

Internal Revenue Service Electronic Filing

FILING
INFORMATION
RETURNS
ELECTRONICALLY



INTERNAL REVENUE SERVICE
Kearneysville, WV 25430

OFFICIAL BUSINESS
PENALTY FOR PRIVATE USE \$300

BULK RATE
POSTAGE & FEES PAID
Internal Revenue Service
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INTRODUCTION

The Filing Information Returns Electronically (FIRE) System is operated by the Internal Revenue Service (IRS), Information Returns Branch, at the Martinsburg Computing Center (MCC), which is located in Martinsburg, West Virginia. This system has been in operation since June 1999.

The FIRE System is dedicated exclusively to the electronic filing of information returns, Forms 1042-S, 1098, 1099, 5498, 8027, W-2G and QWF (Questionable Forms W-4). Extension of Time requests can also be filed electronically for all of these forms except QWF and 8027.

AVAILABILITY

The FIRE System is available 24 hours a day, 7 days a week to any transmitter and can be reached by dialing (304) 262-2400. There is approximately a 1-week period at the beginning of each year that the system will not be available in order for IRS to make system changes.

A transmitter must have a valid Transmitter Control Code (TCC) in order to send a file electronically. Filers who currently have a TCC for magnetic media filing do not have to request a second TCC for electronic filing.

The FIRE System can be accessed by computers using asynchronous communications. Typically, modems for desktop computers of all types are capable of asynchronous communication.

TO FIND OUT MORE ABOUT THE FIRE SYSTEM

Filers may contact IRS/MCC at 304-263-8700 between the hours of 8:30 a.m. and 4:30 p.m EST.

MODEM FEATURES

The FIRE System can be accessed at speeds up to 56Kbps via analog connections and up to 128Kbps for ISDN BRI connections. The telephone number is the same for both connections.

ADVANTAGES OF FILING ELECTRONICALLY

- Online notification within 1 - 2 work days as to the acceptability of the data transmitted for Forms 1098, 1099, 5498 and W-2G. **It is the filer's responsibility to dial back in to check results.**
- Later due dates than magnetic media or paper for electronically filed Forms 1098, 1099 and W-2G.
- Allowing more attempts than magnetic media filing to correct bad files before imposing penalties for Forms 1098, 1099, 5498 and W-2G.
- Better customer service due to on-line availability of transmitter files for research purposes.
- Additional 60 days for testing - November 1st through February 15th for Forms 1098, 1099, 5498 and W-2G.

TRANSMISSION TIME

The time required to transmit information returns electronically will vary depending on the modem speed and the type of data compression used, if any. Filers may electronically submit as many records as

they choose; however, if filers are submitting large files (greater than 500,000 records), it may be advantageous to them to break down the files. Please call IRS/MCC for specifics.

Transmission Speed in bps	1,000 Records	10,000 Records	100,000 Records
19.2K	34 sec.	6 min.	60 min
56K	20 sec.	3.5 min.	33 min
128K (ISDN)	8 sec.	1 min.	10 min

The following are actual transmission rates achieved in test uploads at MCC using **compressed files**.

SOFTWARE DATA COMPRESSION

The IRS accepts and encourages the use of software data compression for files submitted via The FIRE System. PKZIP and WINZIP are acceptable compression packages. UNIX COMPRESS may be acceptable, however, a test file is recommended to verify compatibility. The time to transmit your file can be reduced as much as 95% by using software data compression.

Note: Do not compress multiple files into one compressed file.

FILE PREPARATION

Your electronically transmitted file must follow the same record format that is required for magnetic media files (tape, cartridge and diskette). For complete filing instructions, see Publication 1220, Specifications for Filing Forms 1098, 1099, 5498 and W-2G Magnetically or Electronically. All files must be in standard ASCII code.

FILE NAMING

Files submitted to The FIRE System will be assigned a unique filename (the user may name the file anything they choose from their end). The IRS assigned filename will consist of the submission type [TEST, ORIG (original), CORR (correction) or REPL (replacement)], the filer's TCC and a four-digit sequence number. The sequence number will be incremented for every file sent.

For example, if this is the first original file for the calendar year and the TCC is 44444, the IRS assigned filename would be ORIG.44444.0001. Record the filename. This information will be needed by MCC in order to identify the file, if assistance is required, and for the transmitter to complete Form 4804, Transmittal of Information Returns Reported Magnetically/Electronically.

PAPERWORK REQUIREMENTS

A transmittal Form 4804, Transmittal of Information Returns Reported Magnetically/Electronically, must be mailed to IRS/MCC by the due date of the return. Processing results will be posted to the File Status area on The FIRE System; however, further processing will not be completed until the signed Form 4804 is received by IRS/MCC. Please mail to:

IRS- Martinsburg Computing Center
 Information Reporting Program
 Attn: Electronic Filing Coordinator
 230 Murall Drive
 Kearneysville, WV 25430

Please indicate on the envelope the following message:

CONTAINS FORM 4804
 INFORMATION - NO MAGNETIC
 MEDIA

If the filer is transmitting Forms 1042-S, 8027 or QWF (Questionable Forms W-4) or extension files, please FAX Form 4804 (for 1042-S, 8027 or QWF) or Form 8809, Request for Extension of Time to File Information Returns, (for extensions) to (304) 264-5602.

TESTING

There is no requirement to submit test files; however, IRS highly recommends it for first time electronic filers. Electronic test files can be transmitted from November 1st through February 15th.

Note: Participants of the Combined Federal/State Filing Program **are** required to submit a test file the first year. See Publication 1220, Part A, Section 16 for further details.

ELECTRONIC FILING

The FIRE System provides two interfaces to electronically file your information returns. One is a web-like interface (not the Internet but point-to-point) using your dial-up network/web browser software and the other is a text interface using communications software like Hyperterminal, Procomm, PCAnywhere, etc.

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

Tips

- (1) This is a point-to-point connection - not the Internet.
- (2) Your browser must be capable of file

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

Select **Programs Accessories Communications (Windows98) Dial-Up Networking**

First time connecting with Dial-Up Network

(If you have logged on previously, skip to Subsequent Dial-up Network Connections.)

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

Select '**Make new connection**'.
Type a descriptive name for the system you are calling.

Select your modem.

Click '**Next**'.

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

Click '**Next**'.

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

Click '**Connect**' to dial.

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

When you receive the message that you have connected to our system.

Click on your Web Browser (**remember, you are not connecting via the Internet - this is a point-to-point connection**).

In the URL Address enter

http://10.225.224.2 and press **ENTER**.

Subsequent Dial-Up Network connections

Click '**Connect**'.

If prompted for user name and pass word, complete according to local procedures; otherwise, click **'OK'**.
When you receive 'Connection Complete', click **'OK'**.

Click on your Web Browser (*remember, you are not connecting via the Internet*).
In the URL Address enter *http://10.225.224.2* and press **ENTER**.

First time connection to The FIRE System

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

Click **'Create New Account'**.
Fill out the registration form and click **'Create'**.
Enter your *logon name* (most users logon with their first and last name).
Enter your *password* (the password is user assigned and is case sensitive).
Click **'Create'**.
If you receive the message 'account created', Click **'OK'**.

Subsequent connections to The FIRE System

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

At Menu Options:
Click **'Information Returns'**
Enter your *TCC*:
Enter your *EIN*:
Click **'Submit'**.

The system will then display the company name, address, city, state, ZIP code and phone number. This information will be used

to contact or send any correspondence regarding this transmission. Update as appropriate and/or Click **'Accept'**.

Click one of the following:

Original File
Correction File
Test File
Replacement File (if you select this option, select one of the following):

- **FIRE Replacement** (file was originally transmitted on this system)
Click file to be replaced
- **Magnetic Media Replacement File**
Enter the alpha character from Form 9267, Media Tracking Slip, that was returned with your magnetic media shipment.

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

Click **'Upload'**.
When the upload is complete, the screen will display the total bytes received and 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 **'Back to Main Menu'**.

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

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

If 'Results' indicate:
'File Good' and you agree with the 'Count of Payees' and have mailed your Form

4804, you are finished with this file. (Form 4804 is not needed on a replacement file

unless the number of payees has changed from the original/correction file.)

'File Bad' - Correct the errors and resubmit the file as a 'replacement'.

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

Click on the desired file for a detailed report of your transmission.

When you are finished, 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.

UPLOADING FILES USING HYPERTERMINAL IN WINDOWS 95, 98 OF NT.

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

Tips:

Communications software settings must be set to:

- No Parity
- Eight Data Bits
- One Stop Bit

Terminal emulation must be **VT100**

Select **Programs**
Accessories
Communications (Windows 98)
Hyperterminal

The first time you log on, select

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

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

Enter a name and choose an icon

for the connection:

Country Code: United States of America

Area Code: 304

Phone Number: 262-2400

Connect Using: (default)

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

Click on **Dial**.

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

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

First Time Logon

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

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

Logon Name and Password

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

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

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

Transferring Your Electronic File

Enter 'A' for Electronic Filing.
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 update; 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 replacement.

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

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

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

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

To send a file:

Go to the hyperterminal menu bar.

Click on **Transfer**.

Click on **Send file**.

A box will appear titled 'Send File'.

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

Click on **Send**.

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

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

If 'Results' indicate:

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

'**File Bad**' - Correct the errors and
resubmit the file as a replacement.

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

When you are finished, enter '**E**' from the Main Menu to logoff.
Enter '2' to hang-up.

MAJOR PROBLEMS ENCOUNTERED WITH ELECTRONIC FILING

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- (1) **Problem:** Form 4804 not always received by the IRS/MCC.
Solution: A Form 4804 is required for all original/correction files sent electronically; therefore, mail the form by the due date of the return.
- (2) **Problem:** Incorrect file is not replaced timely.
Solution: If your file is bad, correct the file and timely resubmit as a replacement file.
- (3) **Problem:** Original/Correction files that are bad are not sent back as a replacement file.
Solution: If you send an original or correction file and FILE STATUS indicates that the file is bad, any subsequent files sent to replace that file must be sent as a replacement file.
- (4) **Problem:** Multiple files are compressed into one file.
Solution: Only compress one file per transmitted file.
- (5) **Problem:** Transmitter does not dial back to The FIRE System to determine file

acceptability.

Solution: The results of your file transfer are posted to The FIRE System within two business days. You can 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.

(6) **Problem:** When using the text interface with communications software, such as Hyperterminal, Procomm, PCAnywhere, etc., the cursor is not in the box.

Solution: Set your terminal emulation to VT100.

(7) **Problem:** Transmitter sends the original data and The FIRE System considers the file good. When corrections are received by the payer, corrections are made to the original file and the complete file is sent again as a correction file.

Solution: Only send the records that need to be corrected. Do not send the entire file again. See Publication 1220 for details.

Major problems encountered with the file format are contained in Publication 1220.

CHECKLIST

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- Be sure to transmit your file timely.
- Mail the Form 4804 after you have transmitted the file.
- After two business days, dial back to The FIRE System and check your FILE STATUS. If your file is bad, be sure to fix the errors and send a timely replacement.