

Publication 1239 (Rev. 2000)

Specifications for Filing Form 8027, Employer's Annual Information Return of Tip Income and Allocated Tips Magnetically/Electronically

Rev. Proc. 2000-49

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dated November 20, 2000

(and containing copies of Forms 4419, 4802, 4804, 8508, and 8809 for taxpayers' use)

NOTE: Use this revenue procedure to prepare Forms 8027, Employer's Annual Information Return of Tip Income and Allocated Tips, for submission to Internal Revenue Service (IRS) using any of the following:

- Magnetic Tape
- Tape Cartridges
- 8mm, 4mm and Quarter Inch-Cartridges (QIC)
- 3 1/2-inch Diskette
- Electronic Filing

Please read this publication carefully. Persons required to file may be subject to penalties if they do not follow the instructions in this revenue procedure.

Beginning in calendar year 2003 for Tax Year 2002, 9 track magnetic tape will no longer be an acceptable method for submitting Forms 8027 to IRS/MCC. See Part A, Sec. 03 and Part B, Sec. 2. In addition, IRS/MCC will no longer return problem media in need of replacement. See Part A, Sec. 2 .06 for details.

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PART A. GENERAL

SEC. 1. PURPOSE

.01 Form 8027 is used by large food or beverage establishments when the employer is required to make annual reports to the IRS on receipts from food or beverage operations and tips reported by employees.

Note: All employees receiving \$20.00 or more a month in tips must report 100% of their tips to their employer

.02 The Internal Revenue Service Martinsburg Computing Center (IRS/MCC) has the responsibility of processing Forms 8027 submitted magnetically/electronically. The purpose of this revenue procedure is to provide the specifications for filing Form 8027, Employer's Annual Information Return of Tip Income and Allocated Tips, magnetically or electronically. This revenue procedure is updated when legislative changes occur or reporting procedures are modified. Major changes have been emphasized by italics.

.03 This revenue procedure supersedes the following: Rev. Proc. 99-46 published as Publication 1239 (Rev. 03-2000), Specifications for Filing Form 8027, Employer's Annual Information Return of Tip Income and Allocated Tips, Magnetically or Electronically. This revenue procedure is effective for Forms 8027 due the last day of February 2001 and any returns filed thereafter.

SEC. 2. NATURE OF CHANGES

Numerous editorial changes have been made to the revenue procedure. Please read the publication carefully and in its entirety before attempting to prepare your magnetic/electronic file for submission. Major changes have been emphasized by using italics. The changes are as follows:

.01 Part A, Sec. 3, the street address for mailing magnetic returns and correspondence has changed to 240 Murall Dr.

.02 Part A, Sec. 7, Test Files was added to the publication.

.03 PART B, SEC. 2, TAPE SPECIFICATIONS, BEGINNING IN CALENDAR YEAR 2003 FOR TAX YEAR 2002, IRS/MCC WILL NO LONGER ACCEPT 9 TRACK TAPE FOR FILING FORMS 8027.

.04 Electronic filing specifications are in Part C. Numerous changes have been made to these instructions. Please read this part carefully.

.05 Part D is new and contains miscellaneous information on contacting IRS/MCC in a centralized location within the publication.

.06 BEGINNING IN CALENDAR YEAR 2002 FOR TAX YEAR 2001, IRS/MCC WILL NO LONGER RETURN PROBLEM MEDIA IN NEED OF REPLACEMENT. Filers will continue to receive a tracking form, listing and letter detailing the reason(s) their media could not be processed. Filers will be expected to send in replacement media within the prescribed time frame. This makes it **imperative** that filers maintain backup copies and/or recreate capabilities for their information return files.

SEC. 3. WHERE TO FILE AND HOW TO CONTACT THE IRS, MARTINSBURG COMPUTING CENTER

.01 All Forms 8027 filed magnetically are processed at IRS/MCC and are to be sent to the following address:

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

.02 Requests for paper forms and publications should be requested by calling the "Forms Only Number" listed in your local telephone directory or by calling the IRS toll-free number **1-800-TAX-FORM (1-800-829-3676)**.

.03 Questions pertaining to magnetic media filing of Forms W2 **must** be directed to the Social Security Administration (SSA). Filers can call 1-800-SSA-6270 to obtain the phone number of the SSA Employer Services Liaison Officers for their area.

.04 A taxpayer or authorized representative may request a copy of a tax return or a 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)**.

.05 The Information Reporting Program (IRP) Call Site, located at the Martinsburg Computing Center, provides service to the payer/employer community (financial institutions, employers, and other transmitters of information returns). The IRP Call Site answers questions concerning tax law and magnetic/electronic filing of Forms 8027 and other information returns (Forms 1096, 1098, 1099, 5498, W-2G, W-3, 1042-S), questionable Forms W-4, inquiries dealing with backup withholding due to missing and incorrect taxpayer identification numbers and questions concerning paper filing of Forms W-2. Recipients of information returns (payees) should continue to contact 1-800-829-1040 or other numbers specified in the tax return instructions with any questions on how to report tax returns.

The Call Site accepts calls from all areas of the country. The number to call is **304-263-8700** or Telecommunications Device for the Deaf (TDD) **304-267-3367**. These are toll calls. Hours of operation for the Call Site are Monday through Friday, 8:30 a.m. to

4:30 p.m. Eastern Time. The Call Site is in operation throughout the year to handle the questions of payers, transmitters, and employers. Due to the high demand for assistance at the end of January and February, it is advisable to call as soon as possible to avoid these peak filing seasons.

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

304-263-8700 - Call Site

304-262-2400 - Electronic Filing

304-267-3367 - TDD (Telecommunication Device for the Deaf)

304-264-5602 - Fax Machine

(These are not toll-free telephone numbers.)

TO OBTAIN FORMS & PUBLICATIONS, CALL:

1-800-TAX-FORM(1-800-829-3676)

TO OBTAIN FORMS & PUBLICATIONS VIA THE INTERNET:

www.irs.gov

SEC. 4. FILING REQUIREMENTS

.01 Section 6011(e)(2)(A) of the Internal Revenue Code requires that any person, including corporations, partnerships, individuals, estates, and trusts, required to file 250 or more information returns must file such returns on magnetic media.

.02 The filing requirements apply separately to both original and corrected returns.

.03 Filing electronically through the FIRE system with IRS/MCC fulfills the magnetic media filing requirement.

.04 The above requirements do not apply if you establish undue hardship (see Part A, Sec. 5).

SEC. 5. FORM 8508, REQUEST FOR WAIVER FROM FILING INFORMATION RETURNS ON MAGNETIC MEDIA

.01 If an employer 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 employer will be subject to a penalty of \$50 per return in excess of 250.

.02 If employers are required to file original or corrected returns on magnetic media, but such filing would create a 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.

.03 Even though an employer may submit as many as 250 corrections on paper, IRS encourages magnetically or electronically submitted corrections. Once the 250 threshold has been met, filers are required to submit any additional returns magnetically or electronically. However, if a waiver for an original filing is approved, any corrections for the same type of returns will be covered under this waiver.

.04 Generally, only the employer may sign the Form 8508. A transmitter may sign if given power of attorney; however, a letter signed by the employer stating this fact must be attached to the Form 8508.

.05 A transmitter must submit a separate Form 8508 for each employer. Do not submit a list of employers.

.06 All information requested on the Form 8508 must be provided to IRS for the request to be processed.

.07 The waiver, if approved, will provide exemption from magnetic media filing for the current tax year only. Employers 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.

.10 File Form 8508 for Forms W-2 with IRS/MCC, not SSA.

.11 Waivers are evaluated on a case-by-case basis and are approved or denied based on criteria set forth 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.

.12 If a waiver request is approved, the transmitter should keep the approval letter on file.

.13 An approved waiver from filing Forms 8027 on magnetic media does not provide exemption from all filing. The employer must timely file Form 8027 on acceptable paper forms with the Andover Service Center. **The transmitter should also send a copy of the approved waiver to the Andover Service Center where the paper returns are filed.**

SEC. 6. FORM 4419, APPLICATION FOR FILING INFORMATION RETURNS MAGNETICALLY/ELECTRONICALLY

.01 For the purposes of this revenue procedure, the EMPLOYER is the organization supplying the information and the TRANSMITTER is the organization preparing the magnetic/electronic file and/or sending the file to IRS/MCC. The employer and the transmitter may be the same entity. Employers or their transmitters are required to complete Form 4419, Application for Filing Information Returns Magnetically/Electronically.

.02 Form 4419 can be submitted at any time during the year; however, it should be submitted to IRS/MCC at least 30 days before the due date of the return(s). IRS will act on an application and notify the applicant, in writing, of authorization to file. A five-

character alpha/numeric Transmitter Control Code (TCC) will be assigned and included in an acknowledgment letter within 15 to 45 days of receipt of the application. Magnetic/electronic returns may not be filed with IRS until the application has been approved and a TCC assigned. Include your TCC in any correspondence with IRS/MCC.

.03 If you file information returns other than Form 8027 on magnetic media, you must obtain a separate TCC for those types of returns. The TCC assigned for Forms 8027 is to be used for the processing of these forms only.

.04 Upon approval, a magnetic media reporting package containing the current revenue procedure, forms, and instructions will be sent to the attention of the contact person indicated on Form 4419. Annually, thereafter, IRS/MCC will send the transmitter a package containing the current revenue procedure and forms. This package will continue to be sent to the contact person indicated on the Form 4419 unless IRS/MCC has been notified in writing of any changes or updates. After you have received approval to file magnetically/electronically, you do not need to reapply each year; however, notify IRS in writing if:

- (a) You change your name or the name of your organization, so that your files may be updated to reflect the proper name;
- (b) You discontinue filing on magnetic media for two years (your TCC may have been reassigned).

.05 Filers who plan to submit for multiple employers, IRS encourages transmitters to submit one application and to use one TCC for all employers.

.06 Only employers or transmitters using equipment compatible with IRS equipment will have their application approved.

.07 If your magnetic media files have been prepared for you in the past by a transmitter, and you now have computer equipment compatible with that of IRS and wish to prepare your own files, you must request your own five-character alpha/numeric TCC by filing an application, Form 4419, as described in Sec. 6.02.

SEC. 7. TEST FILES

.01 IRS/MCC encourages new filers to submit test files for review in advance of the filing season. Employers or transmitters must be approved to file magnetically/electronically before a test file is submitted (See Part A, Sec. 6 for application procedures.)

.02 All test files must be submitted between October 1 and December 15 of the year before the returns are due. *If you are filing electronically you may submit a test file through February 15 of the year the returns are due.*

SEC. 8. FILING FORMS 8027 MAGNETICALLY/ELECTRONICALLY

.01 Form 4804, Transmittal of Information Returns Reported Magnetically/Electronically, must accompany **all** magnetic media shipments. If you file for multiple employers and have the authority to sign the affidavit on Form 4804, you should also submit Form 4802, Transmittal of Information Returns Reported Magnetically/Electronically (Continuation). For electronic transmissions, the Form 4804 and Form 4802, if applicable, must be mailed or faxed the same day as the electronic transmission.

.02 The employer **MUST** sign Form 4804; however, an agent (transmitter, service bureau, paying agent, or disbursing agent) may sign Form 4804 for the employer. To do this, the agent must have the authority to sign for the employer under an agency agreement (either oral, written, or implied) that is valid under the state law and must add to his or her signature the caption "For: (name of employer)".

NOTE: Failure to sign the Form 4804 may delay processing or could result in your file being returned to you unprocessed.

.03 Although a duly authorized agent may sign the Form 4804, the employer is responsible for the accuracy of the Form 4804 and the returns filed. The employer will be liable for penalties for failure to comply with filing requirements.

.04 Be sure to include Form 4804, 4802 or computer-generated substitutes with your magnetic media shipment. **DO NOT MAIL YOUR MAGNETIC MEDIA AND THE TRANSMITTAL DOCUMENTS SEPARATELY.**

.05 Indicate on Form 4804, in the block captioned "Combined Total Payee Records," the total number of establishments being reported in this shipment. This figure should match the total number of records in your magnetic/electronic file.

.06 DO NOT SUBMIT THE SAME INFORMATION ON PAPER FORMS THAT YOU SUBMIT MAGNETICALLY/ELECTRONICALLY. This does not mean that corrected documents are not to be filed. If a return has been prepared and submitted improperly, you must file a corrected return as soon as possible. Refer to Part A, Sec. 13 for requirements and instructions for filing corrected returns.

.07 If an allocation of tips is based on a good faith agreement, a copy of this agreement must accompany the submission.

.08 If, under Rev. Proc. 86-21, 1986-1 C.B. 560, the District Director granted the establishment a percentage of gross receipts of less than 8%, a copy of the determination letter must be sent with the submission. Employers with more than one establishment can receive approval from one district in each Internal Revenue Service region where the establishments are located (See sec. 31.6053-3(h)(4) of the Employment Tax Regulations).

.09 Before submitting your magnetic/electronic file, include the following:

- (a) A **signed** Form 4804, Transmittal of Information Returns Reported Magnetically/Electronically, along with a Form 4802, Transmittal of Information Returns Reported Magnetically/Electronically(Continuation), if you submit data for multiple employers.
- (b) Your media (tape, diskette, or cartridge) with an external identifying label. Notice 210 describes the information which should be included on this self-prepared label.
- (c) On the outside of the shipping container, affix the label, IRB Special Projects. This label is included in this publication.

Note: See Part C for electronic submission requirements.

.10 IRS/MCC will not pay or accept “Collect on Delivery” or “Charged to IRS” shipments of reportable tax information that an individual or organization is legally required to submit.

SEC. 9. FILING DATES

.01 Magnetic/electronic reporting to IRS for Form 8027 must be on a calendar year basis. The due date of either paper or magnetically reported Forms 8027 is the last day of February. However, Forms 8027 filed **electronically** are due March 31.

.02 If the due date falls on a Saturday, Sunday, or legal holiday, filing Form 8027 on the next day that is not a Saturday, Sunday, or legal holiday will be considered timely.

SEC. 10. EXTENSION OF TIME

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

.02 Form 8809, Request for Extension of Time To File Information Returns, should be submitted to IRS/MCC. This form may be used to request an extension of time to file information returns submitted on paper, magnetically or electronically.

.03 Requesting an extension of time for multiple employers may be done by submitting Form 8809 and attaching a list of the employer names and their TINs (EIN or SSN). **The listing must be attached to ensure the extension is recorded for all employers.** Form 8809 may be computer-generated or photocopied. Be sure that all the pertinent information is included.

.04 Requests for extensions of time for multiple employers will be responded to with one approval letter, accompanied by a list of employers covered under that approval.

.05 **As soon as it is apparent** that an extension of time to file is needed, Form 8809 may be submitted. When granted, the extension will be for 30 days. It will take a minimum of 30 days for IRS/MCC to respond to an extension request. Under certain circumstances, a request for an extension of time could be denied. When a denial letter is received, any additional or necessary information may be resubmitted within 20 days. When requesting an extension of time, **do not** hold your files waiting for a response.

.06 While very difficult to obtain, if an additional extension of time is needed, a second Form 8809 must be submitted before the end of the initial extension period. Line 7 on the form should be checked 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 events.

.07 **Form 8809 must be** postmarked no later than the due date of the return for which an extension is requested. If requesting an extension of time to file several types of forms, use one Form 8809, but the Form 8809 must be postmarked no later than the earliest due date. For example, if requesting an extension of time to file both Forms 8027 and 5498, submit Form 8809 postmarked on or before the last day of February.

.08 If an extension request is approved, the approval letter should be kept on file. The approval letter or copy of the approval letter for extension of time should **not** be sent to IRS/MCC with the magnetic/electronic file. When submitting Form 8027 on **paper only** to the Andover Service Center, attach a copy of the approval letter. If an approval letter has not been received, send a copy of the timely filed Form 8809.

.09 Request an extension for only one tax year.

.10 The extension request must be signed by the employer or a person who is duly authorized to sign a return, statement or other document for the employer.

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

.12 Form 8809 may be obtained by calling **1-800-TAX-FORM (1-800-829-3676)**.

Note: AN EXTENSION OF TIME TO FILE IS NOT AN EXTENSION TO ISSUE FORM W-2 TO THE EMPLOYEE.

.13 Request an extension of time to furnish the statements to recipients of Forms W-2 by submitting a letter to IRS/MCC containing the following information:

- (a) Employer name
- (b) TIN
- (c) Address
- (d) Type of return (W-2)
- (e) Specify that the extension request is to provide W-2 statements to recipients.
- (f) Reason for delay
- (g) Signature of employer or person duly authorized.

Requests for an extension of time to furnish the statements for Forms W-2 to recipients are not automatically approved; however, if approved, generally an extension will allow a maximum of 30 additional days from the due date to furnish the statements to the recipients. The request must be postmarked no later than the date on which the statements are due to the recipients.

SEC. 11. PROCESSING OF INFORMATION RETURNS MAGNETICALLY/ELECTRONICALLY

.01 All data received at the IRS/MCC for processing will be given the same protection as individual returns (Form 1040). IRS/MCC will process your magnetic/electronic files to ensure the records were formatted and coded according to this revenue procedure.

.02 If the data is formatted incorrectly, the file will be returned for replacement accompanied by a letter of explanation along with a Media Tracking Slip (Form 9267). When media is returned, it is because IRS/MCC encountered errors (not limited to format) and was unable to process the media; therefore, requiring a replacement. Open all packages immediately. ***Beginning in calendar year 2002 for Tax Year 2001, IRS/MCC will no longer return problem media in need of replacement.***

.03 Files must be corrected and returned with the Media Tracking Slip (Form 9267) to IRS/MCC within 45 days from the date of the letter IRS/MCC included with the returned media. A penalty for failure to file correct information returns by the due date will be assessed if the file is not corrected and returned within the 45 days **or if the incorrect file is returned by IRS/MCC for replacement more than two times.** A penalty for intentional disregard of filing requirements will be assessed if a replacement file is not received.

.04 Files will not be returned to you after successful processing. Therefore, if you want proof that IRS/MCC received your shipment, you may use a carrier that provides proof of delivery.

.05 To distinguish between a correction and a replacement, the following definitions are provided:

(a) A **correction** is a record submitted by the employer/transmitter to correct a record that was successfully processed by IRS, but contained erroneous information.

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

(b) A **replacement** is a file that IRS has returned because of format errors or data discrepancies encountered during processing. After necessary changes have been made, the file must be returned to IRS/MCC for processing.

☞ **Note 1: Filers should never send anything to IRS/MCC marked “Replacement” unless IRS/MCC returned media to them.**

☞ **Note 2: *Beginning in calendar year 2002 for Tax Year 2001, IRS/MCC will no longer return problem media in need of replacement. Filers will continue to receive a tracking slip, listing and letter detailing the reason(s) their media could not be processed. Filers will be expected to send in replacement media within the prescribed time frame. This makes it imperative that filers maintain backup copies and/or recreate capabilities for their information return files.***

SEC. 12. PENALTIES

.01 The Revenue Reconciliation Act of 1989 changed the penalty provisions for any documents, including corrections, which are filed after the original filing date for the return. The penalty for failure to file correct information returns is “time sensitive,” in that prompt correction of failures to file, or prompt correction of errors on returns that were filed, can lead to reduced penalties.

— The penalty generally is \$50 for each information return that is not filed, or is not filed correctly, by the prescribed filing date, with a maximum penalty of \$250,000 per year (\$100,000 for certain small businesses with average annual gross receipts, over the most recent 3-year period, not in excess of \$5,000,000). The penalty generally is reduced to:

— \$30 for each failure to comply if the failure is corrected more than 30 days after the return was due, but on or before August 1 of the calendar year in which the return was due, with a maximum penalty of \$150,000 per year (\$50,000 for certain small businesses with average annual gross receipts, over the most recent 3-year period, not in excess of \$5,000,000).

— \$15 for each failure to comply if the failure is corrected within 30 days after the date the return was due, with a maximum penalty of \$75,000 per year (\$25,000 for certain small businesses with average annual gross receipts, over the most recent 3-year period, not in excess of \$5,000,000).

.02 Penalties can be waived if failures were due to reasonable cause and not to willful neglect. In addition, section 6721(c) of the Code provides a de minimis rule that if:

(a) information returns have been filed but were filed with incomplete or incorrect information, and

(b) the failures are corrected on or before August 1 of the calendar year in which the returns were due, then the penalty for filing incorrect returns (but not the penalty for filing late) will not apply to the greater of 10 returns or one-half of 1 percent of the total number of information returns you are required to file for the calendar year.

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

SEC. 13. CORRECTED RETURNS, SUBSTITUTE FORMS, AND COMPUTER-GENERATED FORMS

.01 If returns must be corrected, approved magnetic/electronic filers must provide such corrections magnetically/electronically if you have 250 or more. If your information is filed magnetically/electronically, corrected returns are identified by using the “Cor-

rected 8027 Indicator” in field position 370 of the employer record. Form 4804 must accompany the shipment, and the box for correction should be marked in Block 1 of the form. (See Part A, Sec. 11.05 for the definition of corrections.)

.02 If corrections are not submitted on magnetic media, employers must submit them on official Forms 8027. Substitute forms that have been previously approved by IRS, or computer-generated forms that are exact facsimiles of the official form (except for minor page size or print style deviations), may be submitted without obtaining IRS approval before using the form.

.03 Employers/establishments may send corrected paper Forms 8027 to IRS at the address shown in Part A, Sec. 14.01. Corrected paper returns are identified by marking the “AMENDED” check box on Form 8027.

SEC. 14. EFFECT ON PAPER RETURNS

.01 If you are filing more than one paper Form 8027, you must attach a completed Form 8027-T, Transmittal of Employer’s Annual Information Return of Tip Income and Allocated Tips, to the Forms 8027 and send to:

Internal Revenue Service Center
Andover, MA 05501

IRS/MCC processes Forms 8027 submitted magnetically/electronically only. Do not send paper Forms 8027 to IRS/MCC.

.02 If part of a submission is filed magnetically/electronically and the rest of the submission is filed on paper Forms 8027, send the paper forms to the Andover Service Center. For example, you filed your Forms 8027 magnetically/electronically with IRS/MCC, and later you found that some of the forms you filed need correcting. Because of the low volume of corrections, you submit the corrections on paper Forms 8027. You must send these corrected Forms 8027 along with Form 8027-T to the Andover Service Center.

SEC. 15. DEFINITION OF TERMS

ELEMENT	DESCRIPTION
EIN	A nine-digit Employer Identification Number which has been assigned by IRS to the reporting entity.
Employer	The organization supplying their information. Use the same name and EIN you used on your Forms W-2 and Forms 941.
Establishment	A large food or beverage establishment that provides food or beverage for consumption on the premises; where tipping is a customary practice; and where there are normally more than 10 employees who work more than 80 hours on a typical business day during the preceding calendar year.
More than 10 employees	An employer is considered to have more than 10 employees on a typical business day during the calendar year if half the sum of: the average number of employee hours worked per business day in the calendar month in which the aggregate gross receipts from food and beverage operations were greatest, plus the average number of employee hours worked per business day in the calendar month in which the total aggregate gross receipts from food and beverage operations were the least, equals more than 80 hours.
Employee hours worked	The average number of employee hours worked per business day during a month is figured by dividing the total hours worked during the month by all your employees who are employed in a food or beverage operation by the average number of days in the month that each food or beverage operation at which these employees worked was open for business.
File	For the purpose of this revenue procedure, a file consists of all magnetic/electronic records submitted by an Employer or Transmitter.
Transmitter	Person or organization preparing magnetic/electronic file(s). May be Employer or agent of Employer.
Transmitter Control Code (TCC)	A five-character alpha/numeric code assigned by IRS to the transmitter prior to actual filing magnetically/electronically. This number is inserted in the record and must be present. An application (Form 4419) must be filed with IRS to receive this number.

Replacement

A replacement is an information return file that IRS/MCC has returned to the transmitter due to errors encountered during processing.

Note: Beginning in calendar year 2002 for Tax Year 2001, IRS/MCC will no longer return problem media in need of replacement.

Correction

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.

Part B. MAGNETIC/ELECTRONIC SPECIFICATIONS

SEC. 1. GENERAL

.01 The magnetic/electronic specifications contained in this part of the revenue procedure define the required format and contents of the records to be included in the file.

.02 A self-prepared media label must be affixed to each piece of media submitted for processing. Notice 210 provides instructions on how to complete a self-prepared media label.

.03 The record format in Part B, Sec. 6, applies to both magnetic and electronic files.

SEC. 2. TAPE SPECIFICATIONS

Note: Beginning in calendar year 2003 for Tax Year 2002, IRS/MCC will no longer accept 9 track tapes for filing Forms 8027.

.01 In most instances, IRS/MCC can process any compatible tape files. Compatible tape files must meet any one set of the following:

- (a) 9-track EBCDIC (Extended Binary Coded Decimal Interchange Code) with
 - (1) Odd Parity and
 - (2) A density of 1600 or 6250 BPI.
 - (3) If you use Unisys Series 1100, you must submit an interchange tape.
- (b) 9-track ASCII (American Standard Coded Information Interchange) with
 - (1) Odd Parity and
 - (2) A density of 1600 or 6250 BPI.

Please be consistent in the use of recording codes and density on your files. If files are generated in more than one recording code and/or density, multiple shipments would be appreciated.

.02 All compatible tape files must have the following characteristics: Type of tape - 1/2 inch (12.7mm) wide, computer grade magnetic tape on reels up to 2,400 feet (731.52 m) within the following specifications:

- (a) Tape thickness: 1.0 or 1.5 mils
- (b) Reel diameter: 10.5 inch (26.67 cm), 8.5 inch (21.59 cm), or 7 inch (17.78 cm) or 6-inch.

.03 All records have a fixed record length of 372 positions.

.04 The tape record defined in this revenue procedure may be blocked or unblocked, subject to the following:

- (a) All records except the header and trailer labels may be blocked.
- (b) If records are blocked, the block can not exceed 32,736 tape positions. The block length must be evenly divisible by 372.
- (c) If the use of blocked records would result in a short block, all remaining positions of the block **MUST** be filled with 9's. **DO NOT PAD A BLOCK WITH BLANKS.** Padding a block with blanks will result in a short record, which will cause math computation errors. Your tape will then be returned for replacement.

.05 For the purposes of this revenue procedure the following conventions must be used:

Header label:

- (a) Transmitters may use standard headers provided they begin with 1HDR, HDR1, VOL1, or VOL2.
- (b) Consists of a maximum of 80 positions.
- (c) Header and trailer labels are optional unless more than one reel is being submitted. If more than one reel is being submitted, header and trailer labels are required. **IRS/MCC PREFERS STANDARD OR ANSI LABELED TAPES. IF YOU SUBMIT AN UNLABELED TAPE, THIS MUST BE INDICATED ON THE EXTERNAL LABEL AND ON THE FORM 4804 OR COMPUTER-GENERATED SUBSTITUTE.**

Trailer label:

- (a) Standard trailer labels may be used provided that they begin with 1EOR, 1EOF, EO1, or EO2.
- (b) Consists of a maximum of 80 positions.
- (c) Header and trailer labels are optional unless more than one reel is being submitted. If more than one reel is being submitted, header and trailer labels are required.

Tape Mark:

- (a) Used to signify the physical end of the recording on tape.
- (b) May follow the header label and precede and/or follow the trailer label.

SEC. 3. TAPE CARTRIDGE SPECIFICATION

- .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 must be 1/2-inch tape contained in plastic cartridges which are approximately 4-inches by 5-inches by 1-inch in dimension.
 - (2) Magnetic tape must be chromium dioxide particle based 1/2-inch tape.
 - (3) Cartridges must be 18-track or 36-track parallel (See **Note**).
 - (4) Cartridges must contain 37,871 CPI or 75,742 CPI (characters per inch).
 - (5) Mode must 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 32,736 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 372.
 - (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) Used to signify 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 and transmittal Form 4804 whether the cartridge is 36-track or 18-track.

SEC. 4. 8MM, 4MM, AND QUARTER-INCH CARTRIDGE SPECIFICATIONS

- .01** In most instances, IRS/MCC can process 8mm tape cartridges that meet the following specifications:
- (a) Must meet American National Standard Institute (ANSI) standards, and have the following characteristics:
 - (b) Created from an AS400 operating system only.
 - (c) 8mm (.315-inch) tape cartridges must be 2 1/2-inch by 3 3/4-inch.
 - (d) The 8mm tape cartridges must meet the following specifications:

Tracks	Density	Capacity
1	20 (43245 BPI)	2.3 Gb
1	21 (45434 BPI)	5 Gb

- (e) Mode must be full function.
 - (f) Compressed data is not acceptable.
 - (g) Either EBCDIC (Extended Binary Coded Decimal Interchange Code) or ASCII (American Standard Coded Information Interchange) may be used. However, IRS/MCC encourages the use of EBCDIC. This information must appear on the external media label affixed to the cartridge.
 - (h) A file may consist of more than one cartridge, however, no more than 250,000 documents may be transmitted per file or per cartridge. The filename, for example; ATMTAX, will contain a three-digit extension. The extension will indicate the sequence of the cartridge within the file 1 of 3, 2 of 3, and 3 of 3 and would appear in the header label ATMTAX.001, ATMTAX.002, and ATMTAX.003 on each cartridge of the file.
- .02** The 8mm (.315-inch) tape cartridge records defined in this revenue procedure may be blocked subject to the following:
- (a) A block **must not** exceed 32,736 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 9's; however, the last block of the file may be filled with 9's 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 must 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 372.

(d) Records must not span blocks.

(e) No more than 250,000 documents per cartridge and per file.

.03 Various COPY commands have been successful; however, the SAVE OBJECT COMMAND is not acceptable.

.04 For faster processing, IRS/MCC encourages transmitters to use header labeled cartridges. ATMTAX may be used as a suggested filename.

.05 For the purposes of this revenue procedure, the following must be used:

Tape Mark:

(a) Used to signify 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.

.06 IRS/MCC can only read one data file on a tape. A data file is a group of records which may or may not begin with a tapemark, but must end with a trailer label. Any data beyond the trailer label cannot be read by IRS programs.

.07 4mm (.157-inch) cassettes are now acceptable with the following specifications:

(a) 4 mm cassettes must be 2 1/4-inch by 3-inch.

(b) The tracks are 1 (one).

(c) The density is 19 (61000 BPI).

(d) The typical capacity is DDS (DAT data storage) at 1.3 Gb (60 meter) or 2 Gb (90 meter), or DDS-2 at 4Gb (120).

(e) The general specifications for 8mm cartridges will also apply to the 4 mm cassettes.

.08 Various Quarter-Inch Cartridges (QIC)(1/4-inch) are also acceptable.

(a) QIC cartridges must be 4" by 6".

(b) QIC cartridges must meet the following specifications:

Size	Tracks	Density	Capacity
QIC-24	8/9	5 (8000 BPI)	45Mb or 60Mb
QIC-120	15	15 (10000 BPI)	120Mb or 200Mb
QIC-150	18	16 (10000 BPI)	150Mb or 250Mb
QIC-525	26	17 (16000 BPI)	525Mb
QIC-1000	30	21 (36000 BPI)	1Gb
QIC-2Gb	42	34 (40640 BPI)	2Gb

(c) The general specifications that apply to 8mm cartridges will also apply to QIC cartridges.

⚡**Note:** *Advanced Metal Evaporated (AME) cartridges are not acceptable.*

SEC 5. 3 1/2-INCH DISKETTE SPECIFICATIONS

IRS/MCC has discontinued processing 5 1/4-inch diskettes. Filers who use 5 1/4-inch diskettes must now use another method of submitting information returns magnetically/electronically.

.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 fixed length of 372 bytes.

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

(e) Positions 371 and 372 of each record have been reserved for carriage return/line feed (cr/lf) characters.

(f) Filename of ATMTAX must be used. Do not enter any other data in this field. If a file will consist of more than one diskette, the filename will contain a three-digit extension. This extension will indicate the sequence of the diskette within the file. For example, the first diskette will be named ATMTAX.001, the second diskette will be ATMTAX.002, etc.

(g) A file may contain more than one diskette as long as the filename conventions are adhered to.

(h) 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
1.2 mb	96tp	hd	512

.02 IRS requires that 3 1/2-inch diskettes be created using MS/DOS. Diskettes created using other operating systems are not acceptable.

.03 Deviations from the prescribed format are not acceptable.

SEC. 6. RECORD FORMAT AND LAYOUT

FORM 8027 RECORD FORMAT

Field Position	Field Title	Length	Description and Remarks
1	Establishment Type	1	REQUIRED. This digit identifies the kind of establishment. Enter the number which describes the type of establishment, as shown below: 1 for an establishment that serves evening meals only (with or without alcoholic beverages). 2 for an establishment that serves evening meals and other meals (with or without alcoholic beverages). 3 for an establishment that serves only meals other than evening meals (with or without alcoholic beverages). 4 for an establishment that serves food, if at all, only as an incidental part of the business of serving alcoholic beverages.
2-6	Establishment Serial Numbers	5	REQUIRED. These five-digit Serial Numbers are for identifying individual establishments of an employer reporting under the same EIN. The employer shall assign each establishment a unique number. NUMERICS ONLY.
7-46	Establishment Name	40	REQUIRED. Enter the name of the establishment. Left justify and fill unused positions with blanks. ALLOWABLE CHARACTERS ARE ALPHAS, NUMERICS, BLANKS, HYPHENS, AMPERSANDS, AND SLASHES.
47-86	Establishment Street Address	40	REQUIRED. Enter the mailing address of the establishment. Street address should include number, street, apartment or suite number (use P O Box only if mail is not delivered to street address). Left justify and blank fill.

Note: The only allowable characters are alphas, blanks, numerics, ampersands, hyphens and slashes. Punctuation such as periods and commas are not allowed and will cause your file to be returned. For example, the address 210 N. Queen St., Suite #300 must be entered as 210 N Queen St Suite 300.

87-111	Establishment City	25	REQUIRED. Enter the city, town, or post office. Left justify and blank fill.
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Note: The only allowable characters are alphas, blanks, numerics, ampersands, hyphens and slashes. Punctuation such as periods and commas are not allowed and will cause your file to be returned. For example, the city St. Louis must be entered as St Louis.

112-113	Establishment State	2	REQUIRED. Enter state code of the establishment; must be one of the following:
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<u>STATE</u>	<u>CODE</u>	<u>STATE</u>	<u>CODE</u>
Alabama	AL	Montana	MT
Alaska	AK	Nebraska	NE
Arizona	AZ	Nevada	NV
Arkansas	AR	New Hampshire	NH
California	CA	New Jersey	NJ
Colorado	CO	New Mexico	NM
Connecticut	CT	New York	NY
Delaware	DE	North Carolina	NC
District of Columbia	DC	North Dakota	ND
Florida	FL	Ohio	OH
Georgia	GA	Oklahoma	OK
Hawaii	HI	Oregon	OR
Idaho	ID	Pennsylvania	PA
Illinois	IL	Rhode Island	RI
Indiana	IN	South Carolina	SC
Iowa	IA	South Dakota	SD
Kansas	KS	Tennessee	TN

FORM 8027 RECORD FORMAT

Field Position	Field Title	Length	Description and Remarks
<u>STATE</u>		<u>CODE</u>	<u>STATE</u> <u>CODE</u>
Kentucky		KY	Texas
Louisiana		LA	Utah
Maine		ME	Vermont
Maryland		MD	Virginia
Massachusetts		MA	Washington
Michigan		MI	West Virginia
Minnesota		MN	Wisconsin
Mississippi		MS	Wyoming
Missouri		MO	
114-122	Establishment ZIP Code	9	REQUIRED. Enter the complete nine-digit ZIP Code of the establishment. If using a five-digit ZIP Code, left justify the five-digit ZIP Code and fill the remaining four positions with blanks. Note: MUST BE NINE NUMERICS OR FIVE NUMERICS AND FOUR BLANKS. DO NOT ENTER THE DASH.
123-131	Employer Identification Number	9	REQUIRED. Enter the nine-digit number assigned to the employer by IRS. DO NOT ENTER HYPHENS, ALPHAS, ALL 9's, OR ALL ZEROS.
132-171	Employer Name	40	REQUIRED. Enter the name of the employer as it appears on your tax forms (e.g., Form 941). Any extraneous information must be deleted. Left justify and blank fill. ALLOWABLE CHARACTERS ARE ALPHAS, BLANKS, NUMERICS, AMPERSANDS, HYPHENS, AND SLASHES.
172-211	Employer Street Address	40	REQUIRED. Enter mailing address of employer. Street address should include number, street, apartment or suite number (use P O Box only if mail is not delivered to street address). Left justify and blank fill. Note: The only allowable characters are alphas, blanks, numerics, ampersands, hyphens and slashes. Punctuation such as periods and commas are not allowed and will cause your file to be returned. For example, the address 210 N. Queen St., Suite #300 must be entered as 210 N Queen St Suite 300.
212-236	Employer City	25	REQUIRED. Enter the city, town, or post office. Left justify and blank fill. Note: The only allowable characters are alphas, blanks, numerics, ampersands, hyphens and slashes. Punctuation such as periods and commas are not allowed and will cause your file to be returned. For example, the city St. Louis must be entered as St Louis
237-238	Employer State	2	REQUIRED. Enter state code of employer. Must be one of the abbreviations shown in the state abbreviation table for Establishment State (field positions 112-113).
239-247	Employer ZIP Code	9	REQUIRED. Enter the complete nine-digit ZIP Code of the employer. If using a five-digit ZIP Code, left justify the five-digit ZIP Code and fill the remaining four positions with blanks. Note: MUST BE NINE NUMERICS OR FIVE NUMERICS AND FOUR BLANKS. DO NOT ENTER THE DASH.
248-259	Charge Tips	12	REQUIRED. Enter the total amount of tips that are shown on charge receipts for the calendar year. Amount must be entered in U.S. dollars and cents. The right most two positions represent cents. Right justify and zero fill. If no entry, zero fill. NUMERICS ONLY. DO NOT ENTER DECIMAL POINTS, DOLLAR SIGNS, OR COMMAS.
260-271	Charged Receipts	12	REQUIRED. Enter the total sales for the calendar year other than carry-out sales or sales with an added service charge of 10 percent or more, that are on charge receipts with a charged tip shown. This includes credit card charges, other credit arrangements, and charges to a hotel room unless the employer's normal accounting practice consistently excludes charges to a

FORM 8027 RECORD FORMAT

Field Position	Field Title	Length	Description and Remarks
			hotel room. Do not include any state or local taxes in the amount reported. Amount must be entered in U.S. dollars and cents. The right-most two positions represent cents. Right justify and zero fill. If no entry, zero fill. NUMERICS ONLY. DO NOT INCLUDE DOLLAR SIGNS, DECIMAL POINTS, OR COMMAS.
272-283	Service Charge Less Than 10 Percent	12	REQUIRED. Enter the total amount of service charges less than 10 percent added to customer's bills and were distributed to your employees for the calendar year. In general, service charges added to the bill are not tips since the customer does not have a choice. These service charges are treated as wages and are included on Form W-2. For a more detailed explanation, see Rev. Rul. 69-28, 1969-1 C.B. 270. Amount must be entered in U.S. dollars and cents. The right-most two positions represent cents. Right justify and zero fill. If no entry, zero fill. NUMERICS ONLY. DO NOT ENTER DOLLAR SIGNS, DECIMAL POINTS, OR COMMAS.
284-295	Indirect Tips Reported	12	REQUIRED. Enter the total amount of tips reported by indirectly tipped employees (e.g., bussers, service bartenders, cooks) for the calendar year. Do not include tips received by employees in December of the prior tax year but not reported until January. Include tips received by employees in December of the tax year being reported, but not reported until January of the subsequent year. Amount must be entered in U.S. dollars and cents. The right-most two positions represent cents. Right justify and zero fill. If no entry, zero fill. NUMERICS ONLY. DO NOT ENTER DOLLAR SIGNS, DECIMAL POINTS, OR COMMAS.
296-307	Direct Tips Reported	12	REQUIRED. Enter the total amount of tips reported by directly tipped employees (e.g., servers, bartenders) for the calendar year. Do not include tips received by employees in December of the prior tax year but not reported until January. Include tips received by employees in December of the tax year being reported, but not reported until January of the subsequent year. Amount must be entered in U.S. dollars and cents. The right-most two positions represent cents. Right justify and zero fill. If no entry, zero fill. NUMERICS ONLY. DO NOT ENTER DOLLAR SIGNS, DECIMAL POINTS, OR COMMAS.
308-319	Total Tips Reported	12	REQUIRED. Enter the total amount of tips reported by all employees (both indirectly tipped and directly tipped) for the calendar year. Do not include tips received in December of the prior tax year but not reported until January. Include tips received in December of the tax year being reported, but not reported until January of the subsequent year. Amount must be entered in U.S. dollars and cents. The right-most two positions represent cents. Right justify and zero fill. If no entry, zero fill. NUMERICS ONLY. DO NOT ENTER DOLLAR SIGNS, DECIMAL POINTS, OR COMMAS.
320-331	Gross Receipts	12	REQUIRED. Enter the total gross receipts from the provision of food and/or beverages for this establishment for the calendar year. Do not include receipts for carry-out sales or sales with an added service charge of 10 percent or more. Do not include in gross receipts charged tips (field positions 248-259) shown on charge receipts unless you have reduced the cash sales amount because you have paid cash to tipped employees for tips they earned that were charged. Do not include state or local taxes in gross receipts. If you do not charge separately for food or beverages along with other services (such as a package deal for food and lodging), make a good

FORM 8027 RECORD FORMAT

Field Position	Field Title	Length	Description and Remarks
			faith estimate of the gross receipts attributable to the food or beverages. This estimate must reflect the cost of providing the food or beverages plus a reasonable profit factor. Include the retail value of complimentary food or beverages served to customers if tipping for them is customary and they are provided in connection with an activity engaged in for profit whose receipts would not be included as gross receipts from the provision of food or beverages (e.g., complimentary drinks served to customers at a gambling casino). Amount must be entered in U.S. dollars and cents. The right-most two positions represent cents. Right justify and zero fill. If no entry, zero fill. NUMERICS ONLY. DO NOT ENTER DOLLAR SIGNS, DECIMAL POINTS, OR COMMAS.
332-343	Tip Percentage Rate Times Gross Receipts	12	REQUIRED. Enter the amount determined by multiplying Gross Receipts for the year (field positions 320–331) by the Tip Percentage Rate (field positions 344–347). For example, if the value of Gross Receipts is “000045678900” and Tip Percentage Rate is “0800”, multiply \$456,789.00 by .0800 to get \$36,543.12 and enter “000003654312”. If tips are allocated using other than the calendar year, enter zeros; this may occur if you allocated tips based on the time period for which wages were paid or allocated on a quarterly basis. Amount must be entered in U.S. dollars and cents. The right-most two positions represent cents. Right justify and zero fill. If no entry, zero fill. NUMERICS ONLY. DO NOT ENTER DOLLAR SIGNS, DECIMAL POINTS, OR COMMAS.
344-347	Tip Percentage Rate	4	REQUIRED. Enter 8 percent (0800) unless a lower rate has been granted by the District Director. The determination letter must accompany the magnetic/electronic submission. NUMERICS ONLY. DO NOT ENTER DECIMAL POINT.
348-359	Allocated Tips	12	REQUIRED. If Tip Percentage Rate times Gross Receipts (field positions 332–343) is greater than Total Tips Reported (field positions 308–319), then the difference becomes Allocated Tips. Otherwise, enter all zeros. If tips are allocated using other than the calendar year, enter the amount of allocated tips from your records. Amount must be entered in U.S. dollars and cents. The right-most two positions represent cents. Right justify and zero fill. If no entry, zero fill. NUMERICS ONLY. DO NOT ENTER DOLLAR SIGNS, DECIMAL POINTS, OR COMMAS.
360	Allocation Method	1	REQUIRED. Enter the allocation method used if Allocated Tips (field positions 348–359) are greater than zero as follows: 0) if allocated tips are equal to zero 1) for allocation based on hours worked. 2) for allocation based on gross receipts. 3) for allocation based on a good faith agreement. The good faith agreement must accompany the magnetic/electronic submission.
Note: Under Section 1571 of the Tax Reform Act of 1986, the method of allocation of tips based on the number of hours worked as described in Section 31.6053–3(f)(1)(iv) may be utilized only by an employer that employs less than the equivalent of 25 full-time employees at the establishment during the payroll period. Section 31.6053–3(j)(19) provides that an employer is considered to employ less than the equivalent of 25 full-time employees at an establishment during a payroll period if the average number of employee hours worked per business day during the payroll period is less than 200 hours.			
361-364	Number of Directly Tipped Employees	4	REQUIRED. Enter the total number (must be greater than zero) of directly tipped employees employed by the establishment for the calendar year. Right justify and zero fill. NUMERICS ONLY.

FORM 8027 RECORD FORMAT

Field Position	Field Title	Length	Description and Remarks
365-369	Transmitter Control Code (TCC)	5	REQUIRED. Enter the five-digit Transmitter Control Code assigned by the IRS.
370	Corrected 8027 Indicator	1	REQUIRED. Enter blank for original return. Enter "G" for corrected return. A corrected return must be a complete new return replacing the original return.
371-372	Blank or cr/lf	2	Magnetic/electronic filers are required to enter blanks. Diskette filers may enter blanks or the carriage return/line feed characters (cr/lf).

FORM 8027 RECORD LAYOUT

Establishment Type	Establishment Serial Number	Establishment Name	Establishment Street Address
1	2-6	7-46	47-86
Establishment City	Establishment State	Establishment ZIP Code	Employer Identification Number
87-111	112-113	114-122	123-131
Employer Name	Employer Street Address	Employer City	Employer State
132-171	172-211	212-236	237-238
Employer ZIP Code	Charged Tips	Charged Receipts	Service Charge Less Than 10 Percent
239-247	248-259	260-271	272-283
Indirect Tips Reported	Direct Tips Reported	Total Tips Reported	Gross Receipts
284-295	296-307	308-319	320-331
Tip Percentage Rate Times Gross Receipts	Tip Percentage Rate	Allocated Tips	Allocation Method
332-343	344-347	348-359	360
Number of Directly Tipped Employees	Transmitter Control Code (TCC)	Corrected 8027 Indicator	Blank or cr/lf
361-364	365-369	370	371-372

PART C. ELECTRONIC FILING SPECIFICATIONS

SEC. 1 BACKGROUND

01. 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 (1-304-262-2400). Publications and forms are no longer available electronically from MCC. Users needing publications and forms will need to download them from the IRS's Internet Web Site at www.irs.gov or order them by calling 1-800-TAX-FORM (1-800-829-3676).

SEC. 2. ADVANTAGES OF FILING ELECTRONICALLY

Some of the advantages of filing electronically are as follows:

- (1) Results available within 10 workdays as to the acceptability of the data transmitted. It is the filer's responsibility to dial back in and check results.
- (2) Later due date of March 31 for electronically filed Forms 8027.
- (3) Better customer service due to on-line availability of transmitter's files for research purposes.
- (4) Additional testing time through February 15.

SEC. 3. GENERAL

.01 Electronic filing of Forms 8027, originals, corrections, and replacements of information returns is offered as an alternative to magnetic media (tape, tape cartridge, or diskette) or paper filing, but is not a requirement. Transmitters filing electronically will fulfill the magnetic media requirements for those payers who are required to file magnetically. It may also be used by payers who are under the filing threshold requirement, but would prefer to file their information returns this way. If the original file was sent magnetically, but was returned for replacement, the replacement may be transmitted electronically. Also, if the original file was submitted via magnetic media, any corrections may be transmitted electronically.

.02 The electronic filing of information returns is not affiliated with the Form 1040 electronic filing program. These two programs are totally independent, and filers must obtain separate approval to participate in each of them. All inquiries concerning the electronic filing of information returns should be directed to IRS/MCC. IRS/MCC personnel cannot answer questions or assist taxpayers in the filing of Form 1040 tax returns. Filers with questions of this nature will be directed to the Customer Service toll-free number (1-800-829-1040) for assistance.

.03 Files submitted to IRS/MCC electronically must be in standard ASCII code. No magnetic media or paper forms are to be submitted with the same information as the electronically submitted file.

.04 If a request for extension is approved, transmitters who file electronically will be granted an extension of time to file. Part A, Sec. 10, explains procedures for requesting extensions of time. Filers are encouraged to file their data as soon as possible.

.05 The format is the same for electronically filed records as they are for 3 1/2-inch diskettes, tapes, and tape cartridges, and must be in standard ASCII code. For electronically filed documents, each transmission is considered a separate file.

SEC. 4. ELECTRONIC FILING APPROVAL PROCEDURE

.01 Filers must obtain, or already have, a Transmitter Control Code (TCC) assigned prior to submitting their files electronically. (Filers who currently have a TCC for magnetic media filing do not have to request a second 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 passwords and do not need prior or special approval.

.03 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 are up to 8 alpha/numerics, which are case sensitive. However, if filers do forget their password, call 304-263-8700 for assistance.

Note: Passwords are case sensitive.

SEC. 5. 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 connectivity*. If filers wish to submit an electronic test file, it **must** be submitted to IRS/MCC **no earlier than** October and **no later than** December 15 the year before the returns are due.

.02 If a filer encounters problems while transmitting the electronic test file, contact IRS/MCC for assistance.

.03 Filers can verify the status of their transmitted test data by dialing the electronic filing system phone number (1-304-262-2400). This information will be available within 10 workdays after their transmission is received by IRS/MCC.

SEC. 6. 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 **304-263-8700**.

.02 *The FIRE System will be down from December 29, 2000, through January 7, 2001.* This will allow time for 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 software compression and hardware compression.**

The following are actual transmission rates achieved in test uploads at MCC using compressed files. The actual 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 in order to identify the file, if assistance is required, and to complete Form 4804.

.05 Filers are advised not to resubmit an entire file if records were omitted from the original transmission. This will result in duplicate filing. A new file should be sent consisting of the records that had not previously been submitted.

SEC. 7. TRANSMITTAL REQUIREMENTS

Note: *In the future, Form 4804 may not be required for ELECTRONIC filing of Forms 8027. See the bulletin area of the FIRE system for updates on this and other items of importance.*

.01 The results of the electronic transmission will be available in the File Status area of the electronic system within 10 workdays; however, no further processing will occur until the signed Form 4804 is received. The Form 4804 must be postmarked by the due date of the return. No return is considered filed until a Form 4804 is received by IRS/MCC.

.02 Form 4804, which is located in the back of this publication, can be ordered by calling the IRS toll-free forms and publications order number **1-800-TAX-FORM (1-800-829-3676)**, or it may be computer-generated. It may also be obtained from the IRS's Internet Web Site at **www.irs.gov**. If a filer chooses to computer-generate Form 4804, all of the information contained on the original form, including the affidavit, must also be contained on the computer-generated form.

.03 The TCC used in your file is the TCC which must appear on the transmittal Form 4804.

.04 Forms 4804 should be mailed to the following address:

If by Postal Service, air or truck freight:
IRS-Martinsburg Computing Center
Information Reporting Program
Attn: Electronic Filing Coordinator
240 Murall Drive
Kearneysville, WV 25430

Please indicate on the envelope the following message:

CONTAINS FORM 4804 INFORMATION - NO MAGNETIC MEDIA

SEC. 8. ELECTRONIC FILING SPECIFICATIONS

.01 The FIRE System is designed exclusively for the filing of Forms 1042-S, 1099, 1098, 5498, 8027, W2-G and W-4.

.02 A transmitter must have a TCC before a file can be transmitted. If you have a TCC for magnetic media filing, that TCC can also be used for electronic filing.

.03 *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.* These reports will be available on the electronic system in 10 workdays after the transmission is received by IRS/MCC.

.04 Contact the FIRE System by dialing **304-262-2400**. This number supports analog connections from 1200bps to 56Kbps or ISDN BRI 128Kbps connections. The system can be accessed via Dial-up network/web browser (*see Section 9*) or communications software (*see Section 10*). The Dial-up network/web browser will provide an Internet-like look without going through the Internet (point-to-point). If you do not have this capability, a text interface is provided that can be accessed via communication software such as *Hyperterminal, Procomm, PCAnywhere, etc.*

SEC. 9. DIAL-UP NETWORK/BROWSER SPECIFICATIONS (WEB INTERFACE)

.01 The following are some general instructions (many of these settings may already be set by default in your software):

Dial-up network settings:

- (a) Set dial-up server type to PPP
- (b) Set network protocol to TCP/IP

Browser settings:

- (a) Set to receive 'cookies'
- (b) Enable JavaScript or Jscript
- (c) Browser must be capable of file uploads (i.e., Internet Explorer 4.0, Netscape 2.0 or higher)
- (d) Enter the URL address of <http://10.225.224.2> (*Remember, this is a point-to-point connection, not the Internet.*)

.02 *Due to the large number of communication products available, it is impossible to provide specific information on all software/hardware configurations. However, since most of our filers use Windows 95, 98 or NT software, the following instructions are geared toward those products:*

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

- (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 (Windows 98)
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 password, 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**'.

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 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 the file name to be recorded on your Form 4804, Box 7b.

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 10 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 finished viewing your files, click on **'Main Menu'**.

Click **'Log Off'**.

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. 10. COMMUNICATION 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 Due to the large number of communication products available, it is impossible to provide specific information on all software/hardware configurations. However, since most of our filers use Windows 95, 98 or NT software, the following instructions are geared toward those products (Procomm, PCAnywhere and many other communications packages are also acceptable and the product does not necessarily need to be Windows based.):

Uploading Files Using Hyperterminal in Windows 95, 98 or NT

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.

After reading Information Notice, press **ENTER**.

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 change information; 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 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 the file name to be recorded on your Form 4804, Box 7b.

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 10 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**:

Choose the appropriate option.

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.

SEC. 11. MODEM CONFIGURATION

.01 Hardware features

- (a) Enable hardware flow control
- (b) Enable modem error control
- (c) Enable modem compression

SEC. 12. COMMON PROBLEMS ASSOCIATED WITH ELECTRONIC FILING

The following are the major non-format errors associated with electronic filing:

1. No Form 4804, Transmittal of Information Returns Reported Magnetically/Electronically.

Even though you have sent your information returns electronically, you still need to mail a signed Form 4804 by the due date of the return. See Part C, Section 7.04, for the mailing address.

2. 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 ten 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.

3. Incorrect file is not replaced timely.

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

4. 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.

5. 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 at 304-263-8700 to see if this is a possibility. However, this will count as a replacement. (See Part A, Sec. 11, for the definition of replacement.)

6. 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.

7. File is formatted as EBCDIC.

All files submitted electronically must be in standard ASCII code.

Part D. Miscellaneous Information

Sec. 1. Addresses for Martinsburg Computing Center

To submit an application to file, Form 4840, correspondence, and magnetic media files, use the following:

Mailing by U. S. Postal Service, truck or air freight:



IRS—Martinsburg Computing Center
Information Reporting Program
240 Murall Drive
Kearneysville, WV 25430

To submit magnetically filed and paper extension and waiver requests, use the following address:

Mailing by U.S. Postal Service, truck or air freight:



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

Sec. 2. Telephone Numbers for Contacting IRS/MCC

Information Reporting Program Call Site: 304-263-8700



Telecommunication Device for the Deaf (TDD): 304-267-3367

**Between 8:30 a.m. and 4:30 p.m. Eastern Time
Monday through Friday**

Electronic Filing via FIRE - 1-304-262-2400

Information Returns FAX Machine: 304-264-5602



**HOURS OF OPERATION – FIRE SYSTEM & FAX
24 HOURS A DAY
7 DAYS A WEEK**

This is the end of Publication 1239 for Tax Year 2000.