volunteer fire departments. Include in box 8 any accrued interest on these bonds sold between interest dates (or on a payment date). Also include any exempt-interest dividends from a regulated investment company (RIC). Do not include any exempt-interest dividends on Form 1099-DIV, Dividends and Distributions.

No information reporting for tax-exempt OID under section 6049 will be required until such time as the IRS and Treasury provide future guidance.

Include specified private activity bond interest in box 9 and in the total for box 8. See the instruction for box 9 on page 3.

## Box 9. Specified Private Activity Bond Interest

Enter interest of \$10 or more of interest from specified private activity bonds. Generally, "specified private activity bond" means any private activity bond defined in section 141 and issued after August 7, 1986. See section 57(a)(5) for more details. Also see the Instructions for Form 6251, Alternative Minimum Tax—Individuals.

Include exempt-interest dividends paid by a RIC on specified private activity bonds to the extent that the dividends are attributable to interest on the bonds received by the RIC minus an allocable share of the expenses.

## Rules for Widely Held Fixed Investment Trusts (WHFITs)

Trustees and middlemen must report the gross amount of interest attributable to the TIH for the calendar year on Form 1099-INT if that amount exceeds \$10. 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 middleman must determine the amounts reported on Form 1099-INT under Regulations section 1.671-5(f)(2) or (g)(2), as appropriate.

**Requirement to furnish a tax information statement to the TIH.** A tax information statement that includes the information provided to the IRS on Form 1099-INT, as well as additional information identified in Regulations section 1.671-5(e) must be provided to TIHs. The written tax information statement must be furnished to the TIH by March 15. 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-INT.

For more filing requirements, see the 2009 General Instructions for Forms 1099, 1098, 3921, 3922, 5498, and W-2G.

## Rules for REMICs, FASITs, and Issuers of CDOs



*These reporting rules apply only to FASITs in existence on October 22, 2004, to the extent that regular interests issued by the FASIT before that date continue to remain outstanding in accordance with the original terms of issue.*

REMICs, holders of ownership interests in FASITs, issuers of CDOs, and any broker or middleman who holds as a nominee a REMIC or FASIT regular interest or CDO must file Form 1099-INT. The form is used to report interest of \$10 or more, other than OID, accrued to a REMIC or FASIT regular interest holder during the year or paid to a holder of a CDO. If you are also reporting OID, this interest and the OID can be reported on Form 1099-OID. You do not have to file both Forms 1099-INT and 1099-OID.

You are not required to file or issue Form 1099-INT for exempt recipients including but not limited to the following.

- A corporation.
- A broker.
- A middleman/nominee.
- A financial institution.
- Any IRA or Archer MSA.
- A tax-exempt organization.

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

## Box 1. Interest Income

Report in box 1 the amount of interest, other than OID, accrued to each REMIC or FASIT regular interest holder or paid to a CDO holder for the period during the year for which the return is made. If you are a single-class REMIC (as defined in Temporary Regulations section 1.67-3T(a)(2)(ii)(B)), increase the amount otherwise reportable in box 1 by the regular interest holder's share of investment expenses of the REMIC for the year. No amount should be reported in box 3.

## Box 5. Investment Expenses

Enter the regular interest holder's *pro rata* share of investment expenses deductible by a single-class REMIC.

## Statements to Holders

For each Form 1099-INT you are required to file, you must furnish a statement to the REMIC or FASIT regular interest holder or CDO holder identified on the form. The statement must contain the information shown on Form 1099-INT, including the legend shown on Copy B of the official Form 1099-INT, and an indication that these items are being furnished to the IRS. The statement also must show the information specified in Regulations section 1.6049-7(f)(2)(i). In addition, the statement furnished by a REMIC must show, for each calendar quarter, the information specified in Regulations section 1.6049-7(f)(3). Also see Regulations section 1.6049-7(f)(3)(ii) for information that may be required to be reported to a real estate investment trust (REIT) that holds a REMIC regular interest.

A single-class REMIC (as defined in Temporary Regulations section 1.67-3T(a)(2)(ii)(B)) must include in the statement the investment expenses paid or accrued during each calendar quarter by the REMIC for which the REMIC is allowed a deduction under section 212 and the proportionate share of those investment expenses allocated to the regular interest holder.

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

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 Allocation, in the separate Instructions for Form 1066.

## 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 start-up date of the REMIC or issue date of a CDO. The IRS will use the information on Forms 8811 to update Pub. 938, Real Estate Mortgage Investment Conduits (REMICs) Reporting Information, for use by certain brokers, middlemen, corporations, and others specified in Regulations section 1.6049-7(e)(4). Pub. 938 is available only on the IRS website at [www.irs.gov/pub/irs-pdf/p938.pdf](http://www.irs.gov/pub/irs-pdf/p938.pdf).

For the requirements that a REMIC or CDO issuer or a broker or middleman who holds a REMIC or FASIT regular interest or a CDO furnish certain information on request, see Regulations sections 1.6049-7(e) and 1.6049-7(f)(7).

## Specific Instructions for 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:

- An issuer with any bond outstanding or other evidence of indebtedness in registered or bearer form issued with OID;
- An issuer of a certificate of deposit (CD) made, purchased, or renewed after 1970 if the CD has OID and a term of more than 1 year (see *Caution* on page 4);
- A financial institution having other deposit arrangements, such as time deposits or bonus-savings plans, if the arrangements have OID and a term of more than 1 year;
- A broker or other middleman holding an OID obligation, including CDs, as nominee for the actual owner;
- A trustee or middleman of a WHFIT or widely held mortgage trust (WHMT); or,
- A real estate mortgage investment conduit (REMIC), a holder of an ownership interest in a financial asset securitization investment trust (FASIT), or an issuer of a collateralized debt obligation (CDO).

Also, file Form 1099-OID for any person for whom you withheld and paid any foreign tax on OID or from whom you



withheld (and did not refund) any federal income tax under the backup withholding rules even if the amount of the OID is less than \$10.

**Original issue discount.** OID is the excess of an obligation's stated redemption price at maturity over its issue price (acquisition price for a stripped bond or coupon). A discount of less than  $\frac{1}{4}$  of 1% of the stated redemption price at maturity, multiplied by the number of full years from the date of issue to maturity, is considered to be zero.

**Reporting OID.** You must prepare a Form 1099-OID for each person who is a holder of record of the obligation if the OID includible in the holder's gross income is at least \$10. See the instructions for box 1 on this page.

Ordinarily, you will file only one Form 1099-OID for the depositor or holder of a particular obligation for the calendar year. If a person holds more than one discount obligation, issue a separate Form 1099-OID for each obligation. However, if a person holds more than one certificate of the same issue for the same period of time during the calendar year, and if Form 1099-OID amounts are proportional, you may treat all such certificates as one discount obligation and file a single Form 1099-OID.

For information about how to compute OID, see sections 1271–1275 and their regulations.

If you are a broker or middleman who holds a bank CD as nominee, whether or not you sold the CD to the owner, you must determine the amount of OID includible in the income of the owner, if any, and report it on Form 1099-OID.

Pub. 1212, Guide to Original Issue Discount (OID) Instruments, contains information on certain outstanding publicly offered discount obligations. It is available on the IRS website at [www.irs.gov](http://www.irs.gov).

Issuers of certain publicly offered debt instruments having OID must file Form 8281, Information Return for Publicly Offered Original Issue Discount Instruments, within 30 days after the date of issuance. The information provided on that form will enable the 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 a corporation, a tax-exempt organization, any IRA, an Archer MSA or Medicare Advantage MSA, a U.S. agency, a state, the District of Columbia, a U.S. possession, or a registered securities or commodities dealer.



*Report interest on U.S. Savings Bonds on Form 1099-INT. Also report OID on obligations with a term of 1 year or less on Form 1099-INT.*

**Reporting interest and OID.** If you are reporting stated interest and OID on an obligation, you may report both the taxable interest and the OID on Form 1099-OID. It is not necessary to file both Forms 1099-INT and 1099-OID. On Form 1099-OID, report the interest in box 2 and the OID in box 1 or 6. You may choose to report the interest on Form 1099-INT and the OID on Form 1099-OID. However, you cannot report tax-exempt interest on Form 1099-OID. See *Box 8. Tax-Exempt Interest* on page 2.

**Statements to recipients.** If you are required to file Form 1099-OID, you must furnish a statement to the recipient. For more information about the requirement to furnish an official form or acceptable substitute statement to recipients in person, by statement mailing, or electronically, see part M in the 2009 General Instructions for Forms 1099, 1098, 3921, 3922, 5498, and W-2G.

**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-OID. Additionally, the IRS encourages you to designate an account number for all Forms 1099-OID that you file. See part L in the 2009 General Instructions for Forms 1099, 1098, 3921, 3922, 5498, and W-2G.

**2nd TIN not.** 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 taxpayer identification number (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. You are not required to send a second "B" notice upon receipt of the second notice. See part N in the 2009 General Instructions for Forms 1099, 1098, 3921, 3922, 5498, and W-2G for more information.



*For information on the TIN Matching System offered by the IRS, see page 2 in the 2009 General Instructions for Forms 1099, 1098, 3921, 3922, 5498, and W-2G.*

## Box 1. Original Issue Discount for 2009

Report the OID on the obligation for the part of the year it was owned by the record holder. Do not include the amount reported in box 6. For a discussion of WHFITs, WHMTs, REMICs, FASITs, and CDOs, see the instructions below.

## Box 2. Other Periodic Interest

Enter any stated interest (that is not OID) paid or credited on this obligation during the year. However, you may report any stated interest that is not OID on Treasury Inflation-Indexed Securities in box 3 of Form 1099-INT rather than in box 2 of Form 1099-OID. Interest reported here must not be reported on Form 1099-INT. For a discussion of REMICs, FASITs, and CDOs, see the instructions below.

## Box 3. Early Withdrawal Penalty

Enter interest or principal forfeited because of an early withdrawal, such as an early withdrawal from a CD, that is 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. Federal Income Tax Withheld

Enter backup withholding. For example, if a recipient does not furnish its TIN to you in the manner required, you must backup withhold at a 28% rate. The 28% rate applies to amounts required to be reported in boxes 1, 2, and 6 but limited to the cash paid on these obligations. Before applying the 28% rate, you may reduce the amounts reported in boxes 1 and 2 by the amount reported in box 3.

For information on requesting the recipient's TIN, see part J in the 2009 General Instructions for Forms 1099, 1098, 3921, 3922, 5498, and W-2G.

## Box 5. Description

Enter the CUSIP (Committee on Uniform Security Identification Procedures) number, if any. If there is no CUSIP number, enter the abbreviation for the stock exchange, the abbreviation for the issuer used by the stock exchange, the coupon rate, and the year of maturity (for example, NYSE XYZ 12 $\frac{1}{2}$  25). If the issuer of the obligation is other than the payer, show the name of the issuer.

## Box 6. Original Issue Discount on U.S. Treasury Obligations

Enter the OID on a U.S. Treasury obligation for the part of the year it was owned by the record holder. Do not include this amount in box 1. You may enter any stated interest on the Treasury obligation in box 2.

If you make payment on a U.S. Treasury obligation on which OID is reportable, enter your name, address, and federal identification number on Forms 1099-OID and 1096, not those of the U.S. Treasury Department or the Bureau of Public Debt.

## Box 7. Investment Expenses

For single-class REMICs only, see *Box 7. Investment Expenses* under *Rules for REMICs, FASITs, and Issuers of CDOs* on the next page.

## Rules for Widely Held Fixed Investment Trusts (WHFITs) and Widely Held Mortgage Trusts (WHMTs)

Trustees and middlemen must report the gross amount of OID of the WHFIT that is attributable to the TIH for the calendar year on Form 1099-OID if that amount exceeds \$10. 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 middleman must determine the amounts reported on Form 1099-OID under Regulations section 1.671-5(f)(2) or (g)(2), as appropriate.

**Reporting OID for a widely held mortgage trust (WHMT).** If a WHMT has a start-up date before August 13, 1998, trustees and middlemen of the WHMT are not required to report OID information. If the WHMT has a start-up date on or after August 13, 1998, and on or before January 24, 2006, and the trustee has attempted in good faith, but without success, to obtain the historical information required to provide OID information, no penalties will be imposed if the trustee and middlemen of the WHMT do not provide OID information. The trustee must provide a statement to middlemen indicating that the trustee is not providing OID information because the trustee has attempted, in good faith, to obtain the information necessary to calculate OID but has been unsuccessful. See Regulations section 1.671-5(m)(2).

**Requirement to furnish a tax information statement to the TIH.** A tax information statement that includes the information provided to the IRS on Form 1099-OID, as well as additional information identified in Regulations section 1.671-5(e) must be provided to TIHs. The written tax information statement must be furnished to the TIH by March 15. 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 7 on the Form 1099-OID.

For more filing requirements, see the 2009 General Instructions for Forms 1099, 1098, 3921, 3922, 5498, and W-2G.

## Rules for REMICs, FASITs, and Issuers of CDOs



*These reporting rules apply only to FASITs in existence on October 22, 2004, to the extent that regular interests issued by the FASIT before that date continue to remain outstanding in accordance with the original terms of issue.*

REMICs, holders of ownership interests in FASITs, issuers of CDOs, and any broker or middleman who holds as a nominee a REMIC or FASIT regular interest or CDO must file Form 1099-OID. The form is used to report OID of \$10 or more accrued to a REMIC or FASIT regular interest holder or to a holder of a CDO. Also use Form 1099-OID to report other interest accrued to a REMIC or FASIT regular interest holder during the year or paid to a holder of a CDO. You may use Form 1099-INT rather than Form 1099-OID to report interest for an instrument issued with OID if no OID is includible in the regular interest holder's or CDO holder's income for the year.

You are not required to file or issue Form 1099-OID for exempt recipients including but not limited to the following.

- A corporation.
- A broker.
- A middleman/nominee.
- A financial institution.
- Any IRA or Archer MSA.
- A tax-exempt organization.

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

## Box 1. Original Issue Discount for 2009

Report in box 1 the aggregate amount of OID includible in the gross income of each REMIC or FASIT regular interest or CDO holder for the period during the year for which the return is made. No amount should be reported in box 6.

## Box 2. Other Periodic Interest

Report in box 2 any amount of interest, other than OID, accrued to each REMIC or FASIT regular interest holder or paid to each CDO holder. If you are a single-class REMIC (as defined in Temporary Regulations section 1.67-3T(a)(2)(ii)(B)), increase the amount otherwise reportable in box 2 by the regular interest holder's share of investment expenses of the REMIC for the year.

## Box 7. Investment Expenses

Enter the regular interest holder's *pro rata* share of investment expenses deductible by a single-class REMIC.

## Statements to Holders

For each Form 1099-OID you are required to file, you must furnish a statement to the REMIC or FASIT regular interest or CDO holder identified on the form. The statement must contain the information shown on Form 1099-OID, including the legend shown on Copy B of the official Form 1099-OID, and an indication that these items are being furnished to the IRS. The statement also must show the information specified in Regulations section 1.6049-7(f)(2)(ii). In addition, the statement furnished by a REMIC must show, for each calendar quarter, the information specified in Regulations section 1.6049-7(f)(3). Also see Regulations section 1.6049-7(f)(3)(ii) for information that may be required to be reported to a real estate investment trust (REIT) that holds a REMIC regular interest.

A single-class REMIC (as defined in Temporary Regulations section 1.67-3T(a)(2)(ii)(B)) must include in the statement the investment expenses paid or accrued during each calendar quarter by the REMIC for which the REMIC is allowed a deduction under section 212 and the proportionate share of those investment expenses allocated to the regular interest holder.

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

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 Allocation, in the separate Instructions for Form 1066.

## Form 8811 and Reporting by Brokers or Middlemen

REMICs and issuers of CDOs also must file Form 8811, Information Return for Real Estate Mortgage Investment Conduits (REMICs) and Issuers of Collateralized Debt Obligations, within 30 days after the startup date of the REMIC or issue date of a CDO. The IRS will use the information on Forms 8811 to update Pub. 938, Real Estate Mortgage Investment Conduits (REMICs) Reporting Information, for use by certain brokers, middlemen, corporations, and others specified in Regulations section 1.6049-7(e)(4). Pub. 938 is available only on the IRS website at [www.irs.gov/pub/irs-pdf/p938.pdf](http://www.irs.gov/pub/irs-pdf/p938.pdf).

For the requirements that a REMIC or CDO issuer or a broker or middleman who holds a REMIC or FASIT regular interest or a CDO furnish certain information on request, see Regulations sections 1.6049-7(e) and 1.6049-7(f)(7).





# Instructions for Forms 1099-R and 5498

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

## What's New

### Form 1099-R

**Reporting IRA distributions.** Generally, box 2a should be left blank when reporting distributions from traditional or SEP IRAs, unless otherwise instructed later in these instructions. Box 2b, "Taxable amount not determined" should be checked.

**Corrective distributions.** For plan years beginning after 2007, excess contributions and excess aggregate contributions plus earnings are taxable in the year distributed (except for designated Roth contributions). See *Excess contributions* and *Excess aggregate contributions* on page 5.

**Distributions to beneficiaries.** Distributions from a nonqualified deferred compensation (NQDC) plan to an estate or beneficiary of a deceased plan participant are no longer reported on Form 1099-R. They should be reported on Form 1099-MISC.

**Qualified charitable distributions.** Qualified distributions from IRAs for charitable purposes may be made through December 31, 2009.

**Distributions from an Employee Stock Ownership Plan (ESOP).** Distributions of dividends from an ESOP under section 404(k) to participants or their beneficiaries are to be reported on Form 1099-R. All other distributions from an ESOP must be reported on a separate Form 1099-R.

**Partial exchanges of annuity contracts.** Rev. Proc. 2008-24 was issued to address the tax treatment of certain tax-free exchanges of annuity contracts under sections 72 and 1035. The interim guidance provided by Notice 2003-51 is superseded.

**Guide to Distribution Codes.** The following changes were made to the Guide to Distribution Codes.

- For Distribution Code 1, on page 11, references to the qualified reservist distribution under section 72(t)(2)(G) have been made permanent.
- New Distribution Code U, for distributions under IRC 404(k), was added to the table that begins on page 11.
- Distribution Codes B and U are a valid combination.

### Form 5498

**Reformatted form.** Form 5498 has been enlarged and reformatted to two to a page instead of three to a page to provide additional boxes for reporting information formerly reported in the blank box next to box 10. Instructions have been added for new boxes 12a through 15b on page 16.

**Federally declared disaster areas.** The words "presidentially declared disaster areas" have been replaced with "federally declared disaster areas."

**Military death gratuities and servicemembers' group life insurance (SGLI) payments.** Recipients of military death gratuities and SGLI payments can contribute all or a portion of the amounts received to a Roth IRA. See *Military death gratuities and servicemembers' group life insurance (SGLI) payments* on page 14.

**Qualified settlement income.** Recipients of qualified settlement income received in connection with the Exxon Valdez litigation can contribute all or a portion of the amounts received to a traditional or Roth IRA. See *Qualified settlement income* on page 14.

**Airline payment amount.** All or a portion of certain payments made to qualified airline employees by commercial passenger airline carriers may be contributed to a Roth IRA. See *Airline payment amount* on page 14.

**Required minimum distributions for 2009.** Required minimum distributions (RMDs) for 2009 for defined contribution plans and IRAs have been suspended.

### Reminders

In addition, see the 2009 General Instructions for Forms 1099, 1098, 3921, 3922, 5498, and W-2G for information on the following topics.

- Backup withholding.
- Electronic reporting requirements.
- Penalties.
- Who must file (nominee/middleman).
- When and where to file.
- Taxpayer identification numbers.
- Statements to recipients.
- Corrected and void returns.
- Other general topics.

You can get the general instructions from the IRS website at [www.irs.gov](http://www.irs.gov) or call 1-800-TAX-FORM (1-800-829-3676).

### Specific Instructions for Form 1099-R

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 a designated distribution or are treated as having made a distribution of \$10 or more from profit-sharing or retirement plans, any individual retirement arrangements (IRAs), annuities, pensions, insurance contracts, survivor income benefit plans, permanent and total disability payments under life insurance contracts, charitable gift annuities, etc.

Also, report on Form 1099-R death benefit payments made by employers that are not made as part of a pension, profit-sharing, or retirement plan. See box 1 on page 6.

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

Generally, do not report payments subject to withholding of social security and Medicare taxes on this form. Report such payments on Form W-2, Wage and Tax Statement.

Generally, do not report amounts totally exempt from tax, such as workers' compensation and Department of Veterans Affairs (VA) payments. However, if part of the distribution is taxable and part is nontaxable, report the entire distribution.



**TIP** There is no special reporting for qualified charitable distributions described in section 408(d)(8), qualified HSA funding distributions described in section 408(d)(9), or for the payment of qualified health and long-term care insurance premiums for retired public safety officers described in section 402(l).

**Military retirement annuities.** Report payments to military retirees or payments of survivor benefit annuities on Form 1099-R. Report military retirement pay awarded as a property settlement to a former spouse under the name and taxpayer identification number (TIN) of the recipient, not that of the military retiree.

**Governmental section 457(b) plans.** Report on Form 1099-R, not Form W-2, income tax withholding and distributions from a governmental section 457(b) plan maintained by a state or local government employer. Distributions from a governmental section 457(b) plan to a participant or beneficiary include all amounts that are paid from the plan. For more information, see Notice 2003-20 which is on page 894 of

Internal Revenue Bulletin 2003-19, at [www.irs.gov/pub/irs-irbs/irb03-19.pdf](http://www.irs.gov/pub/irs-irbs/irb03-19.pdf). Also see *Section 457(b) plan distributions* on page 10 for information on distribution codes.

**Nonqualified plans.** Report any reportable distributions from commercial annuities. Report distributions to employee plan participants from section 409A nonqualified deferred compensation plans including nongovernmental section 457(b) plans on Form W-2, not on Form 1099-R; for nonemployees, these payments are reportable on Form 1099-MISC. Also, report distributions to beneficiaries of deceased plan participants on Form 1099-MISC.

**Section 404(k) dividends.** Distributions of section 404(k) dividends from an employee stock ownership plan (ESOP), including a tax credit ESOP, are reported on Form 1099-R. Distributions other than section 404(k) dividends from the plan must be reported on a separate Form 1099-R.

Section 404(k) dividends paid directly from the corporation to participants or their beneficiaries are reported on Form 1099-DIV. See Announcement 2008-56, 2008-26 I.R.B. 1192, available at [www.irs.gov/irb/2008-26\\_IRB/ar11.html](http://www.irs.gov/irb/2008-26_IRB/ar11.html).

**Charitable gift annuities.** If cash or capital gain property is donated in exchange for a charitable gift annuity, report distributions from the annuity on Form 1099-R. See *Charitable gift annuities* on page 7.

**Life insurance, annuity, and endowment contracts.** Report payments of matured or redeemed annuity, endowment, and life insurance contracts. However, you do not 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, see Code 7 on page 11.

Also report premiums paid by a trustee or custodian for the cost of current life or other insurance protection. Costs of current life insurance protection are not subject to the 10% additional tax under section 72(t). See *Cost of current life insurance protection* on page 7.

**Section 1035 exchange.** A tax-free section 1035 exchange is the exchange of (a) a life insurance contract for another life insurance, endowment, or annuity contract, (b) an endowment contract for an annuity contract or for another endowment contract that provides for regular payments to begin no later than they would have begun under the old contract, and (c) an annuity contract for another annuity contract. However, the distribution of other property or the cancellation of a contract loan at the time of the exchange may be taxable and reportable on a separate Form 1099-R.

These exchanges of contracts are generally reportable on Form 1099-R. However, reporting on Form 1099-R is not required if (a) the exchange occurs within the same company, (b) the exchange is solely a contract for contract exchange, as defined above, that does not result in a designated distribution, and (c) the company maintains adequate records of the policyholder's basis in the contracts. For example, a life insurance contract issued by Company X received in exchange solely for another life insurance contract previously issued by Company X does not have to be reported on Form 1099-R as long as the company maintains the required records. See Rev. Proc. 92-26, 1992-1 C.B. 744, for certain exchanges for which reporting is not required under section 6047(d). Also see Rev. Rul. 2007-24, 2007-21 I.R.B. 1282, available at [www.irs.gov/irb/2007-21\\_IRB/ar15.html](http://www.irs.gov/irb/2007-21_IRB/ar15.html) for certain transactions that do not qualify as tax-free exchanges. For more information on partial exchanges of annuity contracts, see Rev. Proc. 2008-24, 2008-13 I.R.B. 684, available at [www.irs.gov/irb/2008-13\\_IRB/ar13.html](http://www.irs.gov/irb/2008-13_IRB/ar13.html).

For more information on reporting taxable exchanges, see box 1 on page 6.

## Designated Roth Account Distributions

An employer offering a section 401(k) or 403(b) plan may allow participants to contribute all or a portion of the elective deferrals they are otherwise eligible to make to a separate designated Roth account established under the plan. Contributions made under a section 401(k) plan must meet the requirements of Regulations section 1.401(k)-1(f) (Regulations section 1.403(b)-3(c) for a section 403(b) plan). Under the terms of the section 401(k) plan or section 403(b) plan the designated Roth account must meet the requirements of section 402A.



A separate Form 1099-R must be used to report a distribution from a designated Roth account.

## IRA Distributions



For deemed IRAs under section 408(q), use the rules that apply to traditional IRAs or Roth IRAs as applicable. Simplified employee pension (SEP) IRAs and savings incentive match plan for employees (SIMPLE) IRAs, however, may not be used as deemed IRAs.

**Deemed IRAs.** A qualified employer plan may allow employees to make voluntary employee contributions to a separate account or annuity established under the plan. Under the terms of the qualified employer plan, the account or annuity must meet the applicable requirements of section 408 or 408A for a traditional IRA or Roth IRA. Under section 408(q), the "deemed IRA" portion of the qualified employer plan is subject to the rules applicable to traditional and Roth IRAs, and not to those of the applicable plan under section 401(a), 403(a), 403(b), or 457.

Accordingly, the reporting and withholding rules on plan and IRA distributions apply separately depending on whether the distributions are made from the deemed IRA or the qualified employer plan. For example, the reporting rules for required minimum distributions (RMDs) apply separately for the two portions of the plan. A total distribution of amounts held in the qualified employer plan portion and the deemed IRA portion is reported on two separate Forms 1099-R — one for the distribution from the deemed IRA portion and one for the rest of the distribution. Also, the 20% withholding rules of section 3405(c) do not apply to a distribution from the deemed IRA portion but would apply to a distribution from the qualified employer plan portion, and section 72(t) applies separately to the two portions.

**IRAs other than Roth IRAs.** Distributions from any IRA, except a Roth IRA, must be reported in box 1. You may check the "Taxable amount not determined" box in box 2b. But see *Traditional IRA or SEP IRA* on page 8 for how to report the withdrawal of IRA contributions under section 408(d)(4). Also see *Transfers* on page 4 for information on trustee-to-trustee transfers, including recharacterizations. The direct rollover provisions on page 3 do not apply to distributions from any IRA. However, taxable distributions from traditional IRAs and SEP IRAs may be rolled over into an eligible retirement plan. See section 408(d)(3). SIMPLE IRAs may also be rolled over into an eligible retirement plan, but only after the 2-year period described in section 72(t)(6).

An IRA includes all investments under one IRA plan or account. File only one Form 1099-R for distributions from all investments under one plan that are paid in 1 year to one recipient, unless you must enter different codes in box 7. You do not have to file a separate Form 1099-R for each distribution under the plan.

**Roth IRAs.** For distributions from a Roth IRA, report the gross distribution in box 1 but generally leave box 2a blank. Check the "Taxable amount not determined" box in box 2b. Enter Code J, Q, or T as appropriate in box 7. Do not use any other codes with Code Q or Code T. You may enter Code 8 or P with Code J. For the withdrawal of excess contributions, see *Roth IRA* on page 8. It is not necessary to mark the IRA/SEP/SIMPLE checkbox.

**Roth IRA conversions.** You must report an IRA that is converted or reconverted this year to a Roth IRA in boxes 1 and 2a, even if the conversion is a trustee-to-trustee transfer or is with the same trustee. Enter Code 2 or 7 in box 7 depending on the participant's age.

## IRA Revocation or Account Closure

If a traditional or Roth IRA is revoked during its first 7 days (under Regulations section 1.408-6(d)(4)(ii)) or is closed at any time by the IRA trustee or custodian due to a failure of the taxpayer to satisfy the Customer Identification Program requirements described in section 326 of the USA PATRIOT Act, the distribution from the IRA must be reported. In addition, Form 5498, IRA Contribution Information, must be filed to report any regular, rollover, Roth IRA conversion, SEP IRA, or SIMPLE IRA contribution to an IRA that is subsequently revoked or closed by the trustee or custodian.

If a regular contribution is made to a traditional or Roth IRA that later is revoked or closed, and distribution is made to the



taxpayer, enter the gross distribution in box 1. If no earnings are distributed, enter 0 (zero) in box 2a and Code 8 in box 7 for a traditional IRA and Code J for a Roth IRA. If earnings are distributed, enter the amount of earnings in box 2a. For a traditional IRA, enter Codes 1 and 8, if applicable, in box 7; for a Roth IRA, enter Codes J and 8, if applicable. These earnings could be subject to the 10% early distribution tax under section 72(t). If a rollover contribution is made to a traditional or Roth IRA that later is revoked or closed, and distribution is made to the taxpayer, enter in boxes 1 and 2a of Form 1099-R the gross distribution and the appropriate code in box 7 (Code J for a Roth IRA). Follow this same procedure for a transfer from a traditional or Roth IRA to another IRA of the same type that later is revoked or closed. The distribution could be subject to the 10% early distribution tax under section 72(t).

If an IRA conversion contribution or a rollover from a qualified plan is made to a Roth IRA that later is revoked or closed, and a distribution is made to the taxpayer, enter the gross distribution in box 1 of Form 1099-R. If no earnings are distributed, enter 0 (zero) in box 2a and Code J in box 7. If earnings are distributed, enter the amount of the earnings in box 2a and Code J in box 7. These earnings could be subject to the 10% early distribution tax under section 72(t).

If an employer SEP IRA or SIMPLE IRA plan contribution is made and the SEP IRA or SIMPLE IRA is revoked by the employee or is closed by the trustee or custodian, report the distribution as fully taxable.

For more information on IRAs that have been revoked, see Rev. Proc. 91-70, 1991-2 C.B. 899.

### Deductible Voluntary Employee Contributions (DECs)

If you are reporting a total distribution from a plan that includes a distribution of DECs, file a separate Form 1099-R to report the distribution of DECs. Report the distribution of DECs in boxes 1 and 2a on the separate Form 1099-R. However, for the direct rollover (explained below) of funds that include DECs, a separate Form 1099-R is not required to report the direct rollover of the DECs.

### Direct Rollovers

You must report a direct rollover of an eligible rollover distribution. A direct rollover is the direct payment of the distribution from a qualified plan (including a governmental section 457(b) plan) or section 403(b) plan to a traditional IRA, Roth IRA, or other eligible retirement plan. For additional rules regarding the treatment of direct rollovers from designated Roth accounts, see *Designated Roth accounts* on this page. A direct rollover may be made for the employee, for the employee's surviving spouse, for the spouse or former spouse who is an alternate payee under a qualified domestic relations order (QDRO) or for a nonspouse designated beneficiary, in which case the direct rollover can only be made to an IRA. If the distribution is paid to the surviving spouse, the distribution is treated in the same manner as if the spouse were the employee. See Part V of Notice 2007-7, 2007-5 I.R.B. 395, available at [www.irs.gov/irb/2007-05\\_IRB/ar11.html](http://www.irs.gov/irb/2007-05_IRB/ar11.html) for guidance on direct rollovers by nonspouse designated beneficiaries. See also Notice 2008-30, Part II, 2008-12 I.R.B. 638, available at [www.irs.gov/irb/2008-12\\_IRB/ar11.html](http://www.irs.gov/irb/2008-12_IRB/ar11.html) for questions and answers covering rollover contributions to Roth IRAs.



**Notice 2007-7 and Notice 2008-30 do not reflect changes made to section 402 by the Worker, Retiree, and Employer Recovery Act of 2008.**

An eligible rollover distribution is any distribution of all or any portion of the balance to the credit of the employee (including net unrealized appreciation (NUA)) from a qualified plan (including a governmental section 457(b) plan) or a section 403(b) plan except:

1. One of a series of substantially equal periodic payments made at least annually over:
  - a. The life of the employee or the joint lives of the employee and the employee's designated beneficiary,
  - b. The life expectancy of the employee or the joint life and last survivor expectancy of the employee and the employee's designated beneficiary, or
  - c. A specified period of 10 years or more.
2. An RMD (under section 401(a)(9)). A plan administrator is permitted to assume there is no designated beneficiary for purposes of determining the minimum distribution.

3. Elective deferrals (under section 402(g)(3)), employee contributions, and earnings on each returned because of the section 415 limits.

4. Corrective distributions of excess deferrals (under section 402(g)) and earnings.

5. Corrective distributions of excess contributions under a qualified cash or deferred arrangement (under section 401(k)) and excess aggregate contributions (under section 401(m)) and earnings.

6. Loans treated as deemed distributions (under section 72(p)). But plan loan offset amounts can be eligible rollover distributions. See Regulations section 1.402(c)-2, Q/A-9.

7. Section 404(k) dividends.

8. Cost of current life insurance protection.

9. Distributions to a payee other than the employee, the employee's surviving spouse, or a spouse or former spouse who is an alternate payee under a QDRO.

10. Any hardship distribution.

11. A permissible withdrawal under section 414(w).

12. Prohibited allocations of securities in an S corporation that are treated as deemed distributions.

13. Distributions of premiums for accident or health insurance under Regulations section 1.402(a)-1(e).

Amounts paid under an annuity contract purchased for and distributed to a participant under a qualified plan can qualify as eligible rollover distributions. See Regulations section 1.402(c)-2, Q/A-10.

**Automatic rollovers.** Eligible rollover distributions may also include involuntary distributions that are more than \$1,000 but \$5,000 or less and are made from a qualified plan to an IRA on behalf of a plan participant. Involuntary distributions made on or after March 28, 2005, are generally subject to the automatic rollover provisions of section 401(a)(31)(B) and must be paid in a direct rollover to an IRA.

For information on the notification requirements, see *Explanation to Recipients Before Eligible Rollover Distributions (Section 402(f) Notice)* on page 4. For additional information, also see Notice 2005-5, 2005-3 I.R.B. 337, available at [www.irs.gov/irb/2005-03\\_IRB/ar10.html](http://www.irs.gov/irb/2005-03_IRB/ar10.html).

**Reporting a direct rollover.** Report a direct rollover in box 1 and a 0 (zero) in box 2a, unless the rollover is a direct rollover of a qualified rollover contribution other than from a designated Roth account. See *Qualified rollover contributions as defined in section 408A(e)* on page 4. You do not have to report capital gain in box 3 or NUA in box 6. Enter Code G in box 7 unless the rollover is a direct rollover from a designated Roth account to a Roth IRA. See *Designated Roth accounts* below. If the direct rollover is made by a nonspouse designated beneficiary, also enter Code 4 in box 7.

Prepare the form using the name and social security number (SSN) of the person for whose benefit the funds were rolled over (generally the participant), not those of the trustee of the traditional IRA or other plan to which the funds were rolled.

If you receive a direct rollover to an IRA, you must prepare Form 5498. If you receive a direct rollover to a qualified plan (including a governmental section 457(b) plan) or section 403(b) plan, no report is required.

If part of the distribution is a direct rollover and part is distributed to the recipient, prepare two Forms 1099-R.

For more information on eligible rollover distributions, including substantially equal periodic payments, RMDs, and plan loan offset amounts, see Regulations sections 1.402(c)-2 and 1.403(b)-2. Also, see Rev. Rul. 2002-62 which is on page 710 of Internal Revenue Bulletin 2002-42 at [www.irs.gov/pub/irs-irbs/irb02-42.pdf](http://www.irs.gov/pub/irs-irbs/irb02-42.pdf) for guidance on substantially equal periodic payments that began after December 31, 2002.



**For information on distributions of amounts attributable to rollover contributions separately accounted for by an eligible retirement plan and if permissible timing restrictions apply, see Rev. Rul. 2004-12, 2004-7 I.R.B. 478, available at [www.irs.gov/irb/2004-07\\_IRB/ar08.html](http://www.irs.gov/irb/2004-07_IRB/ar08.html).**

**Designated Roth accounts.** A direct rollover from a designated Roth account under a qualified cash or deferred arrangement may only be made to another designated Roth account under an applicable retirement plan described in section 402A(e)(1) or to a Roth IRA described in section 408A. A distribution from a Roth IRA, however, cannot be rolled over into a designated Roth account. In addition, a plan is permitted to treat the balance of the participant's designated Roth account and the participant's other accounts under the plan as accounts

held under two separate plans for purposes of applying the automatic rollover rules of section 401(a)(31)(B) and Q/A-9 through Q/A-11 of Regulations section 1.401(a)(31)-1. Thus, if a participant's balance in the designated Roth account is less than \$200, the plan is not required to offer a direct rollover election or to apply the automatic rollover provisions to such balance.

When the portion of the distribution from a designated Roth account that is not includible in gross income is to be rolled over into a designated Roth account under another plan, the rollover must be accomplished by a direct rollover. Any portion not includible in gross income that is distributed to the employee, however, cannot be rolled over to another designated Roth account. In the case of a direct rollover, the distributing plan is required to report to the recipient plan the amount of the investment (basis) in the contract and the first year of the 5-taxable-year period.

For a direct rollover of a distribution from a designated Roth account to a Roth IRA, enter the amount rolled over in box 1 and 0 (zero) in box 2a. Use Code H in box 7. If the direct rollover is from one designated Roth account to another designated Roth account, enter Codes B and G in box 7.

**Qualified rollover contributions as defined in section 408A(e).** A qualified rollover contribution as defined in section 408A(e) is:

- A rollover contribution to a Roth IRA from another IRA that meets the requirements of section 408(d)(3) or
- A rollover contribution to a Roth IRA from an eligible retirement plan (other than an IRA) that meets the requirements of section 408A(e)(2)(B).

For reporting a rollover from an IRA other than a Roth IRA to a Roth IRA, see *Roth IRA conversions* on pages 2 and 8.

For a direct rollover of an eligible rollover distribution to a Roth IRA (other than from a designated Roth account), report the total amount rolled over in box 1, the taxable amount in box 2a, and any basis recovery amount in box 5. (See the instructions for box 5 on page 9.) Use Code G in box 7. If the direct rollover is made on behalf of a nonspouse designated beneficiary, also enter Code 4 in box 7.

For reporting instructions for a direct rollover from a designated Roth account, see *Designated Roth accounts* on page 3.

## Explanation to Recipients Before Eligible Rollover Distributions (Section 402(f) Notice)



*The requirements of section 402(f) do not apply to direct rollovers by nonspouse designated beneficiaries before 2010. Also, section 402(f) (and 401(a)(31)) does not apply to distributions that are eligible rollover distributions solely because of the 2009 RMD waiver.*

For qualified plans, section 403(b) plans, and governmental section 457(b) plans, the plan administrator must provide to each recipient of an eligible rollover distribution an explanation using either a written paper document or an electronic medium (section 402(f) notice). The explanation must be provided no more than 90 days (as much as 180 days for plan years that begin after December 31, 2006) and no fewer than 30 days before making an eligible rollover distribution or before the annuity starting date. However, if the recipient who has received the section 402(f) notice affirmatively elects a distribution, you will not fail to satisfy the timing requirements merely because you make the distribution fewer than 30 days after you provided the notice as long as you meet the requirements of Regulations section 1.402(f)-1, Q/A-2. The electronic section 402(f) notice must meet the consumer consent requirements as provided in Regulations section 1.401(a)-21(b).

The notice must explain the rollover rules, the special tax treatment for lump-sum distributions, the direct rollover option (and any default procedures), the mandatory 20% withholding rules, and an explanation of how distributions from the plan to which the rollover is made may have different restrictions and tax consequences than the plan from which the rollover is made. The notice and summary are permitted to be sent either as a written paper document or through an electronic medium reasonably accessible to the recipient; see Regulations section 1.402(f)-1, Q/A-5.

For periodic payments that are eligible rollover distributions, you must provide the notice before the first payment and at

least once a year as long as the payments continue. For section 403(b) plans, the payer must provide an explanation of the direct rollover option within the time period described above or some other reasonable period of time.

Notice 2002-3, which is on page 289 of Internal Revenue Bulletin 2002-2 at [www.irs.gov/pub/irs-irbs/irb02-02.pdf](http://www.irs.gov/pub/irs-irbs/irb02-02.pdf), contains model notices that the plan administrator can use to satisfy the notice requirements.



*Notice 2002-3 has not yet been updated for requirements related to plans that accept designated Roth account contributions. For distributions from designated Roth accounts, the section 402(f) notice must contain the rollover and taxation rules for the distribution of designated Roth contributions.*

*The notice also has not yet been updated for the requirements of the Pension Protection Act of 2006. The IRS is expecting to issue updated section 402(f) notices in early 2009.*

**Involuntary distributions.** For involuntary distributions paid to an IRA in a direct rollover (automatic rollover) you may satisfy the notification requirements of section 401(a)(31)(B)(i) either separately or as a part of the section 402(f) notice. The notification must be in writing and may be sent using electronic media in accordance with Q/A-5 of Regulations section 1.402(f)-1. Also see Notice 2005-5, Q/A-15.

## Transfers

Generally, do not report a transfer between trustees or issuers that involves no payment or distribution of funds to the participant, including a trustee-to-trustee transfer from one IRA to another IRA, valid transfers from one section 403(b) plan in accordance with paragraphs 1 through 3 of Regulations section 1.403(b)-10(b), or for the purchase of permissive service credit under section 403(b)(13) or section 457(e)(17) in accordance with paragraph 4 of Regulations section 1.403(b)-10(b) and Regulations section 1.457-10(b)(8). However, you must report:

- Recharacterized IRA contributions;
- Roth IRA conversions; and
- Direct rollovers from qualified plans (including governmental section 457(b) plans) and section 403(b) plans, including any direct rollovers from such plans that are qualified rollover contributions described in section 408A(e).

**IRA recharacterizations.** You must report each recharacterization of an IRA contribution. If a participant makes a contribution to an IRA (first IRA) for a year, the participant may choose to recharacterize the contribution by transferring, in a trustee-to-trustee transfer, any part of the contribution (plus earnings) to another IRA (second IRA). The contribution is treated as made to the second IRA (recharacterization). A recharacterization may be made with the same trustee or with another trustee. The trustee of the first IRA must report the recharacterization as a distribution on Form 1099-R and the contribution to the first IRA and its character on Form 5498.

Enter the fair market value (FMV) of the amount recharacterized in box 1, 0 (zero) in box 2a, and Code R in box 7 if reporting a recharacterization of a prior-year (2008) contribution or Code N if reporting a recharacterization of a contribution in the same year (2009). It is not necessary to check the IRA/SEP/SIMPLE checkbox. For more information on how to report, see Notice 2000-30 on page 1266 of Internal Revenue Bulletin 2000-25 at [www.irs.gov/pub/irs-irbs/irb00-25.pdf](http://www.irs.gov/pub/irs-irbs/irb00-25.pdf).

**Section 1035 exchange.** You may have to report exchanges of insurance contracts, including an exchange under section 1035, under which any designated distribution may be made. For a section 1035 exchange that is in part taxable, file a separate Form 1099-R to report the taxable amount. See *Section 1035 exchange* on page 2.

**SIMPLE IRAs.** Do not report a trustee-to-trustee transfer from one SIMPLE IRA to another SIMPLE IRA. However, you must report as a taxable distribution in boxes 1 and 2a a trustee-to-trustee transfer from a SIMPLE IRA to an IRA that is not a SIMPLE IRA during the 2-year period beginning on the day contributions are first deposited in the individual's SIMPLE IRA by the employer. Use Code S in box 7 if appropriate.

**Transfer of an IRA to spouse.** If you transfer or re-designate an interest from one spouse's IRA to an IRA for the other spouse under a divorce or separation instrument, the transfer or re-designation as provided under section 408(d)(6) is tax free. Do not report such a transfer on Form 1099-R.



## Corrective Distributions

You must report on Form 1099-R corrective distributions of excess deferrals, excess contributions and excess aggregate contributions under section 401(a) plans, section 401(k) cash or deferred arrangements, section 403(a) annuity plans, section 403(b) salary reduction agreements, and salary reduction simplified employee pensions (SARSEPs) under section 408(k)(6). Excess contributions that are recharacterized under a section 401(k) plan are treated as distributed. Corrective distributions of an excess plus earnings are reportable on Form 1099-R and taxable in the year of the distribution (except for designated Roth accounts). Enter Code 8, P, or in some cases D, in box 7 (with Code B if applicable) to designate the distribution and the year it is taxable.

Use a separate Form 1099-R to report a corrective distribution from a designated Roth account.



*The total amount of the elective deferral is reported in box 12 of Form W-2. See the Instructions for Forms W-2 and W-3 for more information.*

For more information about reporting corrective distributions see: the *Guide to Distribution Codes* on pages 11 and 12; Notice 89-32, 1989-1 C.B. 671; Notice 88-33, 1988-1 C.B. 513; Notice 87-77, 1987-2 C.B. 385; and the Regulations under sections 401(k), 401(m), 402(g), and 457.

**Excess deferrals.** Excess deferrals under section 402(g) can occur in section 401(k) plans or section 403(b) plans or SARSEPs. If distributed by April 15 of the year following the year of deferral, the excess is taxable to the participant in the year of deferral, but the earnings are taxable in the year distributed. Except for a SARSEP, if the distribution occurs after April 15, the excess is taxable in the year of deferral and the year distributed. The earnings are taxable in the year distributed. For a SARSEP, excess deferrals not withdrawn by April 15 are considered regular IRA contributions subject to the IRA contribution limits. Corrective distributions of excess deferrals are not subject to federal income tax withholding or social security and Medicare taxes. For losses on excess deferrals, see *Losses* on this page. See the regulations under section 457 for special rules for excess deferrals under governmental section 457(b) plans.

**Excess contributions.** Excess contributions can occur in a section 401(k) plan or a SARSEP. All distributions of the excess contributions plus earnings (other than designated Roth contributions), including recharacterized excess contributions, are taxable to the participant in the year of distribution. Report the gross distribution in box 1 of Form 1099-R. In box 2a, enter the excess contribution and earnings distributed less any designated Roth contributions. For a SARSEP, the employer must notify the participant by March 15 of the year after the year the excess contribution was made that the participant must withdraw the excess and earnings. All distributions from a SARSEP are taxable in the year of distribution. An excess contribution not withdrawn by April 15 of the year after the year of notification is considered a regular IRA contribution subject to the IRA contribution limits.



*Regulations have not been updated for SARSEPs.*

**Excess aggregate contributions.** Excess aggregate contributions under section 401(m) can occur in section 401(a), section 401(k), section 403(a), and section 403(b) plans. A corrective distribution of excess aggregate contributions plus earnings is taxable to the participant in the year the distribution was made. Report the gross distribution in box 1 of Form 1099-R. In box 2a, enter the excess and earnings distributed less any after-tax contributions.

**Losses.** If a corrective distribution of an excess deferral is made in a year after the year of deferral and a net loss has been allocated to the excess deferral, report the corrective distribution amount in boxes 1 and 2a of Form 1099-R for the year of the distribution with the appropriate distribution code in box 7. If the excess deferrals consist of designated Roth account contributions, report the corrective distribution amount in box 1, 0 (zero) in box 2a, and the appropriate distribution code in box 7. However, taxpayers must include the total amount of the excess deferral (unadjusted for loss) in income in the year of deferral, and they may report a loss on the tax return for the year the corrective distribution is made.

## Distributions under Employee Plans Compliance Resolution System (EPCRS)

New regulations under section 415, effective for limitation years beginning after June 30, 2007, do not contain procedures for reducing excess annual additions. The correction and reporting procedures can be used for correcting excess annual additions in 2009 under the EPCRS, as explained in Rev. Proc. 2006-27, available at [www.irs.gov/irb/2006-22\\_IRB/ar13.html](http://www.irs.gov/irb/2006-22_IRB/ar13.html), and Rev. Proc. 2008-50, available at [www.irs.gov/irb/2008-35\\_IRB/ar10.html](http://www.irs.gov/irb/2008-35_IRB/ar10.html).

Such distributions are not eligible rollover distributions although they are subject to federal income tax withholding under section 3405. They are not subject to social security, Medicare, or Federal Unemployment Tax Act (FUTA) taxes. In addition, such distributions are not subject to the 10% early distribution tax under section 72(t).

You may report the distribution of elective deferrals (other than designated Roth account contributions) and employee contributions (and gains attributable to such elective deferrals and employee contributions) on the same Form 1099-R. However, if you made other distributions during the year, report them on a separate Form 1099-R. Because the distribution of elective deferrals (other than designated Roth account contributions) is fully taxable in the year distributed (no part of the distribution is a return of the investment in the contract), report the total amount of the distribution in boxes 1 and 2a. Leave box 5 blank, and enter Code E in box 7. For a return of employee contributions (or designated Roth account contributions) plus gains, enter the gross distribution in box 1, the gains attributable to the employee contributions (or designated Roth account contributions) being returned in box 2a, and the employee contributions (or designated Roth account contributions) being returned in box 5. Enter Code E in box 7. For more information, see Rev. Proc. 92-93, 1992-2 C.B. 505.

A corrective distribution under the EPCRS to the participant of contributions to a section 403(b) plan (plus gains attributable to such contributions) that were in excess of the limits under section 415 is treated the same as corrective distributions of elective deferrals to satisfy the limits under section 415. It is taxable to the participant in the year of distribution as described above.

For excess deferrals or excess employer contributions made to a SIMPLE IRA plan, see EPCRS as explained in Rev. Proc. 2007-27.

## Failing the ADP or ACP Test After a Total Distribution

If you make a total distribution in 2009 and file a Form 1099-R with the IRS and then discover in 2010 that the plan failed either the section 401(k)(3) actual deferral percentage (ADP) test for 2009 and you compute excess contributions or the section 401(m)(2) actual contribution percentage (ACP) test and you compute excess aggregate contributions, you must recharacterize part of the total distribution as excess contributions or excess aggregate contributions. First, file a CORRECTED Form 1099-R for 2009 for the correct amount of the total distribution (not including the amount recharacterized as excess contributions or excess aggregate contributions). Second, file a new Form 1099-R for 2009 for the excess contributions or excess aggregate contributions and allocable earnings.

To avoid a late filing penalty if the new Form 1099-R is filed after the due date, enter in the bottom margin of Form 1096, Annual Summary and Transmittal of U.S. Information Returns, the words "Filed To Correct Excess Contributions."

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

## Loans Treated as Distributions

A loan from a qualified plan under sections 401(a) and 403(a) and (b), and a plan maintained by the United States, a state or political subdivision, or any of its subsidiary agencies made to a participant or beneficiary is not treated as a distribution from the plan if the loan satisfies the following requirements.

1. The loan is evidenced by an enforceable agreement,
2. The agreement specifies that the loan must be repaid within 5 years, except for a principal residence,
3. The loan must be repaid in substantially level installments (at least quarterly), and

4. The loan amount does not exceed the limits in section 72(p)(2)(A) (maximum limit is equal to the lesser of 50% of the vested account balance or \$50,000).

Certain exceptions, cure periods, and suspension of the repayment schedule may apply.

The loan agreement must specify the amount of the loan, the term of the loan, and the repayment schedule. The agreement may include more than one document.

If a loan fails to satisfy 1, 2, or 3, the balance of the loan is a deemed distribution. The distribution may occur at the time the loan is made or later if the loan is not repaid in accordance with the repayment schedule.

If a loan fails to satisfy 4 at the time the loan is made, the amount that exceeds the amount permitted to be loaned is a deemed distribution.

**Deemed distribution.** If a loan is treated as a deemed distribution, it is reportable on Form 1099-R using the normal taxation rules of section 72, including tax basis rules. The distribution also may be subject to the 10% early distribution tax under section 72(t). It is not eligible to be rolled over to an eligible retirement plan nor is it eligible for the 10-year tax option. On Form 1099-R, complete the appropriate boxes, including boxes 1 and 2a, and enter Code L in box 7. Also, enter Code 1 or Code B, if applicable.

Interest that accrues after the deemed distribution of a loan is not an additional loan, and, therefore, is not reportable on Form 1099-R.

Loans that are treated as deemed distributions or that are actual distributions are subject to federal income tax withholding. If a distribution occurs after the loan is made, you must withhold only if you distributed cash or property (other than employer securities) at the time of the deemed or actual distribution. See section 72(p), section 72(e)(4)(A), and Regulations section 1.72(p)-1.

**Subsequent repayments.** If a participant makes any cash repayments on a loan that was reported on Form 1099-R as a deemed distribution, the repayments increase the participant's tax basis in the plan as if the repayments were after-tax contributions. However, such repayments are not treated as after-tax contributions for purposes of section 401(m) or 415(c)(2)(B).

For a deemed distribution that was reported on Form 1099-R but was not repaid, the deemed distribution does not increase the participant's basis.

If a participant's accrued benefit is reduced (offset) to repay a loan, the amount of the account balance that is offset against the loan is an actual distribution. Report it as you would any other actual distribution. Do not enter Code L in box 7.

### Permissible Withdrawals Under Section 414(w)

For permissible withdrawals from an EACA under section 414(w):

- The distribution (except to the extent the distribution consists of designated Roth contributions) is included in the employee's gross income in the year distributed;
- Report principal and earnings in boxes 1 and 2a except, in the case of a distribution from a designated Roth account, report only earnings in box 2a;
- The distribution is not subject to the 10% additional tax, indicated by reporting Distribution Code 2 in box 7; and
- The distribution must be elected by the employee no later than 90 days after the first elective contribution, as specified in Proposed Regulations section 1.414(w)-1(c)(2).

If the distribution is from a designated Roth account, enter Code B as well as Code 2 in box 7.

### Missing Participants

The IRS administers a letter-forwarding program that could help plan administrators contact missing retirement plan participants (or possibly their beneficiaries). To inform individuals of their rights to benefits under a retirement plan, the IRS will forward letters from plan administrators to the missing individuals if the administrators provide the names and SSNs of the missing individuals. However, the IRS cannot disclose individuals' addresses or give confirmation of letter delivery. All undelivered letters will be destroyed. For further information, see Rev. Proc. 94-22, 1994-1 C.B. 608, or contact your IRS office.

## Corrected Form 1099-R

If you filed a Form 1099-R with the IRS and later discover that there is an error on it, you must correct it as soon as possible. For example, if you transmit a direct rollover and file a Form 1099-R with the IRS reporting that none of the direct rollover is taxable by entering 0 (zero) in box 2a, and you then discover that part of the direct rollover consists of RMDs under section 401(a)(9), you must file a corrected Form 1099-R. See part H in the 2009 General Instructions for Forms 1099, 1098, 3921, 3922, 5498, and W-2G or Pub. 1220, if filing electronically.

## Filer

The payer, trustee, or plan administrator must file Form 1099-R using the same name and employer identification number (EIN) used to deposit any tax withheld and to file Form 945, Annual Return of Withheld Federal Income Tax.

## Beneficiaries

If you make a distribution to a beneficiary, trust, or estate, prepare Form 1099-R using the name and TIN of the beneficiary, trust, or estate, not that 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 9a, if applicable.

**Disclaimers.** A beneficiary may make a qualified disclaimer of all or some of an IRA account balance if the disclaimed amount and income are paid to a new beneficiary or segregated in a separate account. A qualified disclaimer may be made after the beneficiary has previously received the RMD for the year of the decedent's death. For more information, see Rev. Rul. 2005-36, 2005-26 I.R.B. 1368, available at [www.irs.gov/irb/2005-26\\_IRB/ar11.html](http://www.irs.gov/irb/2005-26_IRB/ar11.html).

## Alternate Payee under a Qualified Domestic Relations Order (QDRO)

Distributions to an alternate payee who is a spouse or former spouse of the employee under a QDRO are reportable on Form 1099-R using the name and TIN of the alternate payee. If the alternate payee under a QDRO is a nonspouse, enter the name and TIN of the employee. However, this rule does not apply to IRAs; see *Transfer of an IRA to spouse* on page 4.

## Nonresident Aliens

If income tax is withheld under section 3405 on any distribution to a nonresident alien, report the distribution and withholding on Form 1099-R. Also file Form 945 to report the withholding. See the Presumption Rules in part S of the 2009 General Instructions for Forms 1099, 1098, 3921, 3922, 5498, and W-2G.

However, any payments to a nonresident alien from any trust under section 401(a), any annuity plan under section 403(a), any annuity, custodial account, or retirement income account under section 403(b), or any IRA account under section 408(a) or (b) are subject to withholding under section 1441. Report the distribution and withholding on Form 1042, Annual Withholding Tax Return for U.S. Source Income of Foreign Persons, and Form 1042-S, Foreign Person's U.S. Source Income Subject to Withholding.

## Statements to Recipients

If you are required to file Form 1099-R, you must furnish a statement to the recipient. For more information about the requirement to furnish a statement to each recipient, see part M in the 2009 General Instructions for Forms 1099, 1098, 3921, 3922, 5498, and W-2G.



*Do not enter a negative amount in any box on Form 1099-R.*

## 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-R. Additionally, the IRS encourages you to designate an account number for all Forms 1099-R that you file. See part L in the 2009 General Instructions for Forms 1099, 1098, 3921, 3922, 5498, and W-2G.

## Box 1. Gross Distribution

Enter the total amount of the distribution before income tax or other deductions were withheld. Include direct rollovers, IRA rollovers to accepting employer plans, premiums paid by a trustee or custodian for the cost of current life or other



insurance protection, including a recharacterization and a Roth IRA conversion. Also include in this box distributions to plan participants from governmental section 457(b) plans. However, in the case of a distribution by a trust representing certificates of deposit (CDs) redeemed early, report the net amount distributed. Also, see box 6 on page 9.

Include in this box the value of U.S. Savings Bonds distributed from a plan. Enter the appropriate taxable amount in box 2a. 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 information necessary to figure the interest income on each bond when it is redeemed.

Include in box 1 amounts distributed from a qualified retirement plan for which the recipient elects to pay health insurance premiums under a cafeteria plan or that are paid directly to reimburse medical care expenses incurred by the recipient (see Rev. Rul. 2003-62 on page 1034 of Internal Revenue Bulletin 2003-25 at [www.irs.gov/pub/irs-irbs/irb03-25.pdf](http://www.irs.gov/pub/irs-irbs/irb03-25.pdf)). Also include this amount in box 2a.

In addition to reporting distributions to beneficiaries of deceased employees, 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 these amounts in box 2a; enter Code 4 in box 7.



**Do not report accelerated death benefits on Form 1099-R. Report them on Form 1099-LTC, Long-Term Care and Accelerated Death Benefits.**

For section 1035 exchanges that are reportable on Form 1099-R, enter the total value of the contract in box 1, 0 (zero) in box 2a, the total premiums paid in box 5, and Code 6 in box 7.

**Designated Roth account distributions.** If you are making a distribution from a designated Roth account, enter the gross distribution in box 1, the taxable portion of the distribution in box 2a, the basis included in the distributed amount in box 5, and the first year of the 5-taxable-year period in the box to the left of box 10. Also, enter the applicable code(s) in box 7.

**Employer securities and other property.** If you distribute employer securities or other property, include in box 1 the FMV of the securities or other property on the date of distribution. If there is a loss, see *Losses* on this page.

If you are distributing worthless property only, you are not required to file Form 1099-R. However, you may file and enter 0 (zero) in boxes 1 and 2a and any after-tax employee contributions or designated Roth contributions in box 5.

**Charitable gift annuities.** If cash or capital gain property is donated in exchange for a charitable gift annuity, report the total amount distributed during the year in box 1. See *Charitable gift annuities* under box 3 on page 8.

## Box 2a. Taxable Amount



**When determining the taxable amount to be entered in box 2a, do not reduce the taxable amount by any portion of the \$3,000 exclusion for which the participant may be eligible as a payment of qualified health and long-term care insurance premiums for retired public safety officers under section 402(l).**

Generally, you must enter the taxable amount in box 2a. However, if you are unable to reasonably obtain the data needed to compute the taxable amount, leave this box blank. Do not enter excludable or tax-deferred amounts reportable in boxes 5, 6, and 8. Enter 0 (zero) in box 2a for:

- A direct rollover (other than a qualified rollover contribution under section 408A(e)) from a qualified plan (including a governmental section 457(b) plan) or section 403(b) plan, or a rollover from a designated Roth account into a Roth IRA,
- An IRA directly transferred to an accepting employer plan,
- An IRA recharacterization, or
- A nontaxable section 1035 exchange of life insurance, annuity, or endowment contracts.

For more information on qualified rollover contributions under section 408A(e), see *Qualified rollover contributions as defined in section 408A(e)* on page 4.

**Annuity starting date in 1998 or later.** If you made annuity payments from a qualified plan under section 401(a), 403(a), or 403(b) and the annuity starting date is in 1998 or later, you must use the simplified method under section 72(d)(1) to figure the taxable amount. Under this method, the expected number of payments you use to figure the taxable amount depends on whether the payments are based on the life of one or more than

one person. See Notice 98-2, 1998-1 C.B. 266, and Pub. 575, Pension and Annuity Income, to help you figure the taxable amount to enter in box 2a.

**Annuity starting date after November 18, 1996, and before 1998.** Under the simplified method for figuring the taxable amount, the expected number of payments is based only on the primary annuitant's age on the annuity starting date. See Notice 98-2.

**Annuity starting date before November 19, 1996.** If you properly used the rules in effect before November 19, 1996, for annuities that started before that date, continue to report using those rules. No changes are necessary.

**Corrective distributions.** Enter in box 2a the amount of excess deferrals, excess contributions, or excess aggregate contributions (other than employee contributions or designated Roth account contributions). See *Corrective Distributions* on page 5.

**Cost of current life insurance protection.** Include current life insurance protection costs (net premium costs) that were reported in box 1. However, do not report these costs and a distribution on the same Form 1099-R. Use a separate Form 1099-R for each. For the cost of current life insurance protection, enter Code 9 in box 7.

**DECs.** Include DEC distributions in this box. Also see *Deductible Voluntary Employee Contributions (DECs)* on page 3.

**Designated Roth account.** Generally, a distribution from a designated Roth account that is not a qualified distribution (as defined in section 402A and its regulations) is taxable to the recipient under section 402 in the case of a plan qualified under section 401(a) and under section 403(b)(1) in the case of a section 403(b) plan. For purposes of section 72, designated Roth account contributions are treated as employer contributions as described in section 72(f)(1) (that is, as includible in the participant's gross income).

**Examples.** Participant A received a nonqualified distribution of \$5,000 from the participant's designated Roth account. Prior to the distribution, the participant's account balance was \$10,000, consisting of \$9,400 of designated Roth contributions and \$600 of earnings. The taxable amount of the \$5,000 distribution is \$300 ( $\$600/\$10,000 \times \$5,000$ ). The nontaxable portion of the distribution is \$4,700 ( $\$9,400/\$10,000 \times \$5,000$ ). The issuer would report on Form 1099-R:

- Box 1, \$5,000 as the gross distribution;
- Box 2a, \$300 as the taxable amount;
- Box 4, \$60 ( $\$300 \times 20\%$ ) as the withholding on the earnings portion of the distribution;
- Box 5, \$4,700 as the designated Roth contribution basis (nontaxable amount);
- Box 7, Distribution Code B; and
- The first year of the 5-taxable-year period in the box to the left of box 10.

Using the same facts as in the example above, except that the distribution was a direct rollover to a Roth IRA, the issuer would report on Form 1099-R:

- Box 1, \$5,000 as the gross distribution;
- Box 2a, 0 (zero) as the taxable amount;
- Box 4, no entry;
- Box 5, \$4,700 as the designated Roth contribution basis (nontaxable amount);
- Box 7, Distribution Code H; and
- The first year of the 5-taxable-year period in the box to the left of box 10.

**Losses.** If a distribution is a loss, do not enter a negative amount in this box. For example, if stock is distributed from a profit-sharing plan but the value is less than the employee's after-tax contributions or designated Roth account contributions, enter the value of the stock in box 1, leave box 2a blank, and enter the employee's contributions or designated Roth account contributions in box 5.

For a plan with no after-tax contributions or designated Roth account contributions, even though the value of the account may have decreased, there is no loss for reporting purposes. Therefore, if there are no employer securities distributed, show the actual cash and/or FMV of property distributed in boxes 1 and 2a, and make no entry in box 5. If only employer securities are distributed, show the FMV of the securities in boxes 1 and 2a and make no entry in box 5 or 6. If both employer securities and cash or other property are distributed, show the actual cash and/or FMV of the property (including employer securities)

distributed in box 1, the gross less any NUA on employer securities in box 2a, no entry in box 5, and any NUA in box 6.

**Qualified rollover contributions.** See *Direct Rollovers* on page 3 for information on qualified rollover contributions.

**Roth IRA.** For a distribution from a Roth IRA, report the total distribution in box 1 and leave box 2a blank except in the case of an IRA revocation or account closure (see page 2) and a recharacterization (see page 4). Use Code J, Q, or T as appropriate in box 7. Use Code 8 or P, if applicable, in box 7 with Code J. Do not combine Code Q or T with any other codes.

However, for the distribution of excess Roth IRA contributions, report the gross distribution in box 1 and only the earnings in box 2a. Enter Code J and Code 8 or P in box 7.

**Roth IRA conversions.** Report the total amount converted or reconverted from a traditional IRA, SEP IRA, or SIMPLE IRA to a Roth IRA in box 2a. A conversion or reconversion is considered a distribution and must be reported even if it is with the same trustee and even if the conversion is done by a trustee-to-trustee transfer. When an individual retirement annuity described in section 408(b) is converted to a Roth IRA, the amount that is treated as distributed is the FMV of the annuity contract on the date the annuity contract is converted. This rule also applies when a traditional IRA holds an annuity contract as an account asset and the traditional IRA is converted to a Roth IRA. Determining the FMV of an individual retirement annuity issued by a company regularly engaged in the selling of contracts depends on the timing of the conversion as outlined in Q/A-14 of Regulations section 1.408A-4.

For a Roth IRA conversion, use Code 2 in box 7 if the participant is under age 59½ or Code 7 if the participant is at least age 59½. Also check the IRA/SEP/SIMPLE box in box 7.

**SIMPLE IRA.** Enter the total amount distributed from a SIMPLE IRA in box 2a. For a SIMPLE IRA directly rolled over to an accepting employer plan after the 2-year period (see section 72(t)(6)), enter the gross amount in box 1, 0 (zero) in box 2a, and Code G in box 7.

**Traditional IRA or SEP IRA.** Generally, you are not required to compute the taxable amount of a traditional IRA or SEP IRA nor designate whether any part of a distribution is a return of basis attributable to nondeductible contributions. Check the "Taxable amount not determined" box in box 2b.

However, for 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 this box.

For a distribution of contributions plus earnings from an IRA before the due date of the return under section 408(d)(4), report the gross distribution in box 1, only the earnings in box 2a, and enter Code 8 or P, whichever is applicable, in box 7. Enter Code 1 or 4 also, if applicable.

For a distribution of excess contributions without earnings after the due date of the individual's return under section 408(d)(5), leave box 2a blank, and check the "Taxable amount not determined" checkbox in box 2b. Use Code 1 or 7 in box 7 depending on the age of the participant.

For a traditional IRA and a SEP IRA rolled over to an accepting employer plan, enter the gross amount in box 1, 0 (zero) in box 2a, and Code G in box 7.

### Box 2b. Taxable Amount not Determined

Enter an "X" in this box only if you are unable to reasonably obtain the data needed to compute the taxable amount. If you check this box, leave box 2a blank. Except for IRAs, make every effort to compute the taxable amount. However, see *IRA Revocation or Account Closure* on page 2 and *Corrective Distributions* on page 5.

### 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 1 tax year in which the entire balance of the account is distributed. If periodic or installment payments are made, mark this box in the year the final payment is made.

### Box 3. Capital Gain (Included in Box 2a)

If any amount is taxable as a capital gain, report it in box 3.

**Charitable gift annuities.** Report in box 3 any amount from a charitable gift annuity that is taxable as a capital gain. Report in box 1 the total amount distributed during the year. Report in box 2a the taxable amount. Advise the annuity recipient of any amount in box 3 subject to the 28% rate gain for collectibles

and any unrecaptured section 1250 gain. Report in box 5 any nontaxable amount. Enter Code F in box 7. See Regulations section 1.1011-2(c), Example 8.

**Special rule for participants born before January 2, 1936 (or their beneficiaries).** For lump-sum distributions from qualified plans only, enter the amount in box 2a eligible for the capital gain election under section 1122(h)(3) of the Tax Reform Act of 1986, 1986-3 (Vol. 1) C.B. 1, 387 and section 641(f)(3) of the Economic Growth and Tax Relief Reconciliation Act of 2001. Enter the full amount eligible for the capital gain election. You should not complete this box for a direct rollover.

To compute the months of an employee's active participation before 1974, count as 12 months any part of a calendar year in which an employee actively participated under the plan; for active participation after 1973, count as 1 month any part of a month in which the employee actively participated under the plan. See the *Example* below.

Active participation begins with the first month in which an employee became a participant under the plan and ends with the earliest of:

- The month in which the employee received a lump-sum distribution under the plan;
- For an employee, other than a self-employed person or owner-employee, the month in which the employee separates from service;
- The month in which the employee dies; or
- For a self-employed person or owner-employee, the first month in which the employee becomes disabled within the meaning of section 72(m)(7).

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

#### Step 1. Total Taxable Amount

A. Total distribution	XXXXX
B. Less:	
1. Current actuarial value of any annuity	XXXX
2. Employee contributions or designated Roth contributions (minus any amounts previously distributed that were not includable in the employee's gross income)	XXXX
3. Net unrealized appreciation in the value of any employer securities that was a part of the lump-sum distribution.	XXXX
C. Total of lines 1 through 3	XXXXX
D. Total taxable amount. Subtract line C from line A.	XXXXX

#### Step 2. Capital Gain

Total taxable amount		Months of active participation before 1974		
Line D	X			= Capital gain
		Total months of active participation		

### Box 4. Federal Income Tax Withheld

Enter any federal income tax withheld. This withholding under section 3405 is subject to deposit rules and the withholding tax return is Form 945. Backup withholding does not apply. See Pub. 15-A, Employer's Supplemental Tax Guide, and the Instructions for Form 945 for more withholding information.

Even though you may be using Code 1 in box 7 to designate an early distribution subject to the 10% additional tax specified in section 72(q), (t), or (v), you are not required to withhold that tax.



*The amount withheld cannot be more than the sum of the cash and the FMV of property (excluding employer securities) received in the distribution. If a distribution consists solely of employer securities and cash (\$200 or less) in lieu of fractional shares, no withholding is required.*

To determine your withholding requirements for any designated distribution under section 3405, you must first determine whether the distribution is an eligible rollover distribution. See *Direct Rollovers* on page 3 for a discussion of eligible rollover distributions. If the distribution is not an eligible rollover distribution, the rules for periodic payments or nonperiodic distributions apply. For purposes of withholding, distributions from any IRA are not eligible rollover distributions.



**Eligible rollover distribution; 20% withholding.** If an eligible rollover distribution is paid directly to an eligible retirement plan in a direct rollover, do not withhold federal income tax. If any part of an eligible rollover distribution is not a direct rollover, you must withhold 20% of the part that is paid to the recipient and includible in gross income. This includes the earnings portion of any nonqualified designated Roth account distribution that is not directly rolled over. The recipient cannot claim exemption from the 20% withholding but may ask to have additional amounts withheld on Form W-4P, Withholding Certificate for Pension or Annuity Payments. If the recipient is not asking that additional amounts be withheld, Form W-4P is not required for an eligible rollover distribution because 20% withholding is mandatory. The 20% withholding does not apply to a distribution that is an eligible rollover distribution because of the 2009 RMD waiver.

Employer securities and plan loan offset amounts that are part of an eligible rollover distribution must be included in the amount multiplied by 20%. However, the actual amount to be withheld cannot be more than the sum of the cash and the FMV of property (excluding employer securities and plan loan offset amounts). For example, if the only part of an eligible rollover distribution that is not a direct rollover is employer securities or a plan loan offset amount, no withholding is required. However, any cash that is paid in the distribution must be used to satisfy the withholding on the employer securities or plan loan offset amount.

The payer is required to withhold 20% of eligible rollover distributions from a qualified plan's distributed annuity and on eligible rollover distributions from a governmental section 457(b) plan.

Any NUA excludable from gross income under section 402(e)(4) is not included in the amount of any eligible rollover distribution that is subject to 20% withholding.

You are not required to withhold 20% of an eligible rollover distribution that, when aggregated with other eligible rollover distributions made to one person during the year, is less than \$200.

**IRAs.** The 20% withholding does not apply to distributions from any IRA, but withholding does apply to IRAs under the rules for periodic payments and nonperiodic distributions. For withholding, assume that the entire amount of an IRA distribution is taxable (except for the distribution of contributions under section 408(d)(4), in which only the earnings are taxable, and section 408(d)(5), as applicable). Generally, Roth IRA distributions are not subject to withholding except on the earnings portion of excess contributions distributed under section 408(d)(4).

An IRA recharacterization is not subject to income tax withholding.

**Periodic payments.** For periodic payments that are not eligible rollover distributions, withhold on the taxable part as though the periodic payments were wages, based on the recipient's Form W-4P. The recipient may request additional withholding on Form W-4P or claim exemption from withholding. If a recipient does not submit a Form W-4P, withhold by treating the recipient as married with three withholding allowances. See Circular E, Employer's Tax Guide (Pub. 15), for wage withholding tables.



*Rather than Form W-4P, military retirees should give you Form W-4, Employee's Withholding Allowance Certificate.*

**Nonperiodic distributions.** Withhold 10% of the taxable part of a nonperiodic distribution that is not an eligible rollover distribution. The recipient may request additional withholding on Form W-4P or claim exemption from withholding.

**Failure to provide TIN.** For periodic payments and nonperiodic distributions, if a payee fails to furnish his or her correct TIN to you in the manner required, or if the IRS notifies you before any distribution that the TIN furnished is incorrect, a payee cannot claim exemption from withholding. For periodic payments, withhold as if the payee was single claiming no withholding allowances. For nonperiodic payments, withhold 10%. Backup withholding does not apply.

## **Box 5. Employee Contributions/Designated Roth Contributions or Insurance Premiums**

Enter the employee's contributions to a profit-sharing or retirement plan, designated Roth account contributions, or insurance premiums that the employee may recover tax free

this year. The entry in box 5 may include any of the following: (a) designated Roth account contributions or contributions actually made by the employee over the years under the retirement or profit-sharing plan that were required to be included in the income of the employee when contributed (after-tax contributions), (b) contributions made by the employer but considered to have been contributed by the employee under section 72(f), (c) the accumulated 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 (cost of current life insurance protection) (only if the life insurance contract itself is distributed), and (d) premiums paid on commercial annuities. Also report after-tax contributions directly rolled over to an IRA. Do not include contributions to any DEC, section 401(k) plan, or any other contribution to a retirement plan that was not an after-tax contribution.

Generally, for qualified plans, section 403(b) plans, and nonqualified commercial annuities, enter in box 5 the employee contributions or insurance premiums recovered tax free during the year based on the method you used to determine the taxable amount to be entered in box 2a. On a separate Form 1099-R, include the portion of the employee's basis that has been distributed from a designated Roth account. See the *Examples* in the instructions for box 2a on page 7.

If periodic payments began before 1993, you are not required to, but you are encouraged to, report in box 5.



*If you made periodic payments from a qualified plan and the annuity starting date is after November 18, 1996, you must use the simplified method to figure the tax-free amount each year. See Annuity starting date in 1998 or later on page 7.*

If a total distribution is made, the total employee contributions or insurance premiums available to be recovered tax free must be shown only in box 5. If any previous distributions were made, any amount recovered tax free in prior years must not appear in box 5.

If you are unable to reasonably obtain the data necessary to compute the taxable amount, leave boxes 2a and 5 blank, and check the first box in box 2b.

For more information, see Rev. Proc. 92-86, 1992-2 C.B. 495 and section 72(d).

For reporting charitable gift annuities, see *Charitable gift annuities* on page 8.

## **Box 6. Net Unrealized Appreciation (NUA) in Employer's Securities**

Use this box if a distribution from a qualified plan (except a qualified distribution from a designated Roth account) includes securities of the employer corporation (or a subsidiary or parent corporation) and you can compute the NUA in the employer's securities. Enter all the NUA in employer securities if this is a lump-sum distribution. If this is not a lump-sum distribution, enter only the NUA in employer securities attributable to employee contributions. See Regulations section 1.402(a)-1(b) for the determination of the NUA. Also see Notice 89-25, Q/A-1, 1989-1 C.B. 662. Include the NUA in box 1 but not in box 2a. You do not have to complete this box for a direct rollover.

## **Box 7. Distribution Code(s)**

Enter an "X" in the IRA/SEP/SIMPLE checkbox if the distribution is from a traditional IRA, SEP IRA, or SIMPLE IRA. It is not necessary to check the box for a distribution from a Roth IRA or for an IRA recharacterization.

**Enter the appropriate code(s) in box 7.** Use the *Guide to Distribution Codes* on pages 11 and 12 to determine the appropriate code(s) to enter in box 7 for any amounts reported on Form 1099-R. Read the codes carefully and enter them accurately because the IRS uses the codes to help determine whether the recipient has properly reported the distribution. If the codes you enter are incorrect, the IRS may improperly propose changes to the recipient's taxes.

When applicable, enter a numeric and an alpha code. For example, when using Code P for a traditional IRA distribution under section 408(d)(4), you must also enter Code 1, if it applies. For a normal distribution from a qualified plan that qualifies for the 10-year tax option, enter Codes 7 and A. For a direct rollover to an IRA or a qualified plan for the surviving spouse of a deceased participant, or on behalf of a non-spouse designated beneficiary, enter Codes 4 and G (Codes 4 and H if from a designated Roth account to a Roth IRA). If two or more

distribution codes are not valid combinations, you must file more than one Form 1099-R.



**CAUTION** Enter a maximum of two alpha/numeric codes in box 7. See the Guide to Distribution Codes on pages 11 and 12 for allowable combinations. Only three numeric combinations are permitted on one Form 1099-R: Codes 8 and 1, 8 and 2, or 8 and 4. If two or more other numeric codes are applicable, you must file more than one Form 1099-R. For example, if part of a distribution is premature (Code 1) and part is not (Code 7), file one Form 1099-R for the part to which Code 1 applies and another Form 1099-R for the part to which Code 7 applies. In addition, for the distribution of excess deferrals, excess contributions, or excess aggregate contributions, parts of the distribution may be taxable in 2 or 3 different years. File separate Forms 1099-R using Code 8, D, or P to indicate the year the amount is taxable.

Even if the employee/taxpayer is age 59½ or over, use Code 1 if a series of substantially equal periodic payments was modified within 5 years of the date of the first payment (within the meaning of section 72(q)(3) or (t)(4)). For example, Mr. B began receiving payments that qualified for the exception for part of a series of substantially equal periodic payments under section 72(t)(2)(A)(iv) when he was 57. When he was 61, Mr. B substantially modified the payments. Because the payments were modified within 5 years, use Code 1 in the year the payments were modified, even though Mr. B is over 59½.



**CAUTION** For further guidance on what makes a series of substantially equal periodic payments, see Notice 89-25, Q/A-12, 1989-1 C.B. 662, as modified by Rev. Rul. 2002-62, 2002-42 I.R.B. 710. Notice 2004-15, 2004-9 I.R.B. 526, available at [www.irs.gov/irb/2004-09\\_IRB/ar09.html](http://www.irs.gov/irb/2004-09_IRB/ar09.html), allows taxpayers to use one of three methods in Notice 89-25, as modified by Rev. Rul. 2002-62, to determine whether a distribution from a nonqualified annuity is part of a series of substantially equal periodic payments under section 72(q)(2)(D).

If part of an eligible rollover distribution is paid in a direct rollover and part is not, you must file a separate Form 1099-R for each part showing the appropriate code on each form. If part of a distribution is an eligible rollover distribution and part is not (for example, a minimum distribution required by section 401(a)(9)) and the part that is an eligible rollover distribution is directly rolled over, you must file a separate Form 1099-R to report each part.

**Section 457(b) plan distributions.** Generally, a distribution from a governmental section 457(b) plan is not subject to the 10% additional tax under section 72(t). However, an early distribution from a governmental section 457(b) plan of an amount that is attributable to a rollover from another type of plan or IRA is subject to the additional tax as if the distribution were from a plan described in section 401(a). See section 72(t)(9). If the distribution consists solely of amounts that are not attributable to such a rollover, enter Code 2 in box 7. If the distribution consists solely of amounts attributable to such a

rollover, then enter the appropriate code in box 7 as if the distribution were from a plan described in section 401(a). If the distribution is made up of amounts from both sources, you must file separate Forms 1099-R for each part of the distribution unless Code 2 would be entered on each form.

### Box 8. Other

Enter the current actuarial value of an annuity contract that is 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 current actuarial value, the percentage of the total annuity contract each Form 1099-R represents.

### Box 9a. Your Percentage of Total Distribution

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. You need not complete this box for any IRA distributions or for a direct rollover.

### Box 9b. Total Employee Contributions

You are not required to enter the total employee contributions or designated Roth account contributions in box 9b. However, because this information may be helpful to the recipient, you may choose to report them.

If you choose to report the total employee contributions or designated Roth account contributions, do not include any amounts recovered tax free in prior years. For a total distribution, report the total employee contributions or designated Roth account contributions in box 5 rather than in box 9b.

### Boxes 10–15. State and Local Information

These boxes and Copies 1 and 2 are provided for your convenience only and need not be completed for the IRS. Use the state and local information boxes to report distributions and taxes for up to two states or localities. Keep the information for each state or locality separated by the broken line. If state or local income tax has been withheld on this distribution, you may enter it in boxes 10 and 13, as appropriate. In box 11, enter the abbreviated name of the state and the payer's state identification number. The state number is the payer's identification number assigned by the individual state. In box 14, enter the name of the locality. In boxes 12 and 15, you may enter the amount of the state or local distribution. Copy 1 may be used to provide information to the state or local tax department. Copy 2 may be used as the recipient's copy in filing a state or local income tax return.

**Guide to Distribution Codes**

Distribution Codes	Explanations	*Used with code ...(if applicable)
<b>1— Early distribution, no known exception.</b>	Use Code 1 only if the employee/taxpayer has not reached age 59½, and you do not know if any of the exceptions under Distribution Code 2, 3, or 4 apply. Use Code 1 even if the distribution is made for medical expenses, health insurance premiums, qualified higher education expenses, a first-time home purchase, or a qualified reservist distribution under section 72(t)(2)(B), (D), (E), (F), or (G). Code 1 must also be used even if a taxpayer is 59½ or older and he or she modifies a series of substantially equal periodic payments under section 72(q), (t), or (v) prior to the end of the 5-year period.	8, B, D, L, or P
<b>2— Early distribution, exception applies.</b>	Use Code 2 only if the employee/taxpayer has not reached age 59½ and the distribution is: <ul style="list-style-type: none"> <li>• A Roth IRA conversion (an IRA converted to a Roth IRA).</li> <li>• A distribution made from a qualified retirement plan or IRA because of an IRS levy under section 6331.</li> <li>• A section 457(b) plan distribution that is not subject to the additional 10% tax. But see <i>Section 457(b) plan distributions</i> on page 10 for information on distributions that may be subject to the 10% additional tax.</li> <li>• A distribution from a qualified retirement plan after separation from service in or after the year the taxpayer has reached age 55.</li> <li>• A distribution from a governmental defined benefit plan to a public safety employee after separation from service in or after the year the employee has reached age 50.</li> <li>• A distribution that is part of a series of substantially equal periodic payments as described in section 72(q), (t), (u), or (v).</li> <li>• A distribution that is a permissible withdrawal under an eligible automatic contribution arrangement.</li> <li>• Any other distribution subject to an exception under section 72(q), (t), (u), or (v) that is not required to be reported using Code 1, 3, or 4.</li> </ul>	8, B, D, or P
<b>3— Disability.</b>	For these purposes, see section 72(m)(7).	None
<b>4— Death.</b>	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.	8, A, B, D, G, H, L, or P
<b>5— Prohibited transaction.</b>	Use Code 5 if there was a prohibited (improper) use of the account. Code 5 means the account is no longer an IRA.	None
<b>6— Section 1035 exchange.</b>	Use Code 6 to indicate the tax-free exchange of life insurance, annuity, or endowment contracts under section 1035.	None
<b>7— Normal distribution.</b>	Use Code 7: (a) for a normal distribution from a plan, including a traditional IRA, section 401(k), or section 403(b) plan, if the employee/taxpayer is at least age 59½, (b) for a Roth IRA conversion or reconversion if the participant is at least age 59½, and (c) to report a distribution from a life insurance, annuity, or endowment contract and for reporting income from a failed life insurance contract under sections 7702(g) and (h). See Rev. Rul. 91-17, 1991-1 C.B. 190. Use Code 7 with Code A, if applicable. Generally, use Code 7 if no other code applies. Do not use Code 7 for a Roth IRA. <b>Note:</b> Code 1 must be used even if a taxpayer is 59½ or older and he or she modifies a series of substantially equal periodic payments under section 72(q), (t), or (v) prior to the end of the 5-year period.	A
<b>8— Excess contributions plus earnings/ excess deferrals (and/or earnings) taxable in 2009.</b>	Use Code 8 for an IRA distribution under section 408(d)(4), unless Code P applies. Also use this code for corrective distributions of excess deferrals, excess contributions, and excess aggregate contributions, unless Code D or P applies. See <i>Corrective Distributions</i> on page 5 and <i>IRA Revocation or Account Closure</i> on page 2 for more information.	1, 2, 4, B, or J
<b>9— Cost of current life insurance protection.</b>	Use Code 9 to report premiums paid by a trustee or custodian for current life or other insurance protection. See box 2a on page 7 for more information.	None
<b>A— May be eligible for 10-year tax option.</b>	Use Code A only for participants born before January 2, 1936, or their beneficiaries to indicate the distribution may be eligible for the 10-year tax option method of computing the tax on lump-sum distributions (on Form 4972, Tax on Lump-Sum Distributions). To determine whether the distribution may be eligible for the tax option, you need not consider whether the recipient used this method (or capital gain treatment) in the past.	4 or 7
<b>B— Designated Roth account distribution.</b>	Use Code B for a distribution from a designated Roth account that is not a qualified distribution. But use Code E for a section 415 excess.	1, 2, 4, 8, D, G, L, P, or U
<b>D— Excess contributions plus earnings/ excess deferrals taxable in 2007.</b>	See the explanation for Code 8. Generally, do not use Code D for an IRA distribution under section 408(d)(4) or 408(d)(5).	1, 2, 4, or B
<b>E— Distributions under Employee Plans Compliance Resolution System (EPCRS).</b>	See <i>Distributions under Employee Plans Compliance Resolutions System (EPCRS)</i> on page 5.	None

**Guide to Distribution Codes**

Distribution Codes	Explanations	*Used with code ...(if applicable)
<b>F—Charitable gift annuity.</b>	See <i>Charitable gift annuities</i> on page 8.	None
<b>G—Direct rollover and rollover contribution.</b>	Use Code G for a direct rollover from a qualified plan (including a governmental section 457(b) plan) or section 403(b) plan to an eligible retirement plan (another qualified plan, a section 403(b) plan, or an IRA). See <i>Direct Rollovers</i> on page 3. Also use Code G for certain distributions to an employer plan and IRA rollover contributions to an accepting employer plan. <b>Note:</b> Do not use Code G for a direct rollover from a designated Roth account to a Roth IRA. Use Code H.	4 or B
<b>H—Direct rollover of a designated Roth account distribution to a Roth IRA.</b>	Use Code H for a direct rollover of a distribution from a designated Roth account to a Roth IRA.	4
<b>J—Early distribution from a Roth IRA.</b>	Use Code J for a distribution from a Roth IRA when Code Q or Code T does not apply. But use Code 2 for an IRS levy and Code 5 for a prohibited transaction.	8 or P
<b>L—Loans treated as deemed distributions under section 72(p).</b>	Do not use Code L to report a loan offset. See <i>Loans Treated as Distributions</i> on page 5.	1, 4, or B
<b>N—Recharacterized IRA contribution made for 2009.</b>	Use Code N for a recharacterization of an IRA contribution made for 2009 and recharacterized in 2009 to another type of IRA by a trustee-to-trustee transfer or with the same trustee.	None
<b>P—Excess contributions plus earnings/excess deferrals taxable in 2008.</b>	See the explanation for Code 8. The IRS suggests that anyone using Code P for the refund of an IRA contribution under section 408(d)(4), including excess Roth IRA contributions, advise payees, at the time the distribution is made, that the earnings are taxable in the year in which the contributions were made.	1, 2, 4, B, or J
<b>Q—Qualified distribution from a Roth IRA.</b>	Use Code Q for a distribution from a Roth IRA if you know that the participant meets the 5-year holding period and: <ul style="list-style-type: none"> <li>• The participant has reached age 59½,</li> <li>• The participant died, or</li> <li>• The participant is disabled.</li> </ul> <b>Note:</b> If any other code, such as 8 or P, applies, use Code J.	None
<b>R—Recharacterized IRA contribution made for 2008.</b>	Use Code R for a recharacterization of an IRA contribution made for 2008 and recharacterized in 2009 to another type of IRA by a trustee-to-trustee transfer or with the same trustee.	None
<b>S—Early distribution from a SIMPLE IRA in the first 2 years, no known exception.</b>	Use Code S only if the distribution is from a SIMPLE IRA in the first 2 years, the employee/taxpayer has not reached age 59½, and none of the exceptions under section 72(t) are known to apply when the distribution is made. The 2-year period begins on the day contributions are first deposited in the individual's SIMPLE IRA. Do not use Code S if Code 3 or 4 applies.	None
<b>T—Roth IRA distribution, exception applies.</b>	Use Code T for a distribution from a Roth IRA if you do not know if the 5-year holding period has been met but: <ul style="list-style-type: none"> <li>• The participant has reached age 59½,</li> <li>• The participant died, or</li> <li>• The participant is disabled.</li> </ul> <b>Note:</b> If any other code, such as 8 or P, applies, use Code J.	None
<b>U—Dividends distributed from an ESOP under section 404(k).</b>	Use Code U for a distribution of dividends from an employee stock ownership plan (ESOP) under section 404(k). These are not eligible rollover distributions. <b>Note.</b> Do not report dividends paid by the corporation directly to plan participants or their beneficiaries. Continue to report those dividends on Form 1099-DIV.	B

\*See the first **Caution** for box 7 instructions on page 10.



## Specific Instructions for Form 5498

File Form 5498, IRA Contribution Information, with the IRS by June 1, 2010, for each person for whom in 2009 you maintained any individual retirement arrangement (IRA), including a deemed IRA under section 408(q).

An IRA includes all investments under one IRA plan. It is not necessary to file a Form 5498 for each investment under one plan. For example, if a participant has three certificates of deposit (CDs) under one IRA plan, only one Form 5498 is required for all contributions and the fair market values (FMVs) of the CDs under the plan. However, if a participant has established more than one IRA plan with the same trustee, a separate Form 5498 must be filed for each plan.

**Contributions.** You must report contributions to any IRA on Form 5498. See the instructions under boxes 1, 2, 3, 4, 8, 9, 10, 13a, 14a, and 15a on pages 15 and 16. If no reportable contributions were made for 2009, complete only boxes 5 and 7, and boxes 11, 12a, and 12b, if applicable.



*You are required to file Form 5498 even if required minimum distributions (RMDs) or other payments have started.*

Report contributions to a spousal IRA under section 219(c) on a separate Form 5498 using the name and taxpayer identification number (TIN) of the spouse.

For contributions made between January 1 and April 15, 2010, trustees and issuers should obtain the participant's designation of the year for which the contributions are made.

**Direct rollovers, transfers, and recharacterizations.** You must report the receipt of a direct rollover from a qualified plan (including a governmental section 457(b) plan) or section 403(b) plan to an IRA. Report a direct rollover in box 2. For information on direct rollovers of eligible rollover distributions, see *Direct Rollovers* on page 3.

If a rollover or trustee-to-trustee transfer is made from a savings incentive match plan for employees (SIMPLE) IRA to an IRA that is not a SIMPLE IRA and the trustee has adequately substantiated information that the participant has not satisfied the 2-year period specified in section 72(t)(6), report the amount as a regular contribution in box 1 even if the amount exceeds \$5,000 (\$6,000 for participants 50 or older).

**Transfers.** Do not report on Form 5498 a direct trustee-to-trustee transfer from (a) a traditional IRA to another traditional IRA or to a simplified employee plan (SEP) IRA, (b) a SIMPLE IRA to another SIMPLE IRA, (c) a SEP IRA to another SEP IRA or to a traditional IRA, or (d) a Roth IRA to a Roth IRA. For reporting purposes, contributions and rollovers do not include these transfers.

**Recharacterizations.** You must report each recharacterization of an IRA contribution. If a participant makes a contribution to an IRA (first IRA) for a year, the participant may choose to recharacterize the contribution by transferring, in a trustee-to-trustee transfer, any part of the contribution (plus earnings) to another IRA (second IRA). The contribution is treated as made to the second IRA (recharacterization). A recharacterization may be made with the same trustee or with another trustee. The trustee of the first IRA must report the amount contributed before the recharacterization as a contribution on Form 5498 and the recharacterization as a distribution on Form 1099-R. The trustee of the second IRA must report the amount received (FMV) in box 4 on Form 5498 and check the type of IRA box in box 7.

All recharacterized contributions received by an IRA in the same year must be totaled and reported on one Form 5498 in box 4. You may report the FMV of the account on the same Form 5498 you use to report a recharacterization of an IRA contribution and any other contributions made to the IRA for the year.

**Catch-up contributions.** Participants, who are age 50 or older by the end of the year, may be eligible to make catch-up IRA contributions or catch-up elective deferral contributions. The annual IRA regular contribution limit of \$5,000 is increased to \$6,000 for participants age 50 or older. Catch-up elective deferral contributions reported on Form 5498 may be made under a salary reduction SEP (SARSEP) or under a SIMPLE IRA plan. For 2009, up to \$5,500 in catch-up elective deferral contributions may be made under a SARSEP, and up to \$2,500 to a SIMPLE IRA plan. For more information on catch-up

elective deferral contributions, see Regulations section 1.414(v)-1.

Include any catch-up amounts when reporting contributions for the year in boxes 1, 8, 9, or 10.

**Special reporting for 2009.** Special catch-up contributions of up to \$3,000 may be made by certain participants under section 219(b)(5)(C) as added by section 831 of the Pension Protection Act of 2006. Report these contributions in boxes 15a and 15b according to the instructions on page 16. Participants who make these contributions cannot also make catch-up IRA contributions. This is the last year these contributions may be made.

**Roth IRA conversions.** You must report the receipt of a conversion from an IRA to a Roth IRA even if the conversion is with the same trustee. Report the total amount converted from a traditional IRA, SEP IRA, or SIMPLE IRA to a Roth IRA in box 3.

**IRA revocation or account closure.** If a traditional IRA, Roth IRA, or SIMPLE IRA is revoked during its first 7 days (under Regulations section 1.408-6(d)(4)(ii)) or closed at any time by the IRA trustee pursuant to its resignation or such other event mandating the closure of the account, Form 5498 must be filed to report any regular, rollover, IRA conversion, SEP IRA, or SIMPLE IRA contributions to the IRA. For information about reporting a distribution from a revoked or closed IRA, see *IRA Revocation or Account Closure* on page 2.

**Total distribution, no contributions.** Generally, if a total distribution was made from an account during the year and no contributions, including rollovers, recharacterizations, or Roth IRA conversion amounts, were made for that year, you need not file Form 5498 nor furnish the annual statement to reflect that the FMV on December 31 was zero.

**Required minimum distributions (RMDs).** An IRA (other than a Roth IRA) owner/participant must begin taking distributions for each calendar year beginning with the calendar year in which the participant attains age 70½. The distribution for the 70½ year must be made no later than April 1 of the following calendar year; RMDs for any other year must be made no later than December 31 of the year. See Regulations section 1.401(a)(9)-6 for RMDs from annuity contracts. **Note.** A qualified charitable distribution is counted for purposes of the RMD requirements under sections 408(a)(6), 408(b)(3), and 408A(c)(5).

For each IRA you held as of December 31 of the prior year, if an RMD is required for the year, you must provide a statement to the IRA participant by January 31 regarding the RMD using one of two alternative methods described below. You are not required to use the same method for all IRA participants; you can use Alternative one for some IRA participants and Alternative two for the rest. Under both methods, the statement must inform the participant that you are reporting to the IRS that an RMD is required for the year. The statement can be provided in conjunction with the statement of the FMV.

If the IRA participant is deceased, and the surviving spouse is the sole beneficiary, special rules apply for RMD reporting. If the surviving spouse elects to treat the IRA as the spouse's own, then report with the surviving spouse as the owner. However, if the surviving spouse does not elect to treat the IRA as the spouse's own, then you must continue to treat the surviving spouse as the beneficiary. Until further guidance is issued, no reporting is required for IRAs of deceased participants (except where the surviving spouse elects to treat the IRA as the spouse's own, as described above).

**Alternative one.** Under this method, include in the statement the amount of the RMD with respect to the IRA for the calendar year and the date by which the distribution must be made. The amount may be calculated assuming the sole beneficiary of the IRA is not a spouse more than 10 years younger than the participant. Use the value of the account as of December 31 of the prior year to compute the amount. See boxes 11, 12a, and 12b, on pages 15 and 16 for how to report.

**Alternative two.** Under this method, the statement informs the participant that a minimum distribution with respect to the IRA is required for the calendar year and the date by which such amount must be distributed. You must include an offer to furnish the participant with a calculation of the amount of the RMD if requested by the participant.

**Electronic filing.** These statements may be furnished electronically using the procedures described in part F of the

2009 General Instructions for Forms 1099, 1098, 3921, 3922, 5498, and W-2G.

**Reporting to the IRS.** If an RMD is required, check box 11. See page 15. For example, box 11 is checked on the Form 5498 for a 2010 RMD. You are not required to report to the IRS the amount or the date by which the distribution must be made. However, see the *Caution* on page 16 for using boxes 12a and 12b for reporting RMDs to participants.

For more details, see Notice 2002-27 on page 814 of Internal Revenue Bulletin 2002-18 at [www.irs.gov/pub/irs-irbs/irb02-18.pdf](http://www.irs.gov/pub/irs-irbs/irb02-18.pdf) as clarified by Notice 2003-3 on page 258 of Internal Revenue Bulletin 2003-2 at [www.irs.gov/pub/irs-irbs/irb03-02.pdf](http://www.irs.gov/pub/irs-irbs/irb03-02.pdf).

**Inherited IRAs.** In the year an IRA participant 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 figuring the taxation of a distribution from an IRA, including exclusion from current year gross income as an eligible rollover distribution under section 402(c). Thus, the decedent's name must be shown on the beneficiary's Form 5498 and annual statement. For example, you may enter "Brian Willow as beneficiary of Joan Maple" or something similar that signifies that the IRA was once owned by Joan Maple. You may abbreviate the word "beneficiary" as, for example, "bene."

For a spouse beneficiary, unless the spouse makes the IRA his or her own, treat the spouse as a nonspouse beneficiary for reporting purposes. If the spouse makes the IRA his or her own, do not report the beneficiary designation on Form 5498 and the annual statement.

An IRA set up to receive a direct rollover for a nonspouse designated beneficiary is treated as an inherited IRA.

**Fair market value (FMV).** On the decedent's Form 5498 and annual statement, you must enter the FMV of the IRA on the date of death in box 5. Or you may choose the alternate reporting method and report the FMV as of the end of the year in which the decedent died. This alternate value will usually be zero because you will be reporting the end-of-year valuation on the beneficiary's Form 5498 and annual statement. The same figure should not be shown on both the beneficiary's and decedent's forms. If you choose to report using the alternate method, you must inform the executor or administrator of the decedent's estate of his or her right to request a date-of-death valuation.

On the beneficiary's Form 5498 and annual statement, the FMV of that beneficiary's share of the IRA as of the end of the year must be shown in box 5. Every year thereafter that the IRA exists, you must file Form 5498 and furnish an annual statement for each beneficiary who has not received a total distribution of his or her share of the IRA showing the FMV at the end of the year and identifying the IRA as described above.

However, if a beneficiary takes a total distribution of his or her share of the IRA in the year of death, you need not file a Form 5498 nor furnish an annual statement for that beneficiary, but you must still file Form 5498 for the decedent.

If you have no knowledge of the death of an IRA participant until after you are required to file Form 5498 (May 31), you are not required to file a corrected Form 5498 nor furnish a corrected annual statement. However, you must still provide the date-of-death valuation in a timely manner to the executor or administrator upon request.

For more information about the reporting requirements for inherited IRAs, see Rev. Proc. 89-52, 1989-2 C.B. 632.

**Disaster relief reporting.** Special tax law provisions and reporting instructions may apply when the president declares a location to be a major disaster area. To determine the location of and special rules applicable to individual federally declared disaster areas, go to [www.irs.gov](http://www.irs.gov) and enter the keyword "disaster" in the upper right hand corner. Then click on "Tax Relief in Disaster Situations." The information provided includes:

- A list of the areas for which relief has recently been granted,
- News Releases detailing the scope of the relief and any special reporting instructions, and
- A link to the Federal Emergency Management Agency's list of federal disaster declarations.

See the instructions for *Box 13a* through *Box 13c* for reporting postponed contributions on page 16.

**Qualified settlement income.** Qualified settlement income received in connection with the Exxon Valdez litigation may be contributed to a traditional or Roth IRA. See P.L. 110-343, Division C, sec. 504 for contribution limitations and *Box 2. Rollover Contributions* on page 15.

**Airline payment amount.** Qualified airline employees may contribute the amounts received (money or other property) with respect to the employee's interest in a bankruptcy claim against the airline carrier, to a Roth IRA as a rollover contribution. See P.L. 110-458, sec. 125 for contribution limitations and *Box 2. Rollover Contributions* on page 15.

**Special reporting for U.S. Armed Forces in designated combat zones.** A participant who is serving in or in support of the Armed Forces in a designated combat zone or qualified hazardous duty area has an additional period after the normal contribution due date of April 15 to make IRA contributions for a prior year. The period is the time the participant was in the designated zone or area plus at least 180 days. The participant must designate the IRA contribution for a prior year to claim it as a deduction on the income tax return.

Under section 219(f) as amended by the HERO Act, P.L. 109-227, combat zone compensation that is excluded from gross income under section 112 is treated as includible compensation for purposes of determining IRA contributions.

If a qualifying combat zone participant makes a contribution to an IRA after April 15 and designates the contribution for a prior year, you must report the type of contribution (box 7) and the amount on Form 5498. Report the amount either for (1) the year for which the contribution was made or (2) a subsequent year.

1. If you report the contribution for the year it is made, no special reporting is required. Include the contribution in box 1 of an original Form 5498 or of a corrected Form 5498 if an original was previously filed.

2. If you report the contribution on Form 5498 in a subsequent year, you must include the year for which the contribution was made, the amount of the contribution, and one of the following indicators:

- a. Use "AF" (Allied Force) for the Kosovo area.
- b. Use "JE" (Joint Endeavor) for the Persian Gulf area.
- c. Use "EF" (Enduring Freedom) for Afghanistan, Uzbekistan, Kyrgyzstan, Pakistan, Tajikistan, Jordan, and Somalia.
- d. Use "IF" (Iraqi Freedom) for the Arabian Peninsula Areas (the Persian Gulf, the Red Sea, the Gulf of Oman, the portion of the Arabian Sea that lies north of 10 degrees north latitude and west of 68 degrees east longitude, the Gulf of Aden, and the total land areas of Iraq, Kuwait, Saudi Arabia, Oman, Bahrain, Qatar, and the United Arab Emirates and the airspace above such locations).

See boxes 13a, 13b, and 13c on page 16; also see Pub. 3, Armed Forces' Tax Guide, for a list of the locations within the designated combat zones and qualified hazardous duty areas.

**Example.** For a \$4,000 IRA contribution designated for Enduring Freedom for the tax year 2006, enter "4000" in box 13a, "2006" in box 13b, and "EF" in box 13c only. Make no entry in box 1.

**Additional contribution rules for 2004 and 2005.** Under the HERO Act, participants whose compensation was excluded from gross income under section 112 for 2004 or 2005 may make an IRA contribution for either or both years, treating the excluded compensation as includible compensation for purposes of section 219, provided the contribution is made no later than May 28, 2009. File a separate Form 5498 for these contributions for each year for which the contributions are made, following the special reporting rules above.

**Repayment of qualified reservist distributions.** Report any repayment of a qualified reservist distribution as described in section 72(t)(2)(G) in boxes 14a (amount) and 14b (with indicator code "QR").

**Military death gratuities and servicemembers' group life insurance (SGLI) payments.** Recipients of military death gratuities and SGLI payments may contribute amounts received to a Roth IRA, up to the amount of the gratuity or SGLI payment less any amounts contributed to Coverdell ESAs. Report the amount of the rollover contribution in box 2 only. See P. L. 110-245, sec. 109, for more information on limitations.

**Electronic filers.** You may request an automatic waiver from filing Forms 5498 for combat zone participants by submitting Form 8508, Request for Waiver From Filing



Information Returns Electronically. Once you have received the waiver, you may report all Forms 5498 for combat zone participants on paper. Alternatively, you may report contributions made by the normal contribution due date electronically and report the contributions made after the normal contribution due date on paper. You may also report prior year contributions by combat zone participants on a corrected Form 5498 electronically or on paper.

See part F in the 2009 General Instructions for Forms 1099, 1098, 3921, 3922, 5498, and W-2G for information on how to request a waiver on Form 8508.

**Corrected Form 5498.** If you file a Form 5498 with the IRS and later discover that there is an error on it, you must correct it as soon as possible. See part H in the 2009 General Instructions for Forms 1099, 1098, 3921, 3922, 5498, and W-2G or Pub. 1220, if filing electronically. For example, if you reported contributions as rollover contributions in box 2, and you later discover that part of the contribution was not eligible to be rolled over and was, therefore, a regular contribution that should have been reported in box 1, you must file a corrected Form 5498.

**Statements to participants.** If you are required to file Form 5498, you must provide a statement to the participant. By February 1, 2010, you must provide participants with a statement of the December 31, 2009, value of the participant's account and RMD, if applicable. Trustees of SIMPLE IRAs also must provide a statement of the account activity by January 31. Contribution information for all other types of IRAs must be provided by June 1, 2010. You are not required to provide information to the IRS or to participants as to whether a contribution is deductible or nondeductible. In addition, the participant is not required to tell you whether a contribution is deductible or nondeductible.

If you furnished a statement of the FMV of the account, and RMD if applicable, to the participant by February 1, 2010, and no reportable contributions, including rollovers, recharacterizations, or Roth IRA conversions, were made for 2009, you need not furnish another statement (or Form 5498) to the participant to report zero contributions. However, you must file Form 5498 with the IRS by June 1, 2010, to report the December 31, 2009, FMV of the account. This rule also applies to beneficiary accounts under the inherited IRA rules on page 14.

For more information about the requirement to furnish statements to participants, see part M in the 2009 General Instructions for Forms 1099, 1098, 3921, 3922, 5498, and W-2G.



*If you do not furnish another statement to the participant because no reportable contributions were made for the year, the statement of the FMV of the account must contain a legend designating which information is being furnished to the Internal Revenue Service.*

## Account Number

The account number is required if you have multiple accounts for a recipient for whom you are filing more than one Form 5498. Additionally, the IRS encourages you to designate an account number for all Forms 5498 that you file. See part L in the 2009 General Instructions for Forms 1099, 1098, 3921, 3922, 5498, and W-2G.

## Box 1. IRA Contributions (Other Than Amounts in Boxes 2–4, 8–10, 13a, 14a, and 15a)

Enter contributions to a traditional IRA made in 2009 and through April 15, 2010, designated for 2009.

Report gross contributions, including the amount allocable to the cost of life insurance (see box 6) and including any excess contributions, even if the excess contributions were withdrawn. If an excess contribution is treated as a contribution in a subsequent year, do not report it on Form 5498 for the subsequent year. It has already been reported as a contribution on Form 5498 for the year it was actually contributed.

Also include employee contributions to an IRA under a SEP plan. These are contributions made by the employee, not by the employer, that are treated as regular IRA contributions subject to the 100% of compensation and \$5,000 (\$6,000 for participants 50 or older) limits of section 219. Do not include employer SEP IRA contributions or SARSEP contributions under section 408(k)(6). Instead, include them in box 8.

Also, do not include in box 1 contributions to a SIMPLE IRA (report them in box 9) and a Roth IRA (report them in box 10).

In addition, do not include in box 1 rollovers and recharacterizations (report rollovers in box 2 and recharacterizations in box 4), or a Roth IRA conversion amount (report in box 3).

## Box 2. Rollover Contributions

Enter any rollover contributions (or contributions treated as rollovers) to any IRA received by you during 2009. These contributions may be any of the following:

- A direct or indirect rollover from a qualified plan (including a governmental section 457(b) plan) or section 403(b) plan.
- Any qualified rollover contribution as defined in section 408A(e) from an eligible retirement plan (other than an IRA) to a Roth IRA.
- A military death gratuity.
- An SGLI payment.
- Qualified settlement income received in connection with the Exxon Valdez litigation.
- Airline payment amounts.

For the rollover of property, enter the FMV of the property on the date you receive it. This value may be different from the value of the property on the date it was distributed to the participant.

For more details, see Pub. 590.

## Box 3. Roth IRA Conversion Amount

Enter the amount converted or reconverted from a traditional IRA, SEP IRA, or SIMPLE IRA to a Roth IRA during 2009. Do not include a rollover from one Roth IRA to another Roth IRA. Include this type of rollover in box 2.

## Box 4. Recharacterized Contributions

Enter any amounts recharacterized plus earnings from one type of IRA to another.

## Box 5. Fair Market Value of Account

Enter the FMV of the account on December 31. For inherited IRAs, see *Inherited IRAs* on page 14.

## Box 6. Life Insurance Cost Included in Box 1

For endowment contracts only, enter the amount included in box 1 allocable to the cost of life insurance.

## Box 7. Checkboxes

Check the appropriate box.

**IRA.** Check "IRA" if you are filing Form 5498 to report information about a traditional IRA account.

**SEP.** Check "SEP" if you are filing Form 5498 to report information about a SEP IRA. If you do not know whether the account is a SEP IRA, check the "IRA" box.

**SIMPLE.** Check "SIMPLE" if you are filing Form 5498 to report information about a SIMPLE IRA account. Do not check this box for a SIMPLE 401(k) plan. See section 408(p).

**Roth IRA.** Check "Roth IRA" if you are filing Form 5498 to report information about a Roth IRA account.

## Box 8. SEP Contributions

Enter employer contributions made to a SEP IRA (including salary deferrals under a SARSEP) during 2009 including contributions made in 2009 for 2008, but not including contributions made in 2010 for 2009. Do not enter employee contributions to an IRA under a SEP plan. Report any employee contributions to an IRA under a SEP plan in box 1. Also include in box 8 SEP contributions made by a self-employed person to his or her own account.

## Box 9. SIMPLE Contributions

Enter contributions made to a SIMPLE IRA during 2009. Do not include contributions to a SIMPLE 401(k) plan. A distribution from one SIMPLE IRA rolled over to another SIMPLE IRA is reported in box 2.

## Box 10. Roth IRA Contributions

Enter any contributions made to a Roth IRA in 2009 and through April 15, 2010, designated for 2009. However, report Roth IRA conversion amounts in box 3.

## Box 11. Check if RMD for 2010

Check the box if the participant must take an RMD for 2010. You are required to check the box for the year in which the IRA participant reaches age 70½ even though the RMD for that year need not be made until April 1 of the following year. Then check the box for each subsequent year an RMD is required to be made.



*Boxes 12a and 12b are provided for your use to report RMD dates and amounts to participants. You may choose to complete these boxes, or continue to provide a separate Form 5498, or a separate statement, to report the information required by Alternative one or Alternative two. See page 13. To determine the RMD, see the regulations under sections 401(a)(9) and 408(a)(6) and (b)(3).*

**Box 12a. RMD Date**

Enter the RMD date if you are using Form 5498 to report the additional information. See page 13.

**Box 12b. RMD Amount**

Enter the RMD amount if you are using Form 5498 to report the additional information under *Alternative one*. See page 13.

**Box 13a. Postponed Contribution**

Report the amount of any postponed contribution made in 2009 for a prior year. If contributions were made for more than 1 prior year, each prior year's postponed contribution must be reported on a separate form.

**Box 13b. Year**

Enter the year for which the postponed contribution in box 13a was made.

**Box 13c. Code**

From the following list of codes, enter the reason the participant made the postponed contribution.

- For participants' service in the combat zone or hazardous duty area, enter:

AF—Allied Force.  
JE—Joint Endeavor.  
EF—Enduring Freedom.  
IF—Iraqi Freedom.

- For participants who are "affected taxpayers," as described in an IRS News Release relating to a federally designated disaster area, enter FD.

**Box 14a. Repayments**

Enter the amount of any repayment of a qualified reservist distribution or a designated disaster distribution repayment (for example, a qualified hurricane distribution).

**Box 14b. Code**

Enter QR for the repayment of a qualified reservist distribution, or DD for repayment of a federally designated disaster distribution.

**Box 15a. Other Contributions**

Enter the amount of any catch-up contributions made in the case of certain employer bankruptcies (maximum amount \$3,000). The regular catch-up contributions for individuals 50 or older does not apply if this special catch-up contribution is made. See section 219(b)(5)(C) for further information.

**Box 15b. Code**

Enter BK for these special catch-up contributions.



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# General Instructions for Forms 1099, 1098, 3921, 3922, 5498, and W-2G

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

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## What's New



See the specific form instructions for more information on the changes listed below.

### General Instructions for Forms 1099, 1098, 3921, 3922, 5498, and W-2G.

**New title for the General Instructions.** The title of the General Instructions has been changed to reflect the addition of Forms 3921 and 3922 beginning in 2009.



At the time these instructions went to print, final regulations had not been issued for reporting Forms 3921 and 3922 and their separate instructions. These general instructions will be re-released when final regulations are issued.

**Extension of due date for statements sent to recipients.** The due date for furnishing statements to recipients for Forms 1099-B, 1099-S, and 1099-MISC (if amounts are reported in boxes 8 or 14) has been extended to February 15.

**Guide to Information Returns.** Forms 5471, 5472, 8027, 8300, 8308, 104, 926, and TD F 90-22.1, not affiliated with these general instructions, have been removed from the guide on pages 17 and 18. Forms 3921 and 3922 have been added.

**Form 1098-E.** For loans made before September 1, 2004, box 2 on the Form 1098-E should be checked if the amount in box 1 of the form does **not** include loan origination fees and/or capitalized interest. This is a reverse of the 2008 instructions for the completion of box 2.

**Form 1099-C.** The form has been revised, moving "Debt description" from box 5 to an enlarged box 4. Box 5 now contains 2 checkboxes to indicate whether the borrower was personally liable for repayment of the debt.

**Creditor's phone number.** A central phone number for debtors to use to contact a person having knowledge of a canceled debt is now required information in the Creditor's information box.

**Instructions for Form 1099-C** The number of entities who must report cancellation of debt after the expiration of the nonpayment testing period has been reduced. The order under "Who Must File" has been changed.

**Form 1099-DIV.** Payments of section 404(k) dividends directly from a corporation to participants in an employee stock ownership plan (ESOP), or their beneficiaries, must be reported on Form 1099-DIV. Payments of section 404(k) dividends from the ESOP to the participants continue to be reported on Form 1099-R.

If a regulated investment company (RIC) or a real estate investment trust (REIT) holds any qualified tax credit bonds, the credit determined from tax credit bonds is interest and is included in gross income as a distribution to the shareholder or beneficiary. Attach a statement to Form 1099-DIV.

**Form 1099-G.** There is a new box 9 for reporting market gain associated with the repayment of Commodity Credit Corporation (CCC) loans.

**Instructions for Forms 1099-INT and 1099-OID.** The credit allowable to holders of the following tax credit bonds is treated as interest and reported in box 1 of Form 1099-INT.

- Qualified forestry conservation bonds issued after May 22, 2008.
- Qualified energy conservation bonds.
- Qualified zone academy bonds.
- Midwestern tax credit bonds.

**Form 1099-MISC.** The following reporting changes have been made to Form 1099-MISC.

**Military differential pay.** Payments made after 2008 to former employees while they are on active duty for more than 30 days in the Armed Forces or other uniformed services are **not** reported on Form 1099-MISC. Report those payments on Form W-2 instead. Also, see the instructions for box 3.

**Death benefits.** Death benefits from nonqualified deferred compensation plans paid to the estate or beneficiary of a deceased employee are now reported on Form 1099-MISC instead of Form 1099-R. Death benefit payments from qualified plans continue to be reported on Form 1099-R.

**Payments to individuals in medical research studies.** Payments made to individuals in medical research studies are reported in box 3.

**Box 15a.** Payers are not required to report deferrals under nonqualified deferred compensation plans under section 409A in box 15a.

### Instructions for Form 1099-PATR.

- A new tax credit is allowed for cellulosic biofuel produced after 2008. For more information, see section 40 and Form 6478.
- A new tax credit is allowed for qualified agricultural chemicals security expenses paid or incurred after May 22, 2008. For more information, see section 45O and Form 8931.
- The Indian employment credit has been extended through December 31, 2009.
- The energy efficient appliance credit has been revised and extended for eligible products produced through December 31, 2010.

### Instructions for Forms 1099-R and 5498.

#### Form 1099-R.

- Generally, box 2a should be left blank when reporting distributions from traditional or SEP IRAs. Box 2b, "Taxable amount not determined" should be checked.
- Corrective distributions of excess contributions and excess aggregate contributions are taxable in the year distributed (except for designated Roth contributions).
- Distributions from a nonqualified deferred compensation (NQDC) plan to an estate or beneficiary of a deceased plan participant are no longer reported on Form 1099-R. They should be reported on Form 1099-MISC.
- Qualified distributions from IRAs for charitable purposes may be made through December 31, 2009.
- Distributions of dividends from an employee stock ownership plan (ESOP) under section 404(k) to participants or their beneficiaries are to be reported on Form 1099-R. All other distributions from an ESOP must be reported on a separate Form 1099-R.
- Rev. Proc. 2008-24 was issued to address the tax treatment of certain tax-free exchanges of annuity contracts under sections 72 and 1035. The interim guidance provided by Notice 2003-51 is superseded.
- The following changes were made to the Guide to Distribution Codes.

1. For Distribution Code 1, references to the qualified reservist distribution under section 72(t)(2)(G) have been made permanent due to P.L. 110-245, sec. 107.
2. New Distribution Code U, for distributions under IRC 404(k), was added to the table.
3. Distribution Codes B and U are a valid combination.

#### Form 5498.

- The form has been enlarged and reformatted to 2 to a page instead of 3 to a page to provide additional boxes for reporting information formerly reported in the blank box next to box 10. Instructions have been added for new boxes 12a through 15b.
- The words "presidentially declared disaster areas" have been changed to "federally declared disaster areas."
- P.L. 110-245, sec. 109, allows recipients of military death gratuities and servicemembers' group life insurance (SGLI) payments to contribute all or a portion of the amounts received to a Roth IRA.
- P.L. 110-343, Division C, sec. 504, allows recipients of qualified settlement income received in connection with the Exxon Valdez litigation to contribute all or a portion of the amount received to a traditional or Roth IRA.
- P.L. 110-458, sec. 125, allows all or a portion of certain payments made to qualified airline employees to be contributed to a Roth IRA.
- P.L. 110-458, sec. 201, suspends required minimum distributions (RMDs) for 2009 for defined contribution plans and IRAs.

**Instructions for Forms 3921 and 3922.** Revised Forms 3921 and 3922 and their instructions are expected to be issued for reporting years beginning subsequent to 2008 after final regulations have been issued.

**Instructions for Form 5498-ESA.** Rollover contributions to a Coverdell ESA include contributions of military death gratuity payments.

## Reminders

**Electronic Filing.** *E-filers* are reminded that using the FIRE system requires following the specifications contained in Pub. 1220, Specifications for Filing Forms 1098, 1099, 3921, 3922, 5498, and W-2G Electronically. Also, the IRS does not provide

a fill-in form option. See part F on page 5 for information on *e-file*.

**Payee.** Throughout these instructions the term "payee" means any recipient of Forms 1099, 1098, 3921, 3922, 5498, or W-2G including borrowers, debtors, donors, insureds, participants, policyholders, students, transferors, and winners on certain forms.

**Where to file.** All information returns filed on paper will be filed with only two Internal Revenue Service Centers: Austin, TX, and Kansas City, MO. See part D on page 5 and Form 1096, Annual Summary and Transmittal of U.S. Information Returns.

## Items You Should Note

### Photographs of Missing Children

The Internal Revenue Service is a proud partner with the National Center for Missing and Exploited Children. Photographs of missing children selected by the Center may appear in instructions on pages that would otherwise be blank. You can help bring these children home by looking at the photographs and calling 1-800-THE-LOST(1-800-843-5678) if you recognize a child.

### Available Products

In addition to these general instructions, which contain general information concerning Forms 1099, 1098, 3921, 3922, 5498, and W-2G, we provide specific form instructions as separate products. Get the instructions you need for completing a specific form from the following list of separate instructions.

- Instructions for Forms W-2G and 5754
- Instructions for Form 1098
- Instructions for Form 1098-C
- Instructions for Forms 1098-E and 1098-T
- Instructions for Forms 1099-A and 1099-C
- Instructions for Form 1099-B
- Instructions for Form 1099-CAP
- Instructions for Form 1099-DIV
- Instructions for Form 1099-G
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- Instructions for Forms 1099-R and 5498
- Instructions for Form 1099-S
- Instructions for Forms 1099-SA and 5498-SA
- Instructions for Forms 3921 and 3922
- Instructions for Form 5498-ESA

See *How To Get Forms, Publications, and Other Assistance* on page 15.

### Guide to Information Returns

See the chart on pages 17 and 18 for a brief summary of information return reporting rules.

### Use Form 1096 To Send Paper Forms to the IRS

You must send Copies A of all paper Forms 1099, 1098, 3921, 3922, 5498, and W-2G to the IRS with Form 1096, Annual Summary and Transmittal of U.S. Information Returns. Instructions for completing Form 1096 are contained on Form 1096. Also see part E on page 5.

### Reporting Backup Withholding on Forms 1099 and W-2G

If you backup withhold on a payment, you must file the appropriate Form 1099 or Form W-2G with the IRS and furnish a statement to the recipient to report the amount of the payment and the amount withheld. This applies even though the amount of the payment may be below the normal threshold for filing Form 1099 or Form W-2G. For how to report backup withholding, see part N on page 11.

### Substitute Statements to Recipients

If you are using a substitute form to furnish information statements to recipients (generally Copy B), be sure your substitute statements comply with the rules in Pub. 1179, General Rules and Specifications for Substitute Forms 1096,



1098, 1099, 3921, 3922, 5498, W-2G, and 1042-S. Pub. 1179, which is revised annually, explains the requirements for format and content of substitute statements to recipients. See part M on page 9 for additional information.



All substitute statements to recipients must contain the tax year, form number, and form name prominently displayed together in one area of the statement. For example, they could be shown in the upper right part of the statement.

## Taxpayer Identification Number (TIN) Matching

TIN Matching allows a payer or authorized agent who is required to file Forms 1099-B, DIV, INT, MISC, OID, and/or PATR, which report income subject to backup withholding, to match TIN and name combinations with IRS records before submitting the forms to the IRS. TIN Matching is one of the e-services products that is offered and is accessible through the IRS website. For program guidelines, see *Pub. 2108A, e-Services On-Line TIN Matching Program*, or go to [www.irs.gov](http://www.irs.gov) and enter keyword "TIN matching" in the upper right corner. It is anticipated that payers who validate the TIN and name combinations before filing information returns will receive fewer backup withholding (CP2100) "B" notices and penalty notices. E-services technical support is available by calling 1-866-255-0654.

## A. Who Must File

See the separate specific instructions for each form.

**Nominee/middleman returns.** Generally, if you receive a Form 1099 for amounts that actually belong to another person, you are considered a nominee recipient. You must file a Form 1099 with the IRS (the same type of Form 1099 you received) for each of the other owners showing the amounts allocable to each. You must also furnish a Form 1099 to each of the other owners. File the new Form 1099 with Form 1096 with the Internal Revenue Service Center for your area. On each new Form 1099, list yourself as the "payer" and the other owner as the "recipient." On Form 1096, list yourself as the "filer." A husband or wife is not required to file a nominee return to show amounts owned by the other. The nominee, not the original payer, is responsible for filing the subsequent Forms 1099 to show the amount allocable to each owner.

**Successor/predecessor reporting.** A successor business (a corporation, partnership, or sole proprietorship) and a predecessor business (a corporation, partnership, or sole proprietorship) may agree that the successor will assume all or some of the predecessor's information reporting responsibilities. This would permit the successor to file one Form 1099, 1098, 3921, 3922, 5498, or W-2G for each recipient combining the predecessor's and successor's reportable amounts, including any withholding. If they so agree and the successor satisfies the predecessor's obligations and the conditions described below, the predecessor does not have to file the specified information returns for the acquisition year. If the successor and predecessor do not agree, or if the requirements described are not met, the predecessor and the successor each must file Forms 1099, 1098, 3921, 3922, 5498, and W-2G for their own reportable amounts as they usually would. For more information and the rules that apply to filing combined Forms 1042-S, Foreign Person's U.S. Income Subject to Withholding, see Rev. Proc. 99-50, which is available on page 757 of Internal Revenue Bulletin 1999-52 at [www.irs.gov/pub/irs-irbs/irb99-52.pdf](http://www.irs.gov/pub/irs-irbs/irb99-52.pdf).

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

1. The successor acquires from the predecessor substantially all the property (a) used in the trade or business of the predecessor, including when one or more corporations are absorbed by another corporation under a merger agreement, or (b) used in a separate unit of a trade or business of the predecessor.

2. The predecessor is required to report amounts, including any withholding, on information returns for the year of acquisition for the period before the acquisition.

3. The predecessor is not required to report amounts, including withholding, on information returns for the year of acquisition for the period after the acquisition.

**Combined reporting agreement.** The predecessor and the successor must agree on the specific forms to which the combined reporting procedure applies and that the successor assumes the predecessor's entire information reporting obligations for these forms. The predecessor and successor may agree to:

1. Use the combined reporting procedure for all Forms 1099, 1098, 3921, 3922, 5498, and W-2G, or
2. Limit the use of the combined reporting procedure to (a) specific forms or (b) specific reporting entities, including any unit, branch, or location within a particular business entity that files its own separate information returns. For example, if the predecessor's and successor's only compatible computer or recordkeeping systems are their dividends paid ledgers, they may agree to use the combined reporting procedure for Forms 1099-DIV only. Similarly, if the only compatible systems are in their midwest branches, they may agree to use the combined reporting procedure for only the midwest branches.

**Combined reporting procedure.** On each Form 1099, 1098, 3921, 3922, 5498, and W-2G filed by the successor, the successor must combine the predecessor's (before the acquisition) and successor's reportable amounts, including any withholding, for the acquisition year and report the aggregate. For transactional reporting on Form 1099-B, Proceeds From Broker and Barter Exchange Transactions, the successor must report each of the predecessor's transactions and each of its own transactions on each Form 1099-B; these same reporting requirements apply to Form 3921, Exercise of an Incentive Stock Option under Section 422(b), and Form 3922, Transfer of Stock Acquired Through an Employee Stock Purchase Plan under Section 423(c). The successor may include with the form sent to the recipient additional information explaining the combined reporting.

For purposes of the combined reporting procedure, the sharing of TINs and other information obtained under section 3406 for information reporting and backup withholding purposes does not violate the confidentiality rules in section 3406(f).

**Statement required.** The successor must file a statement with the IRS indicating the forms that are being filed on a combined basis under Rev. Proc. 99-50. The statement must:

1. Include the predecessor's and successor's names, addresses, telephone numbers, EINs, and the name and telephone number of the person responsible for preparing the statement.
2. Reflect separately the amount of federal income tax withheld by the predecessor and by the successor for each type of form being filed on a combined basis (for example, Form 1099-R or 1099-MISC).
3. Be sent separately from Forms 1099, 1098, 3921, 3922, 5498, and W-2G by the forms' due date to: Enterprise Computing Center—Martinsburg, Attn: Chief, Information Returns Branch, Mail Stop 360, 230 Murall Dr., Kearneysville, WV 25430. Do not send Form 1042-S statements to this address. Instead, use the address given in the Instructions for Form 1042-S; see Rev. Proc. 99-50.

**Qualified settlement funds.** A qualified settlement fund must file information returns for distributions to claimants if any transferor to the fund would have been required to file if the transferor had made the distributions directly to the claimants.

For distributions to transferors, a fund is subject to the information reporting requirements of sections 6041 and 6041A and may be required to file Form 1099-MISC. For payments made by the fund on behalf of a claimant or transferor, the fund is subject to these same rules and may have to file Form 1099-MISC for the payment to a third party. For information reporting purposes, a payment made by the fund on behalf of a claimant or transferor is considered a distribution to the claimant or transferor and is also subject to information reporting requirements.

The same filing requirements, exceptions, and thresholds may apply to qualified settlement funds as apply to any other payer. That is, the fund must determine the character of the

payment (for example, interest, fixed and determinable income, or gross proceeds from broker transactions) and to whom the payment is made (for example, corporation or individual).

For more information, see Regulations section 1.468B-2(l). Also, see Treasury Decision (TD) 9429 available at [www.irs.gov/irb/2006-10\\_IRB/ar05.html](http://www.irs.gov/irb/2006-10_IRB/ar05.html). TD 9429 relates to escrow and similar funds.

**Payments to foreign persons.** See the Instructions for Form 1042-S, relating to U.S. source income of foreign persons, for reporting requirements relating to payments to foreign persons.

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

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

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

Trustees and middlemen must follow all the rules for filing Forms 1099 with the IRS and furnishing a statement to the TIH (except as noted below) as described in parts A through S of these instructions. Trustees and middlemen should also follow the separate instructions for Forms 1099-B, 1099-DIV, 1099-INT, 1099-MISC, and 1099-OID, as applicable, which may address additional income reporting requirements.

**Due date exception and other requirements for furnishing statement to TIH.** The written tax information for 2009 furnished to the TIH is due on or before March 15, 2010. For other items of expense and credit that must be reported to the TIH, see Regulations section 1.671-5(c).

There is no reporting requirement if the TIH is an exempt recipient unless the trustee or middleman backup withholds under section 3406. If the trustee or middleman backup withholds, then follow the rules in part N on page 11. An exempt recipient for this purpose is defined in Regulations section 1.671-5(b)(7).

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

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## B. Other Information Returns

The income information you report on the following forms must not be repeated on Forms 1099 or W-2G.

- Form W-2, Wage and Tax Statement, reporting wages and other employee compensation.
- Forms 1042-S and 1000 reporting income to foreign persons.
- Form 2439 reporting undistributed long-term capital gains of a regulated investment company (RIC) or real estate investment trust (REIT).
- Schedule K-1 of Forms 1065 or 1065-B reporting distributive shares to members of a partnership.
- Schedule K-1 of Form 1041 reporting distributions to beneficiaries of trusts or estates.
- Schedule K-1 of Form 1120S reporting distributive shares to shareholders of S corporations.
- Schedule K of Form 1120-IC-DISC reporting actual and constructive distributions to shareholders and deferred DISC income.

- Schedule Q of Form 1066 reporting income from a real estate mortgage investment conduit (REMIC) to a residual interest holder.

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## C. When To File

File Forms 1098, 1099, 3921, 3922, or W-2G on paper by March 1, 2010, or March 31, 2010, if filing electronically. Also file Form 1096 with paper forms. 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 the due date. File Form 1096 with Forms 5498, 5498-ESA, and 5498-SA by June 1, 2010.

You will meet the requirement to file if the form is properly addressed and mailed on or before the due date. If the regular due date falls on a Saturday, Sunday, or legal holiday, file by the next business day. A business day is any day that is not a Saturday, Sunday, or legal holiday. See part M on page 9 about providing Forms 1098, 1099, 3921, 3922, 5498, and W-2G or statements to recipients.

**Private delivery services.** You can use certain private delivery services designated by the IRS to meet the "timely mailing as timely filing" rule for information returns. The list includes only the following.

- DHL Worldwide Express (DHL): DHL "Same Day" Service; DHL Next Day 10:30 AM; DHL Next Day 12:00 PM; DHL Next Day 3:00 PM; and DHL 2nd Day Service.
- Federal Express (FedEx): FedEx Priority Overnight, FedEx Standard Overnight, FedEx 2 Day, FedEx International Priority, and FedEx International First.
- United Parcel Service (UPS): UPS Next Day Air, UPS Next Day Air Saver, UPS 2nd Day Air, UPS 2nd Day Air A.M., UPS Worldwide Express Plus, and UPS Worldwide Express.

The private delivery service can tell you how to get written proof of the mailing date.



*Private delivery services cannot deliver items to P.O. boxes. You must use the U.S. Postal Service to mail any item to an IRS P.O. box address.*

**Reporting period.** Forms 1098, 1099, 3921, 3922, and W-2G are used to report amounts received, paid, credited, donated, transferred, or canceled in the case of Form 1099-C during the calendar year. Forms 5498, 5498-ESA, and 5498-SA are used to report amounts contributed and the fair market value of an account for the calendar year.

**Extension.** You can get an automatic 30-day extension of time to file by completing Form 8809, Application for Extension of Time To File Information Returns. The form may be submitted on paper, or through the FIRE system either as a fill-in form or an electronic file. No signature or explanation is required for the extension. However, you must file Form 8809 by the due date of the returns in order to get the 30-day extension. Under certain hardship conditions you may apply for an additional 30-day extension. See the instructions for Form 8809 for more information.

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

- If you are requesting an extension for 10 or fewer filers, follow the instructions on Form 8809 and mail it to the address listed in the instructions on the form. See the instructions for Form 8809 for more information.
- If you are requesting an extension for more than 10 filers, you must submit the extension request online or electronically. You are encouraged to submit requests for 10 or fewer filers using the online fill-in form. See Pub. 1220, Part E, for more information on filing online or electronically.

**Extension for statements to recipients.** For information on requesting an extension of time to file statements to recipients, see *Extension* on page 11.

## D. Where To File



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

Send all information returns filed on paper to the following:

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

**Use the following address**

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

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

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

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

If your legal residence or principal place of business or principal office or agency is outside the United States, file with the Department of the Treasury, Internal Revenue Service Center, Austin, TX 73301.

**State and local tax departments.** Contact the applicable state and local tax department as necessary for reporting requirements and where to file Copy 1 (Forms 1099-MISC and 1099-R). Generally, the state or local tax department you need to contact will be located in the recipient's state of legal residence.

## E. Filing Returns With the IRS

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

If you must file any Form 1098, 1099, 3921, 3922, 5498, or W-2G with the IRS and you are filing paper forms, you must send a Form 1096 with each type of form as the transmittal document. You must group the forms by form number and submit each group with a separate Form 1096. For example, if you file Forms 1098, 1099-A, and 1099-MISC, complete one Form 1096 to transmit Forms 1098, another for Forms 1099-A, and a third for Forms 1099-MISC. Specific instructions for completing Form 1096 are included on the form. Also, see *Transmitters, paying agents, etc.* below. For information about filing corrected returns, see part H on page 6.

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

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

1. The agent has the authority to sign the form under an agency agreement (oral, written, or implied) that is valid under state law and

2. The agent signs the form and adds the caption "For: (Name of payer)."

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

Forms 1098, 1099, 3921, 3922, 5498, W-2G, or acceptable substitute statements to recipients issued by a service bureau or agent should show the same payer's name as shown on the information returns filed with the IRS.

For information about the election to report and deposit backup withholding under the agent's TIN and how to prepare forms if the election is made, see Rev. Proc. 84-33, 1984-1 C.B. 502 and the Instructions for Form 945.

**Keeping copies.** Generally, keep copies of information returns you filed with the IRS or have the ability to reconstruct the data for at least 3 years, 4 years for Form 1099-C, from the due date of the returns. Keep copies of information returns for 4 years if backup withholding was imposed.

**Shipping and mailing.** Send the forms to the IRS in a flat mailing (not folded). If you are sending many forms, you may send them in conveniently sized packages. On each package, write your name, number the packages consecutively, and place Form 1096 in package number one. Postal regulations require forms and packages to be sent by First-Class Mail.

## F. Electronic Reporting

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

Pub. 1220 provides the procedures for reporting electronically and is updated annually. Pub. 1220 is available on the IRS website at [www.irs.gov](http://www.irs.gov).

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

**Due dates.** File Forms 1098, 1099, 3921, 3922, or W-2G electronically through the FIRE System by March 31, 2010. File Forms 5498, 5498-ESA, or 5498-SA by June 1, 2010. See part M on page 9 about providing Forms 1098, 1099, 3921, 3922, 5498, and W-2G or statements to recipients.

**Extension of time to file.** For information about requesting an extension of time to file, see *Extension* on page 4.



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

**Who must file electronically.** If you are required to file 250 or more information returns, you must file electronically. The 250-or-more requirement applies separately to each type of form. For example, if you must file 500 Forms 1098 and 100 Forms 1099-A, you must file Forms 1098 electronically, but you are not required to file Forms 1099-A electronically.

The electronic filing requirement does not apply if you apply for and receive a hardship waiver. See *How to request a waiver from filing electronically* on page 6.



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

**Filing requirement applies separately to originals and corrections.**

The electronic filing requirements apply separately to original returns and corrected returns. Originals and corrections are not aggregated to determine whether you are required to file electronically. For example, if you file 400 Forms 1098 electronically and you are making 75 corrections, your corrections can be filed on paper because the number of corrections for Form 1098 is less than the 250 filing



requirement. However, if you were filing 250 or more Form 1098 corrections, they would have to be filed electronically.

**Reporting incorrect payer name and/or TIN.** If a payer discovers an error in reporting the payer name and/or TIN, write a letter to IRS/ECC—MTB (see below) containing the:

1. Name and address of the payer,
2. Type of error (including the incorrect payer name/TIN that was reported),
3. Tax year,
4. Payer TIN,
5. Transmitter Control Code (TCC), if applicable,
6. Type of return,
7. Number of payees, and
8. Filing method (paper or electronic).

Send the letter to Enterprise Computing Center—Martinsburg, Information Reporting Program, 240 Murall Drive, Kearneysville, WV 25430. Also see Pub. 1220, Part A, Section 10.11.

If a payer realizes duplicate reporting or a large percentage of incorrect information has been filed, contact the information reporting customer service site at 1-866-455-7438 for further instructions.

**How to get approval to file electronically.** File Form 4419, Application for Filing Information Returns Electronically, at least 30 days before the due date of the returns. File Form 4419 for all types of returns that will be filed electronically. See Form 4419 for more information. Once you have received approval, you need not reapply each year. The IRS will provide a written reply to the applicant and further instructions at the time of approval, usually within 30 days.

**How to request a waiver from filing electronically.** To receive a waiver from the required filing of information returns electronically, submit Form 8508, Request for Waiver From Filing Information Returns Electronically, at least 45 days before the due date of the returns. You cannot apply for a waiver for more than 1 tax year at a time. If you need a waiver for more than 1 tax year, you must reapply at the appropriate time each year.

If a waiver for original returns is approved, any corrections for the same types of returns will be covered under the waiver. However, if you submit original returns electronically but you want to submit your corrections on paper, a waiver must be approved for the corrections if you must file 250 or more corrections.

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

**Penalty.** If you are required to file electronically but fail to do so, and you do not have an approved waiver, you may be subject to a penalty of \$50 per return for failure to file electronically unless you establish reasonable cause. However, you can file up to 250 returns on paper; those returns will not be subject to a penalty for failure to file electronically.

The penalty applies separately to original returns and corrected returns. See *Filing requirement applies separately to originals and corrections* on page 5.

## G. Paper Document Reporting

If you are required to file 250 or more information returns, see part F on page 5.

**Common errors.** Be sure to check your returns to prevent the following common errors.

1. Duplicate filing. Do not send the same information to the IRS more than once. Also see *Multiple filings* later.
2. Filer's name, address, and TIN are not the same on Form 1096 and the attached Forms 1099, 1098, 3921, 3922, 5498, or W-2G.
3. Decimal point to show dollars and cents omitted. For example, 1230.00 is correct, not 1230.
4. Two or more types of returns submitted with one Form 1096 (for example, Forms 1099-INT and 1099-MISC with one Form 1096). You must submit a separate Form 1096 with each type of return.

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

**Required format.** Because paper forms are scanned, all Forms 1096 and Copies A of Forms 1098, 1099, 3921, 3922, and 5498 must be prepared in accordance with the following instructions. If these instructions are not followed, you may be subject to a penalty of \$50 for each incorrectly filed document.

1. Do not cut or separate Copies A of the forms that are printed two or three to a sheet (except Forms W-2G and 1098-C). Generally, Forms 1098, 1099, 3921, 3922, and 5498 are printed two or three to an 8 x 11 inch sheet. Form 1096 is printed one to an 8 x 11 inch sheet. These forms must be submitted to the IRS on the 8 x 11 inch sheet. If at least one form on the page is correctly completed, you must submit the entire page. Forms W-2G may be separated and submitted as single forms. Send the forms to the IRS in a flat mailing (not folded).

2. No photocopies of any forms are acceptable. See *How To Get Forms, Publications, and Other Assistance* on page 15.

3. Do not staple, tear, or tape any of these forms. It will interfere with the IRS's ability to scan the documents.

4. Pinfeed holes on the form are not acceptable. Pinfeed strips outside the 8 x 11 inch area must be removed before submission, without tearing or ripping the form. Substitute forms prepared in continuous or strip form must be burst and stripped to conform to the size specified for a single sheet (8 x 11 inches) before they are filed with the IRS.

5. Do not change the title of any box on any form. Do not use a form to report information that is not properly reportable on that form. If you are unsure of where to report the data, call the information reporting call site at 1-866-455-7438 (toll free).

6. Report information only in the appropriate boxes provided on the forms. Make only one entry in each box unless otherwise indicated in the form's specific instructions.

7. Do not submit any copy other than Copy A to the IRS.

8. Do not use prior year forms unless you are reporting prior year information; do not use subsequent year forms for the current year. Because forms are scanned, you must use the current year form to report current year information.

9. Use the official forms or substitute forms that meet the specifications in Pub. 1179. If you submit substitute forms that do not meet the current specifications and that are not scannable, you may be subject to a penalty of \$50 for each return for improper format.

10. Do not use dollar signs (\$) (they are preprinted on the forms), ampersands (&), asterisks (\*), commas (,), or other special characters in money amount boxes.

11. Do not use apostrophes ('), asterisks (\*), or other special characters on the payee name line.

**Suggested format.** Follow these suggestions.

1. Although handwritten forms are acceptable, the IRS prefers that you type or machine print data entries using 10 pitch (pica) or 12 pitch (elite) black type. Use block print, not script characters. 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. Do not enter 0 (zero) or "None" in money amount boxes when no entry is required. Leave the boxes blank unless the instructions specifically require that you enter a 0 (zero). For example, in some cases, you must enter 0 (zero) to make corrections. See part H below.
3. Do not enter number signs (#)—RT 2, not Rt. #2.

## H. Corrected Returns on Paper Forms



To file corrections for electronically filed forms, see part F on page 5 and Pub. 1220.

If you filed a return with the IRS and later discover you made an error on it, you must:

- Correct it as soon as possible and file Copy A and Form 1096 with your Internal Revenue Service Center (see part D on page 5).

## Filing Corrected Returns on Paper Forms

Identify the correction needed based on **Error Type 1 or 2**; then follow the steps to make the corrections and file the form(s). Also see Part H on page 6.

Error Type 1	Correction
<p><b>Incorrect money amount(s), code, or checkbox,</b> or <b>Incorrect address,</b> or <b>Incorrect payee name,</b> or <b>A return was filed when one should not have been filed.</b></p> <p>These errors require only one return to make the correction.</p> <p><b>Caution:</b> <i>If you must correct a TIN and/or a name and address, follow the instructions under Error 2.</i></p>	<p><b>A. Form 1098, 1099, 3921, 3922, 5498, or W-2G</b></p> <ol style="list-style-type: none"> <li>1. Prepare a new information return.</li> <li>2. Enter an "X" in the "CORRECTED" box (and date (optional)) at the top of the form.</li> <li>3. Correct any recipient information such as money amounts and address. Report other information as per original return.</li> </ol> <p><b>B. Form 1096</b></p> <ol style="list-style-type: none"> <li>1. Prepare a new transmittal Form 1096.</li> <li>2. Provide all requested information on the form as it applies to Part A, 1 and 2.</li> <li>3. File Form 1096 and Copy A of the return with the appropriate service center.</li> <li>4. Do not include a copy of the original return that was filed incorrectly.</li> </ol>

Error Type 2	Correction
<p><b>No payee TIN (SSN, EIN, QI-EIN, or ITIN),</b> or <b>Incorrect payee TIN,</b> or <b>Incorrect name and address</b> or <b>Original return filed using wrong type of return</b> (for example, a Form 1099-DIV was filed when a Form 1099-INT should have been filed).</p> <p>Two separate returns are required to make the correction properly. Follow all instructions for both Steps 1 and 2.</p>	<p><b>Step 1.</b> Identify incorrect return submitted.</p> <ol style="list-style-type: none"> <li>1. Prepare a new information return.</li> <li>2. Enter an "X" in the "CORRECTED" box (and date (optional)) at the top of the form.</li> <li>3. Enter the payer, recipient, and account number information exactly as it appeared on the original incorrect return; however, enter 0 (zero) for all money amounts.</li> </ol> <hr/> <p><b>Step 2.</b> Report correct information.</p> <p><b>A. Form 1098, 1099, 3921, 3922, 5498, or W-2G</b></p> <ol style="list-style-type: none"> <li>1. Prepare a new information return.</li> <li>2. Do not enter an "X" in the "CORRECTED" box at the top of the form. Prepare the new return as though it is an original.</li> <li>3. Include all the correct information on the form including the correct TIN, name, and address.</li> </ol> <p><b>B. Form 1096</b></p> <ol style="list-style-type: none"> <li>1. Prepare a new transmittal Form 1096.</li> <li>2. Enter the words "Filed To Correct TIN," "Filed to Correct Name and Address," or "Filed to Correct Return" in the bottom margin of the form.</li> <li>3. Provide all requested information on the form as it applies to the returns prepared in Steps 1 and 2.</li> <li>4. File Form 1096 and Copy A of the return with the appropriate service center.</li> <li>5. Do not include a copy of the original return that was filed incorrectly.</li> </ol>



- Furnish statements to recipients showing the correction.

When making a correction, complete all information (see *Filing Corrected Returns on Paper Forms* on page 7).

- Do not cut or separate forms that are two or three to a page. Submit the entire page even if only one of the forms on the page is completed.
- Do not staple the forms to Form 1096.
- Do not send corrected returns to the IRS if you are correcting state or local information only. Contact the state or local tax department for help with this type of correction.

To correct payer information, see *Reporting incorrect payer name and/or TIN* on page 6.

**Form 1096.** Use a separate Form 1096 for each type of return you are correcting. For the same type of return, you may use one Form 1096 for both originals and corrections. You do not need to correct a previously filed Form 1096.

**CORRECTED checkbox.** Enter an “X” in the corrected checkbox only when correcting a form previously filed with the IRS or furnished to the recipient. Certain errors require two returns to make the correction. See *Filing Corrected Returns on Paper Forms* on page 7 to determine when to mark the “CORRECTED” checkbox.

**Account number.** If the account number was provided on the original return, the same account number must be included on both the original and corrected returns to properly identify and process the correction. If the account number was not provided on the original return, do not include it on the corrected return. See part L on page 9.

**Recipient’s statement.** You may enter a date next to the “CORRECTED” checkbox. This will help the recipient in the case of multiple corrections.

**Filing corrected returns on paper forms.** The error charts on page 7 give step-by-step instructions for filing corrected returns for the most frequently made errors. They are grouped under Error Type 1 or 2, based on how the correction is made. Correction of errors may require the submission of more than one return. Be sure to read and follow the steps given.



*If you fail to file correct information returns or furnish a correct payee statement, you may be subject to a penalty. See part O on page 12. Regulations section 301.6724-1 (relating to information return penalties) does not require you to file corrected returns for missing or incorrect TINs if you meet the reasonable cause criteria. You are merely required to include the correct TIN on the next original return you are required to file. However, if you do not meet the reasonable cause criteria, a reduced penalty may be imposed if the corrected returns are filed by August 1.*

*In addition, even if you meet the reasonable cause criteria, the IRS encourages you to file corrections for incorrect or missing TINs so that the IRS can update the payees’ records.*

## I. Void Returns

An “X” in the “VOID” box at the top of the form will not correct a previously filed return. See part H on page 6 for instructions for making corrections.

**VOID box.** If a completed or partially completed Form 1098, 1099, 3921, 3922, or 5498 is incorrect and you want to void it before submission to the IRS, enter an “X” in the “VOID” box at the top of the form. For example, if you make an error while typing or printing a form, you should void it. The return will then be disregarded during processing by the IRS. Go to the next form on the page, or to another page, and enter the correct information; but do not mark the “CORRECTED” box. Do not cut or separate the forms that are two or three to a page. Submit the entire page even if only one of the forms on the page is a good return.

## J. Recipient Names and Taxpayer Identification Numbers (TINs)

**Recipient name.** Show the full name and address in the section provided on the information return. If payments have been made to more than one recipient or the account is in more than one name, show on the first name line the name of the

recipient whose TIN is first shown on the return. You may show the names of any other individual recipients in the area below the first line, if desired. Form W-2G filers, see the Instructions for Forms W-2G and 5754.

**Sole proprietors.** You must show the individual’s name on the first name line; on the second name line, you may enter the “doing business as (DBA)” name. You may not enter only the DBA name. For the TIN, enter either the individual’s SSN or the EIN of the business (sole proprietorship). The IRS prefers that you enter the SSN.

**Limited liability company (LLC).** For a single-member LLC (including a foreign LLC with a U.S. owner) that is disregarded as an entity separate from its owner under Regulations section 301.7701-3, enter the individual’s name only on the first name line and the LLC’s name on the second name line. For the TIN, enter the individual’s SSN (or EIN, if applicable). If the LLC is a corporation, partnership, etc., enter the entity’s EIN.

**Bankruptcy estate.** If an individual (the debtor) for whom you are required to file an information return is in Chapter 11 bankruptcy, and the debtor notified you of the bankruptcy estate’s EIN, report post-petition gross income, gross proceeds, or other reportable payments on the applicable information return using the estate’s name and EIN. The debtor should notify you when the bankruptcy is closed, dismissed, or converted, so that any subsequent information returns will be filed with the correct name and EIN. Different rules apply if the bankruptcy is converted to Chapter 7, 12, or 13 of the Bankruptcy Code. For additional guidance, see Notice 2006-83, available at [www.irs.gov/irb/2006-40\\_IRB/ar12.html](http://www.irs.gov/irb/2006-40_IRB/ar12.html).

**TINs.** TINs are used to associate and verify amounts you report to the IRS with corresponding amounts on tax returns. Therefore, it is important that you furnish correct names, social security numbers (SSNs), individual taxpayer identification numbers (ITINs), or employer identification numbers (EINs) for recipients on the forms sent to the IRS.

**Requesting a recipient’s TIN.** If the recipient is a U.S. person (including a U.S. resident alien), the IRS suggests that you request the recipient complete Form W-9, Request for Taxpayer Identification Number and Certification, or Form W-9S, Request for Student’s or Borrower’s Taxpayer Identification Number and Certification, if appropriate. See the Instructions for the Requester of Form W-9 for more information on how to request a TIN.

If the recipient is a foreign person, the IRS suggests that you request the recipient complete the appropriate Form W-8. See the Instructions for the Requester of Forms W-8BEN, W-8ECI, W-8EXP, and W-8IMY.



*U.S. resident aliens who rely on a “saving clause” of a tax treaty are to complete Form W-9, not Form W-8BEN. See Pub. 515, Withholding of Tax on Nonresident Aliens and Foreign Entities, and Pub. 519, U.S. Tax Guide for Aliens.*

You may be subject to a penalty for an incorrect or missing TIN on an information return. See part O on page 12. You are required to maintain the confidentiality of information obtained on a Form W-9/W-9S relating to the taxpayer’s identity (including SSNs, EINs, and ITINs), and you may use such information only to comply with the tax laws.



*If the recipient does not provide a TIN, leave the box for the recipient’s TIN blank on the Form 1098, 1099, 3921, 3922, 5498, or W-2G. Only one recipient TIN can be entered on the form. Backup withholding may apply; see part N on page 11.*

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

SSNs and ITINs have nine digits separated by two hyphens (000-00-0000), and EINs have nine digits separated by only one hyphen (00-0000000).

**Electronic submission of Forms W-9.** Requesters may establish a system for payees and payees' agents to submit Forms W-9 electronically, including by fax. A requester is anyone required to file an information return. A payee is anyone required to provide a TIN to the requester.

**Payee's agent.** A payee's agent can be an investment advisor (corporation, partnership, or individual) or an introducing broker. An investment advisor must be registered with the Securities Exchange Commission (SEC) under the Investment Advisers Act of 1940. The introducing broker is a broker-dealer that is regulated by the SEC and the National Association of Securities Dealers, Inc., and that is not a payer. Except for a broker who acts as a payee's agent for "readily tradable instruments," the advisor or broker must show in writing to the payer that the payee authorized the advisor or broker to transmit the Form W-9 to the payer.

Generally, the electronic system must:

1. Ensure the information received is the information sent and document all occasions of user access that result in the submission.
2. Make reasonably certain the person accessing the system and submitting the form is the person identified on Form W-9.
3. Provide the same information as the paper Form W-9.
4. Be able to supply a hard copy of the electronic Form W-9 if the IRS requests it.
5. Require as the final entry in the submission an electronic signature by the payee whose name is on Form W-9 that authenticates and verifies the submission. The electronic signature must be under penalties of perjury and the perjury statement must contain the language of the paper Form W-9.



*For Forms W-9 that are not required to be signed, the electronic system need not provide for an electronic signature or a perjury statement.*

Additional requirements may apply. See Announcement 98-27 that is available on page 30 of Internal Revenue Bulletin 1998-15 at [www.irs.gov/pub/irs-irbs/irb98-15.pdf](http://www.irs.gov/pub/irs-irbs/irb98-15.pdf) and Announcement 2001-91, which is available on page 221 of Internal Revenue Bulletin 2001-36 at [www.irs.gov/pub/irs-irbs/irb01-36.pdf](http://www.irs.gov/pub/irs-irbs/irb01-36.pdf).

**Electronic submission of Forms W-9S.** See the Instructions for Forms 1098-E and 1098-T.

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

The TIN for filers of information returns, including sole proprietors and nominees/middlemen, is the federal EIN. However, sole proprietors and nominees/middlemen who are not otherwise required to have an EIN should use their SSNs. A sole proprietor is not required to have an EIN unless he or she has a Keogh plan or must file excise or employment tax returns. See Pub. 583, *Starting a Business and Keeping Records*.

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

For a single-member LLC (including a foreign LLC with a U.S. owner) that is disregarded as an entity separate from its owner under Regulations section 301.7701-3, enter the individual's name only on the first name line and the LLC's name on the second name line. For the TIN, enter the individual's SSN (or EIN, if applicable). If the LLC is a corporation, partnership, etc., enter the entity's EIN.

If you do not have an EIN, you may apply for one online. Go to the IRS website [www.irs.gov](http://www.irs.gov) and enter keyword "online EIN" in the upper right corner. You may also apply by calling 1-800-829-4933 or by faxing or mailing Form SS-4, Application for Employer Identification Number, to the IRS. See the Instructions for Form SS-4 for more information.

Enter your street address including the room, suite, or other unit number on the forms.

## L. Account Number Box on Forms

Use the account number box, when provided, on Forms 1099, 1098, 3921, 3922, and 5498 for an account number designation. The account number is required if you have multiple accounts for a recipient for whom you are filing more than one information return of the same type. Additionally, the IRS encourages you to include the recipient's account number on paper forms if your system of records uses the account number rather than the name or TIN for identification purposes. Also, the IRS will include the account number in future notices to you about backup withholding. See Pub. 1220 if you are filing electronically.

The account number may be a checking account number, savings account number, serial number, or any other number you assign to the payee that is unique and will distinguish the specific account. This number must not appear anywhere else on the form, and this box may not be used for any other item unless the separate instructions indicate otherwise. Using unique account numbers ensures that corrected information returns will be processed accurately.

If you are using window envelopes to mail statements to recipients and using reduced rate mail, be sure the account number does not appear in the window. The Postal Service may not accept these for reduced rate mail.

## M. Statements to Recipients (Borrowers, Debtors, Donors, Insureds, Participants, Payers/Borrowers, Policyholders, Students, Transferors, or Winners on Certain Forms)

If you are required to file Forms 1099, 1098, 3921, 3922, 5498, or W-2G, you must also furnish statements to recipients containing the information furnished to the IRS and, in some cases, additional information. Be sure that the statements you provide to recipients are clear and legible.

**Substitute statements.** If you are not using the official IRS form to furnish statements to recipients, see Pub. 1179 for specific rules about providing "substitute" statements to recipients. Generally, a substitute is any statement other than Copy B of the official form. You may develop them yourself or buy them from a private printer. However, the substitutes must comply with the format and content requirements specified in Pub. 1179 that is available on the IRS website at [www.irs.gov](http://www.irs.gov).

**Telephone number.** You are required to include the telephone number of a person to contact on the following statements to recipients: W-2G, 1098, 1098-C, 1098-E, 1098-T, 1099-A, 1099-B, 1099-C, 1099-CAP, 1099-DIV, 1099-G (excluding state and local income tax refunds), 1099-H, 1099-INT, 1099-LTC, 1099-MISC (excluding fishing boat proceeds), 1099-OID, 1099-PATR, 1099-Q, and 1099-S. You may include the telephone number in any conspicuous place on the statements. This number must provide direct access to an individual who can answer questions about the statement. Although not required, if you report on other Forms 1099 and 5498, you are encouraged to furnish telephone numbers.

**Rules for furnishing statements.** Different rules apply to furnishing statements to recipients depending on the type of payment (or other information) you are reporting and the form you are filing.



*If you are reporting a payment that includes noncash property, show the fair market value of the property at the time of payment. Although, generally, you are not required to report payments smaller than the minimum described for a form, you may prefer, for economy and your own convenience, to file Copies A for all payments. The IRS encourages this.*

Report the type of payment information as described below and on the next page for: (a) *Dividend, interest, and royalty payments*; (b) *Real estate transactions*; and (c) *Other information*.

**Dividend, interest, and royalty payments.** For payments of dividends under section 6042 (reported on Form 1099-DIV),



patronage dividends under section 6044 (reported on Form 1099-PATR), interest (including original issue discount and tax-exempt interest) under section 6049 (reported on Form 1099-INT or 1099-OID), or royalties under section 6050N (reported on Form 1099-MISC or 1099-S), you are required to furnish an official IRS Form 1099 or an acceptable substitute Form 1099 to a recipient either in person, by First-Class Mail to the recipient's last known address, or electronically (see *Electronic recipient statements* on page 11). Statements may be sent by intraoffice mail if you use intraoffice mail to send account information and other correspondence to the recipient.

**Statement mailing requirements for Forms 1099-DIV, 1099-INT, 1099-OID, and 1099-PATR, and forms reporting royalties only.** The following statement mailing requirements apply only to Forms 1099-DIV (except for section 404(k) dividends), 1099-INT (except for interest reportable in the course of your trade or business under section 6041), 1099-OID, 1099-PATR, and timber royalties reported under section 6050N (on Form 1099-MISC or 1099-S). The mailing must contain the official IRS Form 1099 or an acceptable substitute and may also contain the following enclosures: (a) Form W-2, applicable Form W-8, Form W-9, or other Forms W-2G, 1098, 1099, 3921, 3922, and 5498 statements; (b) a check from the account being reported; (c) a letter explaining why no check is enclosed; (d) a statement of the person's account shown on Forms 1099, 1098, 3921, 3922, or 5498; and (e) a letter explaining the tax consequences of the information shown on the recipient statement.

A statement of the person's account (year-end account summary) that you are permitted to enclose in a statement mailing may include information similar to the following: (a) the part of a mutual fund distribution that is interest on U.S. Treasury obligations; (b) accrued interest expense on the purchase of a debt obligation; and (c) the cost or other basis of securities and the gain/loss on the sale of securities.

No additional enclosures, such as advertising, promotional material, or a 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. Logos are permitted on the envelope and on any nontax enclosures. See Notice 96-62 which is available on page 8 of Internal Revenue Bulletin 1996-49 at [www.irs.gov/pub/irs-irbs/irb96-49.pdf](http://www.irs.gov/pub/irs-irbs/irb96-49.pdf).

**TIP** *Until further guidance is issued regarding the use of certain logos and identifying slogans on substitute returns that are subject to the statement mailing requirements, the IRS will not assess penalties for the use of a logo (including the name of the payer in any typeface, font, or stylized fashion and/or a symbolic icon) or slogan on a statement to a recipient if the logo or slogan is used by the payer in the ordinary course of its trade or business. In addition, use of the logo or slogan must not make it less likely that a reasonable payee will recognize the importance of the statement for tax reporting purposes.*

A recipient statement may be perforated to a check or to a statement of the recipient's specific account. The check or account statement to which the recipient statement is perforated must contain, in bold and conspicuous type, the legend "Important Tax Return Document Attached."

The legend "Important Tax Return Document Enclosed" must appear in a bold and conspicuous manner on the outside of the envelope and on each letter explaining why no check is enclosed, or on each check or account statement that is not perforated to the recipient statement. The legend is not required on any tax form, tax statement, or permitted letter of tax consequences included in a statement mailing. Further, you need not pluralize the word "document" in the legend simply because more than one recipient statement is enclosed.

**TIP** *If you provide recipient statements in a "separate mailing" that contains only recipient statements, Forms W-8 and W-9, and a letter explaining the tax consequences of the information shown on a recipient statement included in the envelope, you are not required to include the legend "Important Tax Return Document Enclosed" on the envelope.*

**Substitute forms.** You may furnish to the recipient Copy B of the official IRS form, or you may use substitute Forms 1099-DIV, 1099-INT, 1099-OID, or 1099-PATR, if they contain

the same language as the official IRS forms and they comply with the rules in Pub. 1179, relating to substitute Forms 1099. Applicable box titles and numbers must be clearly identified, using the same wording and numbering as the official IRS form. For information on substitute Forms 1099-MISC, see *Other information* below. For Forms 1099-S, see *Real estate transactions* below.

**TIP** *All substitute statements to recipients must contain the tax year, form number, and form name prominently displayed together in one area of the statement. For example, they could be shown in the upper right part of the statement.*

If you are using substitutes, the IRS encourages you to use boxes so that the substitute has the appearance of a form. The substitute form must contain the applicable instructions as on the front and back of Copy B (in the case of Form 1099-R, Copies B, C, and 2) of the official IRS form. See Pub. 1179 for additional requirements and certain "composite" statements that are permitted.

**Real estate transactions.** You must furnish a statement to the transferor containing the same information reported to the IRS on Form 1099-S. You may use Copy B of the official IRS 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 the Real Estate Settlement Procedures Act (RESPA)) as the written statement if it is conformed by including on the statement the legend shown on Form 1099-S and by designating which information is reported to the IRS on Form 1099-S. You may furnish the statement to the transferor in person, by mail, or electronically. Furnish the statement at or after closing but by February 15 of the following year.

The statement mailing requirements explained above do not apply to statements to transferors for proceeds from real estate transactions reported on Form 1099-S. However, the statement mailing requirements do apply to statements to transferors for timber royalties reportable under section 6050N on Form 1099-S.

**Other information.** Statements to recipients for Forms 1098, 1098-C, 1098-E, 1098-T, 1099-A, 1099-B, 1099-C, 1099-CAP, 1099-G, 1099-H, 1099-LTC, 1099-MISC, 1099-Q, 1099-R, 1099-SA, 3921, 3922, 5498, 5498-ESA, 5498-SA, W-2G, 1099-DIV only for section 404(k) dividends reportable under section 6047, 1099-INT only for interest reportable in the course of your trade or business under section 6041, or 1099-S only for royalties need not be, but can be, a copy of the official paper form filed with the IRS. If you do not use a copy of the paper form, the form number and title of your substitute must be the same as the official IRS form. All information required to be reported must be numbered and titled on your substitute in substantially the same manner as on the official IRS form. However, if you are reporting a payment as "Other income" in box 3 of Form 1099-MISC, you may substitute appropriate explanatory language for the box title. For example, for payments of accrued wages to a beneficiary of a deceased employee required to be reported on Form 1099-MISC, you might change the title of box 3 to "Beneficiary payments" or something similar.

Appropriate instructions to the recipient, similar to those on the official IRS form, must be provided to aid in the proper reporting of the items on the recipient's income tax return. For payments reported on Form 1099-B, rather than furnish appropriate instructions with each Form 1099-B statement, you may furnish to the recipient one set of instructions for all statements required to be furnished to a recipient in a calendar year.

Except for royalties reported on Form 1099-MISC, the statement mailing requirements explained earlier do not apply to statements to recipients for information reported on the forms listed under *Other information* above. 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. See Pub. 1179 for certain "composite" statements that are permitted.

**When to furnish forms or statements.** Generally, you must furnish Forms 1098, 1099, 3921, 3922, and W-2G information

by February 1, 2010. Forms 1099-B, 1099-S, and 1099-MISC (only if you are reporting payments in boxes 8 or 14) must be furnished by February 16, 2010. However, you may issue them earlier in some situations, as provided by the regulations. For example, you may furnish Form 1099-INT 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 February 16, 2010.

Donee organizations required to issue Form 1098-C must furnish the acknowledgment to a donor within 30 days of the sale of the vehicle (if it is sold without material improvements or significant intervening use) or within 30 days of the contribution.

Trustees or issuers of traditional IRAs must furnish participants with a statement of the value of the participant's account, and RMD if applicable, by February 1, 2010. The fair market value of SEP IRAs must also be furnished to the participant by February 1, 2010. Traditional IRA, Roth IRA, SEP, or SIMPLE contribution information must be furnished to the participant by June 1, 2010. However, Coverdell ESA contribution information must be furnished to the beneficiary by April 30, 2010.

Trustees of a SIMPLE must furnish a statement of the account balance and the account activity by February 1, 2010.

Trustees and middlemen of a WHFIT must furnish the required statement by March 15, 2010.

For real estate transactions, you may furnish the statement to the transferor at closing or by mail on or before February 16, 2010.

Filers of Form 1099-G who report state or local income tax refunds, credits, or offsets must furnish the statements to recipients during January 2010.

Filers of Form 5498-SA who furnish a statement of FMV of the account to the participant by February 1, 2010, with no reportable contributions, including rollovers, made in 2009, need not furnish another statement by June 1, 2010, to the participant to report zero contributions. If another statement is not furnished to the participant, the statement of the FMV of the account must contain a legend designating which information is being filed with the Internal Revenue Service.

See the *Guide to Information Returns* on pages 17 and 18 for the date other information returns are due to the recipient.

You will meet the requirement to furnish the statement if it is properly addressed and mailed, or posted to a website, on or before the due date. If the regular due date falls on a Saturday, Sunday, or legal holiday, the due date is the next business day. A business day is any day that is not a Saturday, Sunday, or legal holiday.

**Electronic recipient statements.** If you are required to furnish a written statement (Copy B or an acceptable substitute) to a recipient, then you may furnish the statement electronically instead of on paper. This includes furnishing the statement to recipients of Forms 1098, 1098-E, 1098-T, 1099-A, B, C, CAP, DIV, H, INT, G, LTC, MISC, OID, PATR, Q, R, S, SA, 3921, 3922, 5498, 5498-ESA, and 5498-SA. It also includes Form W-2G (except for horse and dog racing, jai alai, sweepstakes, wagering pools, and lotteries).



*Until further guidance is issued to the contrary, Form 1098-C may not be furnished electronically.*

If you meet the requirements listed below, you are treated as furnishing the statement timely.

**Consent.** The recipient must consent in the affirmative and not have withdrawn the consent before the statement is furnished. The consent by the recipient must be made electronically in a way that shows that he or she can access the statement in the electronic format in which it will be furnished.

You must notify the recipient of any hardware or software changes prior to furnishing the statement. A new consent to receive the statement electronically is required after the new hardware or software is put into service.

Prior to furnishing the statements electronically, you must provide the recipient a statement with the following statements prominently displayed.

- If the recipient does not consent to receive the statement electronically, a paper copy will be provided.

- The scope and duration of the consent. For example, whether the consent applies to every year the statement is furnished or only for the January 31 or February 15, as applicable, immediately following the date of the consent.
- How to obtain a paper copy after giving consent.
- How to withdraw the consent. The consent may be withdrawn at any time by furnishing the withdrawal in writing (electronically or on paper) to the person whose name appears on the statement. Confirmation of the withdrawal also will be in writing (electronically or on paper).
- Notice of termination. The notice must state under what conditions the statements will no longer be furnished to the recipient.
- Procedures to update the recipient's information.
- A description of the hardware and software required to access, print, and retain a statement, and a date the statement will no longer be available on the website.

**Format, posting, and notification.** Additionally, you must:

- Ensure the electronic format contains all the required information and complies with the applicable revenue procedure for substitute statements to recipients in Pub. 1179.
- Post, on or before the January 31 or February 15, as applicable, due date, the applicable statement on a website accessible to the recipient through October 15 of that year.
- Inform the recipient, electronically or by mail, of the posting and how to access and print the statement.

For more information, see Regulations section 31.6051-1. For electronic furnishing of Forms 1098-E and 1098-T, see Regulations section 1.6050S-2. For electronic furnishing of Forms 1099-R, 1099-SA, 1099-Q, 5498, 5498-ESA, and 5498-SA, see Notice 2004-10, available at [www.irs.gov/irb/2004-06\\_IRB/ar12.html](http://www.irs.gov/irb/2004-06_IRB/ar12.html). For electronic furnishing of Forms 3921 and 3922, see Regulation 103146-08 available at [www.irs.gov/irb/2008-37\\_IRB/ar10.html](http://www.irs.gov/irb/2008-37_IRB/ar10.html).

**Extension.** You may request an extension of time to furnish the statements to recipients by sending a letter to Enterprise Computing Center—Martinsburg, Information Reporting Program, Attn: Extension of Time Coordinator, 240 Murall Drive, Kearneysville, WV 25430. The letter must include (a) your name, (b) your TIN, (c) your address, (d) type of return, (e) a statement that your extension request is for providing statements to recipients, (f) reason for delay, and (g) the signature of the payer or authorized agent. Your request must be postmarked by the date on which the statements are due to the recipients. If your request for an extension is approved, generally you will be granted a maximum of 30 extra days to furnish the recipient statements.

## N. Backup Withholding

Interest (including tax-exempt interest and exempt-interest dividends), dividends, rents, royalties, commissions, nonemployee compensation, and certain other payments (including broker and barter exchange transactions, reportable gross proceeds paid to attorneys, and certain payments made by fishing boat operators) may be subject to backup withholding at a 28% rate. To be subject to backup withholding, a payment must be a reportable interest (including tax-exempt interest and exempt-interest dividends) or a dividend payment under section 6049(a), 6042(a), or 6044 (if the patronage dividend is paid in money or qualified check), or an "other" reportable payment under section 6041, 6041A(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,
2. For interest, dividend, and broker and barter exchange accounts opened or instruments acquired after 1983, the payee fails to certify, under penalties of perjury, that the TIN provided is correct,
3. The IRS notifies you to impose backup withholding because the payee furnished an incorrect TIN ("B" notice),
4. For interest and dividend accounts or instruments, you are notified that the payee is subject to backup withholding (under section 3406(a)(1)(C)), or
5. 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 4 on page 11.

Except as explained in 2 on page 11, reportable “other” payments are subject to backup withholding only if 1 or 3 on page 11 applies.



*If you do not collect and pay over backup withholding from affected payees as required, you may become liable for any uncollected amount.*

Some payees are exempt from backup withholding. For a list of exempt payees and other information, see Form W-9 and the separate Instructions for the Requester of Form W-9.

Examples of payments to which backup withholding does not apply include but are not limited to:

- Wages.
- Distributions from a pension, annuity, profit-sharing or stock bonus plan, any IRA, an owner-employee plan, or other deferred compensation plan.
- Distributions from a medical or health savings account and long-term care benefits.
- Certain surrenders of life insurance contracts.
- Distribution from qualified tuition programs or Coverdell ESAs.
- Gambling winnings if regular gambling winnings withholding is required under section 3402(q). However, if regular gambling winnings withholding is not required under section 3402(q), backup withholding applies if the payee fails to furnish a TIN.
- Real estate transactions reportable under section 6045(e).
- Cancelled debts reportable under section 6050P.
- Fish purchases for cash reportable under section 6050R.
- Certain payment card transactions by a qualified payment card agent.



*At the time these instructions went to print, the IRS had published proposed Regulations section 31.3406(g)-1(f) regarding rules for certain payment card transactions. A proposed revenue procedure was also issued as Notice 2007-59, available at [www.irs.gov/irb/2007-30\\_IRB/ar12.html](http://www.irs.gov/irb/2007-30_IRB/ar12.html). For more information, go to [www.irs.gov](http://www.irs.gov) and enter keyword “QPCA” in the upper right corner.*

**When to apply backup withholding.** Generally, the period for which the 28% should be withheld is as follows.

#### 1. Failure to furnish TIN in the manner required.

Withhold on payments made until the TIN is furnished in the manner required. Special backup withholding rules may 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. 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.



*The 60-day exemption from backup withholding applies only to interest and dividend payments and certain payments made with respect to readily tradable instruments. Therefore, any other payment, such as nonemployee compensation, is subject to backup withholding even if the payee has applied for and is awaiting a TIN. For information about whether backup withholding applies during the 60-day period, see Regulations section 31.3406(g)-3.*

**2. Notice from the IRS that payee’s TIN is incorrect (“B” notice).** You may choose 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 other form that requires the payee to certify under penalty of perjury).



*The IRS will furnish a notice to you, and you are required to promptly furnish a copy of such notice, or an acceptable substitute, to the payee. For further information, see Regulations section 31.3406(d)-5 and Pub. 1281.*

*If you receive two incorrect TIN notices within 3 years for the same account, follow the procedures in Regulations section 31.3406(d)-5(g) and Pub. 1281.*

**3. Notice from the IRS that payee is subject to backup withholding due to notified payee underreporting.** You may choose to withhold on any reportable payment made to the account(s) subject to backup withholding after receipt of the notice, but you must withhold on any reportable payment made to the account more than 30 business days after you receive the notice. The IRS will notify you in writing when to stop withholding, or the payee may furnish you a written certification from the IRS stating when the withholding should stop. In most cases, the stop date will be January 1 of the year following the year of the notice.



*You must notify the payee when withholding under this procedure starts. For further information, see Regulations section 31.3406(c)-1(d).*

**4. Payee failure to certify that he or she is not subject to backup withholding.** Withhold on reportable interest and dividends until the certification has been received.

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



*For special rules on backup withholding on gambling winnings, see the separate Instructions for Forms W-2G and 5754.*

**Reporting backup withholding.** Report backup withholding on Form 945, Annual Return of Withheld Federal Income Tax. Also, report backup withholding and the amount of the payment on Forms W-2G, 1099-B, DIV, G, INT, MISC, OID, or PATR even if the amount of the payment is less than the amount for which an information return is normally required.

**Form 945.** Report backup withholding, voluntary withholding on certain government payments, and withholding from gambling winnings, pensions, annuities, IRAs, military retirement, and Indian gaming profits on Form 945. Generally, file Form 945 for 2009 by February 1, 2010. For more information, including the deposit requirements for Form 945, see the separate Instructions for Form 945 and Circular E, Employer’s Tax Guide (Pub. 15).

Do not report on Form 945 any income tax withholding reported on the following forms.

- Form W-2 including withholding on distributions to plan participants from nonqualified plans that must be reported on Form 941, Employer’s Quarterly Federal Tax Return.
- Form 1042-S must be reported on Form 1042, Annual Withholding Tax Return for U.S. Source Income of Foreign Persons.



*Pub. 515 has more information on Form 1042 reporting, partnership withholding on effectively connected income, and dispositions of U.S. real property interests by a foreign person.*

**Additional information.** For more information about backup withholding, see Pub. 1281, Backup Withholding for Missing and Incorrect Name/TIN(s).

## O. Penalties

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



*For information on the penalty for failure to file electronically, see Penalty on page 6.*

### 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 electronically, you report an incorrect TIN or fail to report a TIN, or you fail to file paper forms 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); maximum penalty \$75,000 per year (\$25,000 for small businesses, defined below).
- \$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).



If you do not file corrections and you do not meet any of the exceptions to the penalty described on page 6, the penalty is \$50 per information return.

**Small businesses—lower maximum penalties.** You are a small business if your average annual gross receipts for the 3 most recent 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 million or less.

**Exceptions to the penalty.** The following are exceptions to the failure to file penalty.

1. The penalty will not apply to any failure that you can show was due to reasonable cause and not to willful neglect. In general, you must be able to show that your failure was due to an event beyond your control or due to significant mitigating factors. You must also be able to show that you acted in a responsible manner and took steps to avoid the failure.

2. An inconsequential error or omission is not considered a failure to include correct information. An inconsequential error or omission does not prevent or hinder the IRS from processing the return, from correlating the information required to be shown on the return with the information shown on the payee's tax return, or from otherwise putting the return to its intended use. Errors and omissions that are never inconsequential are those related to (a) a TIN, (b) a payee's surname, and (c) any money amount.

3. *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 you:

- a. Filed those information returns,
- b. Either failed to include all the information required on a return or included incorrect information, and
- c. Filed corrections by August 1.

If you meet all the conditions in a, b, and c above, the penalty for filing incorrect returns (but not for filing late) will not apply to the greater of 10 information returns or 1/2 of 1% of the total number of information returns you are required to file for the calendar year.

**Intentional disregard of filing requirements.** If any failure to file a correct information return is due to intentional disregard of the filing or 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 (February 15 for Forms 1099-B, 1099-S, and 1099-MISC (boxes 8 and 14 only)) (see part M on page 9), 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 M on page 9.

The penalty is \$50 per statement, no matter when the correct statement is furnished, with a maximum of \$100,000 per year. The penalty is not reduced for furnishing a correct statement by August 1.

**Exception.** An inconsequential error or omission is not considered a failure to include correct information. An inconsequential error or omission cannot reasonably be expected to prevent or hinder the payee from timely receiving correct information and reporting it on his or her income tax

return or from otherwise putting the statement to its intended use. Errors and omissions that are never inconsequential are those relating to (a) a dollar amount, (b) a significant item in a payee's address, (c) the appropriate form for the information provided (that is, whether the form is an acceptable substitute for the official IRS form), and (d) whether the statement was furnished in person or by "statement mailing," when required.

**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-Q, 1099-SA, 5498, 5498-ESA, and 5498-SA (Section 6693)

The penalties under sections 6721 and 6722 do not apply to:

Forms	Filed Under Code Section
1099-SA and 5498-SA	220(h) and 223(h)
5498	408(i) and 408(l)
5498-ESA	530(h)
1099-Q	529(d) and 530(h)

The penalty for failure to timely file Forms 1099-SA, 5498-SA, 5498, 5498-ESA, or 1099-Q is \$50 per return with no maximum, unless the failure is due to reasonable cause. See section 6693.

### Fraudulent Acknowledgments With Respect to Donations of Motor Vehicles, Boats, and Airplanes (Section 6720)

If you are required under section 170(f)(12)(A) to furnish a contemporaneous written acknowledgment to a donor and you knowingly furnish a false or fraudulent Form 1098-C, or knowingly fail to furnish a Form 1098-C within the applicable 30-day period, you may be subject to a penalty. See the 2009 Instructions for Form 1098-C for more detailed information.

### Civil Damages for Fraudulent Filing of Information Returns (Section 7434)

If you willfully file a fraudulent information return for payments you claim you made to another person, that person may be able to sue you for damages. You may have to pay \$5,000 or more.

## P. Payments to Corporations and Partnerships

Generally, payments to corporations are not reportable. However, you must report payments to corporations for the following.

- Medical and health care payments (Form 1099-MISC),
- Withheld federal income tax or foreign tax,
- Barter exchange transactions (Form 1099-B),
- Substitute payments in lieu of dividends and tax-exempt interest (Form 1099-MISC),
- Acquisitions or abandonments of secured property (Form 1099-A),
- Cancellation of debt (Form 1099-C),
- Payments of attorneys' fees and gross proceeds paid to attorneys (Form 1099-MISC),
- Fish purchases for cash (Form 1099-MISC),
- The credits for clean renewable energy bonds and for Gulf tax credit bonds treated as interest and reported on Form 1099-INT, and
- Federal executive agency payments for services (Form 1099-MISC). For additional reporting requirements, see Rev. Rul. 2003-66 on page 1115 of Internal Revenue Bulletin 2003-26 at [www.irs.gov/pub/irs-irbs/irb03-26.pdf](http://www.irs.gov/pub/irs-irbs/irb03-26.pdf).

Reporting generally is required for all payments to partnerships. For example, payments of \$600 or more made in the course of your trade or business to an architectural firm that is a partnership are reportable on Form 1099-MISC. However, see Regulations section 1.6049-4(c)(1)(ii)(A).



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## Q. Earnings on any IRA, Coverdell ESA, Archer MSA, or HSA

Generally, income earned in any IRA, Coverdell ESA, Archer MSA, or HSA, such as interest or dividends, is not reported on Forms 1099. However, distributions from such arrangements or accounts must be reported on Form 1099-R, 1099-Q, or 1099-SA.

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## R. Certain Grantor Trusts

Certain grantor trusts (other than WHFITs) may choose to file Forms 1099 rather than a separate statement attached to Form 1041, U.S. Income Tax Return for Estates and Trusts. If you have filed Form 1041 for a grantor trust in the past and you want to choose the Form 1099 filing method for 2009, you must have filed a final Form 1041 for 2008. To change reporting method, see Regulations section 1.671-4(g) and the Instructions for Form 1041 and Schedules A, B, D, G, I, J, and K-1.

For more information on WHFITs, see *Widely held fixed investment trusts (WHFITs)* on page 4.

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## S. Special Rules for Reporting Payments Made Through Foreign Intermediaries and Foreign Flow-Through Entities on Form 1099

If you are the payer and have received a Form W-8IMY, Certificate of Foreign Intermediary, Foreign Flow-Through Entity, or Certain U.S. Branches for United States Tax Withholding, from a foreign intermediary or flow-through entity, follow the instructions on page 15 for completing Form 1099.

### Definitions

**Foreign intermediary.** A foreign intermediary is any person who is not a U.S. person and acts as a custodian, broker, nominee, or otherwise as an agent for another person, regardless of whether that other person is the beneficial owner of the amount paid, a flow-through entity, or another intermediary. The intermediary can be a qualified intermediary or a nonqualified intermediary.

**Qualified intermediary (QI).** A QI is a person that is a party to a withholding agreement with the IRS and is:

- A foreign financial institution or a foreign clearing organization (other than a U.S. branch or U.S. office of the institution or organization),
- A foreign branch or office of a U.S. financial institution or a foreign branch or office of a U.S. clearing organization,
- A foreign corporation for purposes of presenting claims of benefits under an income tax treaty on behalf of its shareholders, or
- Any other person the IRS accepts as a qualified intermediary and who enters into a withholding agreement with the IRS.

For details on QI agreements, see:

- Rev. Proc. 2000-12 on page 387 of Internal Revenue Bulletin 2000-4 at [www.irs.gov/pub/irs-irbs/irb00-4.pdf](http://www.irs.gov/pub/irs-irbs/irb00-4.pdf);
- Modified by Rev. Proc. 2003-64, Section 4A (Appendix 3), on page 306 of Internal Revenue Bulletin 2003-32 at [www.irs.gov/pub/irs-irbs/irb03-32.pdf](http://www.irs.gov/pub/irs-irbs/irb03-32.pdf);
- Further modified by Rev. Proc. 2004-21, available at [www.irs.gov/irb/2004-14\\_IRB/ar10.html](http://www.irs.gov/irb/2004-14_IRB/ar10.html); and
- Also see Rev. Proc. 2005-77 which amends the final withholding partnership and withholding foreign trust agreements by expanding the availability of simplified documentation, reporting, and withholding procedures, further modifying Rev. Proc. 2003-64. Rev. Proc. 2005-77 is available at [www.irs.gov/irb/2005-51\\_IRB/ar13.html](http://www.irs.gov/irb/2005-51_IRB/ar13.html).



Generally, a branch of a financial institution may not operate as a QI after December 31, 2006, in a country that does not have approved know-your-customer (KYC) rules. Branches of financial institutions that operate in non-KYC approved jurisdictions will be required to act as nonqualified intermediaries after December 31, 2006, or after December 31,

2007, if an extension to operate as a QI was approved by the IRS. For additional information, see Notice 2006-35, available at [www.irs.gov/irb/2006-14\\_IRB/ar13.html](http://www.irs.gov/irb/2006-14_IRB/ar13.html).

**Nonqualified intermediary (NQI).** An NQI is any intermediary that is not a U.S. person and that is not a QI.

**Foreign flow-through entity (FTE).** An FTE is a foreign partnership (other than a withholding foreign partnership), a foreign simple trust or foreign grantor trust (other than a withholding foreign trust), or, for payments for which a reduced rate of withholding is claimed under an income tax treaty, any entity to the extent the entity is considered to be fiscally transparent under section 894 with respect to the payment by an interest holder's jurisdiction.

**Withholding foreign partnership or withholding foreign trust.** A withholding foreign partnership or withholding foreign trust is a foreign partnership or a foreign simple or grantor trust that has entered into a withholding agreement with the IRS in which it agrees to assume primary withholding responsibility for all payments that are made to it for its partners, beneficiaries, or owners. See Rev. Proc. 2003-64 as amended by Rev. Proc. 2004-21, for procedures for entering into a withholding foreign partnership or trust agreement.

**Nonwithholding foreign partnership, simple trust, or grantor trust.** A nonwithholding foreign partnership is any foreign partnership other than a withholding foreign partnership. A nonwithholding foreign simple trust is any foreign simple trust that is not a withholding foreign trust. A nonwithholding foreign grantor trust is any foreign grantor trust that is not a withholding foreign trust.

**Fiscally transparent entity.** An entity is treated as fiscally transparent with respect to an item of income to the extent that the interest holders in the entity must, on a current basis, take into account separately their shares of an item of income paid to the entity, whether or not distributed, and must determine the character of the items of income as if they were realized directly from the sources from which they were realized by the entity. For example, partnerships, common trust funds, and simple trusts or grantor trusts are generally considered to be fiscally transparent with respect to items of income received by them.

## Presumption Rules



For additional information including details on the presumption rules, see the Instructions for the Requester of Forms W-8BEN, W-8ECI, W-8EXP, and W-8IMY and Pub. 515. To order, see How To Get Forms, Publications, and Other Assistance on page 15.

If you are the payer and do not have a Form W-9, appropriate Form W-8, or other valid documentation, or you cannot allocate a payment to a specific payee, prior to payment, you are required to use certain presumption rules to determine the following.

- The status of the payee as a U.S. or foreign person and
- The classification of the payee as an individual, trust, estate, corporation, or partnership.

See Regulations sections 1.1441-1(b)(3), 1.1441-5(d) and (e), 1.6045-1(g)(3)(ii), and 1.6049-5(d).

Under these presumption rules, if you must presume that the payee is a U.S. nonexempt recipient subject to backup withholding, you must report the payment on a Form 1099. However, if before filing Form 1099 with the IRS the recipient is documented as foreign, then report the payment on a Form 1042-S.

Conversely, if you must presume that the payee is a foreign recipient and prior to filing Form 1042-S with the IRS you discover that the payee is a U.S. nonexempt recipient based on documentation, then report all payments made to that payee during the calendar year on a Form 1099.

If you use the 90-day grace period rule to presume a payee is foreign, you must file a Form 1042-S to report all payments subject to withholding during the grace period. If you later discover that the payee is a U.S. nonexempt recipient subject to backup withholding, you must file a Form 1099 for all payments made to that payee after the discovery of the payee's U.S. status.



## Rules for Payments Made to U.S. Nonexempt Recipients Through a QI, NQI, or FTE

If you are the payer making a payment through a QI, NQI, or FTE for a U.S. nonexempt recipient on whose behalf the QI, NQI, or FTE is acting, use the following rules to complete Form 1099.

**Known recipient.** If you know that a payee is a U.S. nonexempt recipient and have the payee's name, address, and TIN (if a TIN has been provided), you must complete the Form 1099 with that information. Also, on the second name line below the recipient's name, enter "IMY" followed by the name of the QI, NQI, or FTE.

For payments made to multiple recipients: (a) enter the name of the recipient whose status you relied on to determine the applicable rate of withholding and (b) on the second name line, enter "IMY" followed by the name of the QI, NQI, or FTE. However, if the QI has assumed primary Form 1099 reporting or backup withholding responsibility, you are not required to issue the Form 1099 or to backup withhold. See *Qualified intermediary (QI)* on page 14.

**Unknown recipient.** If you cannot reliably associate a payment with valid documentation and are required to presume a payee is a U.S. nonexempt recipient:

1. File a Form 1099 and enter "unknown recipient" on the first name line.
2. On the second name line, enter "IMY" followed by the name of the QI, NQI, or FTE.
3. Enter the EIN of the QI, NQI, or FTE, if applicable, in the recipient's identification number box.
4. Furnish a copy of the Form 1099 with "unknown recipient" to the QI, NQI, or FTE who is acting on the recipient's behalf.



*A payer that is required to report payments made to a U.S. nonexempt recipient account holder but does not receive the necessary allocation information cannot report those payments on a pro rata basis. Report unallocated payments using the presumption rules on page 14.*

## Rules for Non-U.S. Payers

Non-U.S. payers (foreign persons that are not U.S. payers) generally have the same reporting obligations as U.S. payers. A U.S. payer is anyone who is:

- A U.S. person,
- Any U.S. governmental agency,
- A controlled foreign corporation (CFC),
- A foreign partnership that has one or more U.S. partners who, in the aggregate, hold more than 50 percent of the gross income derived from the conduct of a U.S. trade or business,
- A foreign person who owns 50 percent or more of the gross income that is effectively connected with a U.S. trade or business, or
- A U.S. branch of a foreign bank or a foreign insurance company.

For more information, see Regulations section 1.6049-5(c)(5).

**Exceptions.** The following payments are not subject to reporting by a non-U.S. payer.

1. A foreign source reportable payment paid outside the U.S. For example, see Regulations section 1.6049-5(b)(6).
2. Gross proceeds from a sale effected outside the U.S. See Regulations section 1.6045-1(a).
3. An NQI or QI that provides another payer all the information sufficient for that payer to complete Form 1099 reporting. For example, see Regulations section 1.6049-5(b)(14). However, if an NQI or QI does not provide sufficient information for another payer to report a payment on Form 1099, the intermediary must report the payment.

## Rules for Reporting Payments Initially Reported on Form 1042-S

If an NQI or QI receives a Form 1042-S made out to an "unknown recipient" and the NQI or QI has actual knowledge that the payee of the income is a U.S. nonexempt recipient, it must file a Form 1099 even if the payment has been subject to withholding by another payer. The NQI or QI reports the amount withheld by the other payer on Form 1099 as federal income tax withheld.

## T. How To Get Tax Help

### Information Reporting Customer Service Site

If you have questions about reporting on Forms 1096, 1098, 1099, 3921, 3922, 5498, W-2, W-2G, and W-3, you may call a toll-free number, 1-866-455-7438. You may still use the original telephone number, 304-263-8700 (not toll free). For TTY/TDD equipment, call 304-267-3367 (not toll free).

**Other tax-related matters.** For other tax information related to business returns or accounts, call 1-800-829-4933.

If you have access to TTY/TDD equipment, call 1-800-829-4059 to ask tax account questions or to order forms and publications.

### Internal Revenue Bulletin

The Internal Revenue Bulletin (IRB), published weekly, contains newly issued regulations, notices, announcements, legislation, court decisions, and other items of general interest. You may find this publication useful to keep you up to date with current developments. See *How To Get Forms, Publications, and Other Assistance* on this page.

### Contacting Your Taxpayer Advocate

The Taxpayer Advocate Service (TAS) is an independent organization within the IRS whose employees assist taxpayers who are experiencing economic harm, who are seeking help in resolving tax problems that have not been resolved through normal channels, or who believe that an IRS system or procedure is not working as it should.

You can contact the TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059 to see if you are eligible for assistance. You can also call or write to your local taxpayer advocate, whose phone number and address are listed in your local telephone directory and in Pub. 1546, Taxpayer Advocate Service – Your Voice at the IRS. You can file Form 911, Request for Taxpayer Advocate Service Assistance (And Application for Taxpayer Assistance Order), or ask an IRS employee to complete it on your behalf. For more information, go to [www.irs.gov/advocate](http://www.irs.gov/advocate).

**Taxpayer Advocacy Panel (TAP).** The TAP listens to taxpayers, identifies taxpayer issues, and makes suggestions for improving IRS services and customer satisfaction. If you have suggestions for improvements, contact the TAP, toll free at 1-888-912-1227 or go to [www.improveirs.org](http://www.improveirs.org).

### How To Get Forms, Publications, and Other Assistance



*Because the IRS processes paper forms by machine (optical character recognition equipment), you cannot file with the IRS Form 1096 or Copy A of Forms 1098, 1099, 3921, 3922, or 5498 that you print from the IRS website or the DVD.*

### Free Tax Services

To find out what services are available, get Pub. 910, IRS Guide to Free Tax Services. It contains lists of free tax information sources, including publications, services, and free tax education and assistance programs. It also has an index of over 100 TeleTax topics (recorded tax information) you can listen to on your telephone.

Accessible versions of IRS published products are available on request in a variety of alternative formats for people with disabilities.

**Mail.** You can send your order for forms, instructions, and publications to the address below. You should receive a response within 10 days after your request is received.

Internal Revenue Service  
1201 N. Mitsubishi Motorway  
Bloomington, IL 61704-6613

**Internet.** You can access the IRS website 24 hours a day, 7 days a week, at [www.irs.gov](http://www.irs.gov) to:

- Access commercial tax preparation and *e-file* services.
- Download forms, instructions, and publications.
- Order IRS products online.

- Research your tax questions online.
- Search publications online by topic or keyword.
- View Internal Revenue Bulletins (IRBs) published in the last few years.
- Sign up to receive local and national tax news by email.

**DVD for Tax Products.** You can order Pub. 1796, IRS Federal Tax Products DVD, and obtain:

- Current-year forms, instructions, and publications.
- Prior-year forms, instructions, and publications.
- Tax Map: An electronic research tool and finding aid.
- Tax Law frequently asked questions (FAQs).
- Tax Topics from the IRS telephone response system.
- Fill-in, print, and save features for most tax forms.
- Internal Revenue Bulletins.
- Toll-free and email technical support.
- The DVD is released twice during the year.
  - The first release will ship the beginning of January.
  - The final release will ship the beginning of March.

Purchase the DVD from National Technical Information Service at [www.irs.gov/cdorders](http://www.irs.gov/cdorders) for \$30 (no handling fee) or call **1-877-CDFORMS** (1-877-233-6767) toll-free to buy the DVD for \$30 (plus a \$6 handling fee). Price is subject to change.

**Phone.** Many services are available by phone.

- *Ordering forms, instructions, and publications.* Call 1-800-829-3676 to order current-year forms, instructions, and publications, and prior-year forms and instructions. You should receive your order within 10 days.
- *TTY/TDD equipment.* If you have access to TTY/TDD equipment, call 1-800-829-4059 to ask tax questions or to order forms and publications.

**Evaluating the quality of our telephone services.** To ensure IRS representatives give accurate, courteous, and professional answers, we use several methods to evaluate the quality of our telephone services. One method is for a second IRS representative to listen in on or record random telephone calls. Another is to ask some callers to complete a short survey at the end of the call.

**Privacy Act and 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 the information. We need it to figure and collect the right amount of tax.

Sections 170(f)(12), 199, 220(h), 223, 408, 408A, 529, 530, 6039, 6041, 6041A, 6042, 6043, 6044, 6045, 6047, 6049, 6050A, 6050B, 6050D, 6050E, 6050H, 6050J, 6050N, 6050P, 6050Q, 6050R, 6050S, 6050T and their regulations require you to file an information return with the IRS and furnish a statement to recipients. Section 6109 and its regulations require you to provide your TIN on what you file.

Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation, and to cities, states, and the District of Columbia for use in

administering their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. If you fail to provide this information in a timely manner, you may be subject to penalties.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

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

1096	13 minutes
1098	7 minutes
1098-C	18 minutes
1098-E	7 minutes
1098-T	13 minutes
1099-A	9 minutes
1099-B	20 minutes
1099-C	10 minutes
1099-CAP*	11 minutes
1099-DIV	18 minutes
1099-G	11 minutes
1099-H	18 minutes
1099-INT	13 minutes
1099-LTC	13 minutes
1099-MISC	16 minutes
1099-OID	12 minutes
1099-PATR	15 minutes
1099-Q	11 minutes
1099-R	18 minutes
1099-S	8 minutes
1099-SA	8 minutes
3921*	11 minutes
3922*	12 minutes
5498	24 minutes
5498-ESA	7 minutes
5498-SA	10 minutes
W-2G	18 minutes

\* Privacy Act does not pertain to this form.

If you have comments concerning the accuracy of these time estimates or suggestions for making these forms simpler, we would be happy to hear from you. You can write to the Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:T:SP, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. Do not send these forms to this address. Instead, see part D on page 5.

**Guide to Information Returns** (If any date shown falls on a Saturday, Sunday, or legal holiday, the due date is the next business day.)

Form	Title	What to Report	Amounts to Report	Due Date	
				To IRS	To Recipient (unless indicated otherwise)
1042-S	Foreign Person's U.S. Source Income Subject to Withholding	Income such as interest, dividends, royalties, pensions and annuities, etc., and amounts withheld under Chapter 3. Also, distributions of effectively connected income by publicly traded partnerships or nominees.	See form instructions	March 15	March 15
1098	Mortgage Interest Statement	Mortgage interest (including points) and certain mortgage insurance premiums you received in the course of your trade or business from individuals and reimbursements of overpaid interest.	\$600 or more	February 28*	(To Payer/Borrower) January 31
1098-C	Contributions of Motor Vehicles, Boats, and Airplanes	Information regarding a donated motor vehicle, boat, or airplane.	Gross proceeds of more than \$500	February 28*	(To Donor) 30 days from date of sale or contribution
1098-E	Student Loan Interest Statement	Student loan interest received in the course of your trade or business.	\$600 or more	February 28*	January 31
1098-T	Tuition Statement	Qualified tuition and related expenses, reimbursements or refunds, and scholarships or grants (optional).	See instructions	February 28*	January 31
1099-A	Acquisition or Abandonment of Secured Property	Information about the acquisition or abandonment of property that is security for a debt for which you are the lender.	All amounts	February 28*	(To Borrower) January 31
1099-B	Proceeds From Broker and Barter Exchange Transactions	Sales or redemptions of securities, futures transactions, commodities, and barter exchange transactions.	All amounts	February 28*	<b>February 15**</b>
1099-C	Cancellation of Debt	Cancellation of a debt owed to a financial institution, the Federal Government, a credit union, RTC, FDIC, NCUA, a military department, the U.S. Postal Service, the Postal Rate Commission, or any organization having a significant trade or business of lending money.	\$600 or more	February 28*	January 31
1099-CAP	Changes in Corporate Control and Capital Structure	Information about cash, stock, or other property from an acquisition of control or the substantial change in capital structure of a corporation.	Amounts of stock or property valued at \$100 million or more	February 28*	(To Shareholders) January 31
1099-DIV	Dividends and Distributions	Distributions, such as dividends, capital gain distributions, or nontaxable distributions, that were paid on stock and liquidation distributions.	\$10 or more, except \$600 or more for liquidations	February 28*	January 31**
1099-G	Certain Government Payments	Unemployment compensation, state and local income tax refunds, agricultural payments, and taxable grants.	\$10 or more for refunds and unemployment	February 28*	January 31
1099-H	Health Coverage Tax Credit (HCTC) Advance Payments	Health insurance premiums paid on behalf of certain individuals.	All amounts	February 28*	January 31
1099-INT	Interest Income	Interest income.	\$10 or more (\$600 or more in some cases)	February 28*	January 31**
1099-LTC	Long-Term Care and Accelerated Death Benefits	Payments under a long-term care insurance contract and accelerated death benefits paid under a life insurance contract or by a viatical settlement provider.	All amounts	February 28*	January 31
1099-MISC	Miscellaneous Income  (Also, use to report direct sales of \$5,000 or more of consumer goods for resale.)	Rent or royalty payments; prizes and awards that are not for services, such as winnings on TV or radio shows.	\$600 or more, except \$10 or more for royalties	February 28*	January 31**
		Payments to crew members by owners or operators of fishing boats including payments of proceeds from sale of catch.	All amounts		
		Section 409A income from nonqualified deferred compensation plans (NQDCs).	All amounts		
		Payments to a physician, physicians' corporation, or other supplier of health and medical services. Issued mainly by medical assistance programs or health and accident insurance plans.	\$600 or more		
		Payments for services performed for a trade or business by people not treated as its employees. Examples: fees to subcontractors or directors and golden parachute payments.	\$600 or more		
		Fish purchases paid in cash for resale.	\$600 or more		
		Crop insurance proceeds.	\$600 or more		
		Substitute dividends and tax-exempt interest payments reportable by brokers.	\$10 or more		
		Gross proceeds paid to attorneys.	\$600 or more		
				<b>February 15**</b>	
				<b>February 15**</b>	
1099-OID	Original Issue Discount	Original issue discount.	\$10 or more	February 28*	January 31**
1099-PATR	Taxable Distributions Received From Cooperatives	Distributions from cooperatives passed through to their patrons including any domestic production activities deduction and certain pass-through credits.	\$10 or more	February 28*	January 31

\*The due date is March 31 if filed electronically.

\*\*The due date is March 15 for reporting by trustees and middlemen of WHFITs.

## Guide to Information Returns *(Continued)*

Form	Title	What to Report	Amounts to Report	Due Date	
				To IRS	To Recipient (unless indicated otherwise)
1099-Q	Payments From Qualified Education Programs (Under Sections 529 and 530)	Earnings from qualified tuition programs and Coverdell ESAs.	All amounts	February 28*	January 31
1099-R	Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.	Distributions from retirement or profit-sharing plans, any IRA, insurance contracts, and IRA recharacterizations.	\$10 or more	February 28*	January 31
1099-S	Proceeds From Real Estate Transactions	Gross proceeds from the sale or exchange of real estate and certain royalty payments.	Generally, \$600 or more	February 28*	<b>February 15</b>
1099-SA	Distributions From an HSA, Archer MSA, or Medicare Advantage MSA	Distributions from an HSA, Archer MSA, or Medicare Advantage MSA.	All amounts	February 28*	January 31
3921	Exercise of an Incentive Stock Option Under Section 422(b)	Transfer of an employer's stock to an employee pursuant to the exercise of an incentive stock option under section 422(b).	All amounts	February 28*	January 31
3922	Transfer of Stock Acquired Through an Employee Stock Purchase Plan Under Section 423(c)	Transfer(s) of stock acquired through an employee stock purchase plan under section 423(c)	All amounts	February 28*	January 31
5498	IRA Contribution Information	Contributions (including rollover contributions) to any individual retirement arrangement (IRA) including a SEP, SIMPLE, and Roth IRA; Roth conversions; IRA recharacterizations; and the fair market value (FMV) of the account.	All amounts	May 31	(To Participant) For FMV/RMD Jan 31; For contributions, May 31
5498-ESA	Coverdell ESA Contribution Information	Contributions (including rollover contributions) to a Coverdell ESA.	All amounts	May 31	April 30
5498-SA	HSA, Archer MSA, or Medicare Advantage MSA Information	Contributions to an HSA (including transfers and rollovers) or Archer MSA and the FMV of an HSA, Archer MSA, or Medicare Advantage MSA.	All amounts	May 31	(To Participant) May 31
W-2G	Certain Gambling Winnings	Gambling winnings from horse racing, dog racing, jai alai, lotteries, keno, bingo, slot machines, sweepstakes, wagering pools, poker tournaments, etc.	Generally, \$600 or more; \$1,200 or more from bingo or slot machines; \$1,500 or more from keno	February 28*	January 31
W-2	Wage and Tax Statement	Wages, tips, other compensation; social security, Medicare, withheld income taxes; and advance earned income credit (EIC) payments. Include bonuses, vacation allowances, severance pay, certain moving expense payments, some kinds of travel allowances, and third-party payments of sick pay.	See separate instructions	<b>To SSA</b>  Last day of February*	<b>To Recipient</b>  January 31

\*The due date is March 31 if filed electronically.



## Types of Payments

Below is an alphabetic list of some payments and the forms to file and report them. 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. For instructions on a specific type of payment, see the separate instructions in the form(s) listed.

Type of Payment	Report on Form	Type of Payment	Report on Form
Abandonment	1099-A	Income tax refunds, state and local	1099-G
Accelerated death benefits	1099-LTC	Indian gaming profits paid to tribal members	1099-MISC
Acquisition of control	1099-CAP	Interest income	1099-INT
Advance earned income credit	W-2	Tax-exempt	1099-INT
Advance health insurance payments	1099-H	Interest, mortgage	1098
Agriculture payments	1099-G	IRA contributions	5498
Allocated tips	W-2	IRA distributions	1099-R
Alternate TAA payments	1099-G	Life insurance contract distributions	1099-R, 1099-LTC
Annuities	1099-R	Liquidation, distributions in	1099-DIV
Archer MSAs:		Loans, distribution from pension plan	1099-R
Contributions	5498-SA	Long-term care benefits	1099-LTC
Distributions	1099-SA	Medicare Advantage MSAs:	
Attorney, fees and gross proceeds	1099-MISC	Contributions	5498-SA
Auto reimbursements, employee	W-2	Distributions	1099-SA
Auto reimbursements, nonemployee	1099-MISC	Medical services	1099-MISC
Awards, employee	W-2	Mileage, employee	W-2
Awards, nonemployee	1099-MISC	Mileage, nonemployee	1099-MISC
Barter exchange income	1099-B	Military retirement	1099-R
Bonuses, employee	W-2	Mortgage insurance premiums	1098
Bonuses, nonemployee	1099-MISC	Mortgage interest	1098
Broker transactions	1099-B	Moving expense	W-2
Cancellation of debt	1099-C	Nonemployee compensation	1099-MISC
Capital gain distributions	1099-DIV	Nonqualified deferred compensation:	
Car expense, employee	W-2	Beneficiary	1099-R
Car expense, nonemployee	1099-MISC	Employee	W-2
Changes in capital structure	1099-CAP	Nonemployee	1099-MISC
Charitable gift annuities	1099-R	Original issue discount (OID)	1099-OID
Commissions, employee	W-2	Patronage dividends	1099-PATR
Commissions, nonemployee	1099-MISC	Pensions	1099-R
Commodities transactions	1099-B	Points	1098
Compensation, employee	W-2	Prizes, employee	W-2
Compensation, nonemployee	1099-MISC	Prizes, nonemployee	1099-MISC
Contributions of motor vehicles, boats, and airplanes	1098-C	Profit-sharing plan	1099-R
Cost of current life insurance protection	1099-R	Punitive damages	1099-MISC
Coverdell ESA contributions	5498-ESA	Qualified plan distributions	1099-R
Coverdell ESA distributions	1099-Q	Qualified tuition program payments	1099-Q
Crop insurance proceeds	1099-MISC	Real estate transactions	1099-S
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Death benefits	1099-R	Refund, state and local tax	1099-G
Accelerated	1099-LTC	Rents	1099-MISC
Debt cancellation	1099-C	Retirement	1099-R
Dependent care payments	W-2	Roth conversion IRA contributions	5498
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Direct sales of consumer products for resale	1099-MISC	Roth IRA contributions	5498
Directors' fees	1099-MISC	Roth IRA distributions	1099-R
Discharge of indebtedness	1099-C	Royalties	1099-MISC
Dividends	1099-DIV	Timber, pay-as-cut contract	1099-S
Donation of motor vehicle	1098-C	Sales:	
Education loan interest	1098-E	Real estate	1099-S
Employee business expense reimbursement	W-2	Securities	1099-B
Employee compensation	W-2	Section 1035 exchange	1099-R
Excess deferrals, excess contributions, distributions of	1099-R	SEP contributions	W-2, 5498
Exercise of incentive stock option under section 422(b)	3921	SEP distributions	1099-R
Fees, employee	W-2	Severance pay	W-2
Fees, nonemployee	1099-MISC	Sick pay	W-2
Fishing boat crew members proceeds	1099-MISC	SIMPLE contributions	W-2, 5498
Fish purchases for cash	1099-MISC	SIMPLE distributions	1099-R
Foreclosures	1099-A	Student loan interest	1098-E
Foreign persons' income	1042-S	Substitute payments in lieu of dividends or tax-exempt interest	1099-MISC
401(k) contributions	W-2	Supplemental unemployment	W-2
404(k) dividend	1099-DIV	Tax refunds, state and local	1099-G
Gambling winnings	W-2G	Tips	W-2
Golden parachute, employee	W-2	Transfer of stock acquired through an employee stock purchase plan under section 423(c)	3922
Golden parachute, nonemployee	1099-MISC	Tuition	1098-T
Grants, taxable	1099-G	Unemployment benefits	1099-G
Health care services	1099-MISC	Vacation allowance, employee	W-2
Health insurance advance payments	1099-H	Vacation allowance, nonemployee	1099-MISC
Health savings accounts:		Wages	W-2
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Distributions	1099-SA		
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1111 0000 1111 0000 1111 PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT OF THE RETURN ADDRESS, HOLD AT DOTTED LINE <b>CERTIFIED MAIL™</b>		 1111 0000 1111 0000 1111 1111 0000 1111 0000 1111		<b>U.S. Postal Service™</b> <b>CERTIFIED MAIL™ RECEIPT</b> <i>(Domestic Mail Only; No Insurance Coverage Provided)</i>	
		For delivery information visit our website at <a href="http://www.usps.com">www.usps.com</a>		<b>OFFICIAL USE</b>	
		Postage \$		Postmark Here	
		Certified Fee			
		Return Receipt Fee (Endorsement Required)			
		Restricted Delivery Fee (Endorsement Required)			
		Total Postage & Fees \$			
		Street, Apt. No., or PO Box No. City, State, ZIP+4			
		PS Form 3800, June 2002		See Reverse for Instructions	

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

2. Article Number

*(Transfer from service label)*

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

**X**

Agent

Addressee

B. Received by (*Printed Name*)

C. Date of Delivery

D. Is delivery address different from item 1?  Yes

If YES, enter delivery address below:  No

3. Service Type

Certified Mail

Express Mail

Registered

Return Receipt for Merchandise

Insured Mail

C.O.D.

4. Restricted Delivery? (*Extra Fee*)

Yes



# U.S. Postal Inspection Service Mail Fraud Report

## Complainant Information

Your Name	USPS® USE ONLY: Internal Tracking Number
-----------	--

Address

City	State	ZIP+4®	Country
------	-------	--------	---------

Home Telephone Number (Include area code)	Work Telephone Number (Include area code)	E-Mail
---	---	--------

## Complaint Filed Against

Company Name	Person's Name and Title
--------------	-------------------------

Address

City	State	ZIP+4	Country
------	-------	-------	---------

Home Telephone Number (Include area code)	Work Telephone Number (Include area code)	E-Mail
---	---	--------

Fax Number (Include area code)	Web Address
--------------------------------	-------------

## Details of Mail Fraud Complaint

Did you lose money? <input type="checkbox"/> Yes. If so, how much? _____ <input type="checkbox"/> No	What was the advertised cost of the offer?	Date of Payment
---	--	-----------------

How Did You Pay? (Check one) <input type="checkbox"/> Cash <input type="checkbox"/> Postal Money Order <input type="checkbox"/> Electronic Transfer <input type="checkbox"/> Debit Card <input type="checkbox"/> Check <input type="checkbox"/> Other Money Order <input type="checkbox"/> Credit Card <input type="checkbox"/> Telephone Bill	On what date did you receive the solicitation?
--	--

Find the general category below that describes your area of concern, and check the specific item. (Check one only)

<p><b>Advance Payment</b></p> <input type="checkbox"/> Loan <input type="checkbox"/> Credit Repair/Debt Consolidation <input type="checkbox"/> Credit Card <input type="checkbox"/> Student Loan <input type="checkbox"/> Mortgage  <input type="checkbox"/> Chain Letter  <input type="checkbox"/> Charity Fraud  <p><b>Education</b></p> <input type="checkbox"/> School <input type="checkbox"/> Degree  <p><b>Employment</b></p> <input type="checkbox"/> Postal Service Job <input type="checkbox"/> Overseas Job <input type="checkbox"/> Work at Home (Such as envelope stuffing) <input type="checkbox"/> Distributorship/Multilevel Marketing	<p><b>False Bill or Notice</b></p> <input type="checkbox"/> Office Supplies <input type="checkbox"/> Directory Solicitation <input type="checkbox"/> Subscription/Periodical <input type="checkbox"/> Classified Ad <input type="checkbox"/> Taxes  <input type="checkbox"/> Harassment (Merchandise ordered in your name without your consent.)  <p><b>Investment</b></p> <input type="checkbox"/> Real Estate <input type="checkbox"/> Gems, Coins, Precious Metals <input type="checkbox"/> Securities  <p><b>Lottery (You pay to play.)</b></p> <input type="checkbox"/> Domestic <input type="checkbox"/> Foreign  <p><b>Medical Quackery</b></p> <input type="checkbox"/> Weight Loss <input type="checkbox"/> AIDS Cure <input type="checkbox"/> Cancer Cure <input type="checkbox"/> Sexual Aid	<p><b>Merchandise or Service</b></p> <input type="checkbox"/> Failure to Pay <input type="checkbox"/> Failure to Provide <input type="checkbox"/> Misrepresentation of Product/Service  <input type="checkbox"/> Nigerian Fraud  <p><b>Personal</b></p> <input type="checkbox"/> Mail-Order Bride <input type="checkbox"/> Dating Service <input type="checkbox"/> False Divorce Decree  <input type="checkbox"/> Prize or Sweepstakes  <input type="checkbox"/> Sexually Oriented Advertisement  <input type="checkbox"/> Vacation or Travel
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How were you contacted? (Check one)

<input type="checkbox"/> U.S. Mail	<input type="checkbox"/> Newspaper	<input type="checkbox"/> Radio/TV	<input type="checkbox"/> Internet	<input type="checkbox"/> Fax
<input type="checkbox"/> Telephone	<input type="checkbox"/> Magazine	<input type="checkbox"/> In Person	<input type="checkbox"/> E-Mail	<input type="checkbox"/> Other

**U.S. Postal Inspection Service Mail Fraud Report, (continued)**

If by mail, do you have the envelope it was mailed in? <input type="checkbox"/> Yes <input type="checkbox"/> No		Does the envelope have a permit number instead of a stamp? Yes; Permit Number: _____ <input type="checkbox"/> No	
Does the envelope have a postage meter number instead of a stamp? <input type="checkbox"/> Yes; Meter Number: _____ <input type="checkbox"/> No		How did you respond to the offer? <input type="checkbox"/> U.S. Mail <input type="checkbox"/> Telephone <input type="checkbox"/> Internet <input type="checkbox"/> E-Mail <input type="checkbox"/> Fax	
Do you have a mailing receipt from your response (Such as for Certified Mail®, Insured Mail, or Express Mail®)? <input type="checkbox"/> Yes; Mail Receipt Number: _____ <input type="checkbox"/> No			

To what address did you mail your response?  
\_\_\_\_\_  
\_\_\_\_\_

What did you receive?  
\_\_\_\_\_  
\_\_\_\_\_

How did it differ from what you expected?  
\_\_\_\_\_  
\_\_\_\_\_

Do you have the item? <input type="checkbox"/> Yes <input type="checkbox"/> No		How was it delivered? <input type="checkbox"/> U.S. Mail <input type="checkbox"/> Private Courier <input type="checkbox"/> In Person	
Have you contacted the company or person about the complaint? <input type="checkbox"/> Yes <input type="checkbox"/> No. Why? <input type="checkbox"/> Delivery Attempted, Returned <input type="checkbox"/> Disconnected Telephone Date of Last Contact: _____ <input type="checkbox"/> Endorsed Moved, Left No Address <input type="checkbox"/> Unlisted Telephone <input type="checkbox"/> Unanswered Telephone <input type="checkbox"/> Address Unavailable			

Legitimate businesses appreciate feedback. Check the offer for the delivery time frame, usually 6 to 8 weeks, and then contact the company. Please wait 2 weeks after contacting them before sending us this form. When a delivery time is not specified, a Federal Trade Commission rule mandates fulfillment within 30 days, unless you applied for first-time credit with the company.

**Additional Information You Feel Is Important**

Print Your Name	Today's Date
-----------------	--------------

Thank you for completing this form. Please mail it with copies (*not originals*) of any bills, receipts, advertisements, canceled checks (front and back) or correspondence related to your report to the address below.

The U.S. Postal Inspection Service® is a federal law enforcement agency. Postal Inspectors gather facts and evidence to determine whether a violation has occurred under the Mail Fraud or False Representation Statutes. While the Postal Inspection Service can't guarantee that you'll recover money lost to fraud, the information can help alert Inspectors about new fraud schemes and prevent others from being victimized.

Postal Inspectors base mail fraud investigations on the number, substance, and pattern of complaints received from the public; therefore, we ask you to keep all original documents relating to your complaint, including the solicitation, any mailing envelopes, and canceled checks. Under our Consumer Protection Program, Postal Inspectors may contact individuals or businesses on your behalf to request that complaints be resolved. We will contact you if more information is needed.

Postal Inspectors caution that, once you've been targeted in a fraud scheme, your name may be passed along to other con artists, so beware of future solicitations. If you know of others who believe they were victimized

in a fraud scheme, we recommend that you encourage them to submit a Mail Fraud Report as well.

Avoid being a victim: Postal Inspectors recommend that, before completing a business transaction, contact the Chamber of Commerce, Better Business Bureau, or county or state Office of Consumer Affairs in the area where the firm is located to get any information available on the company. If you have Internet access, you can get information from the Better Business Bureau online at: [www.bbb.org](http://www.bbb.org), and from the individual state Attorneys General Consumer Protection Divisions at [www.naag.org](http://www.naag.org). Also, check the Postal Inspection Service Web site at: <https://postalinspectors.uspis.gov/> for more information on fraud schemes that involve the use of the mail.

**Remember: If a deal sounds too good to be true, it probably is!**

Please return this form to your postmaster, or mail to this address:

**Attn: Mail Fraud  
Inspection Service Support Group  
222 S Riverside Plaza Ste 1250  
Chicago IL 60606-6100**

**Privacy Act Statement:** Your information will be used to support investigations of criminal, civil, or administrative matters. Collection is authorized by 39 U.S.C. 401 and 404; and 18 U.S.C. 3061. Providing the information is voluntary, but if not provided, we may be unable to investigate your complaint. We may disclose your information as follows: in relevant legal proceedings; to law enforcement when the U.S. Postal Service® (USPS) or requesting agency becomes aware of a violation of law; to a congressional office at your request; to entities or individuals under contract with USPS; to entities authorized to perform audits; to labor organizations as required by law; to federal, state, local or foreign government agencies regarding personnel matters; to the Equal Employment Opportunity Commission; to the Merit Systems Protection Board or Office of Special Counsel; to the public, news media, trade associations, or organized groups for USPS public interest purposes; to a federal, state, local or foreign prison, probation, parole, or pardon authority or to any other agency involved with the maintenance, transportation, or release of a person held in custody; and to a foreign country to the extent necessary to assist such country in apprehending or returning a fugitive to its jurisdiction.





## General Instructions for Forms 1099, 1098, 5498, and W-2G - Main Contents

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### A. Who Must File

See the separate specific instructions for each form.

**Nominee/middleman returns.** Generally, if you receive a Form 1099 for amounts that actually belong to another person, you are considered a nominee recipient. You must file a Form 1099 with the IRS (the same type of Form 1099 you received) for each of the other owners showing the amounts allocable to each. You must also furnish a Form 1099 to each of the other owners. File the new Form 1099 with Form 1096 with the Internal Revenue Service Center for your area. On each new Form 1099, list yourself as the "payer" and the other owner as the "recipient." On Form 1096, list yourself as the "filer." A husband or wife is not required to file a nominee return to show amounts owned by the other. The nominee, not the original payer, is responsible for filing the subsequent Forms 1099 to show the amount allocable to each owner.

**Successor/predecessor reporting.** A successor business (a corporation, partnership, or sole proprietorship) and a predecessor business (a corporation, partnership, or sole proprietorship) may agree that the successor will assume all or some of the predecessor's information reporting responsibilities. This would permit the successor to file one Form 1099, 1098, 5498, or W-2G for each recipient combining the predecessor's and successor's reportable amounts, including any withholding. If they so agree and the successor satisfies the predecessor's obligations and the conditions described below, the predecessor does not have to file the specified information returns for the acquisition year. If the successor and predecessor do not agree, or if the requirements described are not met, the predecessor and the successor each must file Forms 1099, 1098, 5498, and W-2G for their own reportable amounts as they usually would. For more information and the rules that apply to filing combined Forms 1042-S, Foreign Person's U.S. Income Subject to Withholding, see Rev. Proc. 99-50, which is available on page 757 of Internal Revenue Bulletin 1999-52 at [www.irs.gov/pub/irs-irb99-52.pdf](http://www.irs.gov/pub/irs-irb99-52.pdf).

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

1. The successor acquires from the predecessor substantially all the property (a) used in the trade or business of the predecessor, including when one or more corporations are absorbed by another corporation under a merger agreement, or (b) used in a separate unit of a trade or business of the predecessor.
2. The predecessor is required to report amounts, including any withholding, on information returns for the year of acquisition for the period before the acquisition.
3. The predecessor is not required to report amounts, including withholding, on information returns for the year of acquisition for the period after the acquisition.

**Combined reporting agreement.** The predecessor and the successor must agree on the specific forms to which the combined reporting procedure applies and that the successor assumes the predecessor's entire information reporting obligations for these forms. The predecessor and successor may agree to:

1. Use the combined reporting procedure for all Forms 1099, 1098, 5498, and W-2G, or
2. Limit the use of the combined reporting procedure to (a) specific forms or (b) specific reporting entities, including any unit, branch, or location within a particular business entity that files its own separate information returns. For example, if the predecessor's and successor's only compatible computer or recordkeeping systems are their dividends paid ledgers, they may agree to use the combined reporting procedure for Forms 1099-DIV only. Similarly, if the only compatible systems are in their midwest branches, they may agree to use the combined reporting procedure for only the midwest branches.

**Combined reporting procedure.** On each Form 1099, 1098, 5498, and W-2G filed by the successor, the successor must combine the predecessor's (before the acquisition) and successor's reportable amounts, including any withholding, for the acquisition year and report the aggregate. For transactional reporting on Form 1099-B, Proceeds From Broker and Barter Exchange Transactions, the successor must report each of the predecessor's transactions and each of its own transactions on each Form 1099-B. The successor may include with the form sent to the recipient additional information explaining the

combined reporting.

For purposes of the combined reporting procedure, the sharing of TINs and other information obtained under section 3406 for information reporting and backup withholding purposes does not violate the confidentiality rules in section 3406(f).

**Statement required.** The successor must file a statement with the IRS indicating the forms that are being filed on a combined basis under Rev. Proc. 99-50. The statement must:

1. Include the predecessor's and successor's names, addresses, telephone numbers, EINs, and the name and telephone number of the person responsible for preparing the statement.
2. Reflect separately the amount of federal income tax withheld by the predecessor and by the successor for each type of form being filed on a combined basis (for example, Form 1099-R or 1099-MISC).
3. Be sent separately from Forms 1099, 1098, 5498, and W-2G by the forms' due date to: Enterprise Computing Center-Martinsburg, Attn: Chief, Information Returns Branch, Mail Stop 360, 230 Mural Dr., Kearneysville, WV 25430. Do not send Form 1042-S statements to this address. Instead, use the address given in the Instructions for Form 1042-S; see Rev. Proc. 99-50.

**Qualified settlement funds.** A qualified settlement fund must file information returns for distributions to claimants if any transferor to the fund would have been required to file if the transferor had made the distributions directly to the claimants.

For distributions to transferees, a fund is subject to the information reporting requirements of sections 6041 and 6041A and may be required to file Form 1099-MISC. For payments made by the fund on behalf of a claimant or transferor, the fund is subject to these same rules and may have to file Form 1099-MISC for the payment to a third party. For information reporting purposes, a payment made by the fund on behalf of a claimant or transferor is considered a distribution to the claimant or transferor and is also subject to information reporting requirements.

The same filing requirements, exceptions, and thresholds may apply to qualified settlement funds as apply to any other payer. That is, the fund must determine the character of the payment (for example, interest, fixed and determinable income, or gross proceeds from broker transactions) and to whom the payment is made (for example, corporation or individual).

For more information, see Regulations section 1.468B-2(f). Also, see Treasury Decision (TD) 9429 available on page 546 of Internal Revenue Bulletin 2006-10 at [www.irs.gov/pub/irs-irbs/irb06-10.pdf](http://www.irs.gov/pub/irs-irbs/irb06-10.pdf). TD 9249 relates to escrow and similar funds.

**Payments to foreign persons.** See the Instructions for Form 1042-S, relating to U.S. source income of foreign persons, for reporting requirements relating to payments to foreign persons.

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

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

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

Trustees and middlemen must follow all the rules for filing Forms 1099 with the IRS and furnishing a statement to the TIH (except as noted below) as described in parts A through S of these instructions. Trustees and middlemen should also follow the separate instructions for Forms 1099-B, 1099-DIV, 1099-INT, 1099-MISC, and 1099-OID, as applicable, which may address additional income reporting requirements.

**Due date exception and other requirements for furnishing statement to TIH.** The written tax information for 2008 furnished to the TIH is due on or before March 16, 2009. For other items of expense and credit that must be reported to the TIH, see Regulations section 1.671-5(c).

There is no reporting requirement if the TIH is an exempt recipient unless the trustee or middleman backup withholds under section 3406. If the trustee or middleman backup withholds, then follow the rules in part N on page 11. An exempt recipient for this purpose is defined in Regulations section 1.671-5(b)(7).

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

## B. Other Information Returns

The income information you report on the following forms must not be repeated on Forms 1099 or W-2G.

- Form W-2, Wage and Tax Statement, reporting wages and other employee compensation.
- Forms 1042-S and 1000 reporting income to foreign persons.
- Form 2439 reporting undistributed long-term capital gains of a regulated investment company or real estate investment trust.
- Schedule K-1 of Form 1065 or 1065-B reporting distributive shares to members of a partnership.
- Schedule K-1 of Form 1041 reporting distributions to beneficiaries of trusts or estates.
- Schedule K-1 of Form 1120S reporting distributive shares to shareholders of S corporations.
- Schedule K of Form 1120-IC-DISC reporting actual and constructive distributions to shareholders and deferred DISC income.
- Schedule Q of Form 1066 reporting income from a REMIC to a residual interest holder.

## C. When To File

File Forms 1098, 1099, or W-2G on paper by March 2, 2009, or March 31, 2009, if filing electronically. Also file Form 1096 with paper forms. 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 the due date. File Form 1096 with Forms 5498, 5498-ESA, and 5498-SA by June 1, 2009.

You will meet the requirement to file if the form is properly addressed and mailed on or before the due date. If the regular due date falls on a Saturday, Sunday, or legal holiday, file by the next business day. A business day is any day that is not a Saturday, Sunday, or legal holiday. See part M on page 9 about providing Forms 1098, 1099, 5498, and W-2G or statements to recipients.

**Private delivery services.** You can use certain private delivery services designated by the IRS to meet the "timely mailing as timely filing" rule for information returns. The list includes only the following.

- DHL Worldwide Express (DHL): DHL "Same Day" Service; DHL Next Day 10:30 AM; DHL Next Day 12:00 PM; DHL Next Day 3:00 PM; and DHL 2nd Day Service.
- Federal Express (FedEx): FedEx Priority Overnight, FedEx Standard Overnight, FedEx 2 Day, FedEx International Priority, and FedEx International First.

- United Parcel Service (UPS): UPS Next Day Air, UPS Next Day Air Saver, UPS 2nd Day Air, UPS 2nd Day Air A.M., UPS Worldwide Express Plus, and UPS Worldwide Express.

The private delivery service can tell you how to get written proof of the mailing date.



Private delivery services cannot deliver items to P.O. boxes. You must use the U.S. Postal Service to mail any item to an IRS P.O. box address.

**Reporting period.** Forms 1098, 1099, and W-2G are used to report amounts received, paid, credited, donated, or canceled in the case of Form 1099-C during the calendar year. Forms 5498, 5498-ESA, and 5498-SA are used to report amounts contributed and the fair market value of an account for the calendar year.

**Extension.** You can get an automatic 30-day extension of time to file by completing Form 8809, Application for Extension of Time To File Information Returns. The form may be submitted on paper, or through the FIRE system either as a fill-in form or an electronic file. No signature or explanation is required for the extension. However, you must file Form 8809 by the due date of the returns in order to get the 30-day extension. Under certain hardship conditions you may apply for an additional 30-day extension. See the instructions for Form 8809 for more information.

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

- If you are requesting an extension for 50 or fewer filers, follow the instructions on Form 8809 and mail it to the address listed in the instructions on the form. See the instructions for Form 8809 for more information.
- If you are requesting an extension for more than 50 filers, you must submit the extension request online or electronically. You are encouraged to submit requests for 10 to 50 filers online or electronically. See Pub. 1220, Part E, for more information on filing online or electronically.

**Extension for statements to recipients.** For information on requesting an extension of time to file statements to recipients, see *Extension* on page 11.

**D. Where To File**



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

Send all information returns filed on paper to the following:

If your principal business, office or agency, or legal residence in the case of an individual, is located in	Use the following address
▼	▼
Alabama, Arizona, Arkansas, Connecticut, Delaware, Florida, Georgia, Kentucky, Louisiana, Maine, Massachusetts, Mississippi, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, Texas, Vermont, Virginia, West Virginia	Department of the Treasury Internal Revenue Service Center Austin, TX 73301
Alaska, California, Colorado, District of Columbia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Maryland, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, North Dakota, Oklahoma, Oregon, South Carolina, South Dakota, Tennessee, Utah, Washington, Wisconsin, Wyoming	Department of the Treasury Internal Revenue Service Center Kansas City, MO 64999

If your legal residence or principal place of business or principal office or agency is outside the United States, file with the Department of the Treasury, Internal Revenue Service Center, Austin, TX 73301.

**State and local tax departments.** Contact the applicable state and local tax department as necessary for reporting requirements and where to file Copy 1 (Forms 1099-MISC and 1099-R). Generally, the state or local tax department you need to contact will be located in the recipient's state of legal residence.

**E. Filing Returns With the IRS**

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

If you must file any Form 1098, 1099, 5498, or W-2G with the IRS and you are filing paper forms, you must send a Form 1096 with each type of form as the transmittal document. You must group the forms by form number and submit each group with a separate Form 1096. For example, if you file Forms 1098, 1099-A, and 1099-MISC, complete one Form 1096 to transmit Forms 1098, another for Forms 1099-A, and a third for Forms 1099-MISC. Specific instructions for completing Form 1096 are included on the form. Also, see *Transmitters, paying agents, etc.* below. For information about filing corrected returns, see part H on page 6.

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

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

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

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

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

For information about the election to report and deposit backup withholding under the agent's TIN and how to prepare forms if the election is made, see Rev. Proc. 84-33, 1984-1 C.B. 502 and the Instructions for Form 945.

**Keeping copies.** Generally, keep copies of information returns you filed with the IRS or have the ability to reconstruct the data for at least 3 years, 4 years for Form 1099-C, from the due date of the returns. Keep copies of information returns for 4 years if backup withholding was imposed.

**Shipping and mailing.** Send the forms to the IRS in a flat mailing (not folded). If you are sending many forms, you may

send them in conveniently sized packages. On each package, write your name, number the packages consecutively, and place Form 1096 in package number one. Postal regulations require forms and packages to be sent by First-Class Mail.

#### F. Electronic Reporting

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



For returns filed after December 1, 2008, Enterprise Computing Center-Martinsburg (ECC-MTB) will no longer accept tape cartridges. Electronic filing will be the only acceptable method for filing information returns with ECC-MTB.

Pub. 1220 provides the procedures for reporting electronically and is updated annually. Pub. 1220 is available on the IRS website at [www.irs.gov](http://www.irs.gov).



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

**Due dates.** File Forms 1098, 1099, or W-2G electronically through the FIRE System by March 31, 2009. File Form 5498, 5498-ESA, or 5498-SA by June 1, 2009. See part M on page 9 about providing Forms 1098, 1099, 5498, and W-2G or statements to recipients.

**Extension of time to file.** For information about requesting an extension of time to file, see *Extension* on page 4.



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

**Who must file electronically.** If you are required to file 250 or more information returns, you must file electronically. The 250-or-more requirement applies separately to each type of form. For example, if you must file 500 Forms 1098 and 100 Forms 1099-A, you must file Forms 1098 electronically, but you are not required to file Forms 1099-A electronically.

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



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

**Filing requirement applies separately to originals and corrections.** The electronic filing requirements apply separately to original returns and corrected returns. Originals and corrections are not aggregated to determine whether you are required to file electronically. For example, if you file 400 Forms 1098 electronically and you are making 75 corrections, your corrections can be filed on paper because the number of corrections for Form 1098 is less than the 250 filing requirement. However, if you were filing 250 or more Form 1098 corrections, they would have to be filed electronically.

**Reporting incorrect payer name and/or TIN.** If a payer discovers an error in reporting the payer name and/or TIN, write a letter to IRS/ECC-MTB (see below) containing the:

1. Name and address of the payer,
2. Type of error (including the incorrect payer name/TIN that was reported),
3. Tax year,
4. Payer TIN,
5. Transmitter Control Code (TCC), if applicable,
6. Type of return,
7. Number of payees, and
8. Filing method (paper or electronic).

Send the letter to Enterprise Computing Center-Martinsburg, Information Reporting Program, 240 Murall Drive, Kearneysville, WV 25430. Also see Pub. 1220, Part A, Section 10.11.

If a payer realizes duplicate reporting or a large percentage of incorrect information has been filed, contact the information reporting customer service site at 1-866-455-7438 for further instructions.

**How to get approval to file electronically.** File Form 4419, Application for Filing Information Returns Electronically, at least 30 days before the due date of the returns. File Form 4419 for all types of returns that will be filed electronically. See Form 4419 for more information. Once you have received approval, you need not reapply each year. The IRS will provide a written reply to the applicant and further instructions at the time of approval, usually within 30 days.

**How to request a waiver from filing electronically.** To receive a waiver from the required filing of information returns electronically, submit Form 8508, Request for Waiver From Filing Information Returns Electronically, at least 45 days before the due date of the returns. You cannot apply for a waiver for more than 1 tax year at a time. If you need a waiver for more than 1 tax year, you must reapply at the appropriate time each year.

If a waiver for original returns is approved, any corrections for the same types of returns will be covered under the waiver. However, if you submit original returns electronically but you want to submit your corrections on paper, a waiver must be approved for the corrections if you must file 250 or more corrections.

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

**Penalty.** If you are required to file electronically but fail to do so, and you do not have an approved waiver, you may be subject to a penalty of \$50 per return for failure to file electronically unless you establish reasonable cause. However, you can file up to 250 returns on paper; those returns will not be subject to a penalty for failure to file electronically.

The penalty applies separately to original returns and corrected returns. See *Filing requirement applies separately to originals and corrections* on page 5.

#### G. Paper Document Reporting

If you are required to file 250 or more information returns, see part F on page 5.

**Common errors.** Be sure to check your returns to prevent the following common errors.

1. Duplicate filing. Do not send the same information to the IRS more than once. Also see *Multiple filings* below.
2. Filer's name, address, and TIN are not the same on Form 1096 and the attached Forms 1099, 1098, 5498, or W-2G.
3. Decimal point to show dollars and cents omitted. For example, 1230.00 is correct, not 1230.
4. Two or more types of returns submitted with one Form 1096 (for example, Forms 1099-INT and 1099-MISC with one Form 1096). You must submit a separate Form 1096 with each type of return.

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

**Required format.** Because paper forms are scanned, all Forms 1096 and Copies A of Forms 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 for each incorrectly filed document.

1. Do not cut or separate Copies A of the forms that are printed two or three to a sheet (except Forms W-2G and 1098-C). Generally, Forms 1098, 1099, and 5498 are printed two or three to an 8 x 11 inch sheet. Form 1096 is printed one to an 8 x 11 inch sheet. These forms must be submitted to the IRS on the 8 x 11 inch sheet. If at least one form on the page is correctly completed, you must submit the entire page. Forms W-2G may be separated and submitted as single forms. Send the forms to the IRS in a flat mailing (not folded).
2. No photocopies of any forms are acceptable. See *How To Get Forms, Publications, and Other Assistance* on page 15.
3. Do not staple, tear, or tape any of these forms. It will interfere with the IRS's ability to scan the documents.
4. Pinfeed holes on the form are not acceptable. Pinfeed strips outside the 8 x 11 inch area must be removed before submission, without tearing or ripping the form. Substitute forms prepared in continuous or strip form must be burst and stripped to conform to the size specified for a single sheet (8 x 11 inches) before they are filed with the IRS.
5. Do not change the title of any box on any form. Do not use a form to report information that is not properly reportable on that form. If you are unsure of where to report the data, call the information reporting call site at 1-866-455-7438 (toll free).
6. Report information only in the appropriate boxes provided on the forms. Make only one entry in each box unless otherwise indicated in the form's specific instructions.
7. Do not submit any copy other than Copy A to the IRS.
8. Do not use prior year forms unless you are reporting prior year information; do not use subsequent year forms for the current year. Because forms are scanned, you must use the current year form to report current year information.
9. Use the official forms or substitute forms that meet the specifications in Pub. 1179. If you submit substitute forms that do not meet the current specifications and that are not scannable, you may be subject to a penalty of \$50 for each return for improper format.
10. Do not use dollar signs (\$) (they are preprinted on the forms), ampersands (&), asterisks (\*), commas (,), or other special characters in money amount boxes.
11. Do not use apostrophes ('), asterisks (\*), or other special characters on the payee name line.

**Suggested format.** Follow these suggestions.

1. Although handwritten forms are acceptable, the IRS prefers that you type or machine print data entries using 10 pitch (pica) or 12 pitch (elite) black type. Use block print, not script characters. 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. Do not enter 0 (zero) or "None" in money amount boxes when no entry is required. Leave the boxes blank unless the instructions specifically require that you enter a 0 (zero). For example, in some cases, you must enter 0 (zero) to make corrections. See part H below.
3. Do not enter number signs (#)—RT 2, not Rt. #2.

#### H. Corrected Returns on Paper Forms



To file corrections for electronically filed forms, see part F on page 5 and Pub. 1220.

If you filed a return with the IRS and later discover you made an error on it, you must:

- Correct it as soon as possible and file Copy A and Form 1096 with your Internal Revenue Service Center (see part D on page 4).
- Furnish statements to recipients showing the correction.

When making a correction, complete all information (see *Filing Corrected Returns on Paper Forms* on page 7).

- Do not cut or separate forms that are two or three to a page. Submit the entire page even if only one of the forms on the page is completed.
- Do not staple the forms to Form 1096.
- Do not send corrected returns to the IRS if you are correcting state or local information only. Contact the state or local tax department for help with this type of correction.

To correct payer information, see *Reporting incorrect payer name and/or TIN* on page 5.

**Form 1096.** Use a separate Form 1096 for each type of return you are correcting. For the same type of return, you may use one Form 1096 for both originals and corrections. You do not need to correct a previously filed Form 1096.

**CORRECTED checkbox.** Enter an "X" in the corrected checkbox only when correcting a form previously filed with the IRS or furnished to the recipient. Certain errors require two returns to make the correction. See *Filing Corrected Returns on Paper Forms* on page 7 to determine when to mark the "CORRECTED" checkbox.

**Account number.** If the account number was provided on the original return, the same account number must be included on both the original and corrected returns to properly identify and process the correction. If the account number was not provided on the original return, do not include it on the corrected return. See part L on page 9.

**Recipient's statement.** You may enter a date next to the "CORRECTED" checkbox. This will help the recipient in the case of multiple corrections.

**Filing corrected returns on paper forms.** The error charts on page 7 give step-by-step instructions for filing corrected returns for the most frequently made errors. They are grouped under Error Type 1 or 2, based on how the correction is made. Correction of errors may require the submission of more than one return. Be sure to read and follow the steps given.











Until further guidance is issued regarding the use of certain logos and identifying slogans on substitute returns that are subject to the statement mailing requirements, the IRS will not assess penalties for the use of a logo (including the name of the payer in any typeface, font, or stylized fashion and/or a symbolic icon) or slogan on a statement to a recipient if the logo or slogan is used by the payer in the ordinary course of its trade or business. In addition, use of the logo or slogan must not make it less likely that a reasonable payee will recognize the importance of the statement for tax reporting purposes.

A recipient statement may be perforated to a check or to a statement of the recipient's specific account. The check or account statement to which the recipient statement is perforated must contain, in bold and conspicuous type, the legend "Important Tax Return Document Attached."

The legend "Important Tax Return Document Enclosed" must appear in a bold and conspicuous manner on the outside of the envelope and on each letter explaining why no check is enclosed, or on each check or account statement that is not perforated to the recipient statement. The legend is not required on any tax form, tax statement, or permitted letter of tax consequences included in a statement mailing. Further, you need not pluralize the word "document" in the legend simply because more than one recipient statement is enclosed.



If you provide recipient statements in a "separate mailing" that contains only recipient statements, Forms W-8 and W-9, and a letter explaining the tax consequences of the information shown on a recipient statement included in the envelope, you are not required to include the legend "Important Tax Return Document Enclosed" on the envelope.

**Substitute forms.** You may furnish to the recipient Copy B of the official IRS form, or you may use substitute Forms 1099-DIV, 1099-INT, 1099-OID, or 1099-PATR, if they contain the same language as the official IRS forms and they comply with the rules in Pub. 1179, relating to substitute Forms 1099. Applicable box titles and numbers must be clearly identified, using the same wording and numbering as the official IRS form. For information on substitute Forms 1099-MISC, see *Other information* below. For Forms 1099-S, see *Real estate transactions* below.



All substitute statements to recipients must contain the tax year, form number, and form name prominently displayed together in one area of the statement. For example, they could be shown in the upper right part of the statement.

If you are using substitutes, the IRS encourages you to use boxes so that the substitute has the appearance of a form. The substitute form must contain the applicable instructions as on the front and back of Copy B (in the case of Form 1099-R, Copies B, C, and 2) of the official IRS form. See Pub. 1179 for additional requirements and certain "composite" statements that are permitted.

**Real estate transactions.** You must furnish a statement to the transferor containing the same information reported to the IRS on Form 1099-S. You may use Copy B of the official IRS 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 by including on the statement the legend shown on Form 1099-S and by designating which information is reported to the IRS on Form 1099-S. You may furnish the statement to the transferor in person, by mail, or electronically. Furnish the statement at or after closing but by January 31 of the following year.

The statement mailing requirements explained above do not apply to statements to transferors for proceeds from real estate transactions reported on Form 1099-S. However, the statement mailing requirements do apply to statements to transferors for timber royalties reportable under section 6050N on Form 1099-S.

**Other information.** Statements to recipients for Forms 1098, 1098-C, 1098-E, 1098-T, 1099-A, 1099-B, 1099-C, 1099-CAP, 1099-G, 1099-H, 1099-LTC, 1099-MISC, 1099-Q, 1099-R, 1099-SA, 5498, 5498-ESA, 5498-SA, W-2G, 1099-DIV only for section 404(k) dividends reportable under section 6047, 1099-INT only for interest reportable in the course of your trade or business under section 6041, or 1099-S only for royalties need not be, but can be, a copy of the official paper form filed with the IRS. If you do not use a copy of the paper form, the form number and title of your substitute must be the same as the official IRS form. All information required to be reported must be numbered and titled on your substitute in substantially the same manner as on the official IRS form. However, if you are reporting a payment as "Other income" in box 3 of Form 1099-MISC, you may substitute appropriate explanatory language for the box title. For example, for payments of accrued wages to a beneficiary of a deceased employee required to be reported on Form 1099-MISC, you might change the title of box 3 to "Beneficiary payments" or something similar.

Appropriate instructions to the recipient, similar to those on the official IRS form, must be provided to aid in the proper reporting of the items on the recipient's income tax return. For payments reported on Form 1099-B, rather than furnish appropriate instructions with each Form 1099-B statement, you may furnish to the recipient one set of instructions for all statements required to be furnished to a recipient in a calendar year.

Except for royalties reported on Form 1099-MISC, the statement mailing requirements explained earlier do not apply to statements to recipients for information reported on the forms listed under *Other information* above. 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. See Pub. 1179 for certain "composite" statements that are permitted.

**When to furnish forms or statements.** Generally, you must furnish Forms 1098, 1099, and W-2G information by February 2, 2009. However, you may issue them earlier in some situations, as provided by the regulations. For example, you may furnish Form 1099-INT 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 February 2, 2009.

Donee organizations required to issue Form 1098-C must furnish the acknowledgment to a donor within 30 days of the sale of the vehicle (if it is sold without material improvements or significant intervening use) or within 30 days of the contribution.

Trustees or issuers of traditional IRAs must furnish participants with a statement of the value of the participant's account, and RMD if applicable, by February 2, 2009. The fair market value of SEP IRAs must also be furnished to the participant by February 2, 2009. Traditional IRA, Roth IRA, SEP, or SIMPLE contribution information must be furnished to the participant by June 1, 2009. However, Coverdell ESA contribution information must be furnished to the beneficiary by April 30, 2009.

Trustees of a SIMPLE must furnish a statement of the account balance and the account activity by February 2, 2009.

Trustees and middlemen of a WHFIT must furnish the required statement by March 16, 2009.

For real estate transactions, you may furnish the statement to the transferor at closing or by mail on or before February 2, 2009.

Filers of Form 1099-G who report state or local income tax refunds, credits, or offsets must furnish the statements to recipients during January 2009.

See the *Guide to Information Returns* on pages 17 and 18 for the date other information returns are due to the recipient.

You will meet the requirement to furnish the statement if it is properly addressed and mailed, or posted to a website, on or before the due date. If the regular due date falls on a Saturday, Sunday, or legal holiday, the due date is the next business day. A business day is any day that is not a Saturday, Sunday, or legal holiday.

**Electronic recipient statements.** If you are required to furnish a written statement (Copy B or an acceptable substitute) to a recipient, then you may furnish the statement electronically instead of on paper. This includes furnishing the statement to recipients of Forms 1098, 1098-E, 1098-T, 1099-A, B, C, CAP, DIV, H, INT, G, LTC, MISC, OID, PATR, Q, R, S, SA, 5498, 5498-ESA, and 5498-SA. It also includes Form W-2G (except for horse and dog racing, jai alai, sweepstakes, wagering pools, and lotteries).



Until further guidance is issued to the contrary, Form 1098-C may not be furnished electronically.

If you meet the requirements listed below, you are treated as furnishing the statement timely.

**Consent.** The recipient must consent in the affirmative and not have withdrawn the consent before the statement is furnished. The consent by the recipient must be made electronically in a way that shows that he or she can access the statement in the electronic format in which it will be furnished.

You must notify the recipient of any hardware or software changes prior to furnishing the statement. A new consent to receive the statement electronically is required after the new hardware or software is put into service.

Prior to furnishing the statements electronically, you must provide the recipient a statement with the following statements prominently displayed.

- If the recipient does not consent to receive the statement electronically, a paper copy will be provided.
- The scope and duration of the consent. For example, whether the consent applies to every year the statement is furnished or only for the January 31 immediately following the date of the consent.
- How to obtain a paper copy after giving consent.
- How to withdraw the consent. The consent may be withdrawn at any time by furnishing the withdrawal in writing (electronically or on paper) to the person whose name appears on the statement. Confirmation of the withdrawal also will be in writing (electronically or on paper).
- Notice of termination. The notice must state under what conditions the statements will no longer be furnished to the recipient.
- Procedures to update the recipient's information.
- A description of the hardware and software required to access, print, and retain a statement, and a date the statement will no longer be available on the website.

**Format, posting, and notification.** Additionally, you must:

- Ensure the electronic format contains all the required information and complies with the applicable revenue procedure for substitute statements to recipients in Pub. 1179.
- Post, on or before the January 31 due date, the applicable statement on a website accessible to the recipient through October 15 of that year.
- Inform the recipient, electronically or by mail, of the posting and how to access and print the statement.

For more information, see Regulations section 31.6051-1. For electronic furnishing of Forms 1098-E and 1098-T, see Regulations section 1.6050S-2. For electronic furnishing of Forms 1099-R, 1099-SA, 1099-Q, 5498, 5498-ESA, and 5498-SA, see Notice 2004-10 on page 433 of Internal Revenue Bulletin 2004-6 at [www.irs.gov/pub/irs-irbs/irb04-06.pdf](http://www.irs.gov/pub/irs-irbs/irb04-06.pdf).

**Extension.** You may request an extension of time to provide the statements to recipients by sending a letter to Enterprise Computing Center-Martinsburg, Information Reporting Program, Attn: Extension of Time Coordinator, 240 Murall Drive, Kearneysville, WV 25430. The letter must include (a) your name, (b) your TIN, (c) your address, (d) type of return, (e) a statement that your extension request is for providing statements to recipients, (f) reason for delay, and (g) the signature of the payer or authorized agent. Your request must be postmarked by the date on which the statements are due to the recipients. If your request for an extension is approved, generally you will be granted a maximum of 30 extra days to furnish the recipient statements.

#### N. Backup Withholding

Interest (including tax-exempt interest and exempt-interest dividends), dividends, rents, royalties, commissions, nonemployee compensation, and certain other payments (including broker and barter exchange transactions, reportable gross proceeds paid to attorneys, and certain payments made by fishing boat operators) may be subject to backup withholding at a 28% rate. To be subject to backup withholding, a payment must be a reportable interest (including tax-exempt interest and exempt-interest dividends) or a dividend payment under section 6049(a), 6042(a), or 6044 (if the patronage dividend is paid in money or qualified check), or an "other" reportable payment under section 6041, 6041A(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,
2. For interest, dividend, and broker and barter exchange accounts opened or instruments acquired after 1983, the payee fails to certify, under penalties of perjury, that the TIN provided is correct,
3. The IRS notifies you to impose backup withholding because the payee furnished an incorrect TIN ("B" notice),
4. For interest and dividend accounts or instruments, you are notified that the payee is subject to backup withholding (under section 3406(a)(1)(C)), or
5. 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 4 above.

Except as explained in 2 above, reportable "other" payments are subject to backup withholding only if 1 or 3 above applies.



If you do not collect and pay over backup withholding from affected payees as required, you may become liable for any uncollected amount.

Some payees are exempt from backup withholding. For a list of exempt payees and other information, see Form W-9 and the separate Instructions for the Requester of Form W-9.

Examples of payments to which backup withholding does not apply include but are not limited to:

- Wages.
- Distributions from a pension, annuity, profit-sharing or stock bonus plan, any IRA, an owner-employee plan, or other deferred compensation plan.
- Distributions from a medical or health savings account and long-term care benefits.
- Certain surrenders of life insurance contracts.
- Distribution from qualified tuition programs or Coverdell ESAs.
- Gambling winnings if regular gambling winnings withholding is required under section 3402(q). However, if regular gambling winnings withholding is not required under section 3402(q), backup withholding applies if the payee fails to furnish a TIN.
- Real estate transactions reportable under section 6045(e).
- Cancelled debts reportable under section 6050P.
- Fish purchases for cash reportable under section 6050R.
- Certain payment card transactions by a qualified payment card agent.



At the time these instructions went to print, the IRS had published proposed Regulations section 31.3406(g)-1(f) regarding rules for certain payment card transactions. A proposed revenue procedure was also issued as Notice 2007-59 on page 135 of Internal Revenue Bulletin 2007-30 at [www.irs.gov/pub/irs-irbs/irb07-30.pdf](http://www.irs.gov/pub/irs-irbs/irb07-30.pdf). For more information, go to [www.irs.gov](http://www.irs.gov) and enter keyword "QPCA" in the upper right corner.

**When to apply backup withholding.** Generally, the period for which the 28% should be withheld is as follows.

**1. Failure to furnish TIN in the manner required.** Withhold on payments made until the TIN is furnished in the manner required. Special backup withholding rules may 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. 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.



The 60-day exemption from backup withholding applies only to interest and dividend payments and certain payments made with respect to readily tradable instruments. Therefore, any other payment, such as nonemployee compensation, is subject to backup withholding even if the payee has applied for and is awaiting a TIN. For information about whether backup withholding applies during the 60-day period, see Regulations section 31.3406(g)-3.

**2. Notice from the IRS that payee's TIN is incorrect ("B" notice).** You may choose 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 other form that requires the payee to certify under penalty of perjury).



The IRS will furnish a notice to you, and you are required to promptly furnish a copy of such notice, or an acceptable substitute, to the payee. For further information, see Regulations section 31.3406(d)-5 and Pub. 1281.

If you receive two incorrect TIN notices within 3 years for the same account, follow the procedures in Regulations section 31.3406(d)-5(g) and Pub. 1281.

**3. Notice from the IRS that payee is subject to backup withholding due to notified payee underreporting.** You may choose to withhold on any reportable payment made to the account(s) subject to backup withholding after receipt of the notice, but you must withhold on any reportable payment made to the account more than 30 business days after you receive the notice. The IRS will notify you in writing when to stop withholding, or the payee may furnish you a written certification from the IRS stating when the withholding should stop. In most cases, the stop date will be January 1 of the year following the year of the notice.



You must notify the payee when withholding under this procedure starts. For further information, see Regulations section 31.3406(c)-1(d).

**4. Payee failure to certify that he or she is not subject to backup withholding.** Withhold on reportable interest and dividends until the certification has been received.

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



For special rules on backup withholding on gambling winnings, see the separate Instructions for Forms W-2G and 5754.

**Reporting backup withholding.** Report backup withholding on Form 945, Annual Return of Withheld Federal Income Tax. Also, report backup withholding and the amount of the payment on Forms W-2G, 1099-B, DIV, G, INT, MISC, OID, or PATR even if the amount of the payment is less than the amount for which an information return is normally required.



**Form 945.** Report backup withholding, voluntary withholding on certain government payments, and withholding from gambling winnings, pensions, annuities, IRAs, military retirement, and Indian gaming profits on Form 945. Generally, file Form 945 for 2008 by February 2, 2009. For more information, including the deposit requirements for Form 945, see the separate Instructions for Form 945 and Circular E, Employer's Tax Guide (Pub. 15).

Do not report on Form 945 any income tax withholding reported on the following forms.

- Form W-2 including withholding on distributions to plan participants from nonqualified plans that must be reported on Form 941, Employer's Quarterly Federal Tax Return.
- Form 1042-S must be reported on Form 1042, Annual Withholding Tax Return for U.S. Source Income of Foreign Persons.



Pub. 515 has more information on Form 1042 reporting, partnership withholding on effectively connected income, and dispositions of U.S. real property interests by a foreign person.

**Additional information.** For more information about backup withholding, see Pub. 1281, Backup Withholding for Missing and Incorrect Name/TIN(s).

#### O. Penalties

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



For information on the penalty for failure to file electronically, see Penalty on page 6.

#### 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 electronically, you report an incorrect TIN or fail to report a TIN, or you fail to file paper forms 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); maximum penalty \$75,000 per year (\$25,000 for small businesses, defined below).
- \$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).



If you do not file corrections and you do not meet any of the exceptions to the penalty described on page 6, the penalty is \$50 per information return.

**Small businesses—lower maximum penalties.** You are a small business if your average annual gross receipts for the 3 most recent 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 million or less.

**Exceptions to the penalty.** The following are exceptions to the failure to file penalty.

1. The penalty will not apply to any failure that you can show was due to reasonable cause and not to willful neglect. In general, you must be able to show that your failure was due to an event beyond your control or due to significant mitigating factors. You must also be able to show that you acted in a responsible manner and took steps to avoid the failure.
2. An inconsequential error or omission is not considered a failure to include correct information. An inconsequential error or omission does not prevent or hinder the IRS from processing the return, from correlating the information required to be shown on the return with the information shown on the payee's tax return, or from otherwise putting the return to its intended use. Errors and omissions that are never inconsequential are those related to (a) a TIN, (b) a payee's surname, and (c) any money amount.
3. *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 you:
  - a. Filed those information returns,
  - b. Either failed to include all the information required on a return or included incorrect information, and
  - c. Filed corrections by August 1.

If you meet all the conditions in a, b, and c above, the penalty for filing incorrect returns (but not for filing late) will not apply to the greater of 10 information returns or 1/2 of 1% of the total number of information returns you are required to file for the calendar year.

**Intentional disregard of filing requirements.** If any failure to file a correct information return is due to intentional disregard of the filing or 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 M on page 9), 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 M on page 9.

The penalty is \$50 per statement, no matter when the correct statement is furnished, with a maximum of \$100,000 per year. The penalty is not reduced for furnishing a correct statement by August 1.

**Exception.** An inconsequential error or omission is not considered a failure to include correct information. An inconsequential error or omission cannot reasonably be expected to prevent or hinder the payee from timely receiving correct information and reporting it on his or her income tax return or from otherwise putting the statement to its intended use. Errors and omissions that are never inconsequential are those relating to (a) a dollar amount, (b) a significant item in a payee's address, (c) the appropriate form for the information provided (that is, whether the form is an acceptable substitute for the official IRS form), and (d) whether the statement was furnished in person or by "statement mailing," when required.

**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-Q, 1099-SA, 5498, 5498-ESA, and 5498-SA (Section 6693)**

The penalties under sections 6721 and 6722 do not apply to:

Forms	Filed Under Code Section
1099-SA and 5498-SA	220(h) and 223(h)
5498	408(i) and 408(l)
5498-ESA	530(h)
1099-Q	529(d) and 530(h)

The penalty for failure to timely file Forms 1099-SA, 5498-SA, 5498, 5498-ESA, or 1099-Q is \$50 per return with no maximum, unless the failure is due to reasonable cause. See section 6693.

#### **Fraudulent Acknowledgments With Respect to Donations of Motor Vehicles, Boats, and Airplanes (Section 6720)**

If you are required under section 170(f)(12)(A) to furnish a contemporaneous written acknowledgment to a donor and you knowingly furnish a false or fraudulent Form 1098-C, or knowingly fail to furnish a Form 1098-C within the applicable 30-day period, you may be subject to a penalty. See the 2008 Instructions for Form 1098-C for more detailed information.

#### **Civil Damages for Fraudulent Filing of Information Returns (Section 7434)**

If you willfully file a fraudulent information return for payments you claim you made to another person, that person may be able to sue you for damages. You may have to pay \$5,000 or more.

#### **P. Payments to Corporations and Partnerships**

Generally, payments to corporations are not reportable. However, you must report payments to corporations for the following.

- Medical and health care payments (Form 1099-MISC),
- Withheld federal income tax or foreign tax,
- Barter exchange transactions (Form 1099-B),
- Substitute payments in lieu of dividends and tax-exempt interest (Form 1099-MISC),
- Acquisitions or abandonments of secured property (Form 1099-A),
- Cancellation of debt (Form 1099-C),
- Payments of attorneys' fees and gross proceeds paid to attorneys (Form 1099-MISC),
- Fish purchases for cash (Form 1099-MISC),
- The credits for clean renewable energy bonds and for Gulf tax credit bonds treated as interest and reported on Form 1099-INT, and
- Federal executive agency payments for services (Form 1099-MISC). For additional reporting requirements, see Rev. Rul. 2003-66 on page 1115 of Internal Revenue Bulletin 2003-26 at [www.irs.gov/pub/irs-irbs/irb03-26.pdf](http://www.irs.gov/pub/irs-irbs/irb03-26.pdf).

Reporting generally is required for all payments to partnerships. For example, payments of \$600 or more made in the course of your trade or business to an architectural firm that is a partnership are reportable on Form 1099-MISC. However, see Regulations section 1.6049-4(c)(1)(ii)(A).

#### **Q. Earnings on any IRA, Coverdell ESA, Archer MSA, or HSA**

Generally, income earned in any IRA, Coverdell ESA, Archer MSA, or HSA, such as interest or dividends, is not reported on Forms 1099. However, distributions must be reported on Form 1099-R, 1099-Q, or 1099-SA.

#### **R. Certain Grantor Trusts**

Certain grantor trusts (other than WHFITs) may choose to file Forms 1099 rather than a separate statement attached to Form 1041, U.S. Income Tax Return for Estates and Trusts. If you have filed Form 1041 for a grantor trust in the past and you want to choose the Form 1099 filing method for 2008, you must have filed a final Form 1041 for 2007. To change reporting method, see Regulations section 1.671-4(g) and the Instructions for Form 1041 and Schedules A, B, D, G, I, J, and K-1.

For more information on WHFITs, see *Widely held fixed investment trusts (WHFITs)* beginning on page 3.

#### **S. Special Rules for Reporting Payments Made Through Foreign Intermediaries and Foreign Flow-Through Entities on Form 1099**

If you are the payer and have received a Form W-8IMY, Certificate of Foreign Intermediary, Foreign Flow-Through Entity, or Certain U.S. Branches for United States Tax Withholding, from a foreign intermediary or flow-through entity, follow the instructions below for completing Form 1099. Definitions of the terms used in these instructions are on page 14.

#### **Presumption Rules**



For additional information including details on the presumption rules, see the Instructions for the Requester of Forms W-8BEN, W-8ECI, W-8EXP, and W-8IMY and Pub. 515. To order, see How To Get Forms, Publications, and Other Assistance on page 15.

If you are the payer and do not have a Form W-9, appropriate Form W-8, or other valid documentation, or you cannot allocate a payment to a specific payee, prior to payment, you are required to use certain presumption rules to determine the following.

- The status of the payee as a U.S. or foreign person and
- The classification of the payee as an individual, trust, estate, corporation, or partnership.

See Regulations sections 1.1441-1(b)(3), 1.1441-5(d) and (e), 1.6045-1(g)(3)(ii), and 1.6049-5(d).

Under these presumption rules, if you must presume that the payee is a U.S. nonexempt recipient subject to backup withholding, you must report the payment on a Form 1099. However, if before filing Form 1099 with the IRS the recipient is documented as foreign, then report the payment on a Form 1042-S.

On the other hand, if you must presume that the payee is a foreign recipient and prior to filing Form 1042-S with the IRS you discover that the payee is a U.S. nonexempt recipient based on documentation, then report all payments made to that payee during the calendar year on a Form 1099.

If you use the 90-day grace period rule to presume a payee is foreign, you must file a Form 1042-S to report all payments subject to withholding during the grace period. If you later discover that the payee is a U.S. nonexempt recipient subject to backup withholding, you must file a Form 1099 for all payments made to that payee after the discovery of the payee's U.S. status.

#### **Rules for Payments Made to U.S. Nonexempt Recipients Through a QI, NQI, or FTE**

If you are the payer making a payment through a QI, NQI, or FTE for a U.S. nonexempt recipient on whose behalf the QI, NQI, or FTE is acting, use the following rules to complete

Form 1099.

**Known recipient.** If you know that a payee is a U.S. nonexempt recipient and have the payee's name, address, and TIN (if a TIN has been provided), you must complete the Form 1099 with that information. Also, on the second name line below the recipient's name, enter "IMY" followed by the name of the QI, NQI, or FTE.

For payments made to multiple recipients: (a) enter the name of the recipient whose status you relied on to determine the applicable rate of withholding and (b) on the second name line, enter "IMY" followed by the name of the QI, NQI, or FTE. However, if the QI has assumed primary Form 1099 reporting or backup withholding responsibility, you are not required to issue the Form 1099 or to backup withhold. See *Qualified intermediary (QI)* on this page.

**Unknown recipient.** If you cannot reliably associate a payment with valid documentation and are required to presume a payee is a U.S. nonexempt recipient:

1. File a Form 1099 and enter "unknown recipient" on the first name line.
2. On the second name line, enter "IMY" followed by the name of the QI, NQI, or FTE. **Foreign flow through entity**
3. Enter the EIN of the QI, NQI, or FTE, if applicable, in the recipient's identification number box.
4. Furnish a copy of the Form 1099 with "unknown recipient" to the QI, NQI, or FTE who is acting on the recipient's behalf.



A payer that is required to report payments made to a U.S. nonexempt recipient account holder but does not receive the necessary allocation information cannot report those payments on a pro rata basis. Report unallocated payments using the presumption rules above.

#### Rules for Non-U.S. Payers

Non-U.S. payers (foreign persons that are not U.S. payers) generally have the same reporting obligations as U.S. payers. A U.S. payer is anyone who is:

- A U.S. person,
- Any U.S. governmental agency,
- A controlled foreign corporation (CFC),
- A foreign partnership that has one or more U.S. partners who, in the aggregate, hold more than 50 percent of the gross income derived from the conduct of a U.S. trade or business,
- A foreign person who owns 50 percent or more of the gross income that is effectively connected with a U.S. trade or business, or
- A U.S. branch of a foreign bank or a foreign insurance company.

For more information, see Regulations section 1.6049-5(c)(5).

**Exceptions.** The following payments are not subject to reporting by a non-U.S. payer.

1. A foreign source reportable payment paid outside the U.S. For example, see Regulations section 1.6049-5(b)(6).
2. Gross proceeds from a sale effected outside the U.S. See Regulations section 1.6045-1(a).
3. An NQI or QI that provides another payer all the information sufficient for that payer to complete Form 1099 reporting. For example, see Regulations section 1.6049-5(b)(14). However, if an NQI or QI does not provide sufficient information for another payer to report a payment on Form 1099, the intermediary must report the payment.

#### Rules for Reporting Payments Initially Reported on Form 1042-S

If an NQI or QI receives a Form 1042-S made out to an "unknown recipient" and the NQI or QI has actual knowledge that the payee of the income is a U.S. nonexempt recipient, it must file a Form 1099 even if the payment has been subject to withholding by another payer. The NQI or QI reports the amount withheld by the other payer on Form 1099 as federal income tax withheld.

#### Definitions

**Foreign intermediary.** A foreign intermediary is any person who is not a U.S. person and acts as a custodian, broker, nominee, or otherwise as an agent for another person, regardless of whether that other person is the beneficial owner of the amount paid, a flow-through entity, or another intermediary. The intermediary can be a qualified intermediary or a nonqualified intermediary.

**Qualified intermediary (QI).** A qualified intermediary is a person that is a party to a withholding agreement with the IRS and is:

- A foreign financial institution or a foreign clearing organization (other than a U.S. branch or U.S. office of the institution or organization),
- A foreign branch or office of a U.S. financial institution or a foreign branch or office of a U.S. clearing organization,
- A foreign corporation for purposes of presenting claims of benefits under an income tax treaty on behalf of its shareholders, or
- Any other person the IRS accepts as a qualified intermediary and who enters into a withholding agreement with the IRS.

For details on QI agreements, see:

- Rev. Proc. 2000-12 on page 387 of Internal Revenue Bulletin 2000-4 at [www.irs.gov/pub/irs-irbs/irb00-4.pdf](http://www.irs.gov/pub/irs-irbs/irb00-4.pdf);
- Modified by Rev. Proc. 2003-64, Section 4A (Appendix 3), on page 306 of Internal Revenue Bulletin 2003-32 at [www.irs.gov/pub/irs-irbs/irb03-32.pdf](http://www.irs.gov/pub/irs-irbs/irb03-32.pdf);
- Further modified by Rev. Proc. 2004-21 on page 702 of Internal Revenue Bulletin 2004-14 at [www.irs.gov/pub/irs-irbs/irb04-14.pdf](http://www.irs.gov/pub/irs-irbs/irb04-14.pdf); and
- Also see Rev. Proc. 2005-77 which amends the final withholding partnership and withholding foreign trust agreements by expanding the availability of simplified documentation, reporting, and withholding procedures, further modifying Rev. Proc. 2003-64. Rev. Proc. 2005-77 is available on page 1176 of Internal Revenue Bulletin 2005-51 at [www.irs.gov/pub/irs-irbs/irb05-51.pdf](http://www.irs.gov/pub/irs-irbs/irb05-51.pdf).



Generally, a branch of a financial institution may not operate as a QI after December 31, 2006, in a country that does not have approved know-your-customer (KYC) rules. Branches of financial institutions that operate in non-KYC approved jurisdictions will be required to act as nonqualified intermediaries after December 31, 2006, or after December 31, 2007, if an extension to operate as a QI was approved by the IRS. For additional information, see Notice 2006-35 on page 708 of Internal Revenue Bulletin 2006-14 at [www.irs.gov/pub/irs-irbs/irb06-14.pdf](http://www.irs.gov/pub/irs-irbs/irb06-14.pdf).

**Nonqualified intermediary (NQI).** A nonqualified intermediary is any intermediary that is not a U.S. person and that is not a qualified intermediary.

**Foreign flow-through entity (FTE).** A flow-through entity is a foreign partnership (other than a withholding foreign partnership), a foreign simple trust or foreign grantor trust (other than a withholding foreign trust), or, for payments for which a reduced rate of withholding is claimed under an income tax treaty, any entity to the extent the entity is considered to be fiscally transparent under section 894 with respect to the payment by an interest holder's jurisdiction.

**Withholding foreign partnership or withholding foreign trust.** A withholding foreign partnership or withholding foreign trust is a foreign partnership or a foreign simple or grantor trust that has entered into a withholding agreement with the IRS in which it agrees to assume primary withholding responsibility for all payments that are made to it for its partners, beneficiaries, or owners. See Rev. Proc. 2003-64 as amended by Rev. Proc. 2004-21, for procedures for entering into a withholding foreign partnership or trust agreement.

**Nonwithholding foreign partnership, simple trust, or grantor trust.** A nonwithholding foreign partnership is any foreign partnership other than a withholding foreign partnership. A nonwithholding foreign simple trust is any foreign simple trust that is not a withholding foreign trust. A nonwithholding foreign grantor trust is any foreign grantor trust that is not a withholding foreign trust.

**Fiscally transparent entity.** An entity is treated as fiscally transparent with respect to an item of income to the extent that the interest holders in the entity must, on a current basis, take into account separately their shares of an item of income paid to the entity, whether or not distributed, and must determine the character of the items of income as if they were realized directly from the sources from which they were realized by the entity. For example, partnerships, common trust funds, and simple trusts or grantor trusts are generally considered to be fiscally transparent with respect to items of income received by them.

## T. How To Get Tax Help

### Information Reporting Customer Service Site

If you have questions about reporting on Forms 1096, 1098, 1099, 5498, W-2, W-2G, and W-3, you may call a toll-free number, 1-866-455-7438. You may still use the original telephone number, 304-263-8700 (not toll free). For TTY/TDD equipment, call 304-267-3367 (not toll free). The hours of operation for the call site are Monday through Friday from 8:30 a.m. to 4:30 p.m., Eastern time.

**Other tax-related matters.** For other tax information related to business returns or accounts, call 1-800-829-4933.

If you have access to TTY/TDD equipment, call 1-800-829-4059 to ask tax account questions or to order forms and publications.

### Internal Revenue Bulletin

The Internal Revenue Bulletin (IRB), published weekly, contains newly issued regulations, notices, announcements, legislation, court decisions, and other items of general interest. You may find this publication useful to keep you up to date with current developments. See *How To Get Forms, Publications, and Other Assistance* on this page.

### Contacting Your Taxpayer Advocate

The Taxpayer Advocate Service (TAS) is an independent organization within the IRS whose employees assist taxpayers who are experiencing economic harm, who are seeking help in resolving tax problems that have not been resolved through normal channels, or who believe that an IRS system or procedure is not working as it should.

You can contact the TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059 to see if you are eligible for assistance. You can also call or write to your local taxpayer advocate, whose phone number and address are listed in your local telephone directory and in Publication 1546, Taxpayer Advocate Service - Your Voice at the IRS. You can file Form 911, Request for Taxpayer Advocate Service Assistance (And Application for Taxpayer Assistance Order), or ask an IRS employee to complete it on your behalf. For more information, go to [www.irs.gov/advocate](http://www.irs.gov/advocate).

**Taxpayer Advocacy Panel (TAP).** The TAP listens to taxpayers, identifies taxpayer issues, and makes suggestions for improving IRS services and customer satisfaction. If you have suggestions for improvements, contact the TAP, toll free at 1-888-912-1227 or go to [www.improveirs.org](http://www.improveirs.org).

### How To Get Forms, Publications, and Other Assistance



**CAUTION**  
Because the IRS processes paper forms by machine (optical character recognition equipment), you cannot file with the IRS Form 1096 or Copy A of Forms 1098, 1099, or 5498 that you print from the IRS website or the CD.

### Free Tax Services

To find out what services are available, get Publication 910, IRS Guide to Free Tax Services. It contains a list of free tax publications and describes other free tax information services, including tax education and assistance programs and a list of TeleTax topics.

Accessible versions of IRS published products are available on request in a variety of alternative formats for people with disabilities.

**Mail.** You can send your order for forms, instructions, and publications to the address below. You should receive a response within 10 days after your request is received.

National Distribution Center  
P.O. Box 8903  
Bloomington, IL 61702-8903

**Internet.** You can access the IRS website 24 hours a day, 7 days a week, at [www.irs.gov](http://www.irs.gov) to:

- Access commercial tax preparation and *e-file* services.
- Download forms, instructions, and publications.
- Order IRS products online.
- Research your tax question online.
- Search publications online by topic or keyword.
- View Internal Revenue Bulletins (IRBs) published in the last few years.
- Sign up to receive local and national tax news by email.

**CD/DVD for Tax Products.** You can order Publication 1796, IRS Federal Tax Products CD/DVD, and obtain:

- Current-year forms, instructions, and publications.
- Prior-year forms, instructions, and publications.
- Bonus: Historical Tax Products DVD — Ships with the final release.

- Tax Map: An electronic research tool and finding aid.
- Tax Law frequently asked questions (FAQs).
- Tax Topics from the IRS telephone response system.
- Fill-in, print, and save features for most tax forms.
- Internal Revenue Bulletins.
- Toll-free and email technical support.
- The CD is released twice during the year.
  - The first release will ship the beginning of January.
  - The final release will ship the beginning of March.

Purchase the CD/DVD from National Technical Information Service at [www.irs.gov/cdorders](http://www.irs.gov/cdorders) for \$35 (no handling fee) or call **1-877-CDFORMS** (1-877-233-6767) toll-free to buy the CD/DVD for \$35 (plus a \$5 handling fee). Price is subject to change.

**Phone.** Many services are available by phone.

- **Ordering forms, instructions, and publications.** Call 1-800-829-3676 to order current-year forms, instructions, and publications, and prior-year forms and instructions. You should receive your order within 10 days.
- **TTY/TDD equipment.** If you have access to TTY/TDD equipment, call 1-800-829-4059 to ask tax questions or to order forms and publications.

**Evaluating the quality of our telephone services.** To ensure IRS representatives give accurate, courteous, and professional answers, we use several methods to evaluate the quality of our telephone services. One method is for a second IRS representative to listen in on or record random telephone calls. Another is to ask some callers to complete a short survey at the end of the call.

**Privacy Act and 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 the information. We need it to figure and collect the right amount of tax.

Sections 170(f)(12), 199, 220(h), 223, 408, 408A, 529, 530, 6041, 6041A, 6042, 6043, 6044, 6045, 6047, 6049, 6050A, 6050B, 6050D, 6050E, 6050H, 6050J, 6050N, 6050P, 6050Q, 6050R, 6050S, 6050T, and their regulations require you to file an information return with the IRS and furnish a statement to recipients. Section 6109 and its regulations require you to provide your taxpayer identification number on what you file.

Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation, and to cities, states, and the District of Columbia for use in administering their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. If you fail to provide this information in a timely manner, you may be subject to penalties.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

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

1096	13 minutes
1098	7 minutes
1098-C	15 minutes
1098-E	7 minutes
1098-T	13 minutes
1099-A	9 minutes
1099-B	20 minutes
1099-C	10 minutes
1099-CAP*	11 minutes
1099-DIV	18 minutes
1099-G	11 minutes
1099-H	18 minutes
1099-INT	13 minutes
1099-LTC	13 minutes
1099-MISC	16 minutes
1099-OID	12 minutes
1099-PATR	15 minutes
1099-Q	11 minutes
1099-R	18 minutes
1099-S	8 minutes
1099-SA	8 minutes
5498	12 minutes
5498-ESA	7 minutes
5498-SA	10 minutes
W-2G	18 minutes

\* Privacy Act does not pertain to this form.

If you have comments concerning the accuracy of these time estimates or suggestions for making these forms simpler, we would be happy to hear from you. You can write to the Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:T:SP, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. Do not send these forms to this address. Instead, see part D on page 4.

**Guide to Information Returns (If any date shown falls on a Saturday, Sunday, or legal holiday, the due date is the next business day.)**

Form	Title	What to Report	Amounts to Report	Due Date	
				To IRS	To Recipient (unless indicated otherwise)
1042-S	Foreign Person's U.S. Source Income Subject to Withholding	Income such as interest, dividends, royalties, pensions and annuities, etc., and amounts withheld under Chapter 3. Also, distributions of	See form instructions	March 15	March 15



Form	Title	What to Report	Amounts to Report	Due Date	
				To IRS	To Recipient (unless indicated otherwise)
		effectively connected income by publicly traded partnerships or nominees.			
1098	Mortgage Interest Statement	Mortgage interest (including points) and certain mortgage insurance premiums you received in the course of your trade or business from individuals and reimbursements of overpaid interest.	\$600 or more	February 28*	(To Payer/Borrower) January 31
1098-C	Contributions of Motor Vehicles, Boats, and Airplanes	Information regarding a donated motor vehicle, boat, or airplane.	Gross proceeds of more than \$500	February 28*	(To Donor) 30 days from date of sale or contribution
1098-E	Student Loan Interest Statement	Student loan interest received in the course of your trade or business.	\$600 or more	February 28*	January 31
1098-T	Tuition Statement	Qualified tuition and related expenses, reimbursements or refunds, and scholarships or grants (optional).	See instructions	February 28*	January 31
1099-A	Acquisition or Abandonment of Secured Property	Information about the acquisition or abandonment of property that is security for a debt for which you are the lender.	All amounts	February 28*	(To Borrower) January 31
1099-B	Proceeds From Broker and Barter Exchange Transactions	Sales or redemptions of securities, futures transactions, commodities, and barter exchange transactions.	All amounts	February 28*	January 31**
1099-C	Cancellation of Debt	Cancellation of a debt owed to a financial institution, the Federal Government, a credit union, RTC, FDIC, NCUA, a military department, the U.S. Postal Service, the Postal Rate Commission, or any organization having a significant trade or business of lending money.	\$600 or more	February 28*	January 31
1099-CAP	Changes in Corporate Control and Capital Structure	Information about cash, stock, or other property from an acquisition of control or the substantial change in capital structure of a corporation.	Amounts of stock or property valued at \$100 million or more	February 28*	(To Shareholders) January 31
1099-DIV	Dividends and Distributions	Distributions, such as dividends, capital gain distributions, or nontaxable distributions, that were paid on stock and liquidation distributions.	\$10 or more, except \$600 or more for liquidations	February 28*	January 31**
1099-G	Certain Government Payments	Unemployment compensation, state and local income tax refunds, and unemployment	\$10 or more for refunds and unemployment	February 28*	January 31

Form	Title	What to Report	Amounts to Report	Due Date	
				To IRS	To Recipient (unless indicated otherwise)
		agricultural payments, and taxable grants.			
1099-H	Health Coverage Tax Credit (HCTC) Advance Payments	Health insurance premiums paid on behalf of certain individuals.	All amounts	February 28*	January 31
1099-INT	Interest income	Interest income.	\$10 or more (\$600 or more in some cases)	February 28*	January 31**
1099-LTC	Long-Term Care and Accelerated Death Benefits	Payments under a long-term care insurance contract and accelerated death benefits paid under a life insurance contract or by a viatical settlement provider.	All amounts	February 28*	January 31
1099-MISC	Miscellaneous Income  (Also, use to report direct sales of \$5,000 or more of consumer goods for resale.)	Rent or royalty payments; prizes and awards that are not for services, such as winnings on TV or radio shows.	\$600 or more, except \$10 or more for royalties	February 28*	January 31**
		Payments to crew members by owners or operators of fishing boats including payments of proceeds from sale of catch.	All amounts		
		Section 409A deferrals and income from nonqualified deferred compensation plans.	All amounts (\$600 or more if deferrals)		
		Payments to a physician, physician's corporation, or other supplier of health and medical services. Issued mainly by medical assistance programs or health and accident insurance plans.	\$600 or more		
		Payments for services performed for a trade or business by people not treated as its employees. Examples: fees to subcontractors or directors and golden parachute payments.	\$600 or more		
		Fish purchases paid in cash for resale.	\$600 or more		
		Substitute dividends and tax-exempt interest payments reportable by brokers.	\$10 or more		
		Crop insurance proceeds.	\$600 or more		
		Gross proceeds paid to attorneys.	\$600 or more		
1099-OID	Original Issue Discount	Original issue discount.	\$10 or more	February 28*	January 31**
1099-PATR	Taxable Distributions Received From Cooperatives	Distributions from cooperatives passed through to their patrons including any domestic production	\$10 or more	February 28*	January 31

Form	Title	What to Report	Amounts to Report	Due Date	
				To IRS	To Recipient (unless indicated otherwise)
		activities deduction and certain pass-through credits.			

\*The due date is March 31 if filed electronically.\*\*The due date is March 15 for reporting by trustees and middlemen of WHFITs.

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[More Online Instructions](#)

Label

(See instructions on page 16.)

Use the IRS label. Otherwise, please print or type.

Presidential Election Campaign (See page 16.)

Label Here

For the year Jan. 1–Dec. 31, 2004, or other tax year beginning , 2004, ending , 20
Your first name and initial Last name
If a joint return, spouse's first name and initial Last name
Home address (number and street). If you have a P.O. box, see page 16. Apt. no.
City, town or post office, state, and ZIP code. If you have a foreign address, see page 16.

OMB No. 1545-0074
Your social security number
Spouse's social security number

Important! You must enter your SSN(s) above.

You Spouse
Yes No Yes No

Filing Status

Check only one box.

- 1 Single
2 Married filing jointly (even if only one had income)
3 Married filing separately. Enter spouse's SSN above and full name here.
4 Head of household (with qualifying person). (See page 17.) If the qualifying person is a child but not your dependent, enter this child's name here.
5 Qualifying widow(er) with dependent child (see page 17)

Exemptions

If more than four dependents, see page 18.

6a Yourself. If someone can claim you as a dependent, do not check box 6a
6b Spouse
6c Dependents: (1) First name Last name (2) Dependent's social security number (3) Dependent's relationship to you (4) if qualifying child for child tax credit (see page 18)
6d Total number of exemptions claimed

Boxes checked on 6a and 6b
No. of children on 6c who:
lived with you
did not live with you due to divorce or separation (see page 18)
Dependents on 6c not entered above
Add numbers on lines above

Income

Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld.

If you did not get a W-2, see page 19.

Enclose, but do not attach, any payment. Also, please use Form 1040-V.

Table with 2 columns: Description and Amount. Rows include: 7 Wages, salaries, tips, etc. Attach Form(s) W-2; 8a Taxable interest; 8b Tax-exempt interest; 9a Ordinary dividends; 9b Qualified dividends; 10 Taxable refunds, credits, or offsets of state and local income taxes; 11 Alimony received; 12 Business income or (loss); 13 Capital gain or (loss); 14 Other gains or (losses); 15a IRA distributions; 15b Taxable amount; 16a Pensions and annuities; 16b Taxable amount; 17 Rental real estate, royalties, partnerships, S corporations, trusts, etc.; 18 Farm income or (loss); 19 Unemployment compensation; 20a Social security benefits; 20b Taxable amount; 21 Other income; 22 Total income.

Adjusted Gross Income

Table with 2 columns: Description and Amount. Rows include: 23 Educator expenses; 24 Certain business expenses of reservists, performing artists, and fee-basis government officials; 25 IRA deduction; 26 Student loan interest deduction; 27 Tuition and fees deduction; 28 Health savings account deduction; 29 Moving expenses; 30 One-half of self-employment tax; 31 Self-employed health insurance deduction; 32 Self-employed SEP, SIMPLE, and qualified plans; 33 Penalty on early withdrawal of savings; 34a Alimony paid; 34b Recipient's SSN; 35 Total adjusted gross income; 36 Adjusted gross income after deductions.

Tax and Credits

Standard Deduction for—

• People who checked any box on line 38a or 38b or who can be claimed as a dependent, see page 31.

• All others: Single or Married filing separately, \$4,850

Married filing jointly or Qualifying widow(er), \$9,700

Head of household, \$7,150

37 Amount from line 36 (adjusted gross income)
38a Check [ ] You were born before January 2, 1940, [ ] Blind. Total boxes checked
39 Itemized deductions (from Schedule A) or your standard deduction
40 Subtract line 39 from line 37
41 If line 37 is \$107,025 or less, multiply \$3,100 by the total number of exemptions claimed on line 6d.
42 Taxable income. Subtract line 41 from line 40.
43 Tax (see page 33). Check if any tax is from: a [ ] Form(s) 8814 b [ ] Form 4972
44 Alternative minimum tax (see page 35). Attach Form 6251
45 Add lines 43 and 44
46 Foreign tax credit. Attach Form 1116 if required
47 Credit for child and dependent care expenses. Attach Form 2441
48 Credit for the elderly or the disabled. Attach Schedule R
49 Education credits. Attach Form 8863
50 Retirement savings contributions credit. Attach Form 8880
51 Child tax credit (see page 37)
52 Adoption credit. Attach Form 8839
53 Credits from: a [ ] Form 8396 b [ ] Form 8859
54 Other credits. Check applicable box(es): a [ ] Form 3800 b [ ] Form 8801 c [ ] Specify
55 Add lines 46 through 54. These are your total credits
56 Subtract line 55 from line 45. If line 55 is more than line 45, enter -0-

Other Taxes

57 Self-employment tax. Attach Schedule SE
58 Social security and Medicare tax on tip income not reported to employer. Attach Form 4137
59 Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required
60 Advance earned income credit payments from Form(s) W-2
61 Household employment taxes. Attach Schedule H
62 Add lines 56 through 61. This is your total tax

Payments

If you have a qualifying child, attach Schedule EIC.

63 Federal income tax withheld from Forms W-2 and 1099
64 2004 estimated tax payments and amount applied from 2003 return
65a Earned income credit (EIC)
66 Excess social security and tier 1 RRTA tax withheld (see page 54)
67 Additional child tax credit. Attach Form 8812
68 Amount paid with request for extension to file (see page 54)
69 Other payments from: a [ ] Form 2439 b [ ] Form 4136 c [ ] Form 8885
70 Add lines 63, 64, 65a, and 66 through 69. These are your total payments

Refund

Direct deposit? See page 54 and fill in 72b, 72c, and 72d.

71 If line 70 is more than line 62, subtract line 62 from line 70. This is the amount you overpaid
72a Amount of line 71 you want refunded to you
72b Routing number
72c Account number
72d Type: [ ] Checking [ ] Savings
73 Amount of line 71 you want applied to your 2005 estimated tax

Amount You Owe

74 Amount you owe. Subtract line 70 from line 62. For details on how to pay, see page 55
75 Estimated tax penalty (see page 55)

Third Party Designee

Do you want to allow another person to discuss this return with the IRS (see page 56)? [ ] Yes. Complete the following. [ ] No
Designee's name Phone no. Personal identification number (PIN)

Sign Here

Joint return? See page 17. Keep a copy for your records.

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.
Your signature Date Your occupation Daytime phone number
Spouse's signature. If a joint return, both must sign. Date Spouse's occupation

Paid Preparer's Use Only

Preparer's signature Date Check if self-employed [ ] Preparer's SSN or PTIN
Firm's name (or yours if self-employed), address, and ZIP code EIN Phone no.



## Power of Attorney and Declaration of Representative

OMB No. 1545-0150  
**For IRS Use Only**

▶ **Type or print.** ▶ See the separate instructions.

Received by:  
 Name \_\_\_\_\_  
 Telephone \_\_\_\_\_  
 Function \_\_\_\_\_  
 Date     /     /

**Part I** **Power of Attorney**

**Caution:** Form 2848 will not be honored for any purpose other than representation before the IRS.

**1 Taxpayer information.** Taxpayer(s) must sign and date this form on page 2, line 9.

Taxpayer name(s) and address	<b>Social security number(s)</b> _____ _____ _____	<b>Employer identification number</b> _____ _____
	Daytime telephone number (     )     -     _____	Plan number (if applicable) _____

hereby appoint(s) the following representative(s) as attorney(s)-in-fact:

**2 Representative(s)** must sign and date this form on page 2, Part II.

Name and address	CAF No. _____ Telephone No. _____ Fax No. _____ Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/> Fax No. <input type="checkbox"/>
Name and address	CAF No. _____ Telephone No. _____ Fax No. _____ Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/> Fax No. <input type="checkbox"/>
Name and address	CAF No. _____ Telephone No. _____ Fax No. _____ Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/> Fax No. <input type="checkbox"/>

to represent the taxpayer(s) before the Internal Revenue Service for the following tax matters:

**3 Tax matters**

Type of Tax (Income, Employment, Excise, etc.) or Civil Penalty (see the instructions for line 3)	Tax Form Number (1040, 941, 720, etc.)	Year(s) or Period(s) (see the instructions for line 3)

**4 Specific use not recorded on Centralized Authorization File (CAF).** If the power of attorney is for a specific use not recorded on CAF, check this box. See the instructions for **Line 4. Specific uses not recorded on CAF.** . . . . . ▶

**5 Acts authorized.** The representatives are authorized to receive and inspect confidential tax information and to perform any and all acts that I (we) can perform with respect to the tax matters described on line 3, for example, the authority to sign any agreements, consents, or other documents. The authority does not include the power to receive refund checks (see line 6 below), the power to substitute another representative, the power to sign certain returns, or the power to execute a request for disclosure of tax returns or return information to a third party. See the line 5 instructions for more information.

**Exceptions.** An unenrolled return preparer cannot sign any document for a taxpayer and may only represent taxpayers in limited situations. See **Unenrolled Return Preparer** on page 2 of the instructions. An enrolled actuary may only represent taxpayers to the extent provided in section 10.3(d) of Circular 230. See the line 5 instructions for restrictions on tax matters partners.

List any specific additions or deletions to the acts otherwise authorized in this power of attorney: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**6 Receipt of refund checks.** If you want to authorize a representative named on line 2 to receive, **BUT NOT TO ENDORSE OR CASH**, refund checks, initial here \_\_\_\_\_ and list the name of that representative below.

Name of representative to receive refund check(s) ▶ \_\_\_\_\_

- 7 Notices and communications.** Original notices and other written communications will be sent to you and a copy to the first representative listed on line 2.
- a If you also want the second representative listed to receive a copy of notices and communications, check this box
  - b If you do not want any notices or communications sent to your representative(s), check this box

**8 Retention/revocation of prior power(s) of attorney.** The filing of this power of attorney automatically revokes all earlier power(s) of attorney on file with the Internal Revenue Service for the same tax matters and years or periods covered by this document. If you **do not** want to revoke a prior power of attorney, check here.

**YOU MUST ATTACH A COPY OF ANY POWER OF ATTORNEY YOU WANT TO REMAIN IN EFFECT.**

**9 Signature of taxpayer(s).** If a tax matter concerns a joint return, **both** husband and wife must sign if joint representation is requested, otherwise, see the instructions. If signed by a corporate officer, partner, guardian, tax matters partner, executor, receiver, administrator, or trustee on behalf of the taxpayer, I certify that I have the authority to execute this form on behalf of the taxpayer.

**▶ IF NOT SIGNED AND DATED, THIS POWER OF ATTORNEY WILL BE RETURNED.**

Signature	Date	Title (if applicable)
Print Name	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> PIN Number	Print name of taxpayer from line 1 if other than individual
Signature	Date	Title (if applicable)
Print Name	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> PIN Number	

**Part II Declaration of Representative**

**Caution:** *Students with a special order to represent taxpayers in Qualified Low Income Taxpayer Clinics or the Student Tax Clinic Program, see the instructions for Part II.*

Under penalties of perjury, I declare that:

- I am not currently under suspension or disbarment from practice before the Internal Revenue Service;
- I am aware of regulations contained in Treasury Department Circular No. 230 (31 CFR, Part 10), as amended, concerning the practice of attorneys, certified public accountants, enrolled agents, enrolled actuaries, and others;
- I am authorized to represent the taxpayer(s) identified in Part I for the tax matter(s) specified there; and
- I am one of the following:
  - a Attorney—a member in good standing of the bar of the highest court of the jurisdiction shown below.
  - b Certified Public Accountant—duly qualified to practice as a certified public accountant in the jurisdiction shown below.
  - c Enrolled Agent—enrolled as an agent under the requirements of Treasury Department Circular No. 230.
  - d Officer—a bona fide officer of the taxpayer’s organization.
  - e Full-Time Employee—a full-time employee of the taxpayer.
  - f Family Member—a member of the taxpayer’s immediate family (i.e., spouse, parent, child, brother, or sister).
  - g Enrolled Actuary—enrolled as an actuary by the Joint Board for the Enrollment of Actuaries under 29 U.S.C. 1242 (the authority to practice before the Service is limited by section 10.3(d) of Treasury Department Circular No. 230).
  - h Unenrolled Return Preparer—the authority to practice before the Internal Revenue Service is limited by Treasury Department Circular No. 230, section 10.7(c)(1)(viii). You must have prepared the return in question and the return must be under examination by the IRS. See **Unenrolled Return Preparer** on page 2 of the instructions.

**▶ IF THIS DECLARATION OF REPRESENTATIVE IS NOT SIGNED AND DATED, THE POWER OF ATTORNEY WILL BE RETURNED.** See the Part II instructions.

Designation—Insert above letter (a–h)	Jurisdiction (state) or identification	Signature	Date

**Information Referral**

(See instructions on reverse)

1. Taxpayer Name	2. Business Name
a. Street Address	a. Street Address
b. City/State/ZIP	b. City/State/ZIP
c. Social Security Number (SSN)	c. Employer Identification Number
d. Occupation	d. Principal Bus Activity
e. Date of Birth	

3. Marital Status <input type="checkbox"/> Married <input type="checkbox"/> Single <input type="checkbox"/> Head of Household <input type="checkbox"/> Divorced <input type="checkbox"/> Separated	3a. Name of Spouse
--	--------------------

4. Alleged Violation of Income Tax Law (Check all that apply).

<input type="checkbox"/> False Exemption	<input type="checkbox"/> Unsubstantiated Income	<input type="checkbox"/> Unreported Income	<input type="checkbox"/> Failure to Withhold Tax
<input type="checkbox"/> False Deductions	<input type="checkbox"/> Kickback	<input type="checkbox"/> Narcotics Income	<input type="checkbox"/> Wagering/Gambling
<input type="checkbox"/> Multiple Filing	<input type="checkbox"/> False/Altered Documents	<input type="checkbox"/> Public/Political Corruption	<input type="checkbox"/> Earned Income Credit
<input type="checkbox"/> Organized Crime	<input type="checkbox"/> Failure to Pay Tax	<input type="checkbox"/> Failure to File Return	<input type="checkbox"/> Other (Describe below)

5. Unreported Income and Tax Years (Fill in Tax Years and dollar amount(s), if known, e.g., TY2005 \$10,000)

TY \_\_\_ \$ \_\_\_\_\_ TY \_\_\_ \$ \_\_\_\_\_ TY \_\_\_ \$ \_\_\_\_\_ TY \_\_\_ \$ \_\_\_\_\_ TY \_\_\_ \$ \_\_\_\_\_ TY \_\_\_ \$ \_\_\_\_\_

a. Comments (Briefly describe the facts of the alleged violation - Who/What/Where/When/How. Attach another sheet, if needed).

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

b. Are books/records available? <input type="checkbox"/> Yes <input type="checkbox"/> No	c. Do you consider the taxpayer dangerous? <input type="checkbox"/> Yes <input type="checkbox"/> No
---	--

d. Banks, Financial Institutions used by the taxpayer:	
Name:	Name:
Address:	Address:
City/State/ZIP:	City/State/ZIP:

e. Please describe how you learned and/or obtained the information in this report (Attach another sheet, if needed):

\_\_\_\_\_

\_\_\_\_\_

6. Your Name:

a. Address:

b. City/State/ZIP:

c. Telephone Number (Please include the Area Code):

For Mailing Address, see Instructions

For Paperwork Reduction Act, see Instructions

## Instructions

Provide the following information for the Person/Business You Are Reporting if Known:

1. Name
  - a. Street Address of Residence
  - b. City, State, and Zip Code
  - c. Social Security Number
  - d. Date of the Person's Birth
2. Business Name
  - a. Street Address of Business
  - b. City/State/Zip Code
  - c. Enter Employer Identification Number
  - d. Describe the Primary Business Activity
3. Indicate Martial Status  
**M** - Married **S** - Single **HH** - Head of Household **Div** - Divorced **Sep** - Separated  
3a. Enter name of spouse, if applicable.
4. Check all Tax Violations That Apply to Your Report or Describe in Comments If Not Listed.
5. If your report involves unreported income, indicate the year(s) and the dollar amount(s)
  - 5a. Briefly describe the facts of the alleged violation(s) as you know them. Please attach another sheet, if you need more room.
  - 5b. Indicate (Yes or No) if books and/or records are available that substantiate your report.
  - 5c. Indicate (Yes or No) if you consider the person to be violent or dangerous and provide an explanation in the comments section of this form.
  - 5d. List name and address of bank(s) and/or financial institution(s) used by the taxpayer if known.
  - 5e. Briefly explain how you learned of or obtained the information contained in your report. Please attach another sheet, if you need more room.
6. Enter your name, street address, city, state, zip code and a telephone number where you can be contacted. Indicate time of day you may be contacted if appropriate. **This Information is not Required to Process Your Report.**

**Please print and send your completed form to the Internal Revenue Service at:**

**Internal Revenue Service  
Fresno, CA 93888**

**PAPERWORK REDUCTION NOTICE:** We ask for the information on this form to carry out the Internal Revenue laws of the United States. This report is voluntary and the information requested helps us determine if there has been a violation of Income Tax Law. We need it to insure that taxpayers are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administrations of any Internal Revenue laws. Generally, tax returns and tax return information are confidential, as required by Code section 6103.

The time required to complete this form will vary depending on individual circumstances. The estimated average time is 15 minutes.

### Privacy Act Notice

We are requesting this information under authority of 26 U.S.C. 7801.

The primary purpose of this form is to report potential violations of the Internal Revenue laws.

The information may be disclosed to the Department of Justice to enforce the tax laws.

Providing the information is voluntary. Not providing all or part of the information will not affect you.

Form **4506-T**

**Request for Transcript of Tax Return**

(Rev. January 2008)

Department of the Treasury  
Internal Revenue Service

- ▶ **Do not sign this form unless all applicable lines have been completed. Read the instructions on page 2.**
- ▶ **Request may be rejected if the form is incomplete, illegible, or any required line was blank at the time of signature.**

OMB No. 1545-1872

**Tip:** Use Form 4506-T to order a transcript or other return information free of charge. See the product list below. You can also call 1-800-829-1040 to order a transcript. If you need a copy of your return, use **Form 4506**, Request for Copy of Tax Return. There is a fee to get a copy of your return.

<b>1a</b> Name shown on tax return. If a joint return, enter the name shown first.	<b>1b</b> First social security number on tax return or employer identification number (see instructions)
<b>2a</b> If a joint return, enter spouse's name shown on tax return	<b>2b</b> Second social security number if joint tax return
<b>3</b> Current name, address (including apt., room, or suite no.), city, state, and ZIP code	
<b>4</b> Previous address shown on the last return filed if different from line 3	
<b>5</b> If the transcript or tax information is to be mailed to a third party (such as a mortgage company), enter the third party's name, address, and telephone number. The IRS has no control over what the third party does with the tax information.	

**Caution: DO NOT SIGN** this form if a third party requires you to complete Form 4506-T, and lines 6 and 9 are blank.

**6 Transcript requested.** Enter the tax form number here (1040, 1065, 1120, etc.) and check the appropriate box below. Enter only one tax form number per request. ▶ \_\_\_\_\_

- a Return Transcript**, which includes most of the line items of a tax return as filed with the IRS. Transcripts are only available for the following returns: Form 1040 series, Form 1065, Form 1120, Form 1120A, Form 1120H, Form 1120L, and Form 1120S. Return transcripts are available for the current year and returns processed during the prior 3 processing years. Most requests will be processed within 10 business days . . . . .
- b Account Transcript**, which contains information on the financial status of the account, such as payments made on the account, penalty assessments, and adjustments made by you or the IRS after the return was filed. Return information is limited to items such as tax liability and estimated tax payments. Account transcripts are available for most returns. Most requests will be processed within 30 calendar days . . . . .
- c Record of Account**, which is a combination of line item information and later adjustments to the account. Available for current year and 3 prior tax years. Most requests will be processed within 30 calendar days . . . . .
- 7 Verification of Nonfiling**, which is proof from the IRS that you **did not** file a return for the year. Most requests will be processed within 10 business days . . . . .
- 8 Form W-2, Form 1099 series, Form 1098 series, or Form 5498 series transcript.** The IRS can provide a transcript that includes data from these information returns. State or local information is not included with the Form W-2 information. The IRS may be able to provide this transcript information for up to 10 years. Information for the current year is generally not available until the year after it is filed with the IRS. For example, W-2 information for 2006, filed in 2007, will not be available from the IRS until 2008. If you need W-2 information for retirement purposes, you should contact the Social Security Administration at 1-800-772-1213. Most requests will be processed within 45 days . . . . .

**Caution:** If you need a copy of Form W-2 or Form 1099, you should first contact the payer. To get a copy of the Form W-2 or Form 1099 filed with your return, you must use Form 4506 and request a copy of your return, which includes all attachments.

**9 Year or period requested.** Enter the ending date of the year or period, using the mm/dd/yyyy format. If you are requesting more than four years or periods, you must attach another Form 4506-T. For requests relating to quarterly tax returns, such as Form 941, you must enter each quarter or tax period separately.

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**Signature of taxpayer(s).** I declare that I am either the taxpayer whose name is shown on line 1a or 2a, or a person authorized to obtain the tax information requested. If the request applies to a joint return, **either** husband or wife must sign. If signed by a corporate officer, partner, guardian, tax matters partner, executor, receiver, administrator, trustee, or party other than the taxpayer, I certify that I have the authority to execute Form 4506-T on behalf of the taxpayer.

<b>Sign Here</b>		Date	Telephone number of taxpayer on line 1a or 2a (    )
	Signature (see instructions)		
	Title (if line 1a above is a corporation, partnership, estate, or trust)		
	Spouse's signature	Date	



# Notice Concerning Fiduciary Relationship

OMB No. 1545-0013

(Internal Revenue Code sections 6036 and 6903)

## Part I Identification

Name of person for whom you are acting (as shown on the tax return)	Identifying number	Decedent's social security no. : : : :
Address of person for whom you are acting (number, street, and room or suite no.)		
City or town, state, and ZIP code (If a foreign address, see instructions.)		
Fiduciary's name		
Address of fiduciary (number, street, and room or suite no.)		
City or town, state, and ZIP code	Telephone number (optional) (      )	

## Part II Authority

- 1 Authority for fiduciary relationship. Check applicable box:
- a(1)**  Will and codicils or court order appointing fiduciary . . . . . **(2)** Date of death .....
- b(1)**  Court order appointing fiduciary . . . . . **(2)** Date (see instructions) .....
- c**  Valid trust instrument and amendments
- d**  Other. Describe ► .....

## Part III Nature of Liability and Tax Notices

- 2 Type of tax (estate, gift, generation-skipping transfer, income, excise, etc.) ► .....
- 3 Federal tax form number (706, 1040, 1041, 1120, etc.) ► .....
- 4 Year(s) or period(s) (if estate tax, date of death) ► .....
- 5 If the fiduciary listed in Part I is the person to whom notices and other written communications should be sent for **all** items described on lines 2, 3, and 4, check here . . . . . ►
- 6 If the fiduciary listed in Part I is the person to whom notices and other written communications should be sent for **some** (but not all) of the items described on lines 2, 3, and 4, check here ►  and list the applicable Federal tax form number and the year(s) or period(s) applicable .....

## Part IV Revocation or Termination of Notice

### Section A—Total Revocation or Termination

- 7 Check this box if you are revoking or terminating all prior notices concerning fiduciary relationships on file with the Internal Revenue Service for the same tax matters and years or periods covered by this notice concerning fiduciary relationship . ►
- Reason for termination of fiduciary relationship. Check applicable box:
- a**  Court order revoking fiduciary authority
- b**  Certificate of dissolution or termination of a business entity
- c**  Other. Describe ► .....

### Section B—Partial Revocation

- 8a Check this box if you are revoking earlier notices concerning fiduciary relationships on file with the Internal Revenue Service for the same tax matters and years or periods covered by this notice concerning fiduciary relationship . . . . . ►
- b** Specify to whom granted, date, and address, including ZIP code.  
 ► .....

### Section C—Substitute Fiduciary

- 9 Check this box if a new fiduciary or fiduciaries have been or will be substituted for the revoking or terminating fiduciary and specify the name(s) and address(es), including ZIP code(s), of the new fiduciary(ies) . . . . . ►
- .....

**Part V Court and Administrative Proceedings**

Name of court (if other than a court proceeding, identify the type of proceeding and name of agency)			Date proceeding initiated	
Address of court			Docket number of proceeding	
City or town, state, and ZIP code	Date	Time	a.m. p.m.	Place of other proceedings

**Part VI Signature**

I certify that I have the authority to execute this notice concerning fiduciary relationship on behalf of the taxpayer.

<b>Please Sign Here</b>	_____		
	Fiduciary's signature	Title, if applicable	Date

Form **4506-T**

**Request for Transcript of Tax Return**

(Rev. January 2008)

Department of the Treasury  
Internal Revenue Service

- ▶ **Do not sign this form unless all applicable lines have been completed. Read the instructions on page 2.**
- ▶ **Request may be rejected if the form is incomplete, illegible, or any required line was blank at the time of signature.**

OMB No. 1545-1872

**Tip:** Use Form 4506-T to order a transcript or other return information free of charge. See the product list below. You can also call 1-800-829-1040 to order a transcript. If you need a copy of your return, use **Form 4506**, Request for Copy of Tax Return. There is a fee to get a copy of your return.

<b>1a</b> Name shown on tax return. If a joint return, enter the name shown first.	<b>1b</b> First social security number on tax return or employer identification number (see instructions)
<b>2a</b> If a joint return, enter spouse's name shown on tax return	<b>2b</b> Second social security number if joint tax return
<b>3</b> Current name, address (including apt., room, or suite no.), city, state, and ZIP code	
<b>4</b> Previous address shown on the last return filed if different from line 3	
<b>5</b> If the transcript or tax information is to be mailed to a third party (such as a mortgage company), enter the third party's name, address, and telephone number. The IRS has no control over what the third party does with the tax information.	

**Caution: DO NOT SIGN** this form if a third party requires you to complete Form 4506-T, and lines 6 and 9 are blank.

**6 Transcript requested.** Enter the tax form number here (1040, 1065, 1120, etc.) and check the appropriate box below. Enter only one tax form number per request. ▶ \_\_\_\_\_

- a Return Transcript**, which includes most of the line items of a tax return as filed with the IRS. Transcripts are only available for the following returns: Form 1040 series, Form 1065, Form 1120, Form 1120A, Form 1120H, Form 1120L, and Form 1120S. Return transcripts are available for the current year and returns processed during the prior 3 processing years. Most requests will be processed within 10 business days . . . . .
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- c Record of Account**, which is a combination of line item information and later adjustments to the account. Available for current year and 3 prior tax years. Most requests will be processed within 30 calendar days . . . . .

**7 Verification of Nonfiling**, which is proof from the IRS that you **did not** file a return for the year. Most requests will be processed within 10 business days . . . . .

**8 Form W-2, Form 1099 series, Form 1098 series, or Form 5498 series transcript.** The IRS can provide a transcript that includes data from these information returns. State or local information is not included with the Form W-2 information. The IRS may be able to provide this transcript information for up to 10 years. Information for the current year is generally not available until the year after it is filed with the IRS. For example, W-2 information for 2006, filed in 2007, will not be available from the IRS until 2008. If you need W-2 information for retirement purposes, you should contact the Social Security Administration at 1-800-772-1213. Most requests will be processed within 45 days . . . . .

**Caution:** If you need a copy of Form W-2 or Form 1099, you should first contact the payer. To get a copy of the Form W-2 or Form 1099 filed with your return, you must use Form 4506 and request a copy of your return, which includes all attachments.

**9 Year or period requested.** Enter the ending date of the year or period, using the mm/dd/yyyy format. If you are requesting more than four years or periods, you must attach another Form 4506-T. For requests relating to quarterly tax returns, such as Form 941, you must enter each quarter or tax period separately.

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**Signature of taxpayer(s).** I declare that I am either the taxpayer whose name is shown on line 1a or 2a, or a person authorized to obtain the tax information requested. If the request applies to a joint return, **either** husband or wife must sign. If signed by a corporate officer, partner, guardian, tax matters partner, executor, receiver, administrator, trustee, or party other than the taxpayer, I certify that I have the authority to execute Form 4506-T on behalf of the taxpayer.

<b>Sign Here</b>		Date	Telephone number of taxpayer on line 1a or 2a (    )
	Signature (see instructions)		
	Title (if line 1a above is a corporation, partnership, estate, or trust)		
	Spouse's signature	Date	

## General Instructions

**Purpose of form.** Use Form 4506-T to request tax return information. You can also designate a third party to receive the information. See line 5.

**Tip.** Use Form 4506, Request for Copy of Tax Return, to request copies of tax returns.

**Where to file.** Mail or fax Form 4506-T to the address below for the state you lived in, or the state your business was in, when that return was filed. There are two address charts: one for individual transcripts (Form 1040 series and Form W-2) and one for all other transcripts.

If you are requesting more than one transcript or other product and the chart below shows two different RAVS teams, send your request to the team based on the address of your most recent return.

**Note.** You can also call 1-800-829-1040 to request a transcript or get more information.

### Chart for individual transcripts (Form 1040 series and Form W-2)

If you filed an individual return and lived in:	Mail or fax to the "Internal Revenue Service" at:
District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New York, Vermont	RAIVS Team Stop 679 Andover, MA 05501
Alabama, Delaware, Florida, Georgia, North Carolina, Rhode Island, South Carolina, Virginia	RAIVS Team P.O. Box 47-421 Stop 91 Doraville, GA 30362
Kentucky, Louisiana, Mississippi, Tennessee, Texas, a foreign country, or A.P.O. or F.P.O. address	RAIVS Team Stop 6716 AUSC Austin, TX 73301
Alaska, Arizona, California, Colorado, Hawaii, Idaho, Iowa, Kansas, Minnesota, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Utah, Washington, Wisconsin, Wyoming	RAIVS Team Stop 37106 Fresno, CA 93888
Arkansas, Connecticut, Illinois, Indiana, Michigan, Missouri, New Jersey, Ohio, Pennsylvania, West Virginia	RAIVS Team Stop 6705-B41 Kansas City, MO 64999
	816-292-6102

### Chart for all other transcripts

If you lived in or your business was in:	Mail or fax to the "Internal Revenue Service" at:
Alabama, Alaska, Arizona, Arkansas, California, Colorado, Florida, Georgia, Hawaii, Idaho, Iowa, Kansas, Louisiana, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Tennessee, Texas, Utah, Washington, Wyoming, a foreign country, or A.P.O. or F.P.O. address	RAIVS Team P.O. Box 9941 Mail Stop 6734 Ogden, UT 84409
Connecticut, Delaware, District of Columbia, Illinois, Indiana, Kentucky, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Vermont, Virginia, Wisconsin	RAIVS Team P.O. Box 145500 Stop 2800 F Cincinnati, OH 45250
	859-669-3592
	801-620-6922

**Line 1b.** Enter your employer identification number (EIN) if your request relates to a business return. Otherwise, enter the first social security number (SSN) shown on the return. For example, if you are requesting Form 1040 that includes Schedule C (Form 1040), enter your SSN.

**Line 6.** Enter only one tax form number per request.

**Signature and date.** Form 4506-T must be signed and dated by the taxpayer listed on line 1a or 2a. If you completed line 5 requesting the information be sent to a third party, the IRS must receive Form 4506-T within 60 days of the date signed by the taxpayer or it will be rejected.

**Individuals.** Transcripts of jointly filed tax returns may be furnished to either spouse. Only one signature is required. Sign Form 4506-T exactly as your name appeared on the original return. If you changed your name, also sign your current name.

**Corporations.** Generally, Form 4506-T can be signed by: (1) an officer having legal authority to bind the corporation, (2) any person designated by the board of directors or other governing body, or (3) any officer or employee on written request by any principal officer and attested to by the secretary or other officer.

**Partnerships.** Generally, Form 4506-T can be signed by any person who was a member of the partnership during any part of the tax period requested on line 9.

**All others.** See Internal Revenue Code section 6103(e) if the taxpayer has died, is insolvent, is a dissolved corporation, or if a trustee, guardian, executor, receiver, or administrator is acting for the taxpayer.

**Documentation.** For entities other than individuals, you must attach the authorization document. For example, this could be the letter from the principal officer authorizing an employee of the corporation or the Letters Testamentary authorizing an individual to act for an estate.

### Privacy Act and Paperwork Reduction Act Notice

We ask for the information on this form to establish your right to gain access to the requested tax information under the Internal Revenue Code. We need this information to properly identify the tax information and respond to your request. Sections 6103 and 6109 require you to provide this information, including your SSN or EIN. If you do not provide this information, we may not be able to process your request. Providing false or fraudulent information may subject you to penalties.

Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation, and cities, states, and the District of Columbia for use in administering their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file Form 4506-T will vary depending on individual circumstances. The estimated average time is: **Learning about the law or the form**, 10 min.; **Preparing the form**, 12 min.; and **Copying, assembling, and sending the form to the IRS**, 20 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making Form 4506-T simpler, we would be happy to hear from you. You can write to the Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:T:SP, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. Do not send the form to this address. Instead, see *Where to file* on this page.