NOTE: This revenue procedure will be reprinted as the next revision of IRS Publication 1220, *Specifications for Filing Forms 1098, 5498, and W–2G Electronically or Magnetically***:**

Use this Revenue Procedure to prepare Tax Year *2003* and prior year information returns for submission to Internal Revenue Service (IRS) using any of the following.

- Electronic Filing
- Tape Cartridge
- 3¹/₂-Inch Diskette

Caution to filers:

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

IMPORTANT NOTES:

IRS/MCC no longer accepts 8mm, 4mm, and Quarter-Inch Cartridges (QIC) for filing information returns. See Part A, Sec. 2.02.

The FIRE System will be down from Dec. 24, 2003, through Jan. 5, 2004, for upgrading. It is not operational during this time for submissions.

Rev. Proc. 2003–52

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PART A. GENERAL

Revenue Procedures are generally revised annually to reflect legislative and form changes. Comments concerning this Revenue Procedure, or suggestions for making it more helpful, can be addressed to:

Internal Revenue Service
Martinsburg Computing Center
Attn: Information Reporting Program
230 Murall Drive
Kearneysville, WV 25430

Sec. 1. Purpose

.01 The purpose of this Revenue Procedure is to provide the specifications for filing Forms 1098, 1099, 5498, and W–2G with IRS electronically through the IRS FIRE System or magnetically, using IBM 3480, 3490, 3490E, 3590, 3590E, or AS400 compatible tape

cartridges or 3^1/$_2$-inch diskettes. ***IRS/MCC no longer accepts 8mm, 4mm, or Quarter-Inch Cartridges (QIC) for the processing of information returns***. This Revenue Procedure must be used for the preparation of Tax Year *2003* information returns and information returns for tax years prior to *2003 **filed beginning January 1, 2004, and postmarked by December 1, 2004***. Specifications for filing the following forms are contained in this Revenue Procedure.

(a) Form 1098, Mortgage Interest Statement
(b) Form 1098–E, Student Loan Interest Statement
(c) *Form 1098–T, Tuition Statement*
(d) Form 1099–A, Acquisition or Abandonment of Secured Property
(e) Form 1099–B, Proceeds From Broker and Barter Exchange Transactions
(f) Form 1099–C, Cancellation of Debt
(g) *Form 1099–CAP, Changes in Corporate Control and Capital Structure*
(h) Form 1099–DIV, Dividends and Distributions
(i) Form 1099–G, Certain Government Payments
(j) *Form 1099–H, Health Insurance Advance Payments*
(k) Form 1099–INT, Interest Income
(l) Form 1099–LTC, Long-Term Care and Accelerated Death Benefits
(m) Form 1099–MISC, Miscellaneous Income
(n) Form 1099–MSA, Distributions From an Archer MSA or Medicare+Choice MSA
(o) Form 1099–OID, Original Issue Discount
(p) Form 1099–PATR, Taxable Distributions Received From Cooperatives
(q) Form 1099–Q, Qualified Tuition Program Payments (Under Section 529)
(r) Form 1099–R, Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.
(s) Form 1099–S, Proceeds From Real Estate Transactions
(t) Form 5498, *IRA Contribution Information*
(u) *Form 5498–ESA, Coverdell ESA Contribution Information*
(v) Form 5498–MSA, Archer MSA or Medicare+Choice MSA Information
(w) Form W–2G, Certain Gambling Winnings

.02 All data received at IRS/MCC for processing will be given the same protection as individual income tax returns (Form 1040). IRS/MCC will process the data and determine if the records are formatted and coded according to this Revenue Procedure.

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

.04 IRS/MCC does **not** process Forms W–2. Paper **and/or** magnetic media for Forms W–2 must be sent to SSA. IRS/MCC does, however, process waiver requests (Form 8508) and extension of time to file requests (Form 8809) for Forms W–2 and requests for an extension of time to provide the employee copies of Forms W–2.

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

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

.07 The following Revenue Procedures and publications provide more detailed filing procedures for certain information returns:
(a) *2003 General Instructions for Forms 1099, 1098, 5498, and W–2G* and individual form instructions.
(b) Publication 1179, Rules and Specifications for Private Printing of Substitute Forms 1096, 1098, 1099, 5498, and W–2G
(c) Publication 1239, Specifications for Filing Form 8027, Employer's Annual Information Return of Tip Income and Allocated Tips, Magnetically or Electronically
(d) Publication 1187, Specifications for Filing Form 1042–S, Foreign Person's U.S. Source Income Subject to Withholding, Magnetically or Electronically
(e) Publication 1245, Specifications for Filing Form W–4, Employee's Withholding Allowance Certificate, Magnetically or Electronically.

.08 This Revenue Procedure supersedes Rev. Proc. 2002–34 published as Publication 1220 (Rev. 7–2002), Specifications for Filing Forms 1098, 1099, 5498, and W–2G Electronically or Magnetically.

Sec. 2. Nature of Changes—Current Year (Tax Year *2003*)

.01 In this publication, all pertinent changes for Tax Year *2003* are emphasized by the use of *italics*. Portions of text that require special attention are in boldface text. Filers are always encouraged to read the publication in its entirety.

.02 Programming Changes

a. General

(1) IRS/MCC no longer accepts 8mm, 4mm, and Quarter-Inch Cartridges (QIC).

(2) The state of Ohio has joined the Combined Federal/State Filing Program. Their state code is 39. See Part A, Sec. 13.

(3) It is recommended that **test** data be postmarked no later than December 1 in order for media to arrive by December 15 for processing.

b. Programming Changes — Transmitter "T" Record

(1) For all forms, Payment Year, Field Positions 2–5, must be incremented to update the four-digit report year *(2002 to 2003)*, unless reporting prior year data.

(2) The processing of **current** year data (2003) ends during December 2004. Media postmarked December 1, 2004, or later **must** have the Prior Year Data Indicator coded with a "P" in position 6 of the Transmitter "T" Record.

(3) A new field, Vendor Foreign Entity Indicator, in position 740 was added. Use this indicator when the Vendor is a foreign entity with a foreign address. When this indicator is used, the Vendor address, city, state and ZIP fields may be free formatted to accommodate a foreign address.

c. Programming Changes — Payer "A" Record

(1) For all forms, Payment Year, Field Positions 2–5, must be incremented to update the four-digit report year *(2002 to 2003)*, unless reporting prior year data.

(2) The Amount Codes field was expanded to positions 28–41. Two new Amount Codes, "D" and "E" were added. Amount Code "D" is used for 1099–H and Amount Codes "D" and "E" are for 1099–DIV.

(3) A new Form 1099–CAP, Changes in Corporate and Capital Structure, was added to the list of Type of Return, Field Position 27, and was given a code of "P".

(4) The Amount Codes, Field Positions 28–41, for 1099–CAP are 3 (three), Cash Received, 4 (four), Federal Income Tax Withheld, 8 (eight), Fair Market Value of Stock Received and 9 (nine), Fair Market Value of Other Property Received.

(5) A new Form 1099–H, Health Insurance Advance Payments, was added to the list of Type of Return, Field Position 27, and was given a code of "J".

(6) The Amount Codes, Field Positions 28–41, for 1099–H are 1 (one), Gross amount of health insurance advance payments, 2 (two), Amount of advance payment for January, 3 (three), Amount of advance payment for February, 4 (four), Amount of advance payment for March, 5 (five), Amount of advance payment for April, 6 (six), Amount of advance payment for May, 7 (seven), Amount of advance payment for June, 8 (eight), Amount of advance payment for July, 9 (nine), Amount of advance payment for August, A, Amount of advance payment for September, B, Amount of advance payment for October, C, Amount of advance payment for November, and D, Amount of advance payment for December.

(7) A new Form 5498–ESA, Coverdell ESA Contribution Information, was added to the list of Type of Return, Field Position 27, and was given a code of "V".

(8) The Amount Codes, Field Positions 28–41, for 5498–ESA are 1 (one), Coverdell ESA contributions, and 2 (two), Rollover contributions.

(9) Two additional Amount Codes, Field Positions 28–41, were added for Form 1099–B. Amount Code A is for Post - 05/05/2003 profit or (loss) realized, and B is for Post - 05/05/2003 aggregate profit or (loss).

(10) **Form 1099–DIV, Dividends and Distributions, was revised extensively**. Descriptions for Amount Codes are totally different from previous years. See Part D, Sec. 5 for details on the changes.

(11) For Form 1098–T, Amount Codes were rewritten to correspond more closely to the paper Form 1098–T.

d. Programming Changes — Payee "B" Record

(1) For all forms, Payment Year, Field Positions 2–5, must be incremented to update the four-digit report year *(2002 to 2003)*, unless reporting prior year data.

(2) Payer's Account Number For Payee is now a required field. This information is critical in the correction process, especially when more than one information return is filed for a payee.

(3) Additional Payment Amount Fields D and E were created in Field Positions 199–210 and 211–222. This is to accommodate the fourteen Amount Codes for the revised Form 1099–DIV.

(4) For Form 1099–H, Field Positions 547–548, Number of Months Eligible, was created to report total number of months of insurance advance payments for the year.

(5) For Form 1099–CAP, Field Positions 544–750, provide specific formatting for the following information: Second TIN Notice, Gross Proceeds Indicator, Date of Exchange, CUSIP Number, Description, Number of Shares Exchanged, Class of Stock, and Filed By Broker Indicator.

(6) For Form 1099–R, Distribution Code M and H were deleted from the table of acceptable distribution codes. The combination of distribution codes "2" and "L" are no longer valid. A new distribution code of "Q", for early distributions from Roth IRA, was added. Other code descriptions and combinations have changed. **Please review all information pertaining to 1099–R Distribution Codes carefully.**

(7) For Form 5498, the Coverdell ESA Indicator was deleted in Field Position 552. This information is now reported on the new Form 5498–ESA. A new indicator was added in position 551 for reporting required minimum distributions (RMD) from an IRA.

(8) For Form 1099–Q, Type of Tuition Payment, Field Position 548, an additional indicator of 3 was added for ESA contributions.

e. Programming Changes — End of Payer "C" Record
   (1) An additional Control Total D field, positions 232–249, was added to accommodate new Payment Amount Field D.
   (2) An additional Control Total E field, positions 250–267, was added to accommodate new Payment Amount Field E.

f. Programming Changes — State Totals "K" Record
   (1) An additional Control Total D field, positions 232–249, was added to accommodate new Payment Amount Field D.
   (2) An additional Control Total E field, positions 250–267, was added to accommodate new Payment Amount Field E.
.03 Editorial Changes
   (1) Form 5498 was renamed IRA Contribution Information
   (2) Form 1098–T was renamed Tuition Statement

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

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

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

.02 All requests for an extension of time to file information returns with IRS/MCC or to the recipients and requests for undue hardship waivers filed on Form 8508 should be sent to the following address:

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

.03 The telephone numbers for magnetic media inquiries or electronic submissions are:

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CUSTOMER SERVICE SECTION

TOLL-FREE 1–866–455–7438 or outside the U.S. 1–304–263–8700

email at *mccirp@irs.gov*

304–267–3367 — TDD
(Telecommunication Device for the Deaf)
304–264–5602 — Fax Machine

Electronic Filing — FIRE system
304–262–2400

TO OBTAIN FORMS:
1–800–TAX–FORM (1–800–829–3676)

www.irs.gov — IRS Website access to forms (See Note.)

</div>

☛ **Note: Because the IRS processes paper forms by machine (optical character recognition equipment), you cannot file the IRS Form 1096 or Copy A of Forms 1098, 1099, 5498, or W–2G printed from the IRS Website.**

.04 The *2003 General Instructions for Forms 1099, 1098, 5498, and W–2G* and the individual form instructions have been included in the Publication 1220 for your convenience. Form 1096 is used only to transmit Copy A of **paper** Forms 1099, 1098, 5498, and W–2G. If filing paper returns, follow the mailing instructions on Form 1096 and submit the paper returns to the appropriate IRS Service Center.

.05 Make requests for paper Forms 1096, 1098, 1099, 5498, and W–2G, and publications related to electronic/magnetic filing by calling the IRS toll-free number **1–800–TAX–FORM (1–800–829–3676) or on the IRS Website at www.irs.gov**.

.06 Questions pertaining to magnetic media filing of Forms W–2 **must** be directed to the Social Security Administration (SSA). Filers can call 1–800–772–6270 to obtain the phone number of the SSA Employer Service Liaison Officer for their area.

.07 Payers **should not** contact IRS/MCC if they have received a penalty notice and need additional information or are requesting an abatement of the penalty. A penalty notice contains an IRS representative's name and/or telephone number for contact purposes; or, the payer may be instructed to respond in writing to the address provided. IRS/MCC does **not** issue penalty notices and does **not** have the authority to abate penalties. For penalty information, refer to the Penalties section of the *2003 General Instructions for Forms 1099, 1098, 5498, and W–2G*.

.08 A taxpayer or authorized representative may request a copy of a tax return, including Form W–2 filed with a return, by submitting Form 4506, Request for Copy or Transcript of Tax Form, to IRS. This form may be obtained by calling **1–800–TAX–FORM (1–800–829–3676)**. For any questions regarding this form, call 1–800–829–1040.

.09 The Information Reporting Program Customer Service Section (IRP/CSS), located at IRS/MCC, answers electronic/magnetic media, paper filing, and tax law questions from the payer community relating to the filing of business information returns (Forms 1096, 1098, 1099, 5498, 8027, W–2G, and W–4). IRP/CSS also answers questions relating to the electronic/magnetic media filing of Forms 1042–S and to the tax law criteria and paper filing instructions for Forms W–2 and W–3. Inquiries dealing with backup withholding and reasonable cause requirements due to missing and incorrect taxpayer identification numbers are also addressed by IRP/CSS. Assistance is available year-round to payers, transmitters, and employers nationwide, Monday through Friday, 8:30 a.m. to 4:30 p.m. Eastern time, by calling toll-free **1–866–455–7438** or via email at *mccirp@irs.gov*. ***Do not include SSNs or EINs on emails since this is not a secure line***. The Telecommunications Device for the Deaf **(TDD)** toll number is **304–267–3367**. Call as soon as questions arise to avoid the busy filing seasons at the end of January and February. Recipients of information returns (payees) should continue to contact 1–800–829–1040 with any questions on how to report the information returns data on their tax returns.

.10 Form 4419, Application for Filing Information Returns Electronically/Magnetically, Form 8809, Request for Extension of Time to File Information Returns, and Form 8508, Request for Waiver From Filing Information Returns on Magnetic Media may be faxed to IRS/MCC at 304–264–5602. Form 4804, Transmittal of Information Returns Filed Magnetically must always be included with media shipments.

Sec. 4. Filing Requirements

.01 The regulations under section 6011(e)(2)(A) of the Internal Revenue Code provide that any person, including a corporation, partnership, individual, estate, and trust, who is required to file 250 or more information returns must file such returns electronically/magnetically. **The 250* or more requirement applies separately for each type of return and separately to each type of corrected return.**

> ***Even though filers may submit up to 249 information returns on paper, IRS encourages filers to transmit those information returns electronically or magnetically.**

.02 All filing requirements that follow apply individually to each reporting entity as defined by its separate Taxpayer Identification Number (TIN), Social Security Number (SSN), Employer Identification Number (EIN), Individual Taxpayer Identification Number (ITIN) or Adoption Taxpayer Identification number (ATIN). For example, if a corporation with several branches or locations uses the same EIN, the corporation must aggregate the total volume of returns to be filed for that EIN and apply the filing requirements to each type of return accordingly.

.03 Payers who are required to submit their information returns on magnetic media may choose to submit their documents by electronic filing. Payers, who submit their information returns electronically by March 31, *2004*, are considered to have satisfied the magnetic media filing requirements.

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

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

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

.06 The above requirements do not apply if the payer establishes undue hardship (See Part E, Sec. 5).

Sec. 5. Vendor List

.01 IRS/MCC prepares a list of vendors who support electronic or magnetic media filing. The Vendor List (Pub. 1582) contains the names of service bureaus that will produce files via electronic filing or on the prescribed types of magnetic media. It also contains the names of vendors who provide software packages for payers who wish to produce electronic files or magnetic media on their own computer systems. This list is compiled as a courtesy and in no way implies IRS/MCC approval or endorsement.

.02 If filers meeting the filing requirements engage a service bureau to prepare media on their behalf, the filers should be careful not to report duplicate data, which may cause penalty notices to be generated.

.03 The Vendor List, Publication 1582, may be updated in print every other year. The most recently printed copy will be available by contacting IRS/MCC at our **toll-free number 1–866–455–7438** or by letter (See Part A, Sec. 3). The Vendor List is also available on the IRS Website at **www.irs.gov**.

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

(a) Company name

(b) Address (include city, state, and ZIP code)

(c) Telephone and FAX number (include area code)

(d) *Email address*

(e) Contact person

(f) Type(s) of service provided (e.g., service bureau and/or software)

(g) Type(s) of media offered (e.g., tape cartridge, 3^1/$_2$-inch diskette, or electronic filing)

(h) Type(s) of return(s)

Sec. 6. Form 4419, Application for Filing Information Returns Electronically/Magnetically

.01 Transmitters are required to submit Form 4419, Application for Filing Information Returns Electronically/Magnetically, to request authorization to file information returns with IRS/MCC. A single Form 4419 should be filed no matter how many types of returns the transmitter will be submitting electronically/magnetically. For example, if a transmitter plans to file Forms 1099–INT, one Form 4419 should be submitted. If, at a later date, another type of form (Forms 1098, 1099, 5498 and W–2G) is to be filed, the transmitter does not need to submit a new Form 4419.

☛ **Note: EXCEPTIONS — An additional Form 4419 is required for filing each of the following types of returns: Form 1042–S, Foreign Person's U.S. Source Income Subject to Withholding, Form 8027, Employer's Annual Information Return of**

Tip Income and Allocated Tips, and Form W–4, Employee's Withholding Allowance Certificate. See the back of Form 4419 for detailed instructions.

　　.02 Tape cartridge, diskette, and electronically filed returns may not be submitted to IRS/MCC until the application has been approved. Please read the instructions on the back of Form 4419 carefully. Form 4419 is included in the Publication 1220 for the filer's use. This form may be photocopied. Additional forms may be obtained by calling **1–800–TAX–FORM (1–800–829–3676)**. The form is also available on the IRS Website at **www.irs.gov**.

　　.03 Upon approval, a five-character alpha/numeric Transmitter Control Code (TCC) will be assigned and included in an approval letter. The TCC **must** be coded in the Transmitter "T" Record. IRS/MCC uses the TCC to identify payer/transmitters and to track their files through the processing system. The same TCC can be used regardless of the method of filing. For example, a payer may send their production data on a tape cartridge and then later file a correction file electronically. The same TCC can be used for each filing.

　　.04 IRS/MCC encourages transmitters who file for multiple payers to submit one application and to use the assigned TCC for all payers. While not encouraged, multiple TCCs can be issued to payers with multiple TINs. If a transmitter uses more than one TCC to file, each TCC must be reported in separate transmissions if filing electronically or on separate media if filing magnetically.

　　.05 If a payer's files are prepared by a service bureau, the payer may not need to submit an application to obtain a TCC. Some service bureaus will produce files, code their own TCC in the file, and send it to IRS/MCC for the payer. Other service bureaus will prepare the file and return the file to the payer for submission to IRS/MCC. These service bureaus may require the payer to obtain a TCC, which is coded in the Transmitter "T" Record. Payers should contact their service bureaus for further information.

　　.06 Form 4419 may be submitted anytime during the year; however, it **must** be submitted to IRS/MCC at least 30 days before the due date of the return(s) for current year processing. This will allow IRS/MCC the minimum amount of time necessary to process and respond to applications. In the event that computer equipment or software is not compatible with IRS/MCC, a waiver may be requested to file returns on paper documents (See Part E, Sec. 5).

　　.07 Once a transmitter is approved to file electronically/magnetically, it is not necessary to reapply **unless:**

　　　　(a) The payer has discontinued filing electronically or magnetically for two consecutive years. The payer's TCC may have been reassigned by IRS/MCC. Payers who are aware the TCC assigned will no longer be used are requested to notify IRS/MCC so these numbers may be reassigned.

　　　　(b) The payer's files were transmitted in the past by a service bureau using the service bureau's TCC, but now the payer has computer equipment compatible with that of IRS/MCC and wishes to prepare his or her own files. The payer must request a TCC by filing Form 4419.

　　.08 In accordance with Regulations Section 1.6041–7(b), payments by separate departments of a health care carrier to providers of medical and health care services may be reported on separate returns filed electronically or magnetically. In this case, the headquarters will be considered the transmitter, and the individual departments of the company filing reports will be considered payers. A single Form 4419 covering all departments filing electronically/magnetically should be submitted. One TCC may be used for all departments.

　　.09 Annually, a Publication 1220 containing the current Revenue Procedure, forms, and instructions will be sent to the attention of the contact person indicated on Form 4419. Additional copies can be obtained by downloading from the IRS Website at **www.irs.gov** or by calling 1–800–829–3676.

　　.10 If **any** of the information (name, TIN or address) on Form 4419 changes, please notify IRS/MCC in writing so the IRS/MCC database can be updated. You may use our email address, *mccirp@irs.gov*, for basic name and address changes. IRS/MCC does not recommend sending TIN information via email. A change in the method by which information returns are submitted is not information that needs to be updated (*e.g.*, diskette to electronic). The transmitter should include the TCC in all correspondence.

　　.11 Approval to file does not imply endorsement by IRS/MCC of any computer software or of the quality of tax preparation services provided by a service bureau or software vendor.

Sec. 7. Test Files

　　.01 IRS/MCC encourages first time electronic or magnetic media filers to submit a test. Test files are **required** for filers wishing to participate in the Combined Federal/State Filing Program. See Part A, Sec. 13, for further information on the Combined Federal/State Filing Program.

　　.02 The test file **must** consist of a sample of each type of record:

　　　　(a) Transmitter "T" Record (all fields marked required must include transmitter information)
　　　　(b) Payer "A" Record (must not be fictitious data)
　　　　(c) Multiple Payee "B" Records **(at least 11 "B" Records per each "A" Record)**
　　　　(d) End of Payer "C" Record
　　　　(e) State Totals "K" Record, if participating in the Combined Federal/State Filing Program
　　　　(f)　End of Transmission "F" Record
　　　　　　(See Part D for record formats.)

　　.03 Use the Test Indicator "T" in Field Position 28 of the "T" Record to show this is a test file.

.04 IRS/MCC will check the file to ensure it meets the specifications of this Revenue Procedure. For current filers, sending a test file will provide the opportunity to ensure their software reflects any programming changes.

.05 Electronic tests may be submitted *November 1, 2003, through February 15, 2004*. See Part B, Sec. 4.03, for information on electronic test results.

.06 Tests submitted on magnetic media should be **postmarked** no earlier than *October 1, 2003, and no later than December 1, 2003*. Tests must be **received** at MCC by December 15 in order to be processed. Test processing will not begin until November 1. For tests filed on tape cartridge, and 3¹/₂-inch diskette, the transmitter must include the signed Form 4804 in the same package with the corresponding magnetic media. The "TEST" box in Block 1 on Form 4804 must be marked and the external media label must denote "TEST".

.07 IRS/MCC will send a letter of acknowledgment to indicate the magnetic media test results. Unacceptable magnetic media test filers will receive a letter and/or documentation identifying the errors. Resubmission of magnetic media test files must be **received** by IRS/MCC no later than *December 15, 2003*.

TESTING PERIODS	
MAGNETIC MEDIA	**ELECTRONIC FILES**
November 1, 2003, through December 15, 2003* * Postmark media by Dec.1 in order for media to be **received** at MCC by December 15	November 1, 2003, through February 15, 2004

Sec. 8. Filing of Information Returns Magnetically and Retention Requirements

.01 Form 4804, Transmittal of Information Returns Reported Magnetically, or a computer-generated substitute, must accompany **all** magnetic media shipments except for replacements, when Form 4804 is not always necessary (See Part A, Sec. 10).

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

.03 Form 4804 may be signed by the payer or the transmitter, service bureau, paying agent, or disbursing agent (all hereafter referred to as agent) on behalf of the payer. Failure to sign the affidavit on Form 4804 may delay processing or could result in the files being unprocessed. An agent may sign Form 4804 if the agent has the authority to sign the affidavit under an agency agreement (either oral, written, or implied) that is valid under state law and adds the caption "FOR: (name of payer)."

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

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

.06 Current and prior year data may be submitted in the same shipment; however, each tax year must be on separate media, and a separate Form 4804 must be prepared to clearly indicate each tax year.

.07 Filers who have prepared their information returns in advance of the due date are encouraged to submit this information to IRS/MCC no earlier than January 1 of the year the returns are due.

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

.09 A self-adhesive external media label, created by the filer, must be affixed to each piece of magnetic media. For instructions on how to prepare an external media label, refer to Notice 210 in the forms section of this publication. If diskettes are used, be certain that only MS-DOS compatible operating systems were used to prepare the diskettes. **Non MS-DOS diskettes are no longer acceptable at IRS/MCC.**

.10 When submitting files include the following:

    (a) A **signed** Form 4804

    (b) External media label (created by filer) affixed to magnetic media

    (c) IRB Box __ of __ labeled on outside of each package

.11 IRS/MCC will not return media after successful processing. Therefore, if the transmitter wants proof that IRS/MCC received a shipment, the transmitter should select a service with tracking capabilities or one that will provide proof of delivery. Do not use special shipping containers for mailing media to IRS/MCC. Shipping containers will not be returned.

.12 IRS/MCC will not pay for or accept "Cash-on-Delivery" or "Charge to IRS" shipments of tax information that an individual or organization is legally required to submit.

.13 Payers should retain a copy of the information returns filed with IRS or have the ability to reconstruct the data for at least 3 years from the reporting due date, with the exception of:

(a) A 4-year retention period is required for all information returns when backup withholding is imposed.

(b) A financial entity must retain a copy of Form 1099–C, Cancellation of Debt, or have the ability to reconstruct the data required to be included on the return, for at least 4 years from the date such return is required to be filed.

Sec. 9. Due Dates

.01 The due dates for filing paper returns with IRS also apply to magnetic media. Filing of information returns is on a calendar year basis, except for Forms 5498 and 5498–MSA, which are used to report amounts contributed during or after the calendar year (but not later than April 15). The following due dates will apply to Tax Year *2003*:

Due Dates	
Electronic Filing Forms 1098, 1099, and W–2G Recipient Copy — February 2, 2004 IRS Copy — March 31, 2004	**Magnetic Filing (See Note.)** Forms 1098, 1099, and W–2G Recipient Copy — February 2, 2004 IRS Copy — March 1, 2004
Electronic/Magnetic Filing Forms 5498*, 5498–MSA* and 5498–ESA** IRS Copy — June 1, 2004 Participant Copy — June 1, 2004* Participant Copy – April 30, 2004** * Participants' copies of Forms 5498 and 5498–MSA to furnish fair market value information — February 2, 2004	

.02 If any due date falls on a Saturday, Sunday, or legal holiday, the return or statement is considered timely if filed or furnished on the next day that is not a Saturday, Sunday, or legal holiday.

.03 Magnetic media returns postmarked by the United States Postal Service (USPS) on or before March 1, 2004, and delivered by United States mail to the IRS/MCC after the due date, are treated as timely under the "timely mailing as timely filing" rule. Refer to the *2003 General Instructions for Forms 1099, 1098, 5498, and W–2G*, When to File, located in the back of this publication for more detailed information. Notice 97–26, 1997–1 C.B. 413, provides rules for determining the date that is treated as the postmark date. For items delivered by a non-designated Private Delivery Service (PDS), the actual date of receipt by IRS/MCC will be used as the filing date. For items delivered by a designated PDS, but through a type of service not designated in Notice 99–41, the actual date of receipt by IRS/MCC will be used as the filing date. The timely mailing rule also applies to furnishing statements to recipients and participants.

☛ **Note: Due to security regulations at MCC, the Internal Revenue police officers will only accept media from PDSs or couriers from 7:00 a.m. to 5:00 p.m., Monday through Friday.**

.04 Use this Revenue Procedure to prepare information returns filed electronically or magnetically beginning *January 1, 2004*, and postmarked no later than *December 1, 2004*.

.05 *Media postmarked December 2, 2004, or later **must** have the Prior Year Data Indicator coded with a "P" in position 6 of the Transmitter "T" Record.*

Sec. 10. Replacement Magnetic Media

☛ *Note: Replacement Electronic files is detailed in Part B, Sec. 5.*

.01 A replacement is an information return file sent by the filer a**t the request of IRS/MCC** because of errors encountered while processing the filer's original file or correction file. After the necessary changes have been made, the entire file must be returned for processing along with the Media Tracking Slip (Form 9267) which was included in the correspondence from IRS/MCC. **(See Note.)**

☛ **Note: Filers should never send anything to IRS/MCC marked "Replacement" unless IRS/MCC has requested a replacement file in writing or via the FIRE System.**

.02 Magnetic Media filers will receive a Media Tracking Slip (Form 9267), listing, and letter detailing the reason(s) their media could not be processed. It is imperative that filers maintain backup copies and/or recreate capabilities for their information return files. Open all correspondence from IRS/MCC immediately.

.03 When possible, sample records identifying errors encountered will be provided with the returned information. It is the responsibility of the transmitter to check the entire file for similar errors.

.04 Before sending replacement media, make certain the following items are in place:

(a) Make the required changes noted in the enclosed correspondence and check entire file for other errors.

(b) Code Transmitter "T" record, in positions 21–22 for replacement. See Part D, Sec. 3.

(c) Code Payer "A" record in position 49 with "1" for replacement file. See Part D, Sec. 4.

(d) Enclose Form 9267, Media Tracking Slip, with your replacement media.

(e) Label your Media **"Replacement Data"** and indicate the appropriate Tax Year.

(f) Complete a new Form 4804 **if any of your information has changed.**

.05 Replacement files must be corrected and returned to IRS/MCC within 45 days from the date of the letter. Refer to Part B, Sec. 5 .05, for procedures for files submitted electronically. A penalty for failure to return a replacement file by the due date will be assessed if the files are not corrected and returned within the 45 days **or if filers are notified by IRS/MCC of the need for a replacement file more than two times.** A penalty for intentional disregard of filing requirements will be assessed if a replacement file is not received. (For penalty information, refer to the Penalty section of the *2003 General Instructions for Forms 1099, 1098, 5498, and W–2G.*)

Sec. 11. Corrected Returns

• A **correction** is an information return submitted by the transmitter to correct an information return that was previously submitted to and processed by IRS/MCC, but contained erroneous information.

• While we encourage you to file your corrections electronically/magnetically, you may file up to 249 paper corrections even though your originals were filed electronically or magnetically.

• **DO NOT SEND YOUR ENTIRE FILE AGAIN.** Only send the information returns in need of correction.

• Information returns omitted from the original file **must not** be coded as corrections. Submit them under a separate Payer "A" Record as original returns.

• *Be sure to use the same Payee Account Number that was used on the original submission. The account number is used to match a correction record to the original information return.*

• Before creating your correction file, review the following guidelines chart carefully.

.01 The magnetic media filing requirement of information returns of 250 or more applies separately to both original and corrected returns.

E	If a payer has 100 Forms 1099–A to be corrected, they can be filed on paper because they
X	fall under the 250 threshold. However, if the payer has 300 Forms 1099–B to be corrected,
A	they must be filed electronically or magnetically because they meet the 250 threshold. If for
M	some reason a payer cannot file the 300 corrections electronically or magnetically, to avoid
P	penalties, a request for a waiver must be submitted before filing on paper. If a waiver is
L	approved for original documents, any corrections for the same type of return will be covered
E	under this waiver.

.02 Corrections should be filed **as soon as possible**. Corrections filed after August 1 may be subject to the maximum penalty of $50 per return. Corrections filed by August 1 may be subject to a lesser penalty. (For information on penalties, refer to the Penalties section of the *2003 General Instructions for Forms 1099, 1098, 5498, and W–2G.*) However, if payers discover errors after August 1, they should file corrections, as prompt correction is a factor considered in determining whether the intentional disregard penalty should be assessed or whether a waiver of the penalty for reasonable cause may be granted. All fields must be completed with the correct information, not just the data fields needing correction. Submit corrections only for the returns filed in error, not the entire file. Furnish corrected statements to recipients as soon as possible.

☞**Note: Do NOT resubmit your entire file as corrections. This will result in duplicate filing and erroneous notices may be sent to payees. Submit only those returns which need to be corrected.**

.03 There are numerous types of errors, and in some cases, more than one transaction may be required to correct the initial error. If the original return was filed as an aggregate, the filers must consider this in filing corrected returns.

.04 *The payee's account number must be included on all correction records. This is especially important when more than one information return of the same type is reported for a payee. The account number is used to determine which information return is being corrected. It is vital that each information return reported for a payee have a unique account number. See Part D, Sec. 6, Payer's Account Number For Payee.*

.05 Corrected returns may be included on the same media as original returns; however, separate "A" Records are required. Corrected returns must be identified on Form 4804 and the external media label by indicating "Correction." If filers discover that certain information returns were omitted on their original file, they must not code these documents as corrections. The file must be coded and submitted as originals.

.06 *If a payer realizes duplicate reporting has occurred, IRS/MCC should be contacted* **immediately** *for instructions on how to avoid notices. The standard correction process will not resolve duplicate reporting.*

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

(a) Name and address of payer
(b) Type of error (please explain clearly)
(c) Tax year
(d) Payer TIN
(e) TCC
(f) Type of Return
(g) Number of Payees
(h) Filing method, paper, electronic, or magnetic media

This information will be forwarded to the appropriate office in an attempt to prevent erroneous notices from being sent to the payees. The corrections must be submitted on actual information return documents or filed electronically/magnetically. Form 4804 must be submitted with corrected files submitted magnetically. If filing magnetically, provide the correct tax year in Block 2 of Form 4804 and on the external media label. All references to Form 4804 in the guidelines apply only to files submitted magnetically. Form 4804 is not required for electronic filing.

.08 Prior year data, original and corrected, **must** be filed according to the requirements of this Revenue Procedure. If submitting prior year corrections, use the record format for the current year and submit on separate media. However, use the actual year designation of the correction in Field Positions 2–5 of the "T", "A", and "B" Records. If filing electronically, a separate transmission must be made for each tax year.

.09 In general, filers should submit corrections for returns filed within the last 3 calendar years (4 years if the payment is a reportable payment subject to backup withholding under section 3406 of the Code and also for Form 1099–C, Cancellation of Debt).

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

.11 The "B" Record provides a 20-position field for a unique Payer's Account Number for the Payee. If a payee has more than one reporting of the same document type, it is vital that each reporting have a unique account number. This number will help identify the appropriate incorrect return if more than one return is filed for a particular payee. **Do not enter a TIN in this field.** A payer's account number for the payee may be a checking account number, savings account number, serial number, or any other number assigned to the payee by the payer that will distinguish the specific account. This number should appear on the initial return and on the corrected return in order to identify and process the correction properly.

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

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

Guidelines for Filing Corrected Returns Electronically/Magnetically

Error Made on the Original Return	How To File the Corrected Return

☛ **Note: References to Form 4804 apply to magnetically filed media only. Form 4804 is not required for files submitted electronically through the FIRE System.**

One transaction is required to make the following corrections properly. (See Note 3.)

Guidelines for Filing Corrected Returns Electronically/Magnetically

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

(a) Incorrect payment amount codes in the Payer "A" Record

(b) Incorrect payment amounts in the Payee "B" Record

(c) Incorrect code in the distribution code field in the Payee "B" Record

(d) Incorrect payee address

(e) Incorrect Direct sales indicator

A. Prepare a new Form 4804 that includes information relating to this new file.

B. Mark "Correction" in Block 1 of Form 4804.

C. Prepare a new file. The first record on the file will be the Transmitter "T" Record.

D. Make a separate "A" Record for each type of return and each payer being reported. Information in the "A" Record may be the same as it was in the original submission. However, remove the "1" (one) in Field Position 48 and set the Correction File Indicator (Field Position 50), to "1" (one).

E. The Payee "B" Records must show the correct record information as well as a Corrected Return Indicator Code of "G" in Field Position 6.

F. Corrected returns submitted to IRS/MCC using "G" coded "B" Records may be on the same file as those returns submitted without the "G" coded "B" Records; however, **separate "A" Records are required.**

G. Prepare a separate "C" Record for each type of return and each payer being reported.

H. The last record on the file will be the End of Transmission "F" Record.

I. Indicate "Correction" on the external media label.

File layout **one** step corrections

Transmitter "T" Record	Payer "A" Record	"G" coded Payee "B" Record	"G" coded Payee "B" Record	End of Payer "C" Record	End of Transmission "F" Record

Guidelines for Filing Corrected Returns Electronically/Magnetically (Continued)

Error Made on the Original Return	How To File the Corrected Return

Two (2) separate transactions are required to make the following corrections properly.
Follow the directions for both Transactions 1 and 2. (See Note 2.)
DO NOT use the two step correction process to correct money amounts.

Error Made on the Original Return	How To File the Corrected Return
2. Original return was filed with one or more of the following errors: **(a)** No payee TIN (SSN, ITIN, ATIN or EIN) **(b)** Incorrect payee TIN **(c)** Incorrect payee name **(d)** Wrong type of return indicator	**Transaction 1:** Identify incorrect returns. **A.** Prepare a new Form 4804 that includes information related to this new file. **B.** Mark "Correction" in Block 1 of Form 4804. **C.** Prepare a new file. The first record on the file will be the Transmitter "T" Record. **D.** Make a separate "A" Record for each type of return and each payer being reported. The information in the "A" Record will be **exactly** the same as it was in the original submission with one exception; remove the "1" from Field Position 48, and set the Correction File Indicator (Field Position 50) to "1" (one). *(See Note 1.)* **E.** The Payee "B" Records must contain **exactly the same** information as submitted previously, **except**, insert a Corrected Return Indicator Code of "G" in Field Position 6 of the "B" Records, and enter "0" (zeros) in all payment amounts. *(See Note 1.)* **F.** Corrected returns submitted to IRS/MCC using "G" coded "B" Records may be on the same file as those returns submitted with a "C" code; **however, separate "A" Records are required.** **G.** Prepare a separate "C" Record for each type of return and each payer being reported. **H.** Continue with Transaction 2 to complete the correction. **Transaction 2:** Report the correct information. **A.** Make a separate "A" Record for each type of return and each payer being reported. Remove the "1" in Field Position 48 and set the Correction File Indicator (Field Position 50), to "1" (one). **B.** The Payee "B" Records must show the correct information as well as a Corrected Return Indicator Code of "C" in Field Position 6. **C.** Corrected returns submitted to IRS/MCC using "C" coded "B" Records may be on the same file as those returns submitted with "G" codes; **however, separate "A" Records are required.** **D.** Prepare a separate "C" Record for each type of return and each payer being reported. **E.** The last record on the file will be the End of Transmission "F" Record. **F.** Indicate "Correction" on the external media label.

☛ *Note 1: The Record Sequence Number will be different since this is a counter number and is unique to each file. For 1099–R corrections, if the corrected amounts are zeros, certain indicators will not be used.*

☛ **Note 2: See the** *2003 General Instructions for Forms 1099, 1098, 5498, and W–2G* **for additional information on regulations affecting corrections and related penalties.**

File layout **two** step corrections

Transmitter "T" Record	Payer "A" Record	"G" coded Payee "B" Record	"G" coded Payee "B" Record	End of Payer "C" Record	Payer "A" Record

"C" coded Payee "B" Record	"C" coded Payee "B" Record	End of Payer "C" Record	End of Transmission "F" Record

☛ **Note 3: If a filer is correcting the name and/or TIN in addition to any errors listed in item 2 of the chart, two transactions will be required. If a filer is reporting "G" coded, "C" coded, and/or "Non-coded" (original) returns on the same media, each category must be reported under separate "A" Records.**

Sec. 12. Effect on Paper Returns and Statements to Recipients

.01 Electronic/Magnetic reporting of information returns eliminates the need to submit paper documents to the IRS. **CAUTION: Do not send Copy A of the paper forms to IRS/MCC for any forms filed electronically or magnetically.** This will result in duplicate filing; therefore, erroneous notices could be generated.

.02 Payers are responsible for providing statements to the payees as outlined in the *2003 General Instructions for Forms 1099, 1098, 5498, and W–2G*. Refer to those instructions for filing information returns on paper with the IRS and furnishing statements to recipients.

.03 Statements to recipients should be clear and legible. If the official IRS form is not used, the filer must adhere to the specifications and guidelines in Publication 1179, Rules and Specifications for Private Printing of Substitute Forms 1096, 1098, 1099, 5498, and W–2G.

Sec. 13. Combined Federal/State Filing Program

- Through the Combined Federal/State Filing (CF/SF) Program, IRS/MCC will forward original and corrected information returns filed electronically or magnetically to participating states for approved filers.

- For approval, the filer must submit a test file coded for this program. See Part A, Sec. 7, Test Files.

- For magnetic media test files, attach a letter to Form 4804 requesting approval to participate in the CF/SF Program. Form 4804 or letter is not required for tests sent electronically.

- Approved filers are sent Form 6847, Consent for Internal Revenue Service to Release Tax Information, which must be completed and returned to IRS/MCC. A separate form is required for each payer.

.01 The Combined Federal/State Filing (CF/SF) Program was established to simplify information returns filing for the taxpayer. IRS/MCC will forward this information to participating states free of charge for approved filers. Separate reporting to those states is not necessary. The following information returns may be filed under the Combined Federal/State Filing Program:

Form 1099–DIV—Dividends and Distributions

Form 1099–G—Certain Government Payments

Form 1099–INT—Interest Income

Form 1099–MISC—Miscellaneous Income

Form 1099–OID—Original Issue Discount

Form 1099–PATR—Taxable Distributions Received From Cooperatives

Form 1099–R—Distributions From Pensions, Annuities, Retirement or
Profit-Sharing Plans, IRAs, Insurance Contracts, etc.

Form 5498—IRA and Coverdell ESA Contribution Information

.02 To request approval to participate, a magnetic media test file coded for this program **must** be submitted to IRS/MCC between *November l, 2003, and December 15, 2003. Media must be* **postmarked** *no later than December 1, 2003 in order to be received at MCC by December 15 for processing.* Electronic test files coded for this program must be submitted between *November 1, 2003*, and *February 15, 2004*.

.03 Attach a letter to Form 4804 submitted with the test file to indicate a desire to participate in the Combined Federal/State Filing Program. Test files sent electronically do not require Form 4804 or letter. If the test file is coded for the Combined Federal/State Filing Program and is acceptable, an approval letter and Form 6847, Consent For Internal Revenue Service to Release Tax Information, will be sent to the filer.

.04 A test file is only required for the **first** year when you apply to participate in the Program. Each record, both in the test and the actual data file, must conform to this Revenue Procedure.

.05 If the test file is acceptable, IRS/MCC will send the filer an approval letter, and Form 6847, Consent for Internal Revenue Service to Release Tax Information, which the payer **must** complete, sign, and return to IRS/MCC before any tax information can be released to the state. Filers must write their TCC on Form 6847.

.06 If the test file is not acceptable, IRS/MCC will send magnetic media filers information indicating the problems. Electronic filers must dial back to the FIRE System within two business days to check the acceptability of their test file. The new test file must be postmarked no later than December 1, 2003 for magnetic media, or February 15, 2004, for an electronically filed test.

.07 A separate Form 6847 is **required** for each payer. A transmitter may not combine payers on one Form 6847 even if acting as Attorney-in-Fact for several payers. Form 6847 may be computer-generated as long as it includes all information that is on the original form or it may be photocopied. If Form 6847 is signed by an Attorney-in-Fact, the written consent from the payer must clearly indicate that the Attorney-in-Fact is empowered to authorize release of the information.

.08 Only code the records for participating states and for those payers who have submitted Form 6847.

.09 *If a payee has a reporting requirement for more than one state, separate "B" records must be created for each state. Allocate the gross payment of the reporting according to each state's filing requirement. Do* **not** *report the total amount to each state. This will cause duplicate reporting.*

.10 Some participating states require separate notification that the payer is filing in this manner. Since IRS/MCC acts as a forwarding agent only, it is the payer's responsibility to contact the appropriate states for further information.

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

.12 Participating states and corresponding valid state codes are listed in **Table 1** of this section. The appropriate state code **must** be entered for those documents that meet the state filing requirements; **do not use state abbreviations.**

.13 Each state's filing requirements are subject to change by the state. It is the payer's responsibility to contact the participating states to verify their criteria.

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

(a) All records are coded exactly as required by this Revenue Procedure.

(b) A State Total "K" Record(s) for each state(s) being reported follows the "C" Record.

(c) Payment amount totals and the valid participating state code are included in the State Totals "K" Record(s).

(d) The last "K" Record is followed by an "A" Record or an End of Transmission "F" Record (if this is the last record of the entire file).

Table 1. Participating States and Their Codes*

State	Code	State	Code	State	Code
Alabama	01	Indiana	18	Nebraska	31
Arizona	04	Iowa	19	New Jersey	34
Arkansas	05	Kansas	20	New Mexico	35
California	06	Louisiana	22	North Carolina	37

Table 1. Participating States and Their Codes*

State	Code	State	Code	State	Code
Colorado	07	Maine	23	North Dakota	38
Connecticut	08	Maryland	24	Ohio	39
Delaware	10	Massachusetts	25	South Carolina	45
District of Columbia	11	Minnesota	27	Virginia	51
Georgia	13	Mississippi	28	Wisconsin	55
Hawaii	15	Missouri	29		
Idaho	16	Montana	30		

The codes listed above are correct for the IRS Combined Federal/State Filing Program and may not correspond to the state codes of other Agencies or programs.

Sample File Layout for Combined Federal/State Filer

Transmitter "T" Record	Payer "A" Record coded with 1 in position 26	Payee "B" Record with state code 15 in position 747–748	Payee "B" Record with state code 06 in position 747–748	Payee "B" Record no state code	End of Payer "C" Record

State Total "K"Record for "B" records coded 15. "K" record coded 15 in positions 747–748.	State Total "K" Record for "B" records coded 06. "K" record coded 06 in positions 747–748.	End of Transmission "F" Record

Sec. 14. Penalties Associated With Information Returns

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

.02 Failure To File Correct Information Returns by the Due Date (Section 6721). If you fail to file a correct information return by the due date and you cannot show reasonable cause, you may be subject to a penalty. The penalty applies if you fail to file timely, you fail to include all information required to be shown on a return, or you include incorrect information on a return. The penalty also applies if you file on paper when you were required to file on magnetic media, you report an incorrect TIN 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 of the due date of the return (See Part A, Sec. 9 .01); maximum penalty $75,000 per year ($25,000 for small businesses).
- **$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).

.03 A late filing penalty may be assessed for a replacement file which is not returned by the required date. Files which require replacement more than two times will also be subject to penalty. See Part A, Sec. 10, for more information on replacement files.

.04 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.

.05 Failure To Furnish Correct Payee Statements (Section 6722). For information regarding penalties which may apply to failure to furnish correct payee statements, see *2003 General Instructions for Forms 1099, 1098, 5498, and W–2G.*

Sec. 15. State Abbreviations

.01 The following state and U.S. territory abbreviations are to be used when developing the state code portion of address fields. This table provides state and territory abbreviations only, and does not represent those states participating in the Combined Federal/State Filing Program.

State	Code	State	Code	State	Code
Alabama	AL	Kentucky	KY	No. Mariana Islands	MP
Alaska	AK	Louisiana	LA	Ohio	OH
American Samoa	AS	Maine	ME	Oklahoma	OK
Arizona	AZ	Marshall Islands	MH	Oregon	OR
Arkansas	AR	Maryland	MD	Pennsylvania	PA
California	CA	Massachusetts	MA	Puerto Rico	PR
Colorado	CO	Michigan	MI	Rhode Island	RI
Connecticut	CT	Minnesota	MN	South Carolina	SC
Delaware	DE	Mississippi	MS	South Dakota	SD
District of Columbia	DC	Missouri	MO	Tennessee	TN
Federated States of Micronesia	FM	Montana	MT	Texas	TX
Florida	FL	Nebraska	NE	Utah	UT
Georgia	GA	Nevada	NV	Vermont	VT
Guam	GU	New Hampshire	NH	Virginia	VA
Hawaii	HI	New Jersey	NJ	(U.S.) Virgin Islands	VI
Idaho	ID	New Mexico	NM	Washington	WA
Illinois	IL	New York	NY	West Virginia	WV
Indiana	IN	North Carolina	NC	Wisconsin	WI
Iowa	IA	North Dakota	ND	Wyoming	WY
Kansas	KS				

.02 Filers must adhere to the city, state, and ZIP Code format for U.S. addresses in the "B" Record. This also includes American Samoa, Federated States of Micronesia, Guam, Marshall Islands, Northern Mariana Islands, Puerto Rico, and the U. S. Virgin Islands.

.03 For foreign country addresses, filers may use a 51 position free format which should include city, province or state, postal code, and name of country in this order. This is allowable only if a "1" (one) appears in the Foreign Country Indicator, Field Position 247, of the "B" Record.

.04 When reporting APO/FPO addresses, use the following format:

EXAMPLE:

Payee Name	PVT Willard J. Doe
Mailing Address	Company F, PSC Box 100
	167 Infantry REGT
Payee City	APO (or FPO)
Payee State	AE, AA, or AP*
Payee ZIP Code	098010100

*AE is the designation for ZIPs beginning with 090–098, AA for ZIP 340, and AP for ZIPs 962–966.

Sec. 16. Major Problems Encountered

IRS/MCC encourages filers to verify the format and content of each type of record to ensure the accuracy of the data. This may eliminate the need for IRS/MCC to request replacement files. This may be important for those payers who have either had their files prepared by a service bureau or who have purchased preprogrammed software packages.

Filers who engage a service bureau to prepare media on their behalf should be careful not to report duplicate data, which may generate penalty notices.

The Major Problems Encountered lists some of the most frequently encountered problems with electronic/magnetic files submitted to IRS/MCC. These problems may result in IRS/MCC requesting replacement files. Some of the problems resulted from not referring to this publication for instructions.

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1. Incorrect Format

- Multiple Files on diskettes — Each diskette must contain only **ONE** file, named **IRSTAX**. A file consists of one Transmitter "T" Record followed by a Payer "A" Record, Payee "B" Records, End of Payer "C" Record, State Totals "K" Record (if applicable for CF/SF Program), and the End of Transmission "F" Record. A file can contain multiple Payer "A" Records, but, only one Transmitter "T" Record. See Part D, Sec. 10, for file layout diagram.

- Invalid record length — **ALL** Records must be 750 Positions in length.

- Prior tax year data **must** be formatted in the **current** tax year format. Be sure to use the **current Revenue Procedure (Publication 1220)** for formatting prior tax year data.

2.   Unable to read tape cartridge.

Please review all tape cartridge specifications carefully (See Part C, Sections 1 and 2.)

3.   No Form 4804, Transmittal of Information Returns Reported Magnetically

Each shipment of media sent to IRS/MCC must include a signed Form 4804. More than one type of media may be sent in the same shipment, (i.e., diskette, and tape cartridge) but must have a separate Form 4804 to accompany **each type of media.**

4.   Discrepancy Between IRS/MCC Totals and Totals in Payer "C" Records

The "C" Record is a summary record for a type of return for a given payer. IRS compares the total number of payees and payment amounts in the "B" records with totals in the "C" Records. The two totals **must** agree. Do **NOT** enter negative amounts except when reporting Forms 1099–B or *1099–Q*. Money amounts must be all numeric, right-justified and zero (0) filled. **Do Not Use Blanks.**

5.   The Payment Amount Fields in the "B" Record Do Not Correspond to the Amount Codes in the "A" Record

The Amount Codes used in the "A" record **MUST** correspond with the payment amount fields used in the "B" records. The amount codes must be left-justified, in ascending order with the unused positions blank. For Example: If the "B" records show payment amounts in payment amount fields 2, 4, and 7, then the "A" record must correspond with 2, 4, and 7 in the amount codes field.

6.   Incorrect TIN in Payer "A" Record

The Payer's TIN reported in positions 12–20 of the "A" record must be nine numeric characters only. **(Do Not Enter Hyphen.)** The TIN and the First Payer Name Line provided in the "A" record must correspond.

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

The tax year in the transmitter, payer and payee records should reflect the tax year of the information return being reported. For prior tax year data, there must be a "P" in position 6 of the Transmitter "T" record. *Media postmarked December 2, 2004, or later* ***must*** *have the Prior Year Data Indicator coded with a "P" in position 6 of the Transmitter "T" Record.* This position must be blank for current tax year data.

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

Form W–2 information is submitted to SSA and **not** to IRS/MCC. **Any media received at IRS/MCC that contains W–2 information will be forwarded to SSA. The filer will be notified of this action by letter.** To inquire about filing Form W–2 information magnetically/electronically, call 1–800-SSA–6270.

9.   Incorrect use of Test Indicator

When sending a test file, position 28 of the Transmitter "T" record must contain a "T", otherwise blank fill.

10.   Incorrect Format for TINs in the Payee "B" Record

TINs entered in position 12–20 of the Payee "B" record must consist of nine numerics only. **(Do Not Enter Hyphens.)** Incorrect formatting of TINs may result in a penalty.

Payers/Transmitters who submit data with missing TINs, and have taken the required steps to obtain this information are encouraged to attach a letter of explanation to the required Form 4804. This letter, however, will not prevent backup withholding notices (CP2100 and CP2100A Notices) or proposed penalties (Notice 972CG) for missing or incorrect TINs. For penalty information, refer to the Penalties section of the *2003 General Instructions for Forms 1099, 1098, 5498, and W–2G*.

11.   Distribution Codes for Form 1099–R Reported Incorrectly

For Forms 1099–R, there must be valid Distribution Code(s) in position 545–546 of the Payee "B" record. For valid codes (and combinations), see Guide to Distribution Codes in Part D. If only one distribution code is required, it must be entered in position 545 and position 546 must be blank. A blank in position 545 is not acceptable.

12.   Incorrect Record Totals Listed on Form 4804

The Combined Total Payee Records listed on Form 4804 (Block 6) are used in the verification process of information returns. The figure in this block **must** be the total number of payee "B" records contained on each individual piece of media submitted. A separate Form 4804 should be sent for each piece of media that contains a file.

13. Missing Correction Indicator in Payee "B" Record

When a file is submitted as a correction file, there must be a correction indicator, "G" or "C" in position 6 of the Payee "B" record. See Part A, Sec. 11.

PART B. ELECTRONIC FILING SPECIFICATIONS

Sec. 1. General

.01 Electronic filing of Forms 1098, 1099, 5498, and W–2G information returns, originals, corrections, and replacements is offered as an alternative to magnetic media (tape cartridge or diskette) or paper filing. Filing electronically will fulfill the magnetic media requirements for those payers who are required to file magnetically. Payers who are under the filing threshold requirement, are encouraged to file electronically. If the original file was sent magnetically, but IRS/MCC has requested a replacement file, the replacement may be transmitted electronically. Also, if the original file was submitted via magnetic media, any corrections may be transmitted electronically.

.02 All electronic filing of information returns are received at IRS/MCC via the FIRE (Filing Information Returns Electronically) System. The FIRE System can be accessed via analog and ISDN BRI connections. The system is designed to support the electronic filing of information returns only. The telephone number for electronic filing is **(304–262–2400)**.

.03 The electronic filing of information returns is not affiliated with any other IRS electronic filing program. Filers must obtain separate approval to participate in each of them. Only inquiries concerning electronic filing of information returns should be directed to IRS/MCC.

.04 Files submitted to IRS/MCC electronically must be in standard ASCII code. Do not send magnetic media or paper forms with the same information as the electronically submitted files. This would create duplicate reporting resulting in penalty notices.

.05 The record formats of the "T", "A", "B", "C", "K", and "F" records are the same for both electronically or magnetically filed records. See Part D, Record Format Specifications and Record Layouts.

Sec. 2. Advantages of Filing Electronically

Some of the advantages of filing electronically are:
- **(1)** Paperless, no Form 4804 requirements.
- **(2)** Results available within 1–2 workdays regarding the acceptability of the data transmitted. It is the filer's responsibility to dial back in and check results.
- **(3)** Later due date than magnetic media or paper for electronically filed Forms 1098, 1099, and W–2G (refer to Part A, Sec. 9.01).
- **(4)** Allows more attempts than magnetic media filing to replace bad files within a specific time frame before imposing penalties (refer to Part B, Sec. 5.05).
- **(5)** Better customer service due to on-line availability of transmitter's files for research purposes.
- **(6)** Extended period to test electronic files: November 1, 2003 to February 15, 2004.

Sec. 3. Electronic Filing Approval Procedure

.01 Filers must obtain a Transmitter Control Code (TCC) prior to submitting files electronically. Filers who currently have a TCC for magnetic media filing may use their assigned TCC for electronic filing. Refer to Part A, Sec. 6, for information on how to obtain a TCC.

.02 Once a TCC is obtained, electronic filers assign their own logon name, password and PIN (Personal Identification Number) and do not need prior or special approval. See Part B, Sec. 6, for more information on the PIN.

.03 If a filer is submitting files for more than one TCC, it is not necessary to create a separate logon and password for each TCC.

.04 For all passwords, it is the user's responsibility to remember the password and not allow the password to be compromised. Passwords are user assigned at first logon and must be 8 alpha/numerics containing at least 1 uppercase, 1 lowercase, and 1 numeric. However, filers forget their password or PIN, call **toll-free 1–866–455–7438** for assistance. The FIRE System requires users to change their passwords on a yearly basis.

Sec. 4. Test Files

.01 Filers are not required to submit a test file; however, the submission of a test file is encouraged for all new electronic filers to test hardware and software. If filers wish to submit an electronic test file for Tax Year *2003* (returns to be filed in *2004*), it **must** be submitted to IRS/MCC **no earlier than** November 1, 2003, and **no later than** February 15, 2004.

.02 Filers who encounter problems while transmitting the electronic test file can contact IRS/MCC **toll-free at 1–866–455–7438** for assistance.

.03 Filers must verify the status of the transmitted test data by connecting to the FIRE System at **304–262–2400**. This information will be available within 1–2 workdays after the transmission is received by IRS/MCC.

.04 Form 4804 is not required for test files submitted electronically. See Part B, Sec. 6.

.05 A test file is required from filers who want approval for the Combined Federal/State Filing Program. See Part A, Sec. 13, for further details.

Sec. 5. Electronic Submissions

.01 Electronically filed information may be submitted to IRS/MCC 24 hours a day, 7 days a week. Technical assistance will be available Monday through Friday between 8:30 a.m. and 4:30 p.m. Eastern time by calling **toll-free at 1–866–455–7438.**

.02 The FIRE System will be down from December 24, 2003, through January 5, 2004. This allows IRS/MCC to update its system to reflect current year changes.

.03 Data compression is encouraged when submitting information returns electronically. WinZip and PKZip are acceptable compression packages. UNIX COMPRESS may be acceptable; however, a test file is recommended to verify compatibility. IRS/MCC cannot accept self-extracting zip files or compressed files containing multiple files.

The time required to transmit information returns electronically will vary depending on the modem speed and the type of data compression used, if any. **The time required to transmit a file can be reduced by as much as 95 percent by using compression.**

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

Transmission Speed in bps	1000 Records	10,000 Records	100,000 Records
19.2K	**34 Sec.**	**6 Min.**	**60 Min.**
56K	**20 Sec.**	**3^1/$_2$ Min.**	**33 Min.**
128K (ISDN)	**8 Sec.**	**1 Min.**	**10 Min.**

.04 Files submitted electronically will be assigned a unique filename by the FIRE System (the users may name files anything they choose from their end). The filename assigned by the FIRE System will consist of submission type (TEST, ORIG [original], CORR [correction], and REPL [replacement]), the filer's TCC and a four-digit number sequence. The sequence number will be incremented for every file sent. For example, if it is your first original file for the calendar year and your TCC is 44444, the IRS assigned filename would be ORIG.44444.0001. **Record the filename**. This information will be needed by MCC to identify the file, if assistance is required.

.05 If a file was submitted timely and is bad, the filer will have up to 60 days from the day the file was transmitted or 4 replacement attempts within that 60 day period, whichever comes first, to transmit an acceptable file. If an acceptable file is not received within 60 days or within 4 replacement attempts, then the payer could be subject to late filing penalties. This only applies to files originally submitted electronically.

.06 The following definitions have been provided to help distinguish between a correction and a replacement:

- A **correction** is an information return submitted by the transmitter to correct an information return that was previously submitted to and processed by IRS/MCC, but contained erroneous information. **(See Note.)**

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

- A **replacement** is an information return file sent by the filer because FILE STATUS on the FIRE System indicated the original file was bad. After the necessary changes have been made, the file must be transmitted through the FIRE System. (**See Note.)**

☛**Note: Filers should never transmit anything to IRS/MCC as a "Replacement" file unless FILE STATUS on the FIRE System indicates the file is bad.**

.07 The TCC in the Transmitter "T" Record must be the TCC used to transmit the file; otherwise, the file will be considered an error.

.08 *The volume of filers accessing the FIRE System peaks during the last weeks and days of February and March. If you wait to download your files until these peak times, you may receive a busy signal. If you do, please keep trying and make sure you have dialed the correct number, 304–262–2400, and used the proper number to access an outside line (e.g. 8 or 9). Also, some companies require an access code for long distance dialing. Contacting the Customer Service Section will not expedite your access to the FIRE System. We encourage you to prepare and download your files during less busy times in February and March.*

Sec. 6. PIN Requirements

.01 Form 4804 is not required for electronic files. Instead, the user will be prompted to create a PIN consisting of 10 numerics when establishing their initial logon name and password.

.02 The PIN is required each time a file is sent electronically and is permission to release the file. An authorized agent may enter their PIN, however, the payer is responsible for the accuracy of the returns. The payer will be liable for penalties for failure to comply with filing requirements. If you forget your PIN, please call **toll-free 1–866–455–7438** for assistance.

.03 If the file is good, it is released for mainline processing after 10 calendar days from receipt. Contact us **toll-free 1–866–455–7438** within this 10-day period if there is a reason the file should not be released for further processing. If the file is bad, follow normal replacement procedures.

Sec. 7. Electronic Filing Specifications

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

.02 A transmitter must have a TCC (see Part A, Sec. 6) before a file can be transmitted. A TCC assigned for magnetic media filing should also be used for electronic filing.

.03 The results of the electronic transmission will be available in the File Status area of the FIRE System within 1–2 business days. It is the filer's responsibility to dial back to verify the acceptability of files submitted by checking the file status area of the system. Forms 1042–S, 8027 and Questionable W–4 require a longer processing time.

.04 Connect to the FIRE System by dialing **304–262–2400**. This number supports analog connections from 1200bps to 56Kbps or ISDN BRI 128Kbps. The system can be accessed via Dial-up network/web browser (see Part B, Sec. 8) or communications software such as HyperTerminal, Procomm, PCAnywhere or other VT100 emulation products (see Part B, Sec. 9). The Dial-up network/web browser (point-to-point) will provide an Internet-like look, however, it is not the Internet.

Sec. 8. Dial-up Network/Browser Specifications (Web Interface)

.01 Dial-up network settings for Windows 2000 and XP — Disable the LCP extension and Software Compression by going to your Dial-up Networking Properties, Networking and Settings.

.02 When running Norton Internet Security or similar software, you may need to disable this feature if your file transfer does not complete properly.

.03 Before dialing, have your TCC and EIN available.

.04 Due to the large number of communication products available, it is impossible to provide specific information on all software/hardware configurations. However, since most filers use Windows software, the following instructions are based upon Windows 2000. Other versions may vary slightly.

<u>**Web-like Interface**</u>

Select   ***Programs***
         Accessories
         Communications
         Network and Dial-Up Connections

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

        Select ***"Make new connection"***.
        Click ***"Next"***.
        Select **"Dial-Up a private Network"**.
        Click ***"Next"***.
        Enter area code 304 and telephone number 262–2400 and any other special dialing codes you require.

        Click ***"Next"***.
        Type the name you want to use for this connection.
        Click ***"Finish"***.
        Normally, a user name and password is not required at this time unless local procedures call for it, therefore, enter blanks.
        Click **"Properties"**.
        Click **"Networking"**.

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

Click **"Settings"**.
Disable **"LCP extensions"** and **"Software Compression"**.
Click **"OK"**.
Click **"OK"**.
Click **"Dial"**.

When you receive the message that you have connected to our system, launch your Web Browser (*remember, you are not connecting via the Internet — this is a point-to-point connection).*
In the URL Address enter *http://10.225.224.2* and press *ENTER.*

Subsequent Dial-Up Network connections

Click *"Dial".*
If prompted for user name and password, leave blank unless local procedures require otherwise; click *"OK".*
When you receive **"Connection Complete"**, click *"OK".*
Click on your Web Browser *(remember, you are not connecting via the Internet).*
In the URL Address enter *http://10.225.224.2* and press *ENTER.*

First time connection to The FIRE System (If you have logged on previously, skip to Subsequent Connections to the FIRE System.)

Click *"Create New Account".*
Fill out the registration form and click *"Submit".*
Enter your *logon name* (most users logon with their first and last name).
Enter your *password* (the password is user assigned and must be 8 alpha/numerics, containing at least 1 uppercase, 1 lowercase and 1 numeric). FIRE will force you to change the password once a year.
Complete the online survey by choosing one of the options.
Click *"Create".*
If you receive the message **"account created"**, click *"OK".*
Enter your 10 digit self-assigned PIN (Personal Identification Number) and verify.
Click *"Submit".*
If you receive the message **"Your PIN has been successfully created!",** click *"OK".*
Read the bulletin(s) and/or click *"Start the FIRE application".*

Subsequent connections to The FIRE System

Click *"Log On".*
Enter your *logon name* (most users logon with their first and last name).
Enter your *password* (the password is user assigned and is case sensitive).

At Menu Options:

Click *"Information Returns"*
Enter your *TCC:*
Enter your *EIN:*
Click *"Submit".*

The system will then display the company name, address, city, state, ZIP code and phone number. This information will be used to contact or send correspondence (if necessary) regarding this transmission. Update as appropriate and/or Click *"Accept".*

Click one of the following:

Original File
Correction File
Test File

Replacement File (if you select this option, select one of the following):
FIRE Replacement (file was originally transmitted on this system)
Click file to be replaced.

Magnetic Media Replacement File
Enter the alpha character from Form 9267, Media Tracking Slip, that was sent with the request for replacement file.

Click *"Submit"*.
Enter your 10 digit PIN.
Click *"Submit"*.
Enter the *drive/path/filename* of the file you want to upload or click *"Browse"* to locate the file.
Click *"Upload"*.

When the upload is complete, the screen will display the total bytes received and tell you the name of the file you just uploaded.

If you have more files to upload for that TCC:
Click *"File Another?";* otherwise,
Click *"Main Menu".*

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

At the Main Menu:
Click *"File Stats"*.
Enter your *TCC:*
Enter your *EIN:*
Click *"Search"*.

If "Results" indicate:

"Good, Not Released" and you agree with the "Count of Payees", you are finished with this file. The file will automatically be released after 10 calendar days unless you contact us within this timeframe.

"File Released" — File has been released to our mainline processing.

"File Bad" — Correct the errors and timely resubmit the file as a "replacement".

"Not Yet Processed" — File has been received, but we do not have results available yet. Please check back in a few days.

Click on the desired file for a detailed report of your transmission.
When you are finished, click on *Main Menu.*
Click *"Logoff"*.
Close your Web Browser.

IMPORTANT

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

Sec. 9. Communications Software Specifications (Text Interface)

.01 Communications software settings must be:

     –No parity
     –Eight data bits
     –One stop bit

.02 Terminal Emulation must be VT100.

.03 Before dialing, have your TCC and EIN available.

.04 Due to the large number of communication products available, it is impossible to provide specific information on all software/hardware configurations. However, since most filers use Windows software, the following instructions are based on Windows 2000. Other versions may vary slightly.

Text Interface

Select   ***Programs***
             Accessories
             Communications
             HyperTerminal

A box will appear titled ***"New Connection".***
    Enter a name and choose an icon for the connection:
    Country Code: ***United States of America***
    Area Code: ***304***
    Phone Number: ***262–2400***

    Click ***"OK".***
    (If you need to modify the phone number, click modify, remove the "✓" from use country/region code and area code. Enter the area code, phone numbers and/or any special access codes in the phone number box.)

    Click ***"OK".***
    Click ***"Dial".***

A ***"Connect"*** box will appear to show the status.
    Once you have connected to The FIRE System, if you do not get a menu within a few seconds, press the ***ENTER*** key one time.
    Press ***"1"*** to connect to the system.
    Read the information notice and/or press ***ENTER*** to continue.

First Time Logon

When you have connected to the system, enter ***"new"*** to create your logon name and password.
Complete the registration information and enter ***"y"*** to create account.

Logon Name and Password

Logon Name: Enter a logon name. Most users enter their first and last name as the logon name.
Password: Enter a password (the password is user assigned and must be 8 alpha/numerics, containing at least 1 uppercase, 1 lowercase and 1 numeric). FIRE will force you to change the password once a year.

After entering the password and completing the survey, press ***ENTER.***
Enter your 10 digit self-assigned PIN (Personal Identification Number) and verify. Enter ***"y"*** to create the PIN. If successful, you will receive a message that the PIN creation has been completed. Press ***ENTER.***

Read the information notice and/or press ***ENTER.***

Transferring Your Electronic File

From the Main Menu:

Enter *"A"* for Electronic Filing.
Enter *"A"* for Forms 1098, 1099, 5498, W–2G, 1042–S, 8027 and Questionable Forms W–4.
Press the Tab key to advance to TCC box; otherwise, enter *"E"* to exit.
Enter your *TCC:*
Enter your *EIN:*
The system will then display the company name, address, city, state, ZIP code and phone number. This information will be used to contact or send correspondence (if necessary) regarding this transmission. If you need to update, enter *"n"* to correct; otherwise, enter *"y"* to accept.

Select one of the following:

"A" for an Original file
"B" for a Replacement file
"C" for a Correction file
"D" for a Test file

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

"A" Replacement Files For This System
This option is to replace an original/correction file that was submitted electronically on this system, but was bad and needs to be replaced. Select the file needing replaced.
"B" Magnetic Media Replacement Files
Enter the alpha character from Form 9267, Media Tracking Slip, that was sent with the request for replacement file.

Press *ENTER* to continue or *"e"* to exit.

Enter your 10-digit PIN and press *ENTER*

Choose one of the following protocols (HyperTerminal is normally set to Zmodem by default. Do **not** use Zmodem with crash recovery.):

X — Xmodem
Y — Ymodem
Z — Zmodem (Zmodem will normally give you the fastest transfer rate.)

At this point, you must start the upload from your PC.
To send a file:

Go to the HyperTerminal menu bar.
Click on *"Transfer"*.
Click on *"Send File"*. (Be sure the protocol selected matches the protocol selected earlier. If Zmodem was selected, set to Zmodem **not** Zmodem with crash recovery.)

A box will appear titled *"Send File"*.

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

When the upload is complete, the screen will display the total bytes received and the name IRS assigned to your file.

Press *ENTER* to continue.
If you have more files to send for the same TCC/EIN, enter *"y"*; otherwise, enter *"n".*

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

At the Main Menu:

    Enter *"B"* for file status.

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

    Enter your *TCC:*

    Enter your *EIN:*

    Enter *"B"* for the current year file results.

    Tab to the appropriate file and press *ENTER.*

If "Results" indicate:

    "Good, Not Released" and you agree with the "Count of Payees", you are finished with this file. The file will automatically be released after 10 calendar days unless you contact us within this timeframe.

    "File Released" — File has been released to our mainline processing.

    "File Bad" — Correct the errors and timely resubmit the file as a replacement.

    "Not Yet Processed" — File has been received, but we do not have results available yet. Please check back in a few days.

    Select the desired file for a detailed report of your transmission.

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

    Enter *"2"* to hang-up.

Sec. 10. Modem Configuration

.01 Hardware features
 (a) Enable hardware flow control
 (b) Enable modem error control
 (c) Enable modem compression

Sec. 11. Common Problems and Questions Associated with Electronic Filing

.01 Refer to Part A, Sec. 16, for common format errors associated with electronic/magnetic files.
.02 The following are the major errors associated with electronic filing:

<u>**NON-FORMAT ERRORS**</u>

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1. Transmitter does not dial back to the electronic system to determine file acceptability.

The results of your file transfer are posted to the FIRE System within two business days. It is your responsibility to verify file acceptability and, if the file contains errors, you can get an online listing of the errors. Date received and number of payee records are also displayed. If the file is good, but you do not want the file processed, you must contact IRS/MCC within 10 calendar days from the transmission of your file.

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2. Incorrect file is not replaced timely.

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

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3. Transmitter compresses several files into one.

Only compress one file at a time. For example, if you have 10 uncompressed files to send, compress each file separately and send 10 separate compressed files.

---

4. Transmitter sends a file and File Status indicates that the file is good, but the transmitter wants to send a replacement or correction file to replace the original/correction/replacement file.

Once a file has been transmitted, you cannot send a replacement file unless File Status indicates the file is bad (1–2 business days after file was transmitted). If you do not want us to process the file, you must first contact us **toll-free at 1–866–455–7438** to see if this is a possibility.

5. Transmitter sends an original file that is good, then sends a correction file for the entire file even though there are only a few changes.

The correction file, containing the proper coding, should only contain the records needing correction, not the entire file.

6. File is formatted as EBCDIC.

All files submitted electronically must be in standard ASCII code.

7. Transmitter has one TCC number, but is filing for multiple companies, which EIN should be used when logging into the system to send the file?

When sending the file electronically, you will need to enter the EIN of the company assigned to the TCC. When you upload the file, it will contain the EINs for the other companies that you are filing for. This is the information that will be passed forward.

8. Transmitter sent the wrong file, what should be done?

Call us as soon as possible **toll-free at 1–866–455–7438**, **ext. 3**. We may be able to stop the file before it has been processed. **Please do not send a replacement for a file that is marked as a good file.**

<u>**CONNECTING WITH DIAL-UP NETWORKING/WEB BROWSER ERRORS**</u>

1. I am receiving the error message "Remote PPP Peer Not Responding" or receiving a 718 error with Windows 2000 or XP.

Disable **"enable LCP Extensions"** and **"Software Compression"** in Dial-Up Networking. (This is located in Dial-up Networking Properties, Networking, and Settings.)

2. Transmitter is connecting using dial-up networking, but is unable to bring up the URL address using the web browser.

- Proxy server should be disabled for a dial-up connection.
- **"Using a modem"** option should be selected.
- The home page should either display **http://10.225.224.2** or be set to **"about:blank".**
- The security level should be set at medium.
- The option **"enable software compression"** should be disabled under Dial-Up Networking.

3. Transmitter clicks on "Start the FIRE application", but the logon screen is displayed again.

Your browser must be set to receive **"cookies"**.

4. Transmitter is getting a menu when connecting with dial-up networking.

The option **"pop-up a terminal window"** should be disabled.

5. The line is busy when dialed.

The volume of filers accessing the FIRE System peaks during the last weeks and days of February and March. If you wait to download your files until these peak times, you may receive a busy signal. If you do, please keep trying and make sure you have dialed the correct number, 304–262–2400, and used the proper number to access an outside line (e.g. 8 or 9). Also, some companies require an access code for long distance dialing. Contacting the Customer Service Section will not expedite your access to the FIRE System. We encourage you to prepare and download your files during less busy times in February and March.

<u>**CONNECTING WITH HYPERTERMINAL ERRORS**</u>

1. Transmitter is unable to connect using HyperTerminal.

- If you need a number such as an 8 or a 9 to access an outside line, make sure it is present.
- Set the terminal emulation to VT100.
- Try lowering the modem speed.
- Turn the modem off and then back on to reset it.

(Make sure you are using analog lines rather than digital.)

2. Transmitter is getting the message "annex command line interpreter".

Disconnect and try again. You may need to lower the modem speed if this happens several times in a row.

3. When trying to logon, the cursor is not in the correct box, or the menus are distorted.

The terminal emulation must be set to VT100. Also, verify that the data bits are set at 8, the stop bit is set at 1 and parity is set at None.

4. Transmitter was able to connect and the menu is displayed, but is unable to type anything.

Scroll lock cannot be turned on.

5. When transmitter connects, the menus keep scrolling and display garbage characters.

Make sure **"Use error control"** and **"Compress data"** are enabled under the Advanced Connection Settings.

6. Transmitter receives message "bad data packet" when the file is transmitting. What does this mean?

Your modem is having problems sending the data, so it is trying to resend the bad data packet. Normally, if the transfer does not abort, the file will be sent successfully.

PART C. MAGNETIC MEDIA SPECIFICATIONS

.01 Transmitters should be consistent in the use of recording codes and density on files. If the media does not meet these specifications, IRS/MCC will request a replacement file. Filers are encouraged to submit a test prior to submitting the actual file. Contact IRS/MCC **toll-free at 1–866–455–7438** for further information. Transmitters should also check media for viruses before submitting it to IRS/MCC.

Sec. 1. Tape Cartridge Specifications

.01 In most instances, IRS/MCC can process tape cartridges that meet the following specifications:
(a) Must be IBM 3480, 3490, 3490E, 3590, 3590E or AS400 compatible.
(b) Must meet American National Standard Institute (ANSI) standards, and have the following characteristics:
    (1) Tape cartridges will be $1/2$-inch tape contained in plastic cartridges that are approximately 4-inches by 5-inches by 1-inch in dimension.
    (2) Magnetic tape will be chromium dioxide particle based $1/2$-inch tape.
    (3) Cartridges must be 18-track, 36-track, 128-track or 256-track parallel (**See Note**).
    (4) Cartridges will contain 37,871 CPI, 75,742 CPI, or 3590 CPI (characters per inch).
    (5) Mode will be full function.
    (6) The data may be compressed using EDRC (Memorex) or IDRC (IBM) compression.
    (7) Either EBCDIC (Extended Binary Coded Decimal Interchange Code) or ASCII (American Standard Coded Information Interchange) may be used.
.02 The tape cartridge records defined in this Revenue Procedure may be blocked subject to the following:
    (a) A block **must not** exceed 32,250 tape positions.
    (b) If the use of blocked records would result in a short block, all remaining positions of the block must be filled with 9s; however, the last block of the file may be filled with 9s or truncated. **Do not pad a block with blanks.**
    (c) All records, except the header and trailer labels, may be blocked or unblocked. A record may not contain any control fields or block descriptor fields, which describe the length of the block or the logical records within the block. The number of logical records within a block (the blocking factor) must be constant in every block with the exception of the last block, which may be shorter (see item (b) above). The block length must be evenly divisible by 750.
    (d) Records may not span blocks.
.03 Tape cartridges may be labeled or unlabeled.
.04 For the purposes of this Revenue Procedure, the following must be used:
Tape Mark:
    (a) Signifies the physical end of the recording on tape.
    (b) For even parity, use BCD configuration 001111 (8421).
    (c) May follow the header label and precede and/or follow the trailer label.

☛ **Note: Filers should indicate on the external media label whether the cartridge is 18-track, 36-track, 128-track or 256-track.**

Sec. 2. 3^1/$_2$-Inch Diskette Specifications

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

   (a) 3^1/$_2$-inches in diameter.

   (b) Data **must** be recorded in standard ASCII code.

   (c) Records must be a fixed length of 750 bytes per record.

   (d) Delimiter character commas (,) must not be used.

   (e) Positions 749 and 750 of each record have been reserved for use as carriage return/line feed (cr/lf) characters, if applicable.

   (f) Filename of IRSTAX must be used. Do not enter any other data in this field. If a file will consist of more than one diskette, the filename IRSTAX will contain a three-digit extension. This extension will indicate the sequence of the diskettes within the file. For example, if the file consists of three diskettes, the first diskette will be named IRSTAX.001, the second will be IRSTAX.002, and the third will be IRSTAX.003. The first diskette, IRSTAX.001 will begin with a "T" Record and the third diskette, IRSTAX.003 will have an "F" Record at the end of the file.

   (g) A diskette can not contain multiple files. A file can have only **ONE** Transmitter "T" Record.

   (h) Failure to comply with instructions will result in IRS/MCC requesting a replacement file.

   (i) Diskettes must meet one of the following specifications:

Capacity	Tracks	Sides/Density	Sector Size
1.44 mb	96tpi	hd	512
1.44 mb	135tpi	hd	512

.02 IRS/MCC encourages transmitters to use blank or currently formatted diskettes when preparing files. If extraneous data follows the End of Transmission "F" Record, IRS/MCC will request a replacement file.

.03 IRS/MCC will **only** accept 3^1/$_2$-inch diskettes created using MS-DOS.

.04 3^1/$_2$-inch diskettes created on a System 36 or iSeries(AS400) are <u>not</u> acceptable.

PART D. RECORD FORMAT SPECIFICATIONS AND RECORD LAYOUTS

Sec. 1. General

.01 The specifications contained in this part of the Revenue Procedure define the required formation and contents of the records to be included in the electronic or magnetic media files.

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

Sec. 2. Transmitter "T" Record — General Field Descriptions

.01 The Transmitter "T" Record identifies the entity transmitting the electronic/magnetic media file and contains information which is critical if it is necessary for IRS/MCC to contact the filer.

.02 The Transmitter "T" Record is the first record on each file and is followed by a Payer "A" Record. A file format diagram is located at the end of Part D. A replacement file will be requested by IRS/MCC if the "T" Record is not present. For transmitters with multiple diskettes, refer to Part C, Sec. 2, 3^1/$_2$-Inch Diskette Specifications.

.03 For all fields marked **"Required"**, the transmitter must provide the information described under Description and Remarks. For those fields not marked **"Required"**, a transmitter must allow for the field, but may be instructed to enter blanks or zeros in the indicated field positions and for the indicated length.

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

.05 All alpha characters entered in the "T" Record must be upper-case, except email addresses which may be case sensitive. **Do not** use punctuation in the name and address fields.

	Record Name: Transmitter "T" Record		
Field Position	**Field Title**	**Length**	**Description and Remarks**
1	Record Type	1	**Required.** Enter "T."
2–5	Payment Year	4	**Required.** Enter "*2003*" (unless reporting prior year data; report the year which applies [2001, 2002 etc.] and set the Prior Year Data Indicator in field position 6).
6	Prior Year Data Indicator	1	**Required.** Enter "P" **only** if reporting prior year data; otherwise, enter blank. Do not enter a "P" if tax year is *2003*. (See Note.)

☛ **Note: Current year data mailed December 2 or later must be coded with a "P". Current year processing ends in December and programs are converted for the next processing year.**

7–15	Transmitter's TIN	9	**Required.** Enter the transmitter's nine-digit Taxpayer Identification Number (TIN). May be an EIN, SSN or ITIN.
16–20	Transmitter Control Code	5	**Required.** Enter the five-character alpha/numeric Transmitter Control Code (TCC) assigned by IRS/MCC. A TCC must be obtained to file data with this program.
21–22	Replacement Alpha Character	2	**Required for replacement files only.** Enter the alpha/numeric character which appears immediately following the TCC number on the Media Tracking Slip (Form 9267). Form 9267 accompanies correspondence sent by IRS/MCC when files can not be processed. This field must be blank unless a replacement file has been requested. If the file is being replaced magnetically, information is required in this field. If the file was originally sent magnetically, but the replacement is being sent electronically, the information is required in this field. Otherwise, leave blank for electronic files. Left-justify information and fill unused positions with blanks. **If this is not a replacement file, enter blanks.**
23–27	Blank	5	Enter blanks.
28	Test File Indicator	1	**Required for test files only.** Enter a "T" if this is a test file; otherwise, enter a blank.
29	Foreign Entity Indicator	1	Enter a "1" (one) if the transmitter is a foreign entity. If the transmitter is not a foreign entity, enter a blank.
30–69	Transmitter Name	40	**Required.** Enter the name of the transmitter in the manner in which it is used in normal business. Left-justify and fill unused positions with blanks.
70–109	Transmitter Name (Continuation)	40	**Required.** Enter any additional information that may be part of the name. Left-justify information and fill unused positions with blanks.
110–149	Company Name	40	**Required.** Enter the name of the company to be associated with the address where correspondence should be sent.
150–189	Company Name (Continuation)	40	Enter any additional information that may be part of the name of the company where correspondence should be sent.
190–229	Company Mailing Address	40	**Required.** Enter the mailing address where correspondence should be sent.

☛ **Note: Any correspondence relating to problem media or electronic files will be sent to this address. This should be the same address as in box 5 of Form 4804.**

For U.S. addresses, the payer city, state, and ZIP Code must be reported as a 40, 2, and 9-position field, respectively. **Filers must adhere to the correct format for the payer city, state, and ZIP Code.**

For foreign addresses, filers may use the payer city, state, and ZIP Code as a continuous 51-position field. Enter information in the following order: city, province or state, postal code, and the name of the country. When reporting a foreign address, the Foreign Entity Indicator in position 29 must contain a "1" (one).

Field Position	Field Title	Length	Description and Remarks
			Record Name: Transmitter "T" Record (Continued)
230–269	Company City	40	**Required.** Enter the city, town, or post office where correspondence should be sent.
270–271	Company State	2	**Required.** Enter the valid U.S. Postal Service state abbreviation. Refer to the chart for valid state codes in Part A, Sec. 15.
272–280	Company ZIP Code	9	**Required.** Enter the valid nine-digit ZIP assigned by the U. S. Postal Service. If only the first five digits are known, left-justify information and fill unused positions with blanks.
281–295	Blank	15	Enter blanks.
296–303	Total Number of Payees	8	Enter the total number of Payee "B" Records reported in the file. Right-justify information and fill unused positions with zeros.
304–343	Contact Name	40	**Required.** Enter the name of the person to be contacted if IRS/MCC encounters problems with the file or transmission.
344–358	Contact Phone Number & Extension	15	**Required.** Enter the telephone number of the person to contact regarding electronic or magnetic files. Omit hyphens. If no extension is available, left-justify information and fill unused positions with blanks. For example, the IRS/MCC Customer Service Section phone number of **866–455–7438** with an extension of **52345** would be **866455743852345**.
359–393	Contact Email Address	35	**Required if available.** Enter the email address of the person to contact regarding electronic or magnetic files. Left-justify information. If no email address is available, enter blanks.
394–395	Cartridge Tape File Indicator	2	**Required for tape cartridge filers only.** Enter the letters "LS" (in uppercase only). Use of this field by filers using other types of media will be acceptable but is not required.
396–410	Electronic File Name For a Replacement File	15	**Required.** Use for an electronic file which "FILE STATUS" has indicated was rejected. Enter the ORIGINAL or CORRECTION electronic file name assigned by the IRS electronic FIRE System. If you are sending an original, correction, or test file, enter blanks.
			EXAMPLE: If you have sent an original file, the TCC is 44444 and it is your first original file, then the filename would be ORIG.44444.0001
411–416	Transmitter's Media Number	6	For magnetic media filers only. If your organization uses an in-house numbering system to identify media, enter that number; otherwise, enter blanks.
417–499	Blank	83	Enter blanks.
500–507	Record Sequence Number	8	**Required.** Enter the number of the record as it appears within your file. The record sequence number for the "T" record will always be "1" (one), since it is the first record on your file and you can have only one "T" record in a file. Each record, thereafter, must be incremented by one in ascending numerical sequence, *i.e.*, 2, 3, 4, etc. Right-justify numbers with leading zeroes in the field. For example, the "T" record sequence number would appear as "00000001" in the field, the first "A" record would be "00000002", the first "B" record, "00000003", the second "B" record, "00000004" and so on until you reach the final record of the file, the "F" record.
508–517	Blank	10	Enter blanks.

Field Position	Field Title	Length	Description and Remarks
518	Vendor Indicator	1	**Required.** Enter the appropriate code from the table below to indicate if your software was provided by a vendor or produced in-house.

Indicator	Usage
V	Your software was purchased from a vendor or other source.
I	Your software was produced by in-house programmers.

☛ **Note: In-house programmer is defined as an employee or a hired contract programmer. If your software is produced in-house, the following Vendor information fields are not required.**

Field Position	Field Title	Length	Description and Remarks
519–558	Vendor Name	40	**Required.** Enter the name of the company from whom you purchased your software.
559–598	Vendor Mailing Address	40	**Required.** Enter the mailing address.

For U.S. addresses, the payer city, state, and ZIP Code must be reported as a 40, 2, and 9-position field, respectively. **Filers must adhere to the correct format for the payer city, state, and ZIP Code.**
For foreign addresses, filers may use the payer city, state, and ZIP Code as a continuous 51-position field. Enter information in the following order: city, province or state, postal code, and the name of the country.

Field Position	Field Title	Length	Description and Remarks
599–638	Vendor City	40	**Required.** Enter the city, town, or post office.
639–640	Vendor State	2	**Required.** Enter the valid U.S. Postal Service state abbreviation. Refer to the chart of valid state codes in Part A, Sec. 15.
641–649	Vendor ZIP Code	9	**Required.** Enter the valid nine-digit ZIP Code assigned by the U.S. Postal Service. If only the first five digits are known, left-justify information and fill unused positions with blanks.
650–689	Vendor Contact Name	40	**Required.** Enter the name of the person who can be contacted concerning any software questions.
690–704	Vendor Contact Phone Number & Extension	15	**Required.** Enter the telephone number of the person to contact concerning software questions. Omit hyphens. If no extension is available, left-justify information and fill unused positions with blanks.
705–739	Vendor Contact Email Address	35	**Required.** Enter the email address of the person to contact concerning software questions. Left-justify information and fill unused positions with blanks.
740	*Vendor Foreign Entity Indicator*	*1*	*Enter a "1" (one) if the vendor is a foreign entity. Otherwise, enter a blank.*
741–748	Blank	8	Enter blanks.
749–750	Blank	2	Enter blanks, or carriage return/line feed characters (CR/LF).

Sec. 3. Transmitter "T" Record — Record Layout

Record Type	Payment Year	Prior Year Data Indicator	Transmitter's TIN	Transmitter Control Code	Replacement Alpha Character	Blank
1	2–5	6	7–15	16–20	21–22	23–27

Test File Indicator	Foreign Entity Indicator	Transmitter Name	Transmitter Name (Continuation)	Company Name	Company Name (Continuation)
28	29	30–69	70–109	110–149	150–189

Company Mailing Address	Company City	Company State	Company ZIP Code	Blank	Total Number of Payees	Contact Name
190–229	230–269	270–271	272–280	281–295	296–303	304–343

Contact Phone Number & Extension	Contact Email Address	Cartridge Tape File Indicator	Electronic File Name For a Replacement File	Transmitter's Media Number	Blank	Record Sequence Number
344–358	359–393	394–395	396–410	411–416	417–499	500–507

Blank	Vendor Indicator	Vendor Name	Vendor Mailing Address	Vendor City	Vendor State
508–517	518	519–558	559–598	599–638	639–640

Vendor ZIP Code	Vendor Contact Name	Vendor Contact Phone Number & Extension	Vendor Contact Email Address	*Vendor Foreign Entity Indicator*	Blank	Blank or CR/LF
641–649	650–689	690–704	705–739	*740*	741–748	749–750

Sec. 4. Payer "A" Record — General Field Descriptions

.01 The Payer "A" Record identifies the person making payments, a recipient of mortgage or student loan interest payments, an educational institution, a broker, a person reporting a real estate transaction, a barter exchange, a creditor, a trustee or issuer of any IRA or MSA plan, and a lender who acquires an interest in secured property or who has a reason to know that the property has been abandoned. The payer will be held responsible for the completeness, accuracy, and timely submission of electronic/magnetic files.

.02 The second record on the file must be an "A" Record. A transmitter may include Payee "B" records for more than one payer in a file. However, **each group** of "B" records must be preceded by an "A" Record and followed by an End of Payer "C" Record. A single file may contain different types of returns but the types of returns **must not** be intermingled. A separate "A" Record is required for each payer and each type of return being reported.

.03 The number of "A" Records depends on the number of payers and the different types of returns being reported. Do not submit separate "A" Records for each payment amount being reported. For example, if a payer is filing Form 1099–DIV to report Amount Codes 1, 2, and 3, all three amount codes should be reported under one "A" Record, not three separate "A" Records.

.04 The maximum number of "A" Records allowed on a file is 90,000.

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

.06 All alpha characters entered in the "A" Record must be upper case.

.07 For all fields marked **"Required"**, the transmitter must provide the information described under Description and Remarks. For those fields not marked **"Required"**, a transmitter must allow for the field, but may be instructed to enter blanks or zeros in the indicated media position(s) and for the indicated length.

	Record Name: Payer "A" Record		
Field Position	**Field Title**	**Length**	**Description and Remarks**
1	Record Type	1	**Required.** Enter an "A."
2–5	Payment Year	4	**Required.** Enter "*2003*" (unless reporting prior year data; report the year which applies [2001, 2002, etc.]).
6–11	Blank	6	Enter blanks.
12–20	Payer's Taxpayer Identification Number (TIN)	9	**Required.** Must be the valid nine-digit Taxpayer Identification Number assigned to the payer. **Do not enter blanks, hyphens, or alpha characters.** All zeros, ones, twos, etc., will have the effect of an incorrect TIN.

☛ **Note: For foreign entities that are not required to have a TIN, this field must be blank. However, the Foreign Entity Indicator, position 52 of the "A" Record, must be set to "1"(one).**

21–24	Payer Name Control	4	The Payer Name Control can be obtained only from the mail label on the Package 1099 that is mailed to most payers each December. Package 1099 contains Form 7018 C, Order Blank for Forms, and the mail label on the package contains a four (4) character name control. If a Package 1099 has not been received, you can determine you name control using the following simple rules or you can leave the field blank. For a business, use the first four significant characters of the business name. Disregard the word "the" when it is the first word of the name, unless there are only two words in the name. A dash (-) and an ampersand (&) are the only acceptable special characters. Names of less than four (4) characters should be left-justified, filling the unused positions with blanks.
25	Last Filing Indicator	1	Enter a "1" (one) if this is the **last year** this payer name and TIN will file information returns electronically, magnetically or on paper; otherwise, enter blank.
26	Combined Federal/State Filer	1	**Required for the Combined Federal/State Filing Program.** Enter "1" (one) if approved to participate in the Combined Federal/State Filing Program; otherwise, enter blank.

☛ **Note: If you entered one in this field position, be sure to code the Payee "B" Records with the appropriate state code. Refer to Part A, Sec. 13, for further information.**

27	Type of Return	1	**Required.** Enter the appropriate code from the table below:

Type of Return	Code
1098	3
1098–E	2
1098–T	8
1099–A	4
1099–B	B
1099–C	5
1099–CAP	*P*
1099–DIV	1
1099–G	F
1099–H	*J*
1099–INT	6
1099–LTC	T
1099–MISC	A
1099–MSA	M
1099–OID	D
1099–PATR	7
1099–Q	Q
1099–R	9
1099–S	S

Field Position	Field Title	Length	Description and Remarks
			5498 L *5498–ESA* *V* 5498–MSA K W–2G W
28–41	Amount Codes **(See Note.)**	14	**Required.** Enter the appropriate amount codes for the type of return being reported. In most cases, the box numbers on paper information returns correspond with the amount codes used to file electronically or magnetically. However, if discrepancies occur, this Revenue Procedure governs. Enter the amount codes in ascending sequence, left-justify, and fill unused positions with blanks.

☛ **Note: A type of return and an amount code must be present in every Payer "A" Record even if no money amounts are being reported. For a detailed explanation of the information to be reported in each amount code, refer to the appropriate paper instructions for each form.**

Amount Codes **Form 1098** — Mortgage Interest Statement

For Reporting Mortgage Interest Received From Payers/Borrowers (Payer of Record) on Form 1098:

Amount Code	Amount Type
1	Mortgage interest received from payer(s)/borrower(s)
2	Points paid on purchase of principal residence
3	Refund (or credit) of overpaid interest
4	Blank (Filer's use)

Amount Codes **Form 1098–E** — Student Loan Interest

For Reporting Interest on Student Loans on Form 1098–E:

Amount Code	Amount Type
1	Student loan interest received by lender

Amount Codes **Form 1098–T** — Tuition Payments Statement

For Reporting Tuition Payments on Form 1098–T:

See the *2003 Instructions for Form 1098–E and T* for further information

Amount Code	Amount Type
1	Payments received for qualified tuition and related expenses
2	*Amounts billed for qualified tuition and related expenses*
3	*Adjustments made for prior year*
4	*Scholarships or grants*
5	*Adjustments to scholarships or grants for a prior year*
7	*Reimbursements or refunds of qualified tuition and related expenses from an insurance contract*

Amount Codes **Form 1099–A** — Acquisition or Abandonment of Secured Property

For Reporting the Acquisition or Abandonment of Secured Property on Form 1099–A:

See the *2003 Instructions for Forms 1099–A and 1099–C* for further information on coordination with Form 1099–C

Amount Code	Amount Type
2	Balance of principal outstanding
4	Fair market value of property

Record Name: Payer "A" Record (Continued)			
Field Position	**Field Title**	**Length**	**Description and Remarks**

Amount Codes **Form 1099–B** — Proceeds From Broker and Barter Exchange Transactions

For Reporting Payments on Form 1099–B:

Amount Code	Amount Type
2	Stocks, bonds, etc. (For forward contracts, **See Note 1.**)
3	Bartering (Do not report negative amounts.)
4	Federal income tax withheld (backup withholding) (Do not report negative amounts.)
6	Profit (or loss) realized in *2003*
7	Unrealized profit (or loss) on open contracts — *12/31/2003* **(See Note 2.)**
8	Unrealized profit (or loss) on open contracts — *12/31/2003* **(See Note 2.)**
9	Aggregate profit (or loss) **(See Note.)**
A	*Post — 05/05/2003 Profit of (loss) realized*
B	*Post — 05/05/2003 Aggregate profit or (loss)*

☛ **Note 1: The payment amount field associated with Amount Code 2 may be used to report a loss from a closing transaction on a forward contract. Refer to the "B" Record — General Field Descriptions and Record Layouts, Payment Amount Fields, for instructions on reporting negative amounts.**

☛ **Note 2: Payment Amount Fields 6, 7, 8, and 9 are to be used for the reporting of regulated futures or foreign currency contracts.**

Amount Codes **Form 1099–C** — Cancellation of Debt

For Reporting Payments on Form 1099–C:

Amount Code	Amount Type
2	Amount of debt canceled
3	Interest, if included in Amount Code 2
7	Fair market value of property (**See Note.)**

☛ **Note: Use Amount Code 7 only if a combined Form 1099–A and 1099–C is being filed.**

*Amount Codes **Form 1099–CAP** — Changes in Corporate Control and Capital Structure*

For Reporting Payments on Form 1099–CAP:

Amount Code	Amount Type
3	*Cash received*
4	*Federal income tax withheld*
8	*Fair market value of stock received*
9	*Fair market value of other property received*

Amount Codes **Form 1099–DIV** — Dividends and Distributions

See the *2003 Instructions for Form 1099–DIV* for further information

For Reporting Payments on Form 1099–DIV:

Amount Code	Amount Type
1	*Total ordinary dividends*
2	*Qualified dividends*
3	*Total capital gain distributions*
4	*Post — May 5 capital gain distributions*
5	*Qualified 5-year gain*
6	*Unrecaptured Section 1250 gain*

Field Position	Field Title	Length	Description and Remarks		
			7		*Section 1202 gain*
			8		*Collectibles (28%) gain*
			9		*Nontaxable distributions*
			A		*Federal income tax withheld*
			B		*Investment expenses*
			C		*Foreign tax paid*
			D		*Cash liquidation distribution*
			E		*Non-cash liquidation distribution*

Amount Codes **Form 1099–G** — Certain Government Payments

For Reporting Payments on Form 1099–G:

Amount Code	Amount Type
1	Unemployment compensation
2	State or local income tax refunds, credits, or offsets
4	Federal income tax withheld (backup withholding or voluntary withholding on unemployment compensation or Commodity Credit Corporation Loans, or certain crop disaster payments)
6	Taxable grants
7	Agriculture payments

*Amount Codes **Form 1099–H** — Health Insurance Advance Payments*

For Reporting Payments on Form 1099–H:

Amount Code	Amount Type
1	*Gross amount of health insurance advance payments*
2	*Amount of advance payment for January*
3	*Amount of advance payment for February*
4	*Amount of advance payment for March*
5	*Amount of advance payment for April*
6	*Amount of advance payment for May*
7	*Amount of advance payment for June*
8	*Amount of advance payment for July*
9	*Amount of advance payment for August*
A	*Amount of advance payment for September*
B	*Amount of advance payment for October*
C	*Amount of advance payment for November*
D	*Amount of advance payment for December*

Amount Codes **Form 1099–INT** — Interest Income

For Reporting Payments on Form 1099–INT:

Amount Code	Amount Type
1	Interest income not included in Amount Code 3
2	Early withdrawal penalty
3	Interest on U.S. Savings Bonds and Treasury obligations
4	Federal income tax withheld (backup withholding)
5	Investment expenses
6	Foreign tax paid

Field Position	Field Title	Length	Description and Remarks
Amount Codes **Form 1099–LTC**— Long-Term Care and Accelerated Death Benefits			For Reporting Payments on Form 1099–LTC:

Amount Code / **Amount Type**

Amount Code	Amount Type
1	Gross long-term care benefits paid
2	Accelerated death benefits paid

Amount Codes **Form 1099–MISC** — Miscellaneous Income (**See Note 1.**)

For Reporting Payments on Form 1099–MISC:

Amount Code	Amount Type
1	Rents
2	Royalties (**See Note 2.**)
3	Other income
4	Federal income tax withheld (backup withholding or withholding on Indian gaming profits)
5	Fishing boat proceeds
6	Medical and health care payments
7	Nonemployee compensation
8	Substitute payments in lieu of dividends or interest
A	Crop insurance proceeds
B	Excess golden parachute payments
C	Gross proceeds paid to an attorney in connection with legal services

☛ **Note 1: When using the Direct Sales Indicator in position 547 of the Payee "B" Record, use Type of Return Code A and Amount Code 1 in the Payer "A" Record. All payment amount fields in the Payee "B" Record will contain zeros.**

☛ **Note 2: Do not report timber royalties under a "pay-as-cut" contract; these must be reported on Form 1099–S.**

Amount Codes **Form 1099–MSA** — Distributions From an Archer MSA or Medicare+Choice MSA

For Reporting Distributions from an Archer Medical Savings Account or Medicare+Choice MSA on Form 1099–MSA:

Amount Code	Amount Type
1	Gross distribution
2	Earnings on excess contributions
4	Fair market value of the account on date of death

Amount Codes **Form 1099–OID** — Original Issue Discount

See the *2003 Instructions for Forms 1099–INT and 1099–OID* for further reporting information

For Reporting Payments on Form 1099–OID:

Amount Code	Amount Type
1	Original issue discount for *2003*
2	Other periodic interest
3	Early withdrawal penalty
4	Federal income tax withheld (backup withholding)
6	Original issue discount on U.S. Treasury Obligations
7	Investment expenses

Field Position	Field Title	Length	Description and Remarks
	Amount Codes **Form 1099–PATR** — Taxable Distributions Received From Cooperatives		For Reporting Payments on Form 1099–PATR:

Amount Code	**Amount Type**
1	Patronage dividends
2	Nonpatronage distributions
3	Per-unit retain allocations
4	Federal income tax withheld (backup withholding)
5	Redemption of nonqualified notices and retain allocations

Pass-Through Credits

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

Amount Codes **Form 1099–Q** — Qualified Tuition Program Payments (Under Sections 529 and 530)

For Reporting Distributions or Earnings from Qualified Tuition Plan on a Form 1099–Q:

Amount Code	**Amount Type**
1	Gross distribution
2	Earnings
3	Basis

Amount Codes **Form 1099–R** — Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.

For Reporting Payments on Form 1099–R:

Amount Code	**Amount Type**
1	Gross distribution
2	Taxable amount **(See Note 1.)**
3	Capital gain (included in Amount Code 2)
4	Federal income tax withheld
5	Employee contributions or insurance premiums
6	Net unrealized appreciation in employer's securities
8	Other
9	Total employee contributions
A	Traditional IRA/SEP/SIMPLE distribution or Roth conversion **(See Note 2.)**

☛ **Note 1: If the taxable amount cannot be determined, enter a "1" (one) in position 547 of the "B" Record. Payment Amount 2 must contain zeroes.**

☛ **Note 2: For Form 1099–R, report the Roth conversion or total amount distributed from an IRA, SEP, or SIMPLE in Payment Amount Field A (IRA/SEP/SIMPLE distribution or Roth conversion) of the Payee "B" Record, and generally, the same amount in Payment Amount Field 1 (Gross Distribution). The IRA/SEP/SIMPLE indicator should be set to "1" (one) in Field Position 548 of the Payee "B" Record.**

Field Position	Field Title	Length	Description and Remarks

Amount Codes **Form 1099–S** — Proceeds From Real Estate Transactions

For Reporting Payments on Form 1099–S:

Amount Code	Amount Type
2	Gross proceeds **(See Note.)**
5	Buyer's part of real estate tax

☛ **Note: Include payments of timber royalties made under a "pay-as-cut" contract, reportable under IRC Section 6050N. If timber royalties are being reported, enter "TIMBER" in the description field of the "B" Record.**

Amount Codes **Form 5498** — *IRA Contribution Information*

For Reporting Information on Form 5498:

Amount Code	Amount Type
1	IRA contributions (other than amounts in Amount Codes 2, 3, 4, 8, 9, and A) **(See Notes 1 and 2.)**
2	Rollover contributions
3	Roth conversion amount
4	Recharacterized contributions
5	Fair market value of account
6	Life insurance cost included in Amount Code 1
8	SEP contributions
9	SIMPLE contributions
A	Roth IRA contributions

☛ **Note 1: If reporting IRA contributions for a participant in a military operation, see *2003 Instructions for Forms 1099–R and 5498*.**

☛ **Note 2: Also include employee contributions to an IRA under a SEP plan but not salary reduction contributions. DO NOT include EMPLOYER contributions; these are included in *Amount Code 8*.**

Amount Codes **Form 5498–ESA** — *Coverdell ESA Contribution Information*

For Reporting Information on Form 5498–ESA:

Amount Code	Amount Type
1	*Coverdell ESA contributions*
2	*Rollover contributions*

Amount Codes **Form 5498–MSA** — Archer MSA or Medicare+Choice MSA Information

For Reporting Information on 5498–MSA:

Amount Code	Amount Type
1	Employee or self-employed person's MSA contributions made in *2003* and *2004* for *2003*
2	Total contributions made in *2003 (See current 2003 Instructions.)*
3	Total MSA contributions made in *2004* for *2003*
4	Rollover contributions **(See Note.)**
5	Fair market value of Archer MSA or M+C MSA *account on December 31, 2003*

☛ **Note: This is the amount of any rollover made to this MSA in *2003* after a distribution from another MSA. For detailed information on reporting, see the *2003 Instructions for Forms 1099–MSA and 5498–MSA*.**

Field Position	Field Title	Length	Description and Remarks
			Record Name: Payer "A" Record (Continued)

Field Position	Field Title	Length	Description and Remarks
Amount Codes **Form W–2G** — Certain Gambling Winnings			For Reporting Payments on Form W–2G:

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

Field Position	Field Title	Length	Description and Remarks
42–47	Blank	6	Enter blanks.
48	Original File Indicator	1	**Required for original files only.** Enter "1" (one) if the information is original data. Otherwise, enter a blank.
49	Replacement File Indicator	1	**Required for replacement files only**. Enter "1" (one) if this file is to replace a file that IRS/MCC has informed you in writing can not be processed or the FIRE System indicated a FILE STATUS of bad. Otherwise, enter a blank.

☛ **Note: If selecting the Replacement File Indicator in Position 49, Field Positions 48 and 50 must be blank. Only one indicator may be selected in positions 48, 49, and 50 for each Payer "A" Record.**

Field Position	Field Title	Length	Description and Remarks
50	Correction File Indicator	1	**Required for correction files only** Enter "1" (one) if this file is to correct information which was previously submitted to IRS/MCC, was processed, but contained erroneous information. Any information return which was inadvertently omitted from a file must be submitted as original. Otherwise, enter a blank.
51	Blank	1	Enter a blank.
52	Foreign Entity Indicator	1	Enter a "1" (one) if the payer is a foreign entity and income is paid by the foreign entity to a U. S. resident. Otherwise, enter a blank.
53–92	First Payer Name Line	40	**Required.** Enter the name of the payer whose TIN appears in positions 12–20 of the "A" Record. Any extraneous information must be deleted. Left-justify information, and fill unused positions with blanks. (Filers should not enter a transfer agent's name in this field. Any transfer agent's name should appear in the Second Payer Name Line Field.)
93–132	Second Payer Name Line	40	If the Transfer (or Paying) Agent Indicator (position 133) contains a "1" (one), this field must contain the name of the transfer (or paying) agent. If the indicator contains a "0" (zero), this field may contain either a continuation of the First Payer Name Line or blanks. Left-justify information and fill unused positions with blanks.
133	Transfer Agent Indicator	1	**Required.** Identifies the entity in the Second Payer Name Line Field.

Code	Meaning
1	The entity in the Second Payer Name Line Field is the transfer (or paying) agent.
0 (zero)	The entity shown is **not** the transfer (or paying) agent (*i.e.*, the Second Payer Name Line Field contains either a continuation of the First Payer Name Line Field or blanks).

Field Position	Field Title	Length	Description and Remarks
134–173	Payer Shipping Address	40	**Required.** If the Transfer Agent Indicator in position 133 is a "1" (one), enter the shipping address of the transfer (or paying) agent. Otherwise, enter the **actual** shipping address of the payer. The street address should include number, street, apartment or suite number, or PO Box if mail is not delivered to street address. Left-justify information, and fill unused positions with blanks.

Field Position	Field Title	Length	Description and Remarks

For U.S. addresses, the payer city, state, and ZIP Code must be reported as a 40, 2, and 9-position field, respectively. Filers must adhere to the correct format for the payer city, state, and ZIP Code.

For foreign addresses, filers may use the payer city, state, and ZIP Code as a continuous 51-position field. Enter information in the following order: city, province or state, postal code, and the name of the country. When reporting a foreign address, the Foreign Entity Indicator in position 52 must contain a "1" (one).

Field Position	Field Title	Length	Description and Remarks
174–213	Payer City	40	**Required.** If the Transfer Agent Indicator in position 133 is a "1" (one), enter the city, town, or post office of the transfer agent. Otherwise, enter the city, town, or post office of the payer. Left-justify information, and fill unused positions with blanks. Do not enter state and ZIP Code information in this field.
214–215	Payer State	2	**Required.** Enter the valid U.S. Postal Service state abbreviations. Refer to the chart of valid state abbreviations in Part A, Sec. 15.
216–224	Payer ZIP Code	9	**Required.** Enter the valid nine-digit ZIP Code assigned by the U.S. Postal Service. If only the first five-digits are known, left-justify information and fill the unused positions with blanks. For foreign countries, alpha characters are acceptable as long as the filer has entered a "1" (one) in the Foreign Entity Indicator, located in Field Position 52 of the "A" Record.
225–239	Payer Number & Extension	15	Enter the payer's phone number and extension. Omit hyphens. Left-justify information and fill unused positions with blanks.
240–499	Blank	260	Enter blanks.
500–507	Record Sequence Number	8	**Required.** Enter the number of the record as it appears within your file. The record sequence number for the "T" record will always be "1" (one), since it is the first record on your file and you can have only one "T" record in a file. Each record, thereafter, must be incremented by one in ascending numerical sequence, *i.e.,* 2, 3, 4, etc. Right-justify numbers with leading zeroes in the field. For example, the "T" record sequence number would appear as "00000001" in the field, the first "A" record would be "00000002", the first "B" record, "00000003", the second "B" record, "00000004" and so on until you reach the final record of the file, the "F" record.
508–748	Blank	241	Enter blanks.
749–750	Blank	2	Enter blanks or carriage return/line feed (CR/LF) characters.

Sec. 5. Payer "A" Record — Record Layout

Record Type	Payment Year	Blank	Payer TIN	Payer Name Control	Last Filing Indicator
1	2–5	6–11	12–20	21–24	25

Combined Federal/State Filer	Type of Return	Amount Codes	Blank	Original File Indicator	Replacement File Indicator	Correction File Indicator
26	27	28–41	42–47	48	49	50

Blank	Foreign Entity Indicator	First Payer Name Line	Second Payer Name Line	Transfer Agent Indicator	Payer Shipping Address
51	52	53–92	93–132	133	134–173

Payer City	Payer State	Payer ZIP Code	Payer Phone Number and Extension	Blank	Record Sequence Number	Blank	Blank or CR/LF
174–213	214–215	216–224	225–239	240–499	500–507	508–748	749–750

Sec. 6. Payee "B" Record — General Field Descriptions and Record Layouts

.01 The "B" Record contains the payment information from the information returns. The record layout for field positions 1 through 543 is the same for all types of returns. Field positions 544 through 750 vary for each type of return to accommodate special fields for individual forms. In the "B" Record, the filer **must** allow for all *fourteen* Payment Amount Fields. **For those fields not used, enter "0s" (zeros).**

.02 The following specifications include a field in the payee records called "Name Control" in which the first four characters of the payee's surname are to be entered by the filer;

    (a) If filers are unable to determine the first four characters of the surname, the Name Control Field may be left blank. Compliance with the following will facilitate IRS computer programs in identifying the correct name control:

        1. The surname of the payee whose TIN is shown in the "B" Record should always appear first. If, however, the records have been developed using the first name first, the filer must leave a blank space between the first and last names.

        2. In the case of multiple payees, only the surname of the payee whose TIN (SSN, EIN, ITIN, or ATIN) is shown in the "B" Record must be present in the First Payee Name Line. Surnames of any other payees may be entered in the Second Payee Name Line.

.03 For all fields marked **"Required"** , the transmitter must provide the information described under "Description and Remarks". For those fields not marked **"Required"** , the transmitter must allow for the field, but may be instructed to enter blanks or zeros in the indicated field position(s) and for the indicated length.

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

.05 A field is also provided in these specifications for Special Data Entries. This field may be used to record information required by state or local governments, or for the personal use of the filer. IRS does not use the data provided in the Special Data Entries Field; therefore, the IRS program does not check the content or format of the data entered in this field. It is the filer's option to use the Special Data Entry Field.

.06 Following the Special Data Entries Field in the "B" Record, payment fields have been allocated for State Income Tax Withheld and Local Income Tax Withheld. These fields are for the convenience of the filers. The information will not be used by IRS/MCC.

.07 Those payers participating in the Combined Federal/State Filing Program must adhere to all of the specifications in Part A, Sec. 13, to participate in this program.

.08 All alpha characters in the "B" Record must be uppercase.

.09 **Do not** use decimal points (.) to indicate dollars and cents. Payment Amount Fields must be all numerics.

Record Name: Payee "B" Record			
Field Position	**Field Title**	**Length**	**Description and Remarks**
1	Record Type	1	**Required.** Enter "B".
2–5	Payment Year	4	**Required.** Enter "*2003*" (unless reporting prior year data; report the year which applies [2001, 2002, etc.]).
6	Corrected Return Indicator **(See Note.)**	1	**Required for corrections only.** Indicates a corrected return

Code	Definition
G	If this is a one-transaction correction or the first of a two-transaction correction

Field Position	Field Title	Length	Description and Remarks
			C — If this is the second transaction of a two transaction correction
			Blank — If this is not a return being submitted to correct information already processed by IRS.

☛ **Note: C, G, and non-coded records must be reported using separate Payer "A" Records. Refer to Part A, Sec. 11, for specific instructions on how to file corrected returns.**

Field Position	Field Title	Length	Description and Remarks
7–10	Name Control	4	If determinable, enter the first four characters of the surname of the person whose TIN is being reported in positions 12–20 of the "B" Record; otherwise, **enter blanks**. This usually is the payee. If the name that corresponds to the TIN is not included in the first or second payee name line and the correct name control is not provided, a backup withholding notice may be generated for the record. Surnames of less than four characters should be left-justified, filling the unused positions with blanks. Special characters and imbedded blanks should be removed. In the case of a business, other than a sole proprietorship, use the first four significant characters of the business name. Disregard the word "the" when it is the first word of the name, unless there are only two words in the name. A dash (-) and an ampersand (&) are the only acceptable special characters. Surname prefixes are considered, e.g., for Van Elm, the name control would be VANE. For a sole proprietorship use the name of the owner to create the name control and report the owner's name in positions 248–287, First Payer Name Line.

☛ **Note: Imbedded blanks, extraneous words, titles, and special characters (i.e., Mr., Mrs., Dr., period [.], apostrophe [']) should be removed from the Payee Name Lines. This information may be dropped during subsequent processing at IRS/MCC. A dash (-) and an ampersand (&) are the only acceptable special characters.**

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

<u>Name:</u>	<u>Name Control</u>
Individuals:	
Jane **Brow**n	BROW
John A. **Lee**	LEE*
James P. **En**, Sr.	EN*
John **O'Nei**l	ONEI
Mary **Van B**uren	VANB
Juan **De Je**sus	DEJE
Gloria A. **El-R**oy	EL-R
Mr. John **Smit**h	SMIT
Joe **McCa**rthy	MCCA
Pedro **Torr**es-Lopes**	TORR
Maria **Lope**z Moreno**	LOPE
Binh To **La**	LA*
Nhat Thi **Pham**	PHAM
Mark **D'All**esandro	DALL
Corporations:	
The **Firs**t National Bank	FIRS
The Hideaway	THEH

Field Position	Field Title	Length	Description and Remarks
	A&B Cafe	A&BC	
	11TH Street Inc.	11TH	
Sole Proprietor:			
	Mark **Heml**ock DBA The Sunshine Club	HEML	
Partnership:			
	Robert **Aspe**n and Bess Willow	ASPE	
	Harold **Fir**, Bruce Elm, and Joyce Spruce et al Ptr	FIR*	
Estate:			
	Frank **Whit**e Estate	WHIT	
	Estate of Sheila **Blue**	BLUE	
Trusts and Fiduciaries:			
	Daisy Corporation Employee Benefit Trust	DAIS	
	Trust FBO The **Cher**ry-blossom Society	CHER	
Exempt Organizations:			
	Laborer's Union, AFL-CIO	LABO	
	St. Bernard's Methodist Church Bldg. Fund	STBE	

*Name Controls of less than four significant characters must be left-justified and blank-filled.

**For Hispanic names, when two last names are shown for an individual, derive the name control from the first last name.

11	Type of TIN	1	This field is used to identify the Taxpayer Identification Number (TIN) in positions 12–20 as either an Employer Identification Number (EIN), a Social Security Number (SSN), an Individual Taxpayer Identification Number (ITIN) or an Adoption Taxpayer Identification Number (ATIN). Enter the appropriate code from the following table:

Code	Type of TIN	Type of Account
1	EIN	A business, organization, some sole proprietors, or other entity
2	SSN	An individual, including some sole proprietors
2	ITIN	An individual required to have a taxpayer identification number, but who is not eligible to obtain an SSN
2	ATIN	An adopted individual prior to the assignment of a social security number
Blank	N/A	If the type of TIN is not determinable, enter a blank.

Field Position	Field Title	Length	Description and Remarks
	Record Name: Payee "B" Record (Continued)		
12–20	Payee's Taxpayer Identification Number (TIN)	9	**Required.** Enter the nine-digit Taxpayer Identification Number of the payee (SSN, ITIN, ATIN, or EIN). If an identification number has been applied for but not received, enter blanks. **Do not enter hyphens or alpha characters.** All zeros, ones, twos, etc., will have the effect of an incorrect TIN. If the TIN is not available, enter blanks. Payers who submit data with missing TINs, and have taken the required steps to obtain this information, should submit a letter with their media.

☛ **Note: If you are required to report payments made through Foreign Intermediaries and Foreign Flow-Through Entities on Form 1099, see the *2003 General Instructions for Forms 1099, 1098, 5498 and W–2G* for reporting requirements.**

Field Position	Field Title	Length	Description and Remarks
21–40	Payer's Account Number For Payee	20	*Required. Enter any number assigned by the payer to the payee that can be used by the IRS to distinguish between information returns. This number must be unique for each information return. If a payee has more than one reporting of the same document type, it is vital that each reporting have a unique account number. For example, if a payer has 3 separate pension distributions for the same payee and 3 separate Forms 1099-R are filed, 3 separate unique account numbers are required. A payee's account number may be given a unique sequencing number, such as, 01, 02 or A, B, etc. to differentiate each reported information return.* Do not use the payee's TIN since this will not make each record unique. This information is critical when corrections are filed. This number will be provided with the backup withholding notification and may be helpful in identifying the branch or subsidiary reporting the transaction. Do not define data in this field in packed decimal format. If fewer than twenty characters are used, filers may either left or right-justify, filling the remaining positions with blanks.
41–44	Payer's Office Code	4	Enter office code of payer; otherwise, enter blanks. For payers with multiple locations, this field may be used to identify the location of the office submitting the information return. This code will also appear on backup withholding notices.
45–54	Blank	10	Enter blanks
	Payment Amount Fields (Must be numeric)		**Required. Filers should allow for all payment amounts. For those not used, enter zeros.** Each payment field must contain 12 numeric characters. Each payment amount must contain U.S. dollars and cents. The right-most two positions represent cents in the payment amount fields. **Do not enter dollar signs, commas, decimal points, or negative payments, except those items that reflect a loss on Form 1099–B or 1099–Q.** Positive and negative amounts are indicated by placing a "+" (plus) or "-" (minus) sign in the left-most position of the payment amount field. A negative over punch in the unit's position may be used, instead of a minus sign, to indicate a negative amount. If a plus sign, minus sign, or negative over punch is not used, the number is assumed to be positive. Negative over punch cannot be used in PC created files. Payment amounts must be right-justified and unused positions must be zero-filled.
55–66	Payment Amount 1*	12	The amount reported in this field represents payments for Amount Code 1 in the "A" Record.
67–78	Payment Amount 2*	12	The amount reported in this field represents payments for Amount Code 2 in the "A" Record.

Field Position	Field Title	Length	Description and Remarks
			Record Name: Payee "B" Record (Continued)
79–90	Payment Amount 3*	12	The amount reported in this field represents payments for Amount Code 3 in the "A" Record.
91–102	Payment Amount 4*	12	The amount reported in this field represents payments for Amount Code 4 in the "A" Record.
103–114	Payment Amount 5*	12	The amount reported in this field represents payments for Amount Code 5 in the "A" Record.
115–126	Payment Amount 6*	12	The amount reported in this field represents payments for Amount Code 6 in the "A" Record.
127–138	Payment Amount 7*	12	The amount reported in this field represents payments for Amount Code 7 in the "A" Record.
139–150	Payment Amount 8*	12	The amount reported in this field represents payments for Amount Code 8 in the "A" Record.
151–162	Payment Amount 9*	12	The amount reported in this field represents payments for Amount Code 9 in the "A" Record.
163–174	Payment Amount A*	12	The amount reported in this field represents payments for Amount Code A in the "A" Record.
175–186	Payment Amount B*	12	The amount reported in this field represents payments for Amount Code B in the "A" Record.
187–198	Payment Amount C*	12	The amount reported in this field represents payments for Amount Code C in the "A" Record.
199–210	*Payment Amount D**	*12*	*The amount reported in this field represents payments for Amount Code D in the "A" Record.*
211–222	*Payment Amount E**	*12*	*The amount reported in this field represents payments for Amount Code E in the "A" Record.*

* If there are discrepancies between the payment amount fields and the boxes on the paper forms, the instructions in this Revenue Procedure govern.

Field Position	Field Title	Length	Description and Remarks
222–246	Reserved	25	Enter blanks.
247	Foreign Country Indicator	1	**If the address of the payee is in a foreign country, enter a "1" (one) in this field;** otherwise, enter blank. When filers use this indicator, they may use a free format for the payee city, state, and ZIP Code. Enter information in the following order: city, province or state, postal code, and the name of the country. Address information must not appear in the First or Second Payee Name Line.

Record Name: Payee "B" Record (Continued)			
Field Position	Field Title	Length	Description and Remarks
248–287	First Payee Name Line	40	**Required.** Enter the name of the payee (preferably surname first) whose Taxpayer Identification Number (TIN) was provided in positions 12–20 of the "B" Record. Left-justify and fill unused positions with blanks. If more space is required for the name, use the Second Payee Name Line Field. The names of any other payees may be entered in the Second Payee Name Line Field. If reporting information for a sole proprietor, the individual's name must always be present on the First Payee Name Line. The use of the business name is optional in the Second Payee Name Line Field. End the First Payee Name Line with a full word. Use appropriate spacing. Extraneous words, titles, and special characters (i.e., Mr., Mrs., Dr., period, apostrophe) should be removed from the Payee Name Lines. This information may be dropped during subsequent processing at IRS/MCC. A dash (-) and an ampersand (&) are the only acceptable special characters for First and Second Payee Name Lines.

☛ **Note: If you are required to report payments made through Foreign Intermediaries and Foreign Flow-Through Entities on Form 1099, see the *2003 General Instructions for Forms 1099, 1098, 5498 and W–2G* for reporting requirements.**

288–327	Second Payee Name Line	40	If there are multiple payees (e.g., partners, joint owners, or spouses), use this field for those names not associated with the TIN provided in positions 12–20 of the "B" Record, or if not enough space was provided in the First Payee Name Line, continue the name in this field. **Do not enter address information.** It is important that filers provide as much payee information to IRS/MCC as possible to identify the payee associated with the TIN. Left-justify and fill unused positions with blanks. **See Note above in First Payee Name Line.**
328–367	Blank	40	Enter blanks.
368–407	Payee Mailing Address	40	**Required.** Enter mailing address of payee. Street address should include number, street, apartment or suite number, or PO Box if mail is not delivered to street address. Left-justify information and fill unused positions with blanks. This field **must not** contain any data other than the payee's mailing address.
408–447	Blank	40	Enter blanks.
448–487	Payee City	40	**Required.** Enter the city, town or post office. Left-justify information and fill the unused positions with blanks. Enter APO or FPO if applicable. Do not enter state and ZIP Code information in this field.
488–489	Payee State	2	**Required.** Enter the valid U.S. Postal Service state abbreviations for states or the appropriate postal identifier (AA, AE, or AP) described in Part A, Sec. 15.
490–498	Payee ZIP Code	9	**Required.** Enter the valid ZIP Code (nine or five-digit) assigned by the U.S. Postal Service. If only the first five-digits are known, left-justify information and fill the unused positions with blanks. For foreign countries, alpha characters are acceptable as long as the filer has entered a "1" (one) in the Foreign Country Indicator, located in position 247 of the "B" Record.
499	Blank	1	Enter blank.

Field Position	Field Title	Length	Description and Remarks
			Record Name: Payee "B" Record (Continued)
500–507	Record Sequence Number	8	**Required.** Enter the number of the record as it appears within your file. The record sequence number for the "T" record will always be "1" (one), since it is the first record on your file and you can have only one "T" record in a file. Each record, thereafter, must be incremented by one in ascending numerical sequence, i.e., 2, 3, 4 etc. Right-justify numbers with leading zeroes in the field. For example, the "T" record sequence number would appear as "00000001" in the field, the first "A" record would be "00000002", the first "B" record, "00000003", the second "B" record, "00000004" and so on until you reach the final record of the file, the "F" record.
508–543	Blank	36	Enter blanks.

**Standard Payee "B" Record Format For
All Types of Returns, Positions 1–543**

Record Type	Payment Year	Corrected Return Indicator	Name Control	Type of TIN	Payee's TIN	Payer's Account Number For Payee
1	2–5	6	7–10	11	12–20	21–40

Payer's Office Code	Blank	Payment Amount 1	Payment Amount 2	Payment Amount 3	Payment Amount 4	Payment Amount 5
41–44	45–54	55–66	67–78	79–90	91–102	103–114

Payment Amount 6	Payment Amount 7	Payment Amount 8	Payment Amount 9	Payment Amount A	Payment Amount B
115–126	127–138	139–150	151–162	163–174	175–186

Payment Amount C	*Payment Amount D*	*Payment Amount E*	*Reserved*	Foreign Country Indicator	First Payee Name Line	Second Payee Name Line	Blank
187–198	*199–210*	*211–222*	*223–246*	247	248–287	288–327	328–367

Payee Mailing Address	Blank	Payee City	Payee State	Payee ZIP Code	Blank	Record Sequence Number	Blank
368–407	408–447	448–487	488–489	490–498	499	500–507	508–543

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

    (1) Form 1098
    (2) Form 1098–E
    (3) Form 1098–T
    (4) Form 1099–A
    (5) Form 1099–B
    (6) Form 1099–C
    (7) *Form 1099–CAP*
    (8) Form 1099–DIV*
    (9) Form 1099–G*
    (10) *Form 1099–H*
    (11) Form 1099–INT*
    (12) Form 1099–LTC
    (13) Form 1099–MISC*
    (14) Form 1099–MSA
    (15) Form 1099–OID*
    (16) Form 1099–PATR*
    (17) Form 1099–Q
    (18) Form 1099–R*
    (19) Form 1099–S
    (20) Form 5498*
    (21) *Form 5498–ESA*
    (22) Form 5498–MSA
    (23) Form W–2G

* These forms may be filed through the Combined Federal/State Filing Program. IRS/MCC will forward these records to participating states for filers who have been approved for the program. See Part A, Sec. 13, for information about the program, including specific codes for the record layouts.

(1) Payee "B" Record — Record Layout Positions 544–750 for Form 1098

Field Position	Field Title	Length	Description and Remarks
544–662	Blank	119	Enter blanks.
663–722	Special Data Entries	60	This portion of the "B" Record may be used to record information for state or local government reporting or for the filer's own purposes. Payers should contact the state or local revenue departments for filing requirements. If this field is not utilized, enter blanks.
723–748	Blank	26	Enter blanks.
749–750	Blank	2	Enter blanks, or carriage return/line feed (CR/LF) characters.

Payee "B" Record — Record Layout Positions 544–750
for Forms 1098

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

(2) Payee "B" Record — Record Layout Positions 544–750 for Form 1098–E

Field Position	Field Title	Length	Description and Remarks
544–546	Blank	3	Enter blanks.
547	Origination Fees/Capitalized Interest Indicator	1	Enter "1" (one) if the amount reported in Payment Amount Field 1 includes loan origination fees and/or capitalized interest. Otherwise, enter a blank.
548–662	Blank	115	Enter blanks.
663–722	Special Data Entries	60	This portion of the "B" Record may be used to record information for state or local government reporting or for the filer's own purposes. Payers should contact the state or local revenue departments for the filing requirements. If this field is not utilized, enter blanks.
723–748	Blank	26	Enter blanks.
749–750	Blank	2	Enter blanks or carriage return/line feed (CR/LF) characters.

Payee "B" Record — Record Layout Positions 544–750
for Forms 1098–E

Blank	Origination Fees/ Capitalized Interest Indicator	Blank	Special Data Entries	Blank	Blank or CR/LF
544–546	547	548–662	663–722	723–748	749–750

(3) Payee "B" Record — Record Layout Positions 544–750 for Form 1098–T

Field Position	Field Title	Length	Description and Remarks
544–546	Blank	3	Enter blanks.
547	Half-time Student Indicator	1	Enter "1" (one) if the student was at least a half-time student during any academic period that began in 2003. Otherwise, enter a blank.
548	Graduate Student Indicator	1	Enter "1" (one) if the student is enrolled exclusively in a graduate level program. Otherwise, enter a blank.

Field Position	Field Title	Length	Description and Remarks
549	*Academic Period Indicator*	*1*	*Enter "1" (one) if the amount reported in Payment Amount Field 1 or Payment Amount Field 2 includes amounts for an academic period beginning January through March 2004. Otherwise, enter a blank.*
550–662	Blank	113	Enter blanks.
663–722	Special Data Entries	60	This portion of the "B" Record may be used to record information for state or local government reporting or for the filer's own purposes. Payers should contact the state or local revenue departments for the filing requirements. If this field is not utilized, enter blanks.
723–748	Blank	26	Enter blanks.
749–750	Blank	2	Enter blanks or carriage return/line feed (CR/LF) characters.

Payee "B" Record — Record Layout Positions 544–750 for Form 1098–T

Blank	Half-time Student Indicator	Graduate Student Indicator	*Academic Period Indicator*	Blank	Special Data Entries	Blank	Blank or CR/LF
544–546	547	548	549	550–662	663–722	723–748	749–750

(4) Payee "B" Record — Record Layout Positions 544–750 for Form 1099–A

Field Position	Field Title	Length	Description and Remarks
544–546	Blank	3	Enter blanks.
547	Personal Liability Indicator	1	Enter the appropriate indicator from the table below:

Indicator	Usage
1	Borrower was personally liable for repayment of the debt.
Blank	Borrower was not personally liable for repayment of the debt.

Field Position	Field Title	Length	Description and Remarks
548–555	Date of Lender's Acquisition or Knowledge of Abandonment	8	Enter the acquisition date of the secured property or the date the lender first knew or had reason to know the property was abandoned, in the format YYYYMMDD (e.g., January 5, 2003, would be 20030105). **Do not enter hyphens or slashes.**

Field Position	Field Title	Length	Description and Remarks
556–594	Description of Property	39	Enter a brief description of the property. For real property, enter the address, or, if the address does not sufficiently identify the property, enter the section, lot and block. For personal property, enter the type, make and model (*e.g.*, Car-1999 Buick Regal or Office Equipment). Enter "CCC" for crops forfeited on Commodity Credit Corporation loans. If fewer than 39 positions are required, left-justify information and fill unused positions with blanks.
595–662	Blank	68	Enter blanks.
663–722	Special Data Entries	60	This portion of the "B" Record may be used to record information for state or local government reporting or for the filer's own purposes. Payers should contact the state or local revenue departments for the filing requirements. If this field is not utilized, enter blanks.
723–748	Blank	26	Enter blanks.
749–750	Blank	2	Enter blanks, or carriage return/line feed (CR/LF) characters.

Payee "B" Record — Record Layout Positions 544–750 for Form 1099–A

Blank	Personal Liability Indicator	Date of Lender's Acquisition or Knowledge of Abandonment	Description of Property	Blank
544–546	547	548–555	556–594	595–662

Special Data Entries	Blank	Blank or CR/LF
663–722	723–748	749–750

(5) Payee "B" Record — Record Layout Positions 544–750 for Form 1099–B

Field Position	Field Title	Length	Description and Remarks
544	Second TIN Notice (Optional)	1	Enter "2" (two) to indicate notification by IRS twice within three calendar years that the payee provided an incorrect name and/or TIN combination; otherwise, enter a blank.
545–546	Blank	2	Enter blanks.

Field Position	Field Title	Length	Description and Remarks
547	Gross Proceeds Indicator	1	Enter the appropriate indicator from the following table, to identify the amount reported in Amount Code 2; otherwise, enter a blank.
			Indicator **Usage**
			1 Gross proceeds
			2 Gross proceeds less commissions and options premiums
548–555	Date of Sale	8	For broker transactions, enter the trade date of the transaction. For barter exchanges, enter the date when cash, property, a credit, or scrip is actually or constructively received in the format YYYYMMDD (*e.g.*, January 5, 2003, would be 20030105). Enter blanks if this is an aggregate transaction. **Do not enter hyphens or slashes.**
556–568	CUSIP Number	13	For broker transactions only, enter the CUSIP (Committee on Uniform Security Identification Procedures) number of the item reported for Amount Code 2 (stocks, bonds, etc.). Enter blanks if this is an aggregate transaction. Enter "0s" (zeros) if the number is not available. Right-justify information and fill unused positions with blanks.
569–607	Description	39	If fewer than 39 characters are required, left-justify information and fill unused positions with blanks. For broker transactions, enter a brief description of the disposition item (e.g., 100 shares of XYZ Corp). For regulated futures and forward contracts, enter "RFC" or other appropriate description. For bartering transactions, show the services or property provided.
608–662	Blank	55	Enter blanks.
663–722	Special Data Entries	60	This portion of the "B" Record may be used to record information for state or local government reporting or for the filer's own purposes. Payers should contact the state or local revenue departments for filing requirements. If this field is not utilized, enter blanks.
723–734	State Income Tax Withheld	12	State income tax withheld is for the convenience of the filers. This information does not need to be reported to IRS. The payment amount must be right-justified and unused positions must be zero-filled. If not reporting state tax withheld, this field may be used as a continuation of the Special Data Entries Field.
735–746	Local Income Tax Withheld	12	Local income tax withheld is for the convenience of the filers. This information does not need to be reported to IRS. The payment amount must be right-justified and unused positions must be zero-filled. If not reporting local tax withheld, this field may be used as a continuation of the Special Data Entries Field.
747–748	Blank	2	Enter blanks.
749–750	Blank	2	Enter blanks, or carriage return/line feed (CR/LF) characters.

Second TIN Notice (Optional)	Blank	Gross Proceeds Indicator	Date of Sale	CUSIP Number	Description
544	545–546	547	548–555	556–568	569–607

Blank	Special Data Entries	State Income Tax Withheld	Local Income Tax Withheld	Blank	Blank or CR/LF
608–662	663–722	723–734	735–746	747–748	749–750

(6) Payee "B" Record — Record Layout Positions 544–750 for Form 1099–C

Field Position	Field Title	Length	Description and Remarks
544–546	Blank	3	Enter blanks.
547	Bankruptcy Indicator	1	Enter "1" (one) to indicate the debt was discharged in bankruptcy, if known. Otherwise, enter a blank.
548–555	Date Canceled	8	Enter the date the debt was canceled in the format of YYYYMMDD (e.g., January 5, 2003, would be 20030105). **Do not enter hyphens or slashes.**
556–594	Debt Description	39	Enter a description of the origin of the debt, such as student loan, mortgage, or credit card expenditure. If a combined Form 1099–C and 1099–A is being filed, also enter a description of the property.
595–662	Blank	68	Enter blanks.
663–722	Special Data Entries	60	This portion of the "B" Record may be used to record information for state or local government reporting or for the filer's own purposes. Payers should contact the state or local revenue departments for filing requirements. If this field is not utilized, enter blanks.
723–748	Blank	26	Enter blanks.
749–750	Blank	2	Enter blanks, or carriage return/line feed (CR/LF) characters.

Payee "B" Record — Record Layout Positions 544–750
for Forms 1099–C

Blank	Bankruptcy Indicator	Date Canceled	Debt Description	Blank	Special Data Entries
544–546	547	548–555	556–594	595–662	663–722

Blank	Blank or CR/LF
723–748	749–750

(7) Payee "B" Record — Record Layout Positions 544–750 for Form 1099–CAP

Field Position	Field Title	Length	Description and Remarks
544	Second TIN Notice (Optional)	1	Enter "2" (two) to indicate notification by IRS twice within three calendar years that the payee provided an incorrect name and/or TIN combination; otherwise, enter a blank.
545–546	Blank	2	Enter blanks.
547	Gross Proceeds Indicator	1	Enter the appropriate indicator from the following table, to identify the amount reported in Amount Code 2; otherwise, enter a blank.

<table>
<tr><td colspan="2"><u>Indicator</u>   <u>Usage</u></td></tr>
<tr><td>1</td><td>Gross proceeds</td></tr>
<tr><td>2</td><td>Gross proceeds less commissions and options premiums</td></tr>
</table>

Field Position	Field Title	Length	Description and Remarks
548–555	Date of Exchange	8	Enter the date the stock was exchanged for cash, stock in the successor corporation, or other property received in the format YYYYMMDD (e.g., January 5, 2003, would be 20030105). **Do not enter hyphens or slashes.**
556–568	CUSIP Number	13	For broker transactions only, enter the CUSIP (Committee on Uniform Security Identification Procedures) number of the item reported. Enter blanks if this is an aggregate transaction. Enter "0s" (zeros) if the number is not available. Right-justify information and fill unused positions with blanks.
569–607	Description	39	If filed by a broker, enter the corporation's name and Employer Identification Number (EIN). If fewer than 39 characters are required, left-justify information and fill unused positions with blanks.
608–615	Number of Shares Exchanged	8	Enter the number of shares of the corporation's stock which were exchanged in the transaction. Report whole number only. Right-justify information and fill unused positions with blanks.
616–625	Class of Stock	10	Enter the class of stock that was exchanged. Left-justify the information and fill unused positions with blanks.
626	Filed By Broker Indicator	1	Enter a "1" (one) if the transaction was filed by a Broker. Otherwise, enter a blank.
627	Shareholder Indicator	1	Enter a "1" (one) if the shareholder cannot take a loss on their tax return. Otherwise, enter a blank.
628–662	Blank	35	Enter blanks.
663–722	Special Data Entries	60	This portion of the "B" Record may be used to record information for state or local government reporting or for the filer's own purposes. Payers should contact the state or local revenue departments for filing requirements. If this field is not utilized, enter blanks.

Field Position	Field Title	Length	Description and Remarks
723–748	*Blank*	*26*	*Enter blanks.*
749–750	*Blank*	*2*	*Enter blanks, or carriage return/line feed (CR/LF) characters.*

Payee "B" Record — Record Layout Positions 544–750 for Form 1099–CAP

Second TIN Notice	*Blank*	*Gross Proceeds Indicator*	*Date of Exchange*	*CUSIP Number*	*Description*	*Number of Shares Exchanged*
544	*545–546*	*547*	*548–555*	*556–568*	*569–607*	*608–615*

Class of Stock	*Filed By Broker Indicator*	*Shareholder Indicator*	*Blank*	*Special Data Entries*	*Blank*	*Blank or CR/LF*
616–625	*626*	*627*	*628–662*	*663–722*	*723–748*	*749–750*

(8) Payee "B" Record — Record Layout Positions 544–750 for Form 1099–DIV

Field Position	Field Title	Length	Description and Remarks
544	Second TIN Notice (Optional)	1	Enter "2" (two) to indicate notification by IRS twice within three calendar years that the payee provided an incorrect name and/or TIN combination; otherwise, enter a blank.
545–546	Blank	2	Enter blanks.
547–586	Foreign Country or U.S. Possession	40	Enter the name of the foreign country or U.S. possession to which the withheld foreign tax (Amount Code A) applies. Otherwise, enter blanks.
587–662	Blank	76	Enter blanks.
663–722	Special Data Entries	60	This portion of the "B" Record may be used to record information for state or local government reporting or for the filer's own purposes. Payers should contact the state or local revenue departments for filing requirements. If this field is not utilized, enter blanks.
723–734	State Income Tax Withheld	12	State income tax withheld is for the convenience of the filers. This information does not need to be reported to IRS. The payment amount must be right-justified and unused positions must be zero-filled. If not reporting state tax withheld, this field may be used as a continuation of the Special Data Entries Field.
735–746	Local Income Tax Withheld	12	Local income tax withheld is for the convenience of the filers. This information does not need to be reported to IRS. The payment amount must be right-justified and unused positions must be zero-filled. If not reporting local tax withheld, this field may be used as a continuation of the Special Data Entries Field.

(8) Payee "B" Record — Record Layout Positions 544–750 for Form 1099–DIV (Continued)

Field Position	Field Title	Length	Description and Remarks
747–748	Combined Federal/State Code	2	If this payee record is to be forwarded to a state agency as part of the Combined Federal/State Filing Program, enter the valid state code from Part A, Sec. 13, Table 1. For those payers or states not participating in this program, enter blanks.
749–750	Blank	2	Enter blanks or carriage return/line feed (CR/LF) characters.

Payee "B" Record — Record Layout Positions 544–750 for Form 1099–DIV

Second TIN Notice (Optional)	Blank	Foreign Country or U.S. Possession	Blank	Special Data Entries
544	545–546	547–586	587–662	663–722

State Income Tax Withheld	Local Income Tax Withheld	Combined Federal/ State Code	Blank or CR/LF
723–734	735–746	747–748	749–750

(9) Payee "B" Record — Record Layout Positions 544–750 for Form 1099–G

Field Position	Field Title	Length	Description and Remarks
544–546	Blank	3	Enter blanks.
547	Trade or Business Indicator	1	Enter "1" (one) to indicate the state or local income tax refund, credit, or offset (Amount Code 2) is attributable to income tax that applies exclusively to income from a trade or business.

Indicator	Usage
1	Income tax refund applies exclusively to a trade or business.
Blank	Income tax refund is a general tax refund.

Field Position	Field Title	Length	Description and Remarks
548–551	Tax Year of Refund	4	Enter the tax year for which the refund, credit, or Offset (Amount Code 2) was issued. **The tax year must reflect the tax year for which the payment was made, not the tax year of the Form 1099–G. The tax year must be in the four-position format of YYYY (e.g., 2001).** The valid range of years for the refund is 1992 through 2002.

(9) Payee "B" Record — Record Layout Positions 544–750 for Form 1099–G (Continued)

Field Position	Field Title	Length	Description and Remarks
			☛ Note: This data is not considered prior year data since it is required to be reported in the current tax year. Do NOT enter "P" in field position 6 of the Transmitter "T" Record.
552–662	Blank	111	Enter blanks.
633–722	Special Data Entries	60	This portion of the "B" Record may be used to record information for state or local government reporting or for the filer's own purposes. Payers should contact the state or local revenue departments for filing requirements. You may enter your routing and transit number (RTN) here. If this field is not utilized, enter blanks.
723–734	State Income Tax Withheld	12	State income tax withheld is for the convenience of the filers. This information does not need to be reported to IRS. The payment amount must be right-justified and unused positions must be zero-filled. If not reporting state tax withheld, this field may be used as a continuation of the Special Data Entries Field.
735–746	Local Income Tax Withheld	12	Local income tax withheld is for the convenience of the filers. This information does not need to be reported to IRS. The payment amount must be right-justified and unused positions must be zero-filled. If not reporting local tax withheld, this field may be used as a continuation of the Special Data Entries Field.
747–748	Combined Federal/State Code	2	If this payee record is to be forwarded to a state agency as part of the Combined Federal/State Filing Program, enter the valid state code from Part A, Sec. 13, Table 1. For those payers or states not participating in this program, enter blanks.
749–750	Blank	2	Enter blanks or carriage return/line feed (CR/LF) characters.

**Payee "B" Record — Record Layout Positions 544–750
for Form 1099–G**

Blank	Trade or Business Indicator	Tax Year of Refund	Blank	Special Data Entries	State Income Tax Withheld
544–546	547	548–551	552–662	663–722	723–734

Local Income Tax Withheld	Combined Federal/ State Code	Blank or CR/LF
735–746	747–748	749–750

(10) Payee "B" Record — Record Layout Positions 544–750 for Form 1099–H

Field Position	Field Title	Length	Description and Remarks
544–546	*Blank*	*3*	*Enter blanks.*
547–548	*Number of Months Eligible*	*2*	***Required.*** *Enter the total number of months you are eligible for health insurance advance payments. Left-justify and blank fill any remaining positions.*
549–662	*Blank*	*114*	*Enter blanks.*
663–722	*Special Data Entries*	*60*	*This portion of the "B" Record may be used to record information for state or local government reporting or for the filer's own purposes. Payers should contact the state or local revenue departments for filing requirements. If this field is not utilized, enter blanks.*
723–748	*Blank*	*26*	*Enter blanks.*
749–750	*Blank*	*2*	*Enter blanks or carriage return/line feed (CR/LF) characters.*

Payee "B" Record — Record Layout Positions 544–750
for Form 1099–H

Blank	Number of Months Eligible	Blank	Special Data Entries	Blank	Blank or CR/LF
544–546	*547–548*	*549–662*	*663–722*	*723–746*	*749–750*

(11) Payee "B" Record — Record Layout Positions 544–750 for Form 1099–INT

Field Position	Field Title	Length	Description and Remarks
544	Second TIN Notice (Optional)	1	Enter "2" to indicate notification by IRS twice within three calendar years that the payee provided an incorrect name and/or TIN combination; otherwise, enter a blank.
545–546	Blank	2	Enter blanks.
547–586	Foreign Country or U.S. Possession	40	Enter the name of the foreign country or U.S. possession to which the withheld foreign tax (Amount Code 6) applies. Otherwise, enter blanks.
587–662	Blank	76	Enter blanks.
663–722	Special Data Entries	60	This portion of the "B" Record may be used to record information for state or local government reporting or for the filer's own purposes. Payers should contact the state or local revenue departments for filing requirements. You may enter your routing and transit number (RTN) here. If this field is not utilized, enter blanks.

(11) Payee "B" Record — Record Layout Positions 544–750 for Form 1099–INT (Continued)

Field Position	Field Title	Length	Description and Remarks
723–734	State Income Tax Withheld	12	State income tax withheld is for the convenience of the filers. This information does not need to be reported to IRS. The payment amount must be right-justified and unused positions must be zero-filled. If not reporting state tax withheld, this field may be used as a continuation of the Special Data Entries Field.
735–746	Local Income Tax Withheld	12	Local income tax withheld is for the convenience of the filers. This information does not need to be reported to IRS. The payment amount must be right-justified and unused positions must be zero-filled. If not reporting local tax withheld, this field may be used as a continuation of the Special Data Entries Field.
747–748	Combined Federal/State Code	2	If this payee record is to be forwarded to a state agency as part of the Combined Federal/State Filing Program, enter the valid state code from Part A, Sec. 13, Table 1. For those payers or states not participating in this program, enter blanks.
749–750	Blank	2	Enter blanks or carriage return/line feed (CR/LF) characters.

**Payee "B" Record — Record Layout Positions 544–750
for Form 1099–INT**

Second TIN Notice (Optional)	Blank	Foreign Country or U.S. Possession	Blank	Special Data Entries	State Income Tax Withheld
544	545–546	547–586	587–662	663–722	723–734

Local Income Tax Withheld	Combined Federal/ State Code	Blank or CR/LF
735–746	747–748	749–750

(12) Payee "B" Record — Record Layout Positions 544–750 for Form 1099–LTC

Field Position	Field Title	Length	Description and Remarks
544–546	Blank	3	Enter blanks.
547	Type of Payment Indicator	1	Enter the appropriate indicator from the following table; otherwise, enter blanks.
			Indicator **Usage**
			1 Per diem
			2 Reimbursed amount
548–556	Social Security Number of Insured	9	**Required.** Enter the Social Security Number of the insured.

Field Position	Field Title	Length	Description and Remarks
557–596	Name of Insured	40	**Required.** Enter the name of the insured.
597–636	Address of Insured	40	**Required.** Enter the address of the insured. Street address should include number, street, apartment or suite number (or PO Box if mail is not delivered to street address). Left-justify information and fill unused positions with blanks. This field **must not** contain any data other than payee's address.

For U.S. addresses, the payee city, state, and ZIP Code must be reported as a 40, 2, and 9-position field, respectively. **Filers must adhere to the correct format for the insured's city, state, and ZIP Code.**

For foreign addresses, filers may use the insured's city, state, and ZIP Code as a continuous 51-position field. Enter information in the following order: city, province or state, postal code, and the name of the country. When reporting a foreign address, the Foreign Country Indicator in position 247 must contain a "1" (one).

Field Position	Field Title	Length	Description and Remarks
637–676	City of Insured	40	**Required.** Enter the city, town, or post office. Left-justify information and fill the unused positions with blanks. Enter APO or FPO, if applicable. Do not enter state and ZIP Code information in this field.
677–678	State of Insured	2	**Required.** Enter the valid U.S. Postal Service state abbreviations for states or the appropriate postal identifier (AA, AE, or AP) described in Part A, Sec. 15.
679–687	ZIP Code of Insured	9	**Required.** Enter the valid nine-digit ZIP Code assigned by the U.S. Postal Service. If only the first five-digits are known, left-justify information and fill the unused positions with blanks. For foreign countries, alpha characters are acceptable as long as the filer has entered a "1" (one) in the Foreign Country Indicator, located in position 247 of the "B" Record.
688	Status of Illness Indicator (Optional)	1	Enter the appropriate code from the table below to indicate the status of the illness of the insured; otherwise, enter blank:

Indicator	Usage
1	Chronically ill
2	Terminally ill

Field Position	Field Title	Length	Description and Remarks
689–696	Date Certified (Optional)	8	Enter the latest date of a doctor's certification of the status of the insured's illness. The format of the date is YYYYMMDD (e.g., January 5, 2003, would be 20030105). **Do not enter hyphens or slashes.**
697	Qualified Contract Indicator (Optional)	1	Enter a "1" (one) if benefits were from a qualified long-term care insurance contract; otherwise, enter blank.
698–722	Blank	25	Enter blanks.
723–734	State Income Tax Withheld	12	State income tax withheld is for the convenience of the filers. This information does not need to be reported to IRS. The payment amount must be right-justified and unused positions must be zero-filled.
735–746	Local Income Tax Withheld	12	Local income tax withheld is for the convenience of the filers. This information does not need to be reported to IRS. The payment amount must be right-justified and unused positions must be zero-filled.

(12) Payee "B" Record — Record Layout Positions 544–750 for Form 1099–LTC (Continued)

Field Position	Field Title	Length	Description and Remarks
747–748	Blank	2	Enter blanks.
749–750	Blank	2	Enter blanks or carriage return/line feed (CR/LF) characters.

<div align="center">

Payee "B" Record — Record Layout Positions 544–750
for Form 1099–LTC

</div>

Blank	Type of Payment Indicator	SSN of Insured	Name of Insured	Address of Insured	City of Insured	State of Insured	ZIP Code of Insured
544–546	547	548–556	557–596	597–636	637–676	677–678	679–687

Status of Illness Indicator (Optional)	Date Certified (Optional)	Qualified Contract Indicator (Optional)	Blank	State Income Tax Withheld	Local Income Tax Withheld
688	689–696	697	698–722	723–734	735–746

Blank	Blank or CR/LF
747–748	749–750

(13) Payee "B" Record — Record Layout Positions 544–750 for Form 1099–MISC

Field Position	Field Title	Length	Description and Remarks
544	Second TIN Notice (Optional)	1	Enter "2" to indicate notification by IRS twice within three calendar years that the payee provided an incorrect name and/or TIN combination; otherwise, enter a blank.
545–546	Blank	2	Enter blanks.
547	Direct Sales Indicator **(See Note.)**	1	Enter a "1" (one) to indicate sales of $5,000 or more of consumer products to a person on a buy-sell, deposit-commission, or any other commission basis for resale anywhere other than in a permanent retail establishment. Otherwise, enter a blank.

☛ **Note: If reporting a direct sales indicator only, use Type of Return "A" in Field Position 27, and Amount Code 1 in Field Position 28 of the Payer "A" Record. All payment amount fields in the Payee "B" Record will contain zeros.**

Field Position	Field Title	Length	Description and Remarks
548–662	Blank	115	Enter blanks.
663–722	Special Data Entries	60	This portion of the "B" Record may be used to record information for state or local government reporting or for the filer's own purposes. Payers should contact the state or local revenue departments for filing requirements. If this field is not used, enter blanks.

(13) Payee "B" Record — Record Layout Positions 544–750 for Form 1099–MISC (Continued)

Field Position	Field Title	Length	Description and Remarks
723–734	State Income Tax Withheld	12	State income tax withheld is for the convenience of the filers. This information does not need to be reported to IRS. The payment amount must be right-justified and unused positions must be zero-filled. If not reporting state tax withheld, this field may be used as a continuation of the Special Data Entries Field.
735–746	Local Income Tax Withheld	12	Local income tax withheld is for the convenience of the filers. This information does not need to be reported to IRS. The payment amount must be right-justified and unused positions must be zero-filled. If not reporting local tax withheld, this field may be used as a continuation of the Special Data Entries Field.
747–748	Combined Federal/State Code	2	If this payee record is to be forwarded to a state agency as part of the Combined Federal/State Filing Program, enter the valid state code from Part A, Sec. 13, Table 1. For those payers or states not participating in this program, enter blanks.
749–750	Blank	2	Enter blanks or carriage return/line feed (CR/LF) characters.

**Payee "B" Record — Record Layout Positions 544–750
for Form 1099–MISC**

Second TIN Notice (Optional)	Blank	Direct Sales Indicator	Blank	Special Data Entries	State Income Tax Withheld	Local Income Tax Withheld
544	545–546	547	548–662	663–722	723–734	735–746

Combined Federal/ State Code	Blank or CR/LF
747–748	749–750

(14) Payee "B" Record — Record Layout Positions 544–750 for Form 1099–MSA

Field Position	Field Title	Length	Description and Remarks
544	Blank	1	Enter blank.
545	Distribution Code	1	**Required.** Enter the applicable code to indicate the type of payment:

Code	Category
1	Normal distribution
2	Excess contribution
3	Disability

Field Position	Field Title	Length	Description and Remarks
		4	Death distribution other than code 6 (This includes distributions to a spouse, nonspouse, or estate beneficiary in the year of death and to an estate after the year of death.)
		5	Prohibited transaction
		6	Death distribution **after year of death** to a nonspouse beneficiary (Do not use for distribution to an estate.)
546	Blank	1	Enter a blank.
547	Medicare+Choice MSA Indicator	1	Enter "1" (one) if distributions are from a Medicare+Choice MSA. Otherwise, enter a blank.
548–662	Blank	115	Enter blanks.
663–722	Special Data Entries	60	This portion of the "B" Record may be used to record information for state or local government reporting or for the filer's own purposes. Payers should contact the state or local revenue departments for filing requirements. If this field is not utilized, enter blanks.
723–734	State Income Tax Withheld	12	State income tax withheld is for the convenience of the filers. This information does not need to be reported to IRS. The payment amount must be right-justified and unused positions must be zero-filled. If not reporting state tax withheld, this field may be used as a continuation of the Special Data Entries Field.
735–746	Local Income Tax Withheld	12	Local income tax withheld is for the convenience of the filers. This information does not need to be reported to IRS. The payment amount must be right-justified and unused positions must be zero-filled. If not reporting local tax withheld, this field may be used as a continuation of the Special Data Entries Field.
747–748	Blank	2	Enter blanks.
749–750	Blank	2	Enter blanks or carriage return/line feed (CR/LF) characters.

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

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

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

(15) Payee "B" Record — Record Layout Positions 544–750 for Form 1099–OID

Field Position	Field Title	Length	Description and Remarks
544	Second TIN Notice (Optional)	1	Enter "2" to indicate notification by IRS twice within three calendar years that the payee provided an incorrect name and/or TIN combination; otherwise, enter a blank.
545–546	Blank	2	Enter blanks.
547–585	Description	39	**Required.** Enter the CUSIP number, if any. If there is no CUSIP number, enter the abbreviation for the stock exchange and issuer, the coupon rate, and year (**must be 4-digit year**) of maturity (*e.g.*, NYSE XYZ 12/*2003*). Show the name of the issuer if other than the payer. If fewer than 39 characters are required, left-justify information and fill unused positions with blanks.
586–662	Blank	77	Enter blanks.
663–722	Special Data Entries	60	This portion of the "B" Record may be used to record information for state or local government reporting or for the filer's own purposes. Payers should contact the state or local revenue departments for filing requirements. If this field is not utilized, enter blanks.
723–734	State Income Tax Withheld	12	State income tax withheld is for the convenience of the filers. This information does not need to be reported to IRS. The payment amount must be right-justified and unused positions must be zero-filled. If not reporting state tax withheld, this field may be used as a continuation of the Special Data Entries Field.
735–746	Local Income Tax Withheld	12	Local income tax withheld is for the convenience of the filers. This information does not need to be reported to IRS. The payment amount must be right-justified and unused positions must be zero-filled. If not reporting local tax withheld, this field may be used as a continuation of the Special Data Entries Field.
747–748	Combined Federal/State Code	2	If this payee record is to be forwarded to a state agency as part of the Combined Federal/State Filing Program, enter the valid state code from Part A, Sec. 13, Table 1. For those payers or states not participating in this program, enter blanks.
749–750	Blank	2	Enter blanks or carriage return/line feed (CR/LF) characters.

Second TIN Notice (Optional)	Blank	Description	Blank	Special Data Entries	State Income Tax Withheld
544	545–546	547–585	586–662	663–722	723–734

Local Income Tax Withheld	Combined Federal/ State Code	Blank or CR/LF
735–746	747–748	749–750

(16) Payee "B" Record — Record Layout Positions 544–750 for Form 1099–PATR

Field Position	Field Title	Length	Description and Remarks
544	Second TIN Notice (Optional)	1	Enter "2" (two) to indicate notification by IRS twice within three calendar years that the payee provided an incorrect name and/or TIN combination; otherwise, enter a blank.
545–662	Blank	118	Enter blanks.
663–722	Special Data Entries	60	This portion of the "B" Record may be used to record information for state or local government reporting or for the filer's own purposes. Payers should contact the state or local revenue departments for filing requirements. If this field is not utilized, enter blanks.
723–734	State Income Tax Withheld	12	State income tax withheld is for the convenience of the filers. This information does not need to be reported to IRS. The payment amount must be right-justified and unused positions must be zero-filled. If not reporting state tax withheld, this field may be used as a continuation of the Special Data Entries Field.
735–746	Local Income Tax Withheld	12	Local income tax withheld is for the convenience of the filers. This information does not need to be reported to IRS. The payment amount must be right-justified and unused positions must be zero-filled. If not reporting local tax withheld, this field may be used as a continuation of the Special Data Entries Field.
747–748	Combined Federal/State Code	2	If this payee record is to be forwarded to a state agency as part of the Combined Federal/State Filing Program, enter the valid state code from Part A, Sec. 13, Table 1. For those payers or states not participating in this program, enter blanks.
749–750	Blank	2	Enter blanks, or carriage return/line feed (CR/LF) characters.

Second TIN Notice (Optional)	Blank	Special Data Entries	State Income Tax Withheld	Local Income Tax Withheld	Combined Federal/ State Code	Blank or CR/LF
544	545–662	663–722	723–734	735–746	747–748	749–750

(17) Payee "B" Record — Record Layout Positions 544–750 for Form 1099–Q

Field Position	Field Title	Length	Description and Remarks
544–546	Blank	3	Enter blanks.
547	Trustee to Trustee Rollover Indicator	1	**Required.** Enter a "1" (one) if reporting a trustee to trustee rollover, otherwise, enter blank.
548	Type of Tuition Payment	1	**Required.** Enter the appropriate code from the table below to indicate the type of tuition payment, otherwise, leave blank.
			Indicator **Usage**
			1 Private Payment
			2 State Payment
			3 *Coverdell ESA contribution*
549	Designated Beneficiary	1	**Required.** Enter a "1" (one) if the recipient is not the designated beneficiary otherwise, enter a blank.
550–662	Blank	113	Enter blanks.
663–722	Special Data Entries	60	This portion of the "B" Record may be used to record information for state or local government reporting or for the filer's own purposes. Payers should contact the state or local revenue departments for filing requirements. If this field is not utilized, enter blanks.
723–748	Blank	26	Enter blanks.
749–750	Blank	2	Enter blanks or carriage return/line feed (CR/LF) characters.

**Payee "B" Record — Record Layout Positions 544–750
for Form 1099–Q**

Blank	Trustee to Trustee Rollover Indicator	Type of Tuition Payment	Designated Beneficiary	Blank	Special Data Entries	Blank	Blank or CR/LF
544–546	547	548	549	550–662	663–722	723–748	749–750

Field Position	Field Title	Length	Description and Remarks
544	Blank	1	Enter blank.
545–546	Distribution Code (For a detailed explanation of distribution codes, see the *2003 Instructions for Forms 1099–R and 5498.*) **See chart at the end of this record layout for a diagram of valid combinations of Distribution Codes.**	2	**Required.** Enter at least one distribution code from the table below. More than one code may apply. If only one code is necessary, it must be entered in position 545 and position 546 will be blank. When using Code P for an IRA distribution under section 408(d)(4) of the Internal Revenue Code, the filer may also enter Code 1, 2, or 4, if applicable. Only three numeric combinations are acceptable, Codes 8 and 1, 8 and 2, and 8 and 4, on one return. These three combinations can be used only if both codes apply to the distribution being reported. If more than one numeric code is applicable to different parts of a distribution, report two separate "B" Records. Distribution Codes 5, 6, 9, E, F, N, R, and S cannot be used with any other codes. Distribution Code G may be used with Distribution Code 4 only if applicable.

Code	Category
1	*Early distribution, no known exception (in most cases, under age $59^{1}/_{2}$)
2	*Early distribution, exception applies (Under age $59^{1}/_{2}$)
3	*Disability
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 *2003*
9	Cost of current life insurance protection (premiums paid by a trustee or custodian for current insurance protection)
A	May be eligible for 10-year tax option
D	*Excess contributions plus earnings/excess deferrals taxable in *2001*
E	Excess annual additions under section 415/certain excess amounts under section 403(b) plans
F	Charitable gift annuity
G	Direct rollover

Field Position	Field Title	Length	Description and Remarks
			J Early distribution from a Roth IRA, no known exception. (This code may be used with Code 8, or P.)
			L Loans treated as deemed distributions under section 72(p)
			N Recharacterized IRA contribution made for *2003*
			P *Excess contributions plus earnings/excess deferrals taxable in *2002*
			Q *Early distribution from a Roth IRA, known exception. (Distribution from Roth IRAs when recipient is not 59^1/$_2$, and the 5 year holding period for qualified distributions has not been met but exception under 72(q), (t), or (v) applies.)*
			R Recharacterized IRA contribution made for *2002* **(See Note.)**
			S *Early distribution from a SIMPLE IRA in first 2 years, no known exception
			T Roth IRA distribution, exception applies if participant dies or is disabled. (This code may be used with Code 5, 8, or P.)

*If reporting a traditional IRA, SEP, or SIMPLE distribution or a Roth conversion, use the IRA/SEP/SIMPLE Indicator of "1" (one) in position 548 of the Payee "B" Record.

☛ **Note: The trustee of the first IRA must report the recharacterization as a distribution on Form 1099-R (and the original contribution and its character on Form 5498).**

Field Position	Field Title	Length	Description and Remarks
547	Taxable Amount Not Determined Indicator	1	Enter "1" (one) only if the taxable amount of the payment entered for Payment Amount Field 1 (Gross distribution) of the "B" Record cannot be computed; otherwise, enter blank. (If Taxable Amount Not Determined Indicator is used, enter "0's" [zeros] in Payment Amount Field 2 of the Payee "B" Record.) Please make every effort to compute the taxable amount.
548	IRA/SEP/SIMPLE Indicator	1	Enter "1" (one) for a traditional IRA, SEP, or SIMPLE distribution or Roth conversion; otherwise, enter a blank. **(See Note.)** If the IRA/SEP/SIMPLE Indicator is used, enter the amount of the Roth conversion or distribution in Payment Amount Field A of the Payee "B" Record. **Do not use the indicator for a distribution from a Roth or Coverdell ESA or for an IRA recharacterization.**

☛ **Note: For Form 1099-R, generally, report the Roth conversion or total amount distributed from a traditional IRA, SEP, or SIMPLE in Payment Amount Field A (traditional IRA/SEP/SIMPLE distribution or Roth conversion), as well as Payment Amount Field 1 (Gross Distribution) of the "B" Record. Refer to the *2003 Instructions for Forms 1099–R and 5498* for exceptions (Box 2a instructions).**

Field Position	Field Title	Length	Description and Remarks
549	Total Distribution Indicator **(See Note.)**	1	Enter a "1" (one) only if the payment shown for Distribution Amount Code 1 is a total distribution that closed out the account; otherwise, enter a blank.

(18) Payee "B" Record — Record Layout Positions 544–750 for Form 1099–R (Continued)

Field Position	Field Title	Length	Description and Remarks
			☛ **Note: A total distribution is one or more distributions within one tax year in which the entire balance of the account is distributed. Any distribution that does not meet this definition is not a total distribution.**
550–551	Percentage of Total Distribution	2	Use this field when reporting a total distribution to more than one person, such as when a participant is deceased and a payer distributes to two or more beneficiaries. Therefore, if the percentage is 100, leave this field blank. If the percentage is a fraction, round off to the nearest whole number (for example, 10.4 percent will be 10 percent; 10.5 percent will be 11 percent). Enter the percentage received by the person whose TIN is included in positions 12–20 of the "B" Record. This field must be right-justified, and unused positions must be zero-filled. If not applicable, enter blanks. Filers are not required to enter this information for any IRA distribution or for direct rollovers.
552–662	Blank	111	Enter blanks.
663–722	Special Data Entries	60	This portion of the "B" Record may be used to record information for state or local government reporting or for the filer's own purposes. The state/payer's state number, state distribution, name of locality, and/or local distribution can be entered in this field. Payers should contact the state or local revenue departments for filing requirements. If this field is not utilized, enter blanks.
723–734	State Income Tax Withheld	12	State income tax withheld is for the convenience of the filers. This information does not need to be reported to IRS. The payment amount must be right-justified and unused positions must be zero-filled. If not reporting state tax withheld, this field may be used as a continuation of the Special Data Entries Field.
735–746	Local Income Tax Withheld	12	Local income tax withheld is for the convenience of the filers. This information does not need to be reported to IRS. The payment amount must be right-justified and unused positions must be zero-filled. If not reporting local tax withheld, this field may be used as a continuation of the Special Data Entries Field.
747–748	Combined Federal/State Code	2	If this payee record is to be forwarded to a state agency as part of the Combined Federal/State Filing Program, enter the valid state code from Part A, Sec. 13, Table 1. For those payers or states not participating in this program, enter blanks.
749–750	Blank	2	Enter blanks or carriage return/line feed (CR/LF) characters.

FORM 1099-R DISTRIBUTION CODE CHART 2003

POSITION 546

POSITION 545	blank	1	2	3	4	5	6	7	8	9	A	D	E	F	G	J	L	N	P	Q	R	S	T
1	X								X			X					X		X				
2	X								X			X							X				
3	X																						
4	X								X		X	X			X		X		X				
5	X															X							X
6	X																						
7	X										X												
8	X	X	X		X											X				X			X
9	X																						
A	X				X			X															
D	X	X	X		X																		
E	X																						
F	X																						
G	X				X																		
J	X			X					X										X				
L	X	X			X																		
N	X																						
P	X	X	X		X											X				X			X
Q									X										X				
R	X																						
S	X																						
T	X				X				X										X				

X – Denotes valid combinations

**Payee "B" Record — Record Layout Positions 544–750
for Form 1099–R**

Blank	Distribution Code	Taxable Amount Not Determined Indicator	IRA/SEP/ SIMPLE Indicator	Total Distribution Indicator	Percentage of Total Distribution
544	545–546	547	548	549	550–551

Blank	Special Data Entries	State Income Tax Withheld	Local Income Tax Withheld	Combined Federal/ State Code	Blank or CR/LF
552–662	663–722	723–734	735–746	747–748	749–750

(19) Payee "B" Record — Record Layout Positions 544–750 for Form 1099–S

Field Position	Field Title	Length	Description and Remarks
544–546	Blank	3	Enter blanks.
547	Property or Services Indicator	1	**Required.** Enter "1" (one) if the transferor received or will receive property (other than cash and consideration treated as cash in computing gross proceeds) or services as part of the consideration for the property transferred. Otherwise, enter a blank.
548–555	Date of Closing	8	**Required.** Enter the closing date in the format YYYYMMDD (*e.g.*, January 5, 2003, would be 20030105). **Do not enter hyphens or slashes.**
556–594	Address or Legal Description	39	**Required.** Enter the address of the property transferred (including city, state, and ZIP Code). If the address does not sufficiently identify the property, also enter a legal description, such as section, lot, and block. For timber royalties, enter "TIMBER." If fewer than 39 positions are required, left-justify information and fill unused positions with blanks.
595–662	Blank	68	Enter blanks.
663–722	Special Data Entries	60	This portion of the "B" Record may be used to record information for state or local government reporting or for the filer's own purposes. Payers should contact the state or local revenue departments for filing requirements. If this field is not utilized, enter blanks.
723–734	State Income Tax Withheld	12	State income tax withheld is for the convenience of the filers. This information does not need to be reported to IRS. The payment amount must be right-justified and unused positions must be zero-filled. If not reporting state tax withheld, this field may be used as a continuation of the Special Data Entries Field.
735–746	Local Income Tax Withheld	12	Local income tax withheld is for the convenience of the filers. This information does not need to be reported to IRS. The payment amount must be right-justified and unused positions must be zero-filled. If not reporting local tax withheld, this field may be used as a continuation of the Special Data Entries Field.
747–748	Blank	2	Enter blanks.
749–750	Blank	2	Enter blanks or carriage return/line feed (CR/LF) characters.

**Payee "B" Record — Record Layout Positions 544–750
for Form 1099–S**

Blank	Property or Services Indicator	Date of Closing	Address or Legal Description	Blank	Special Data Entries
544–546	547	548–555	556–594	595–662	663–722

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

(20) Payee "B" Record — Record Layout Positions 544–750 for Form 5498

Field Position	Field Title	Length	Description and Remarks
544–546	Blank	3	Enter blanks.
547	**IRA** Indicator (**I**ndividual **R**etirement **A**ccount)	1	**Required, if applicable.** Enter "1" (one) if reporting a rollover (Amount Code 2) or Fair Market Value (Amount Code 5) for an IRA. Otherwise, enter a blank.
548	**SEP** Indicator (**S**implified **E**mployee **P**ension)	1	**Required, if applicable.** Enter "1" (one) if reporting rollover (Amount Code 2) or Fair Market Value (Amount Code 5) for a SEP. Otherwise, enter a blank.
549	**SIMPLE Indicator** (**S**avings **I**ncentive **M**atch **P**lan for **E**mployees)	1	**Required, if applicable.** Enter "1" (one) if reporting a rollover (Amount Code 2) or Fair Market Value (Amount Code 5) for a SIMPLE. Otherwise, enter a blank.
550	**Roth IRA** Indicator	1	**Required, if applicable.** Enter "1" (one) if reporting a rollover (Amount Code 2) or Fair Market Value (Amount Code 5) for a Roth IRA. Otherwise, enter a blank.
551	*RMD Indicator*	*1*	***Required.** Enter "1" (one) if reporting RMD for 2004.*
552–662	Blank	111	Enter blanks.
663–722	Special Data Entries	60	This portion of the "B" Record may be used to record information for state or local government reporting or for the filer's own purposes. Payers should contact the state or local revenue departments for filing requirements. If this field is not utilized, enter blanks.
723–746	Blank	24	Enter blanks.
747–748	Combined Federal/State Code	2	If this payee record is to be forwarded to a state agency as part of the Combined Federal/State Filing Program, enter the valid state code from Part A, Sec. 13, Table 1. For those payers or states not participating in this program, enter blanks.
749–750	Blank	2	Enter blanks or carriage return/line feed (CR/LF) characters.

Payee "B" Record — Record Layout Positions 544–750
for Form 5498

Blank	IRA Indicator	SEP Indicator	SIMPLE Indicator	Roth IRA Indicator	*RMD Indicator*
544–546	547	548	549	550	551

Blank	Special Data Entries	Blank	Combined Federal/ State Code	Blank or CR/LF
552–662	663–722	723–746	747–748	749–750

(21) Payee "B" Record — Record Layout Positions 544–750 for Form 5498–ESA

Field Position	Field Title	Length	Description and Remarks
544–662	*Blank*	*119*	*Enter blanks.*
663–722	*Special Data Entries*	*60*	*This portion of the "B" Record may be used to record information for state or local government reporting or for the filer's own purposes. Payers should contact the state or local revenue departments for filing requirements. If this field is not utilized, enter blanks.*
723–748	*Blank*	*26*	*Enter blanks.*
749–750	*Blank*	*2*	*Enter blanks or carriage return/line feed (CR/LF) characters.*

Payee "B" Record — Record Layout Positions 544–750
for Form 5498–ESA

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

(22) Payee "B" Record — Record Layout Positions 544–750 for Form 5498–MSA

Field Position	Field Title	Length	Description and Remarks
544–546	Blank	3	Enter blanks.
547	Medicare+ Choice MSA Indicator	1	Enter "1" (one) for Medicare+Choice MSA.
548–662	Blank	115	Enter blanks.
663–722	Special Data Entries	60	This portion of the "B" Record may be used to record information for state or local government reporting or for the filer's own purposes. Payers should contact the state or local revenue departments for filing requirements. If this field is not utilized, enter blanks.
723–748	Blank	26	Enter blanks.
749–750	Blank	2	Enter blanks or carriage return/line feed (CR/LF) characters.

Payee "B" Record — Record Layout Positions 544–750
for Form 5498–MSA

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

(23) Payee "B" Record — Record Layout Positions 544–750 for Form W–2G

Field Position	Field Title	Length	Description and Remarks
544–546	Blank	3	Enter blanks.
547	Type of Wager Code	1	**Required.** Enter the applicable type of wager code from the table below:

Code	Category
1	Horse race track (or off-track betting of a horse track nature)
2	Dog race track (or off-track betting of a dog track nature)
3	Jai-alai
4	State-conducted lottery
5	Keno
6	Bingo
7	Slot machines
8	Any other type of gambling winnings

Field Position	Field Title	Length	Description and Remarks
548–555	Date Won	8	**Required.** Enter the date of the winning transaction in the format YYYYMMDD (*e.g.*, January 5, 2003 would be 20030105). **Do not enter hyphens or slashes.** This is not the date the money was paid, if paid after the date of the race (or game).
556–570	Transaction	15	**Required.** For state-conducted lotteries, enter the ticket or other identifying number. For keno, bingo, and slot machines, enter the ticket or card number (and color, if applicable), machine serial number, or any other information that will help identify the winning transaction. For all others, enter blanks.
571–575	Race	5	If applicable, enter the race (or game) relating to the winning ticket; otherwise, enter blanks.
576–580	Cashier	5	If applicable, enter the initials or number of the cashier making the winning payment; otherwise, enter blanks.
581–585	Window	5	If applicable, enter the window number or location of the person paying the winning payment; otherwise, enter blanks.
586–600	First ID	15	For other than state lotteries, enter the first identification number of the person receiving the winning payment; otherwise, enter blanks.
601–615	Second ID	15	For other than state lotteries, enter the second identification number of the person receiving the winnings; otherwise, enter blanks.
616–662	Blank	47	Enter blanks.
663–722	Special Data Entries	60	This portion of the "B" Record may be used to record information for state or local government reporting or for the filer's own purposes. Payers should contact the state or local revenue departments for filing requirements. If this field is not utilized, enter blanks.
723–734	State Income Tax Withheld	12	State income tax withheld is for the convenience of the filers. This information does not need to be reported to IRS. The payment amount must be right-justified and unused positions must be zero-filled. If not reporting state tax withheld, this field may be used as a continuation of the Special Data Entries Field.

Field Position	Field Title	Length	Description and Remarks
735–746	Local Income Tax Withheld	12	Local income tax withheld is for the convenience of the filers. This information does not need to be reported to IRS. The payment amount must be right-justified and unused positions must be zero-filled. If not reporting local tax withheld, this field may be used as a continuation of the Special Data Entries Field.
747–748	Blank	2	Enter blanks.
749–750	Blank	2	Enter blanks or carriage return/line feed (CR/LF) characters.

**Payee "B" Record — Record Layout Positions 544–750
for Form W–2G**

Blank	Type of Wager Code	Date Won	Transaction	Race	Cashier	Window	First ID
544–546	547	548–555	556–570	571–575	576–580	581–585	586–600

Second ID	Blank	Special Data Entries	State Income Tax Withheld	Local Income Tax Withheld	Blank	Blank or CR/LF
601–615	616–662	663–722	723–734	735–746	747–748	749–750

Sec. 7. End of Payer "C" Record — General Field Descriptions and Record Layout

.01 The "C" Record consists of the total number of payees and the totals of the payment amount fields filed for each payer and/or particular type of return. The "C" Record must follow the last "B" Record for each type of return for each payer.

.02 For each "A" Record and group of "B" Records on the file, there must be a corresponding "C" Record.

.03 The End of Payer "C" Record is a fixed length of 750 positions. The control fields are each 18 positions in length.

Record Name: End of Payer "C" Record			
Field Position	**Field Title**	**Length**	**Description and Remarks**
1	Record Type	1	**Required.** Enter "C"
2–9	Number of Payees	8	**Required.** Enter the total number of "B" Records covered by the preceding "A" Record. Right-justify information and fill unused positions with zeros.
10–15	Blank	6	Enter blanks.

Field Position	Field Title	Length	Description and Remarks
16–33	Control Total 1	18	**Required.** Accumulate totals of any payment amount fields in the "B" Records into the appropriate control total fields of the "C" Record. **Control totals must be right-justified and unused control total fields zero-filled.** All control total fields are 18 positions in length. Each payment amount must contain U.S. dollars and cents. The right-most two positions represent cents in the payment amount fields.
34–51	Control Total 2	18	
52–69	Control Total 3	18	
70–87	Control Total 4	18	
88–105	Control Total 5	18	
106–123	Control Total 6	18	
124–141	Control Total 7	18	
142–159	Control Total 8	18	
160–177	Control Total 9	18	
178–195	Control Total A	18	
196–213	Control Total B	18	
214–231	Control Total C	18	
232–249	*Control Total D*	*18*	
250–267	*Control Total E*	*18*	
268–499	Blank	232	Enter blanks.
500–507	Record Sequence Number	8	**Required.** Enter the number of the record as it appears within your file. The record sequence number for the "T" record will always be "1" (one), since it is the first record on your file and you can have only one "T" record in a file. Each record, thereafter, must be incremented by one in ascending numerical sequence, i.e., 2, 3, 4, etc. Right-justify numbers with leading zeroes in the field. For example, the "T" record sequence number would appear as "00000001" in the field, the first "A" record would be "00000002", the first "B" record, "00000003", the second "B" record, "00000004" and so on until you reach the final record of the file, the "F" record.
508–748	Blank	241	Enter blanks.
749–750	Blank	2	Enter blanks or carriage return/line feed (CR/LF) characters.

End of Payer "C" Record — Record Layout

Record Type	Number of Payees	Blank	Control Total 1	Control Total 2	Control Total 3	Control Total 4	Control Total 5	Control Total 6
1	2–9	10–15	16–33	34–51	52–69	70–87	88–105	106–123

Control Total 7	Control Total 8	Control Total 9	Control Total A	Control Total B	Control Total C	*Control Total D*	*Control Total E*	Blank
124–141	142–159	160–177	178–195	196–213	214–231	*232–249*	*250–267*	268–499

Record Sequence Number	Blank	Blank or CR/LF
500–507	508–748	749–750

Sec. 8. State Totals "K" Record — General Field Descriptions and Record Layout

.01 The State Totals "K" Record is a summary for a given payer and a given state in the Combined Federal/State Filing Program, used **only** when state reporting approval has been granted.

.02 The "K" Record will contain the total number of payees and the total of the payment amount fields filed by a given payer for a given state. The "K" Record(s) must be written after the "C" Record for the related "A" Record. A file format diagram is located at the end of Part D.

.03 The "K" Record is a fixed length of 750 positions. The control total fields are each 18 positions in length.

.04 In developing the "K" Record, for example, if a payer used Amount Codes 1, 3, and 6 in the "A" Record, the totals from the "B" Records coded for this state would appear in Control Totals 1, 3, and 6 of the "K" Record.

.05 There must be a separate "K" Record for **each state** being reported.

.06 Refer to Part A, Sec. 13, for the requirements and conditions that **must** be met to file via this program.

State Totals "K" Record — Record Layout Forms 1099–DIV, 1099–G, 1099–INT, 1099–MISC, 1099–OID, 1099–PATR, 1099–R, and 5498

Field Position	Field Title	Length	Description and Remarks
1	Record Type	1	**Required.** Enter "K".
2–9	Number of Payees	8	**Required.** Enter the total number of "B" Records being coded for this state. Right-justify information and fill unused positions with zeros.
10–15	Blank	6	Enter blanks.
16–33	Control Total 1	18	**Required.** Accumulate totals of any payment amount fields in the "B" Records for each state being reported into the appropriate control total fields of the appropriate "K" Record. Each payment amount must contain U.S. dollars and cents. The right-most two positions represent cents in the payment amount field. **Control totals must be right-justified and unused control total fields zero-filled.** All control total fields are 18 positions in length.
34–51	Control Total 2	18	
52–69	Control Total 3	18	
70–87	Control Total 4	18	
88–105	Control Total 5	18	
106–123	Control Total 6	18	
124–141	Control Total 7	18	
142–159	Control Total 8	18	
160–177	Control Total 9	18	
178–195	Control Total A	18	
196–213	Control Total B	18	
214–231	Control Total C	18	
232–249	*Control Total D*	*18*	
250–267	*Control Total E*	*18*	
268–499	Blank	232	Enter blanks.

Field Position	Field Title	Length	Description and Remarks
500–507	Record Sequence Number	8	**Required.** Enter the number of the record as it appears within your file. The record sequence number for the "T" record will always be "1" (one), since it is the first record on your file and you may have only one "T" record in the file. Each record, thereafter, must be incremented by one in ascending numerical sequence, i.e., 2, 3, 4, etc. Right-justify numbers with leading zeroes in the field. For example, the "T" record sequence number would appear as "00000001" in the field, the first "A" record would be "00000002", the first "B" record, "00000003", the second "B" record, "00000004" and so on until you reach the final record of the file, the "F" record.
508–706	Blank	199	Enter blanks.
707–724	State Income Tax Withheld Total	18	State income tax withheld total is for the convenience of the filers. Aggregate totals of the state income tax withheld field in the Payee "B" Records; otherwise, enter blanks.
725–742	Local Income Tax Withheld Total	18	Local income tax withheld total is for the convenience of the filers. Aggregate totals of the local income tax withheld field in the Payee "B" Records; otherwise, enter blanks.
743–746	Blank	4	Enter blanks.
747–748	Combined Federal/State Code	2	**Required.** Enter the code assigned to the state which is to receive the information. (Refer to Part A, Sec. 13, Table l.)
749–750	Blank	2	Enter blanks or carriage return/line feed (CR/LF) characters.

State Totals "K" Record — Record Layout Forms 1099–DIV, 1099–G, 1099–INT, 1099–MISC, 1099–OID, 1099–PATR, 1099–R, and 5498

Record Type	Number of Payees	Blank	Control Total 1	Control Total 2	Control Total 3	Control Total 4	Control Total 5	Control Total 6
1	2–9	10–15	16–33	34–51	52–69	70–87	88–105	106–123

Control Total 7	Control Total 8	Control Total 9	Control Total A	Control Total B	Control Total C	*Control Total D*	*Control Total E*	Blank
124–141	142–159	160–177	178–195	196–213	214–231	*232–249*	*250–267*	268–499

Record Sequence Number	Blank	State Income Tax Withheld Total	Local Income Tax Withheld Total	Blank	Combined Federal/ State Code	Blank or CR/LF
500–507	508–706	707–724	725–742	743–746	747–748	749–750

Sec. 9. End of Transmission "F" Record — General Field Descriptions and Record Layout

.01 The End of Transmission "F" Record is a summary of the number of payers in the entire file.

.02 The "F" Record is a fixed record length of 750 positions.

.03 This record must be written after the last "C" Record (or last "K" Record, when applicable) of the entire file.

Record Name: End of Transmission "F" Record			
Field Position	**Field Title**	**Length**	**Description and Remarks**
1	Record Type	1	**Required.** Enter "F".
2–9	Number of "A" Records	8	Enter the total number of Payer "A" Records in the entire file (right-justify and zero-fill) or enter all zeros.
10–30	Zero	21	Enter zeros.
31–49	Blank	19	Enter blanks.
50–57	Total Number of payees	8	Enter the total number of Payee "B" Records reported in the file. Right-justify information and fill unused positions with zeros. If you have entered this total in the "T" Record, you may leave this field blank.
58–499	Blank	442	Enter blanks.
500–507	Record Sequence Number	8	**Required.** Enter the number of the record as it appears within your file. The record sequence number for the "T" record will always be "1" (one), since it is the first record on your file and you can only have one "T" record in a file. Each record, thereafter, must be incremented by one in ascending numerical sequence, i.e., 2, 3, 4, etc. Right-justify numbers with leading zeroes in the field. For example, the "T" record sequence number would appear as "00000001" in the field, the first "A" record would be "00000002", the first "B" record, "00000003", the second "B" record, "00000004" and so on until you reach the final record of the file, the "F" record.
508–748	Blank	241	Enter blanks.
749–750	Blank	2	Enter blanks or carriage return/line feed (CR/LF) characters.

End of Transmission "F" Record — Record Layout

Record Type	Number of "A" Records	Zero	Blank	Total Number of Payees	Blank	Record Sequence Number	Blank	Blank or CR/LF
1	2–9	10–30	31–49	50–57	58–499	500–507	508–748	749–750

File Format
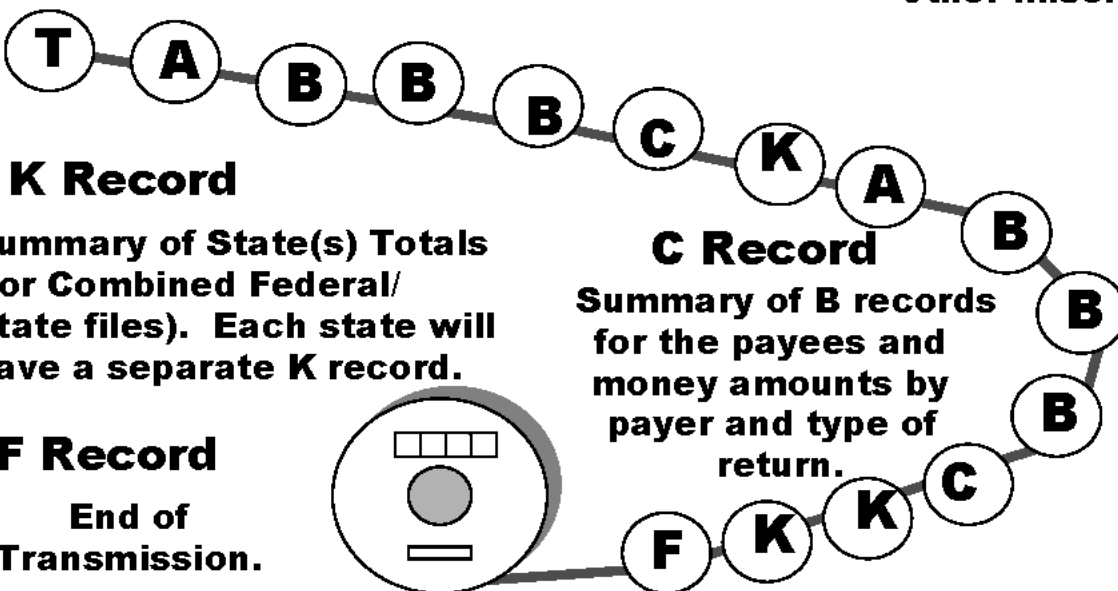## Each record must be 750 positions.

T Record
Identifies the Transmitter of magnetic/electronic file & information contained on Forms 4419 & 4804.

A Record
Identifies the Payer (the institution or person making payments) the type of document being reported, & other misc. info.

B Record
Identifies the Payee, the specific payment amounts and info pertinent to that form.

K Record
Summary of State(s) Totals (for Combined Federal/State files). Each state will have a separate K record.

C Record
Summary of B records for the payees and money amounts by payer and type of return.

F Record
End of Transmission.

PART E. EXTENSIONS OF TIME AND WAIVERS

Sec. 1. General — Extensions

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

.02 Form 8809, Request for Extension of Time To File Information Returns, should be submitted to IRS/MCC at the address listed in .08 of this section. This form may be used to request an extension of time to file information returns submitted on paper, electronically or magnetically to the IRS. Use a separate Form 8809 for each method of filing information returns you intend to use, *i.e.*, electronically and/or magnetically.

.03 To be considered, an extension request must be postmarked or transmitted by the due date of the returns; otherwise, the request will be denied. (See Part A, Sec. 9, for due dates.) If requesting an extension of time to file several types of forms, use one Form 8809; however, Form 8809 or file must be postmarked no later than the earliest due date. For example, if requesting an extension of time to file both Forms 1099–INT and 5498, submit Form 8809 on or before March 1, 2004. (**See Note.**)

☛**Note: For Tax Year 2003, if you will be filing Forms 1098, 1099, 8027, W–2G, or W–2 *electronically*, Form 8809 is not required unless an extension is needed beyond March 31, 2004.**

.04 As soon as it is apparent that a 30-day extension of time to file is needed, an extension request should be submitted. It will take a minimum of 30 days for IRS/MCC to respond to an extension request. Generally, IRS/MCC does not begin processing extension requests until January. Extension requests received prior to January are input on a first come, first serve basis.

.05 Under certain circumstances, a request for an extension of time may be denied. When a denial letter is received, any additional or necessary information may be resubmitted within 20 days.

.06 Requesting an extension of time for multiple payers (50 or less) may be done by submitting Form 8809 and attaching a list of the payer names and associated TINs (EIN or SSN). **The listing must be attached to ensure an extension is recorded for all payers.** Form 8809 may be computer-generated or photocopied. Be sure to use the most recently updated version and include all the pertinent information.

.07 Requests for an extension of time to file for more than 50 payers are **required** to be submitted electronically or magnetically. IRS encourages requests for 10 to 50 payers to be filed electronically or magnetically. (See Sec. 3, for the record layout.) The request may be filed electronically, on tape cartridges, and 3^1/$_2$-inch diskettes.

.08 All requests for an extension of time filed on Form 8809 or magnetic media should be sent using the following address:

> IRS—Martinsburg Computing Cente
> Information Reporting Program
> **Attn: Extension of Time Coordinator**
> 240 Murall Drive
> Kearneysville, WV 25430

☛ **Note: Due to the large volume of mail received by IRS/MCC and the time factor involved in processing Extension of Time (EOT) requests, it is imperative that the attention line be present on all envelopes or packages containing Form 8809.**

.09 Requests for extensions of time to file postmarked by the United States Postal Service on or before the due date of the returns, and delivered by United States mail to IRS/MCC after the due date, are treated as timely under the "timely mailing as timely filing" rule. A similar rule applies to designated private delivery services (PDSs). See Part A, Sec.9, for more information on PDSs. For requests delivered by a designated PDS, but through a non-designated service, the actual date of receipt by IRS/MCC will be used as the filing date.

.10 Transmitters requesting an extension of time for multiple payers will receive one approval letter, accompanied by a list of payers covered under that approval.

.11 If an additional extension of time is needed, a second Form 8809 or file must be filed by the initial extended due date. Check line 7 on the form to indicate that an additional extension is being requested. A second 30-day extension will be approved only in cases of extreme hardship or catastrophic event. **If requesting a second 30-day extension of time, submit the information return files as soon as prepared. Do not wait for MCC's response to your second extension request.**

.12 If an extension request is approved, the approval letter should be kept on file. **DO NOT** send the approval letter or copy of the approval letter to IRS/MCC with the magnetic media file or to the service center where the paper returns are filed.

.13 Request an extension for only one tax year.

.14 *A signature is not required when requesting a 30 day extension. If a second 30 day extension is requested, the Form 8809 MUST be signed.*

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

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

Sec. 2. Specifications for Electronic Filing or Magnetic Media Extensions of Time

.01 The specifications in Sec. 3 include the required 200-byte record layout for extensions of time to file requests submitted electronically or magnetically. Also included are the instructions for the information that is to be entered in the record. **Filers are advised to read this section in its entirety to ensure proper filing.**

.02 If a filer does not have an IRS/MCC assigned Transmitter Control Code (TCC), Form 4419, Application for Filing Information Returns Electronically/Magnetically, **must** be submitted to obtain a TCC. This number **must** be used to submit an extension request electronically/magnetically. (See Part A, Sec. 6.)

.03 For extension requests filed on magnetic media, the transmitter must mail the completed, signed Form 8809, Request for Extension of Time To File Information Returns, in the same package as the corresponding media or fax it to 304–264–5602. For extension requests filed electronically, the transmitter must fax Form 8809 the same day the transmission is made.

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

.05 Do not submit tax year 2003 extension requests filed on magnetic media before *January 1, 2004*, or electronically before *January 6, 2004*.

.06 Each piece of magnetic media **must** have an external media label containing the following information:

(a) Transmitter name
(b) Transmitter Control Code (TCC)
(c) Tax year
(d) The words "Extension of Time"
(e) Record count

.07 Electronic Filing, Tape Cartridge, and 3¹/₂-inch Diskette specifications for extensions are the same as the specifications for filing of information returns. (See Part B, or C for specific technical information.)

Sec. 3. Record Layout — Extension of Time

.01 Positions 6 through 188 of the following record should contain information about the **payer** for whom the extension of time to file is being requested. Do not enter transmitter information in these fields. **Only one TCC may be present in a file.**

	Record Layout for Extension of Time		
Field Position	**Field Title**	**Length**	**Description and Remarks**
1–5	Transmitter Control Code	5	**Required.** Enter the five-digit Transmitter Control Code (TCC) issued by IRS. **Only one TCC per file is acceptable.**
6–14	Payer TIN	9	**Required.** Must be the valid nine-digit EIN/SSN assigned to the payer. **Do not enter blanks, hyphens or alpha characters.** All zeros, ones, twos, etc., will have the effect of an incorrect TIN. For foreign entities that are not required to have a TIN, this field may be blank; however, the Foreign Entity Indicator, position 187, **must** be set to "X."
15–54	Payer Name	40	**Required.** Enter the name of the payer whose TIN appears in positions 6–14. Left-justify information and fill unused positions with blanks.
55–94	Second Payer Name	40	If additional space is needed, this field may be used to continue name line information (*e.g.*, c/o First National Bank); otherwise, enter blanks.
95–134	Payer Address	40	**Required.** Enter the payer's address. Street address should include number, street, apartment or suite number (or PO Box if mail is not delivered to a street address).
135–174	Payer City	40	**Required.** Enter payer city, town, or post office.
175–176	Payer State	2	**Required.** Enter the payer valid U.S. Postal Service state abbreviation. (Refer to Part A, Sec. 15.)
177–185	Payer ZIP Code	9	**Required.** Enter payer ZIP Code. If using a five-digit ZIP Code, left-justify information and fill unused positions with blanks.
186	Document Indicator (**See Note.**)	1	**Required.** Enter the appropriate document code that indicates the form for which you are requesting an extension of time.

Code	Document
1	W–2
2	1098, 1098–E, 1098–T, 1099–A, 1099–B, 1099–C, 1099–CAP, 1099–DIV, 1099–G, 1099–H, 1099–INT, 1099–LTC, 1099–MISC, 1099–MSA, 1099–OID, 1099–PATR, 1099–Q, 1099–R, 1099–S, or W–2G
3	5498
4	1042–S

Field Position	Field Title	Length	Description and Remarks
		5	REMIC Documents (1099–INT or 1099–OID)
		9	5498–MSA
		10	5498–ESA

☛ **Note: Do not enter any other values in this field. Submit a separate record for each document. For example, if you are requesting an extension for Form 1099–INT and Form 5498 for the same payer, submit one record with "2" coded in this field and another record with "3" coded in this field. If you are requesting an extension for Form 1099–DIV and Form 1099–MISC for the same payer, submit one record with "2" coded in this field.**

Field Position	Field Title	Length	Description and Remarks
187	Foreign Entity Indicator	1	Enter "X" if the payer is a foreign entity.
188	Recipient Request Indicator	1	Enter "X" if the extension request is to furnish statements to the recipients of the information return.
189–198	Blank	10	Enter blanks.
199–200	Blank	2	Enter blanks or carriage return/line feed (CR/LF) characters.

Extension of Time Record Layout

Transmitter Control Code	Payer TIN	Payer Name	Second Payer Name	Payer Address	Payer City	Payer State
1–5	6–14	15–54	55–94	95–134	135–174	175–176

Payer ZIP Code	Document Indicator	Foreign Entity Indicator	Recipient Requests Indicator	Blank	Blank or CR/LF
177–185	186	187	188	189–198	199–200

Sec. 4. Extension of Time for Recipient Copies of Information Returns

.01 Request an **extension of time to furnish the statements to recipients** of Forms 1098, 1099, 5498, W–2G, W–2 series, and 1042–S by submitting a letter to IRS/MCC at the address listed in Part E, Sec 1.08. The letter should contain the following information:
- **(a)** Payer name
- **(b)** TIN
- **(c)** Address
- **(d)** Type of Return
- **(e)** Specify that the extension request is to provide statements to recipients
- **(f)** Reason for delay
- **(g)** Signature of payer or duly authorized person

.02 Requests for an extension of time to furnish statements to recipients of Forms 1098, 1099, 5498, W–2G, W–2 series, and 1042–S are not automatically approved; however, if approved, generally an extension will allow a maximum of 30 additional days from the due date. The request must be postmarked by the date on which the statements are due to the recipients.

.03 Generally, only the payer may sign the letter requesting the extension for recipient copies. A transmitter must have a contractual agreement with the filers to submit extension requests on their behalf. This should be stated in your letter of request for recipient copy extensions. If you are requesting an extension for multiple payers electronically or magnetically, you must use the format specifications in Sec. 4 (See Sec.1 .07). The Transmitter Control Code (TCC) is not required for recipient requests.

Sec. 5. Form 8508, Request for Waiver From Filing Information Returns on Magnetic Media

.01 If a payer is required to file on magnetic media but fails to do so (or fails to file electronically in lieu of magnetic media filing) and does not have an approved waiver on record, the payer will be subject to a penalty of $50 per return in excess of 250. (For penalty information, refer to the Penalty Section of the *2003 General Instructions for Forms 1099, 1098, 5498, and W–2G*.)

.02 If payers are required to file original or corrected returns on magnetic media, but such filing would create an undue hardship, they may request a waiver from these filing requirements by submitting Form 8508, Request for Waiver From Filing Information Returns on Magnetic Media, to IRS/MCC. Form 8508 can be obtained on the IRS Website at *www.irs.gov* or by calling toll-free 1–800–829–3676.

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

.04 Generally, only the payer may sign Form 8508. A transmitter may sign if given power of attorney; however, a letter signed by the payer stating this fact must be attached to Form 8508.

.05 A transmitter must submit a separate Form 8508 for each payer. Do not submit a list of payers.

.06 All information requested on Form 8508 must be provided to IRS for the request to be processed.

.07 The waiver, if approved, will provide exemption from the magnetic media filing requirement for the current tax year only. Payers may not apply for a waiver for more than one tax year at a time; application must be made each year a waiver is necessary.

.08 Form 8508 may be photocopied or computer-generated as long as it contains all the information requested on the original form.

.09 Filers are encouraged to submit Form 8508 to IRS/MCC at least 45 days before the due date of the returns. Generally, IRS/MCC does not process waiver requests until January. Waiver requests received prior to January are processed on a first come, first serve basis.

.10 All requests for a waiver should be sent using the following address:

> IRS—Martinsburg Computing Cente
> Information Reporting Program
> 240 Murall Drive
> Kearneysville, WV 25430

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

.12 Waivers are evaluated on a case-by-case basis and are approved or denied based on criteria set forth in the regulations under section 6011(e) of the Internal Revenue Code. The transmitter must allow a minimum of 30 days for IRS/MCC to respond to a waiver request.

.13 If a waiver request is approved, keep the approval letter on file. **DO NOT** send a copy of the approved waiver to the service center where the paper returns are filed.

.14 An approved waiver only applies to the requirement for filing information returns electronically/magnetically. The payer must still timely file information returns on the official IRS paper forms or an acceptable substitute form with the appropriate service center.