

## Rev. Proc. 2002-34

**NOTE:** This revenue procedure will be reprinted as the next revision of IRS Publication 1220, *Specifications for Filing Forms 1098, 1099, 5498, and W-2G Electronically or Magnetically*.

Use this Revenue Procedure to prepare Tax Year 2002 and prior year information returns for submission to Internal Revenue Service (IRS) using any of the following:

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

### **Caution to filers:**

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

## IMPORTANT NOTES:

**IRS/MCC no longer accepts 9 track magnetic tape for submitting Information Returns to IRS/MCC. See Part A, Sec. 2.02. Beginning in calendar year 2004 for tax year 2003, IRS/MCC will no longer accept 8mm, 4mm, and Quarter Inch Cartridges (QIC) for filing information returns.**

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## Part A. General

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

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

### Sec. 1. Purpose

**.01** The purpose of this Revenue Procedure is to provide the specifications for filing Forms 1098, 1099, 5498, and W-2G with IRS electronically through the IRS FIRE System or magnetically, using IBM 3480, 3490, 3490E, 3590, 3590E, or AS400 compatible tape cartridges (including 4mm, 8mm & QIC), or 3 ½-inch diskettes. ***IRS/MCC no longer accepts ½-inch 9-track magnetic tape for the processing of information returns.*** This Revenue Procedure must be used for the preparation of Tax Year 2002 information returns and information returns for tax years prior to 2002 ***filed beginning January 1, 2003, and received by IRS/MCC or postmarked by December 10, 2003.*** Specifications for filing the following forms are contained in this Revenue Procedure.

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

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

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

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

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

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

**.07** The following Revenue Procedures and publications provide more detailed filing procedures for certain information returns:

- (a) *2002 General Instructions for Forms 1099, 1098, 5498, and W-2G* and individual form instructions
- (b) Publication 1179, Rules and Specifications for Private Printing of Substitute Forms 1096, 1098, 1099, 5498, and W-2G

- (c) Publication 1239, Specifications for Filing Form 8027, Employer's Annual Information Return of Tip Income and Allocated Tips, Magnetically or Electronically
- (d) Publication 1187, Specifications for Filing Form 1042-S, Foreign Person's U.S. Source Income Subject to Withholding, Magnetically or Electronically
- (e) Publication 1245, Specifications for Filing Form W-4, Employee's Withholding Allowance Certificate, Magnetically or Electronically

**.08** This Revenue Procedure supersedes Rev. Proc. 2001-32 published as Publication 1220 (Rev. 5-2001), Specifications for Filing Forms 1098, 1099, 5498, and W-2G Magnetically or Electronically.

## **Sec. 2. Nature of Changes—Current Year (Tax Year 2002)**

**.01** In this publication, all pertinent changes for Tax Year 2002 are emphasized by the use of *italics*. Portions of text that require special attention have been **bolded**. Filers are always encouraged to read the publication in its entirety.

### **.02 Programming Changes**

#### **a. General**

- (1) 9-track magnetic tape is no longer an acceptable type of media for submitting information returns to IRS/MCC.
- (2) A new field Record Sequence Number was added to Field Positions 500-507 in **all** records. The Record Sequence Number will be in Field Positions 500-507 of the "T" Record, the "A" Record(s), the "B" Record(s), the "C" Record(s), any applicable "K" Record(s), and the "F" Record.
- (3) The title of Form 1099-G was changed from Certain Government Payment and Qualified State Tuition Program Payments to Certain Government Payments.
- (4) The title of Form 5498 was changed from "IRA Contribution Information" to "IRA and Coverdell ESA Contribution Information."
- (5) All references to Education IRAs have been changed to Coverdell ESAs.
- (6) Colorado, Louisiana, Maryland, Nebraska, North Carolina and Virginia were added to the Combined Federal/State Filing Program. See Part A, Sec. 13 for the appropriate state codes.

#### **b. Programming Changes — Transmitter "T" Record**

- (1) For all forms, Payment Year, Field Positions 2-5, must be incremented to update the four-digit report year (*2001 to 2002*), unless reporting prior year data.
- (2) Contact Email Address was added to Field Positions 359-393.
- (3) Cartridge Tape File Indicator was moved to Field Positions 394-395.
- (4) Electronic File name for a Replacement File was moved to Field Positions 396-410.
- (5) Transmitter's Media Number was added to Field Position 411-416.
- (6) Vendor Indicator was moved to Field Position 518.
- (7) Vendor Name was moved to Field Positions 519-558.
- (8) Vendor Mailing Address was moved to Field Positions 559-598.
- (9) Vendor City was moved to Field Positions 599-638.
- (10) Vendor State was moved to Field Positions 639-640.
- (11) Vendor ZIP code was moved to Field Positions 641-649.
- (12) Vendor Contact Name was moved to Field Positions 650-689.
- (13) Vendor Contact Phone Number and Extension was moved to Field Positions 690-704.
- (14) Vendor Contact Email Address was moved and expanded to 35 positions in Field Positions 705-739.

#### **c. Programming Changes — Payer "A" Record**

- (1) For all forms, Payment Year, Field Positions 2-5, must be incremented to update the four-digit report year (*2001 to 2002*), unless reporting prior year data.
- (2) For Form 1099-G, Certain Government Payments, amount code 5, Qualified State Tuition Program Earnings is no longer valid.
- (3) A new Form 1099-Q, Qualified Tuition Program Payments (under Section 529), was added to list of Type of Return. The code for 1099-Q is Q.
- (4) The Amount Codes, Field Positions 28-39, for 1099-Q are 1 (one), Gross Distribution, 2 (two), Earnings, and 3 (three), Basis.
- (5) For Form 5498, Amount Codes, Field Positions 28-39, code "B" was changed to Coverdell ESA Contributions.

#### **d. Programming Changes — Payee “B” Record**

- (1) For all forms, Payment Year, Field Positions 2–5, must be incremented to update the four-digit report year (2001 to 2002), unless reporting prior year data.
- (2) For 1099–Q, Field Position 547, Trustee to Trustee Rollover, will have a 1 (one) indicator if the reporting is a trustee to trustee rollover or a blank if it is not a trustee to trustee rollover.
- (3) For 1099–Q, Field Position 548, Type of Tuition Payment, will have a 1 (one) to indicate a private payment and a 2 (two) to indicate a state payment.
- (4) For 1099–Q, Field Position 549, Designated Beneficiary, will have a blank or a 1 (one) to indicate if the recipient is not the designated beneficiary.
- (5) For Form 1099–R, the title for Distribution Code M, Field Positions 545–546, was changed to Distribution from a Coverdell ESA.
- (6) For Form 5498, Education IRA Indicator, Field Position 552, was changed to Coverdell ESA Indicator.

#### **e. Programming Changes — End of File “F” Record**

- (1) Total Number of Payees was added to Field Positions 50–57.

#### **.03 Editorial Changes**

- a. In an effort to eliminate redundancy and improve clarity and organization, the Publication 1220 has undergone a major rewrite. Parts and Sections of the publication have been moved, added, deleted and/or rearranged. New information or additions to the publication have been italicized. The title of the publication was changed to Specifications for Filing Forms 1098, 1099, 5498 and W–2G Electronically or Magnetically. Actual programming changes are minor and are listed above.
- b. The Information Reporting Program (IRP) Call Site was reorganized and is now the IRP Customer Service Section. The IRP Customer Service Section continues to assist filers via a toll-free number and email with information return issues. See Part A, Sec. 3.09.
- c. A First Time Filers Quick Reference Guide was added to the inside cover of the publication.
- d. Bullets were added to the beginning of Part A, Sec. 11, Corrected Returns to emphasize important points. A record layout was added illustrating both the two step and one step correction process.
- e. Bullets were added to the beginning of Part A, Sec. 13, Combined Federal/State Filing Program to emphasize important points. A record layout was added to illustrate a file with Combined Federal/State Filing.
- f. A 1099–R Distribution Code Chart which shows acceptable combinations of distribution codes was added to Part D, Sec. 6 (16).
- g. Part A, Sec. 10, Replacement Media is new.
- h. Part A, Sec. 14, Penalties Associated With Information Returns is new.
- i. Part A, Sec. 16, Major Problems Encountered was revised.
- j. Part A, Sec. 17, Definition of Terms was deleted.
- k. Extension and waiver information is in Part E.
- l. Beginning in calendar year 2004 for Tax Year 2003, IRS/MCC will no longer accept 8mm, 4mm, and Quarter Inch Cartridges (QIC).

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

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

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

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

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

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



### CUSTOMER SERVICE SECTION

**TOLL-FREE 1-866-455-7438 or email at [mccirp@irs.gov](mailto:mccirp@irs.gov)**

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

**304-264-5602 — Fax Machine**

**Electronic Filing — FIRE system  
304-262-2400**

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

**[www.irs.gov](http://www.irs.gov) — IRS Web Site access to forms (See Note)**

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

.04 The 2002 *General Instructions for Forms 1098, 1099, 5498, and W-2G* and the individual forms instructions have been included in the Publication 1220 for your convenience. The Form 1096 is used only to transmit Copy A of **paper** Forms 1099, 1098, 5498, and W-2G. If filing paper returns, follow the mailing instructions on Form 1096 and submit the paper returns to the appropriate IRS Service Center.

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

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

.07 Payers **should not** contact IRS/MCC if they have received a penalty notice and need additional information or are requesting an abatement of the penalty. A penalty notice contains an IRS representative's name and/or phone number for contact purposes; or the payer may be instructed to respond in writing to the address provided. IRS/MCC does **not** issue penalty notices and does **not** have the authority to abate penalties. For penalty information, refer to the Penalty section of the 2002 *General Instructions for Forms 1099, 1098, 5498, and W-2G*.

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

.09 The Information Returns Program Customer Service Section (IRP/CSS), located at IRS/MCC, answers electronic/magnetic media, paper filing, and tax law questions from the payer community relating to the filing of business information returns (Forms 1096, 1098, 1099, 5498, 8027, W-2G, and W-4). IRP/CSS also answers questions relating to the electronic/magnetic media filing of Forms 1042-S and to the tax law criteria and paper filing instructions for Forms W-2 and W-3. Inquiries dealing with backup withholding and reasonable cause requirements due to missing and incorrect taxpayer identification numbers are also addressed by IRP/CSS. Assistance is available year-round to payers, transmitters, and employers nationwide, Monday through Friday, 8:30 a.m. to 4:30 p.m. Eastern time, by calling toll-free **1-866-455-7438** or via email at [mccirp@irs.gov](mailto:mccirp@irs.gov). The Telecommunications Device for the Deaf (**TDD**) toll number is **304-267-3367**. Call as soon as questions arise to avoid the busy filing seasons at the end of January and February. Recipients of information returns (payees) should continue to contact 1-800-829-1040 with any questions on how to report the information returns data on their tax returns.

.10 Form 4419, Application for Filing Information Returns Electronically/Magnetically, Form 8809, Request for Extension of Time to File Information Returns, and Form 8508, Request for Waiver From Filing Information Returns on Magnetic Media may be faxed to IRS/MCC at the number shown above in .03. Form 4804, Transmittal of Information Returns Filed Magnetically must always be included with media shipments.

#### Sec. 4. Filing Requirements

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

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

**.02** All filing requirements that follow apply individually to each reporting entity as defined by its separate taxpayer identification number (TIN), social security number (SSN), employer identification number (EIN), individual taxpayer identification number (ITIN) or adoption taxpayer identification number (ATIN). For example, if a corporation with several branches or locations uses the same EIN, the corporation must aggregate the total volume of returns to be filed for that EIN and apply the filing requirements to each type of return accordingly.

**.03** Payers who are required to submit their information returns on magnetic media may choose to submit their documents by electronic filing. Payers who submit their information returns electronically by March 31, 2003, are considered to have satisfied the magnetic media filing requirements.

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

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

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

\*For Tax Year 2002, Forms 1098-E and 1098-T may be reported on paper regardless of the 250 threshold.

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

## Sec. 5. Vendor List

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

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

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

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

- (a) Company name
- (b) Address (include city, state, and ZIP code)
- (c) Telephone number (include area code)
- (d) Contact person
- (e) Type(s) of service provided (*e.g.*, service bureau and/or software)
- (f) Type(s) of media offered (*e.g.*, tape cartridge, 3 ½-inch diskette, or electronic filing)
- (g) Type(s) of return(s)

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

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

☛ **Note: EXCEPTIONS** — *An additional Form 4419 is required for filing each of the following types of returns: Form 1042-S, Foreign Person's U.S. Source Income Subject to Withholding, Form 8027, Employer's Annual Information Return of Tip Income and Allocated Tips, and Form W-4, Employee's Withholding Allowance Certificate. See back of Form 4419 for detailed instructions.*

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

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

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

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

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

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

- (a) The payer has discontinued filing electronically or magnetically for two consecutive years; the payer's TCC may have been reassigned by IRS/MCC. Payers who are aware the TCC assigned will no longer be used are requested to notify IRS/MCC so these numbers may be reassigned; **or**
- (b) The payer's files were transmitted in the past by a service bureau using the service bureau's TCC, but now the payer has computer equipment compatible with that of IRS/MCC and wishes to prepare his or her own files. The payer must request a TCC by filing Form 4419.

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

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

.10 If **any** of the information (name, TIN or address) on the Form 4419 changes, please notify IRS/MCC in writing so the IRS/MCC database can be updated. You may use our email address (See Sec. 3.,03) for basic name and address changes. IRS/MCC does not recommend sending TIN information via email. A change in the method by which information returns are submitted is not information which needs to be updated (e.g., diskette to electronic). The transmitter should include the TCC in all correspondence.

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

## Sec. 7. Test Files

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

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

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

(See Part D for record formats.)

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

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

**.05** Electronic tests may be submitted *November 1, 2002, through February 15, 2003*. See Part B, Sec. 4.03, for information on electronic test results.

**.06** Tests submitted on magnetic media should be sent to IRS/MCC between *November 1, 2002 and December 16, 2002*. Tests must be received at MCC by December 16 in order to be processed. Magnetic media filers may begin submitting test cartridges and diskettes after October 1; however, the data will not be processed until on or after November 1. For tests filed on tape cartridge, 8mm, 4mm, quarter-inch cartridge, and 3½-inch diskette, the transmitter must include the signed Form 4804 in the same package with the corresponding magnetic media. Mark the "TEST" box in Block 1 on the form. Also, mark "TEST" on the external media label.

**.07** IRS/MCC will send a letter of acknowledgment to indicate the magnetic media test results. Unacceptable magnetic media test files will receive a letter and/or documentation identifying the errors. Resubmission of magnetic media test files must be received by IRS/MCC no later than *December 16, 2002*.

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

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

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

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

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

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

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

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

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

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

**.10** When submitting files include the following:

- (a) A **signed** Form 4804
- (b) External media label (created by filer) affixed to magnetic media
- (c) IRB Box \_\_\_\_\_ of \_\_\_\_\_ labeled on outside of each package

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

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

**.13** Payers should retain a copy of the information returns filed with IRS or have the ability to reconstruct the data for at least 3 years from the reporting due date, with the exception of Form 1099-C. A financial entity must retain a copy of Form 1099-C, Cancellation of Debt, or have the ability to reconstruct the data required to be included on the return, for at least 4 years from the date such return is required to be filed. Whenever backup withholding is imposed, a 4-year retention is required.

## Sec. 9. Due Dates

**.01** The due dates for filing paper returns with IRS also apply to magnetic media. Filing of information returns is on a calendar year basis, except for Forms 5498 and 5498-MSA, which are used to report amounts contributed during or after the calendar year (but not later than April 15). The following due dates will apply to Tax Year 2002:

### Due Dates

Electronic Filing	Magnetic Filing (See Note)
Forms 1098, 1099, and W-2G	Forms 1098, 1099, and W-2G
Recipient Copy — January 31, 2003	Recipient Copy — January 31, 2003
IRS Copy --- March 31, 2003	IRS Copy --- February 28, 2003

### Electronic/Magnetic Filing

Forms 5498 and 5498-MSA  
Participant Copy — June 2, 2003\*  
IRS Copy --- June 2, 2003

\* Participants’ copy of Form 5498 for Coverdell ESA and all other Forms 5498 to furnish fair market value information — January 31, 2003

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

**.03** Magnetic media returns postmarked by the United States Postal Service (USPS) on or before February 28, 2003, and delivered by United States mail to the IRS/MCC after the due date, are treated as timely under the “timely mailing as timely filing” rule. Refer to the 2002 General Instructions for Forms 1099, 1098, 5498, and W-2G, When to File, located in the back of this publication for more detailed information. Notice 97-26 1997-1 C.B. 413, provides rules for determining the date that is treated as the postmark date. For items delivered by a non-designated PDS, the actual date of receipt by IRS/MCC will be used as the filing date. For items delivered by a designated PDS, but through a type of service not designated in Notice 99-41, the actual date of receipt by IRS/MCC will be used as the filing date. The timely mailing rule also applies to furnishing statements to recipients and participants.

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

**.04** Use this Revenue Procedure to prepare information returns filed electronically or magnetically beginning *January 1, 2003*, and received by IRS/MCC no later than *December 10, 2003*.

## Sec. 10. Replacement Media

*.01 A replacement is an information return file sent by the filer **at the request of IRS/MCC** because of errors encountered while processing the filer's original file or correction file. After the necessary changes have been made, the entire file must be returned for processing along with the Media Tracking Slip (Form 9267) which was included in the correspondence from IRS/MCC. (See Note.)*

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

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

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

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

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

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

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

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

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

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

*.05 Replacement files must be corrected and returned to IRS/MCC within 45 days from the date of the letter. Refer to Part B, Sec. 5 .05, for procedures for files submitted electronically. A penalty for failure to return a replacement file by the due date will be assessed if the files are not corrected and returned within the 45 days **or if filers are notified by IRS/MCC of the need for a replacement file more than two times**. A penalty for intentional disregard of filing requirements will be assessed if a replacement file is not received. (For penalty information, refer to the Penalty section of the 2002 General Instructions for Forms 1099, 1098, 5498, and W-2G.)*

## Sec. 11. Corrected Returns

- A **correction** is an information return submitted by the transmitter to correct an information return that was previously submitted to and processed by IRS/MCC, but contained erroneous information.
- While we encourage you to file your corrections electronically/magnetically, you may file up to 249 paper corrections even though your originals were filed electronically or magnetically.
- **DO NOT SEND YOUR ENTIRE FILE AGAIN.** Only send the information returns in need of correction.
- Information returns omitted from the original file **must not** be coded as corrections. Submit them under a separate Payer "A" Record as original returns.
- Before creating your correction file, review the following guidelines chart carefully.

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

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

*.02 Corrections should be filed **as soon as possible**. Corrections filed after August 1 may be subject to the maximum penalty of \$50 per return. Corrections filed by August 1 may be subject to a lesser penalty. (For information on penalties, refer to the Penalty Section of the 2002 General Instructions for Forms 1099, 1098, 5498, and W-2G.) However, if payers discover errors after August 1, they should file corrections, as prompt correction is a factor considered in determining whether the intentional disregard penalty should be assessed or whether a waiver of the penalty for reasonable cause may be granted. All fields must be completed with the correct information, not just the data fields needing correction. Submit corrections only for the returns filed in error, not the entire file. Furnish corrected statements to recipients as soon as possible.*

**Note:** Do NOT resubmit your entire file as corrections. This will result in duplicate filing and erroneous notices may

**be sent to payees. Submit only those returns which need to be corrected.**

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

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

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

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

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

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

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

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

**.09** The “B” Record provides a 20-position field for the Payer’s Account Number for the Payee. This number will help identify the appropriate incorrect return if more than one return is filed for a particular payee. **Do not enter a TIN in this field.** A payer’s account number for the payee may be a checking account number, savings account number, serial number, or any other number assigned to the payee by the payer that will distinguish the specific account. This number should appear on the initial return and on the corrected return in order to identify and process the correction properly.

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

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

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### **Guidelines for Filing Corrected Returns Electronically/Magnetically**

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Error Made on the Original Return

How To File the Corrected Return

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

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**Two (2) separate transactions are required to make the following corrections properly. Follow the directions for both Transactions 1 and 2. (See Note 1.)**

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

**Transaction 1:** Identify incorrect returns.

- (a) No payee TIN (SSN, ITIN, ATIN or EIN)
- (b) Incorrect payee TIN
- (c) Incorrect payee name
- (d) Wrong type of indicator

- A.** Prepare a new Form 4804 that includes information related to this new file.
  - B.** Mark “Correction” in Block 1 of Form 4804.
  - C.** Prepare a new file. The first record on the file will be the Transmitter “T” Record.
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**Guidelines for Filing Corrected Returns Electronically/Magnetically (Continued)**

Error Made on the Original Return

How To File the Corrected Return

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

- D.** Make a separate "A" Record for each type of return and each payer being reported. The information in the "A" Record will be **exactly** the same as it was in the original submission with one exception; remove the "1" from Field Position 48, and set the Correction File Indicator (Field Position 50) to "1".
- E.** The Payee "B" Records must contain **exactly the same** information as submitted previously, **except**, insert a Corrected Return Indicator Code of "G" in Field Position 6 of the "B" Records, and enter "0" (zeros) in all payment amounts.
- F.** Corrected returns submitted to IRS/MCC using "G" coded "B" Records may be on the same file as those returns submitted with a "C" code; **however, separate "A" Records are required.**
- G.** Prepare a separate "C" Record for each type of return and each payer being reported.
- H.** Continue with Transaction 2 to complete the correction.

**Transaction 2:** Report the correct information.

- A.** Make a separate "A" Record for each type of return and each payer being reported. Remove the "1" in Field Position 48 and set the Correction File Indicator (Field Position 50), to "1" (one).
- B.** The Payee "B" Records must show the correct information as well as a Corrected Return Indicator Code of "C" in Field Position 6.
- C.** Corrected returns submitted to IRS/MCC using "C" coded "B" Records may be on the same file as those returns submitted with "G" codes; **however, separate "A" Records are required.**
- D.** Prepare a separate "C" Record for each type of return and each payer being reported.
- E.** The last record on the file will be the End of Transmission "F" Record.
- G.** Indicate "Correction" on the external media label.

**Note 1:** See the 2002 General Instructions for Forms 1099, 1098, 5498, and W-2G for additional information on regulations affecting corrections and related penalties.

*File layout two step corrections*

<i>Transmitter "T" Record</i>	<i>Payer "A" Record</i>	<i>"G" coded Payee "B" Record</i>	<i>"G" coded Payee "B" Record</i>	<i>End of Payer "C" Record</i>	<i>Payer "A" Record</i>
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<i>"C" coded Payee "B" Record</i>	<i>"C" coded Payee "B" Record</i>	<i>End of Payer "C" Record</i>	<i>End of Transmission "F" Record</i>
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**One transaction is required to make the following corrections properly (See Note 2).**

## Guidelines for Filing Corrected Returns Electronically/Magnetically (Continued)

Error Made on the Original Return	How To File the Corrected Return
<p><b>2.</b> Original return was filed with one or more of the following errors:</p> <ul style="list-style-type: none"> <li>(a) Incorrect payment amount codes in the Payer “A” Record</li> <li>(b) Incorrect payment amounts in the Payee “B” Record</li> <li>(c) Incorrect code in the distribution code field in the Payee “B” Record</li> <li>(d) Incorrect payee address</li> <li>(e) Incorrect Direct sales indicator</li> </ul>	<ul style="list-style-type: none"> <li><b>A.</b> Prepare a new Form 4804 that includes information relating to this new file.</li> <li><b>B.</b> Mark “Correction” in Block 1 of Form 4804.</li> <li><b>C.</b> Prepare a new file. The first record on the file will be the Transmitter “T” Record.</li> <li><b>D.</b> Make a separate “A” Record for each type of return and each payer being reported. Information in the “A” Record may be the same as it was in the original submission. However, remove the “1” in Field Position 48 and set the Correction File Indicator (Field Position 50), to “1” (one).</li> <li><b>E.</b> The Payee “B” Records must show the correct record information as well as a Corrected Return Indicator Code of “G” in Field Position 6.</li> <li><b>F.</b> Corrected returns submitted to IRS/MCC using “G” coded “B” Records may be on the same file as those returns submitted without the “G” coded “B” Records; however, <b>separate “A” Records are required.</b></li> <li><b>G.</b> Prepare a separate “C” Record for each type of return and each payer being reported.</li> <li><b>H.</b> The last record on the file will be the End of Transmission “F” Record.</li> <li><b>I.</b> Indicate “Correction” on the external media label.</li> </ul>

*File layout **one** step corrections*

<i>Transmitter “T” Record</i>	<i>Payer “A” Record</i>	<i>“G” coded Payee “B” Record</i>	<i>“G” coded Payee “B” Record</i>	<i>End of Payer “C” Record</i>	<i>End of Transmission “F” Record</i>
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**Note 2:** If a filer is correcting the name and/or TIN in addition to any errors listed in item 2 of the chart, two transactions will be required. If a filer is reporting “G” coded, “C” coded, and/or “Non-coded” (original) returns on the same media, each category must be reported under separate “A” Records.

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

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

.02 Payers are responsible for providing statements to the payees as outlined in the *2002 General Instructions for Forms 1099, 1098, 5498, and W-2G*. Refer to those instructions for filing information returns on paper with the IRS and furnishing statements to recipients.

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

## Sec. 13. Combined Federal/State Filing Program

- Through the Combined Federal/State Filing (CF/SF) Program, IRS/MCC will forward certain original and corrected information returns filed electronically or magnetically to participating states for approved filers.
- For approval, the filer must submit a test file coded for this program. See Part A, Sec. 7, Test Files.
- For magnetic media test files, attach a letter to the Form 4804 requesting to participate in the CF/SF Program. The Form 4804 or letter is not required for tests sent electronically.
- Approved filers are sent a Form 6847, Consent for Internal Revenue Service to Release Tax Information, which must be completed and returned to IRS/MCC. A separate form is required for each payer.

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

Form 1099-DIV- - -	Dividends and Distributions
Form 1099-G- - - -	Certain Government Payments
Form 1099-INT- - -	Interest Income
Form 1099-MISC- -	Miscellaneous Income
Form 1099-OID- - -	Original Issue Discount
Form 1099-PATR- -	Taxable Distributions Received From Cooperatives
Form 1099-R- - - -	Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.
Form 5498- - - - -	IRA and Coverdell ESA Contribution Information

.02 To request approval to participate, a magnetic media test file coded for this program **must** be submitted to IRS/MCC between *November 1, 2002, and December 16, 2002*. Electronic test files coded for this program must be submitted between *November 1, 2002, and February 15, 2003*.

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

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

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

.06 If the test file is not acceptable, IRS/MCC will send magnetic media filers a letter indicating the problems. Electronic filers must dial back within two days to the FIRE System to check the acceptability of their test file. The new test file must be received by IRS/MCC no later than December 16, 2002 for magnetic media, or February 15, 2003 for an electronically filed test.

.07 A separate Form 6847 is **required** for each payer. A transmitter may not combine payers on one Form 6847 even if acting as Attorney-in-Fact for several payers. Form 6847 may be computer-generated as long as it includes all information that is on the

original form or it may be photocopied. If the Form 6847 is signed by an Attorney-in-Fact, the written consent from the payer must clearly indicate that the Attorney-in-Fact is empowered to authorize release of the information.

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

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

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

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

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

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

- (a) All records must be coded exactly as required by this Revenue Procedure.
- (b) A State Totals "K" Record(s) for each state being reported **must** follow the "C" Record.
- (c) Payment amount totals and the valid participating state code must be included in the State Totals "K" Record(s).
- (d) The last "K" Record **must be** followed by an "A" Record or an End of Transmission "F" Record (if this is the last record of the entire file).

**Table 1. Participating States and Their Codes**

State	Code	State	Code	State	Code
Alabama	01	Idaho	16	Missouri	29
Arizona	04	Indiana	18	Montana	30
Arkansas	05	Iowa	19	Nebraska	31
California	06	Kansas	20	New Jersey	34
Colorado	07	Louisiana	22	New Mexico	35
Connecticut	08	Maine	23	North Carolina	37
Delaware	10	Maryland	24	North Dakota	38
District of Columbia	11	Massachusetts	25	South Carolina	45
Georgia	13	Minnesota	27	Virginia	51
Hawaii	15	Mississippi	28	Wisconsin	55

**Sample File Layout for Combined Federal/State Filer**

<i>Transmitter "T" Record</i>	<i>Payer "A" Record coded with 1 in position 26</i>	<i>Payee "B" Record with state code 15 in position 747-748</i>	<i>Payee "B" Record with state code 06 in position 747-748</i>	<i>Payee "B" Record no state code</i>	<i>End of Payer "C" Record</i>
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<i>State Totals "K" Record for "B" records coded 15. "K" record coded 15 in positions 747-748.</i>	<i>State Totals "K" Record for "B" records coded 06. "K" record coded 06 in positions 747-748.</i>	<i>End of Transmission "F" Record</i>
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**Sec. 14. Penalties Associated With Information Returns**

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

**.02 Failure To File Correct Information Returns by the Due Date (Section 6721).** If you fail to file a correct information return by the due date and you cannot show reasonable cause, you may be subject to a penalty. The penalty applies if you fail to file timely, you fail to include all information required to be shown on a return, or you include incorrect information on a return. The penalty also applies if you file on paper when you were required to file on magnetic media, you report an incorrect TIN or fail to report a TIN, or you fail to file paper forms that are machine readable.

The amount of the penalty is based on when you file the correct information return. The penalty is:

- **\$15** per information return if you correctly file within 30 days of the due date of the return (See Part A, Sec. 9 .01); maximum penalty \$75,000 per year (\$25,000 for small businesses).

- **\$30** per information return if you correctly file more than 30 days after the due date but by August 1; maximum penalty \$150,000 per year (\$50,000 for small businesses).
  - **\$50** per information return if you file after August 1 or you do not file required information returns; maximum penalty \$250,000 per year (\$100,000 for small businesses).
- .03** A late filing penalty may be assessed for a replacement file which is not returned by the required date. Files which require replacement more than two times will also be subject to penalty. See Part A, Sec. 10, for more information on replacement files.
- .04 Intentional disregard of filing requirements.** If any failure to file a correct information return is due to intentional disregard of the filing or correct information requirements, the penalty is at least \$100 per information return with no maximum penalty.
- .05 Failure To Furnish Correct Payee Statements (Section 6722).** For information regarding penalties which may apply to failure to furnish correct payee statements, see General Instructions for Forms 1099, 1098, 5498, and W-2G.

## Sec. 15. State Abbreviations

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

State	Code	State	Code	State	Code
Alabama	AL	Kentucky	KY	Northern Mariana Islands	MP
Alaska	AK	Louisiana	LA	Ohio	OH
American Samoa	AS	Maine	ME	Oklahoma	OK
Arizona	AZ	Marshall Islands	MH	Oregon	OR
Arkansas	AR	Maryland	MD	Pennsylvania	PA
California	CA	Massachusetts	MA	Puerto Rico	PR
Colorado	CO	Michigan	MI	Rhode Island	RI
Connecticut	CT	Minnesota	MN	South Carolina	SC
Delaware	DE	Mississippi	MS	South Dakota	SD
District of Columbia	DC	Missouri	MO	Tennessee	TN
Federated States of Micronesia	FM	Montana	MT	Texas	TX
Florida	FL	Nebraska	NE	Utah	UT
Georgia	GA	Nevada	NV	Vermont	VT
Guam	GU	New Hampshire	NH	Virginia	VA
Hawaii	HI	New Jersey	NJ	(U.S.) Virgin Islands	VI
Idaho	ID	New Mexico	NM	Washington	WA
Illinois	IL	New York	NY	West Virginia	WV
Indiana	IN	North Carolina	NC	Wisconsin	WI
Iowa	IA	North Dakota	ND	Wyoming	WY
Kansas	KS				

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

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

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

### EXAMPLE:

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

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

## Sec. 16. Major Problems Encountered

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

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

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

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### 1. Incorrect Format

- Multiple Files on diskettes — Each diskette must contain only **ONE** file, named **IRSTAX**. A file consists of one Transmitter “T” Record followed by a Payer “A” Record, Payee “B” Records, End of Payer “C” Record, State Totals “K” Record (if applicable for CF/SF Program), and the End of Transmission “F” Record. A file can contain multiple Payer “A” Records, but, **only one Transmitter “T” Record**. See Part D, Sec. 10, for file layout diagram.
- Invalid record length — **ALL** Records must be 750 Positions in length.
- Prior tax year data **must** be formatted in the **current** tax year format. Be sure to use the **current Revenue Procedure (Publication 1220)** for formatting prior tax year data.

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### 2. Unable to read tape cartridge.

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

---

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

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

---

### 4. Discrepancy Between IRS/MCC Totals and Totals in Payer “C” Records

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

---

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

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

---

### 6. Incorrect TIN in Payer “A” Record

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

---

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

The tax year in the transmitter, payer and payee records should reflect the tax year of the information return being reported. For prior tax year data, there must be a “P” in position 6 of the Transmitter “T” record. This position must be blank for current tax year data.

---

## 8. Incorrect Reporting of Form W-2 Information to IRS

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

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## 9. Incorrect use of Test Indicator

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

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

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

Payers/Transmitters who submit data with missing TINs, and have taken the required steps to obtain this information are encouraged to attach a letter of explanation to the required Form 4804. This letter, however, will not prevent backup withholding notices (CP2100 and CP2100A Notices) or proposed penalties (Notice 972CG) for missing or incorrect TINs. For penalty information, refer to the Penalty section of the *2002 General Instructions* for Forms 1099, 1098, 5498, and W-2G.

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## 11. Distribution Codes for Form 1099-R Reported Incorrectly

For Forms 1099-R, there must be valid Distribution Code(s) in position 545-546 of the Payee "B" record. For valid codes (and combinations), see Form 1099-R Distribution Code Chart 2002 in Part D. If only one distribution code is required, it must be entered in position 545 and position 546 must be blank. A blank in position 545 is not acceptable.

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## 12. Incorrect Record Totals Listed on Form 4804

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

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## 13. Missing Correction Indicator in Payee "B" Record

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

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## Part B. Electronic Filing Specifications

### Sec. 1. General

**.01** Electronic filing of Forms 1098, 1099, 5498, and W-2G, originals, corrections, and replacements of information returns is offered as an alternative to magnetic media (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. Payers who are under the filing threshold requirement may also file electronically. If the original file was sent magnetically, but IRS/MCC has requested a replacement file, the replacement may be transmitted electronically. Also, if the original file was submitted via magnetic media, any corrections may be transmitted electronically.

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

**.03** The electronic filing of information returns is not affiliated with 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 and will direct taxpayers, to the Customer Service toll-free number (1-800-829-1040).

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

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

## Sec. 2. Advantages of Filing Electronically

Some of the advantages of filing electronically are as follows:

- (1) Paperless, no Form 4804 requirements.
- (2) Results available within 1–2 workdays regarding the acceptability of the data transmitted. It is the filer's responsibility to dial back in and check results.
- (3) Later due date than magnetic media or paper for electronically filed Forms 1098, 1099, and W–2G (refer to Part A, Sec. 9.01).
- (4) Allows more attempts than magnetic media filing to correct bad files within a specific time frame before imposing penalties (refer to Part B, Sec. 5.05).
- (5) Better customer service due to on-line availability of transmitter's files for research purposes.
- (6) Extended period to test electronic files: November 1, 2002 to February 15, 2003.

## Sec. 3. Electronic Filing Approval Procedure

**.01** Filers must obtain, or already have, a Transmitter Control Code (TCC) assigned prior to submitting files electronically. (Filers who currently have a TCC for magnetic media filing will not be assigned 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 logon name, password and PIN (Personal Identification Number) and do not need prior or special approval. See Part B, Sec. 6, for more information on the PIN.

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

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

## Sec. 4. Test Files

**.01** Filers are not required to submit a test file; however, the submission of a test file is encouraged for all new electronic filers to test hardware and software. If filers wish to submit an electronic test file for Tax Year 2002 (returns to be filed in 2003), it **must** be submitted to IRS/MCC **no earlier than** November 1, 2002, and **no later than** February 15, 2003.

**.02** If a filer encounters problems while transmitting the electronic test file, contact IRS/MCC *toll-free at 1-866-455-7438* for assistance.

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

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

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

## Sec. 5. Electronic Submissions

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

**.02 The FIRE System will be down from December 27, 2002, through January 7, 2003.** This allows IRS/MCC to update its system to reflect current year changes.

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

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

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

Transmission Speed in bps	1000 Records	10,000 Records	100,000 Records
19.2K	34 Sec.	6 Min.	60 Min.
56K	20 Sec.	3½ Min.	33 Min.
128K (ISDN)	8 Sec.	1 Min.	10 Min.

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

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

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

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

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

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

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

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

## Sec. 6. PIN Requirements

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

**.02** Filers must provide some on-line information, such as, company name, contact person and telephone number, before establishing their PIN number.

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

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

## Sec. 7. Electronic Filing Specifications

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

**.02** A transmitter must have a TCC before a file can be transmitted. A TCC assigned for magnetic media filing, should also be used for electronic filing.

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

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

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

.01 The following are some general instructions (many of these 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
- (c) Disable software compression
- (d) Windows NT — Disable PPP-LCP extensions by clicking the ‘More’ option on the ‘Dial’ screen, then click on ‘Edit entry and modem properties’ and the Server folder.
- (e) Windows 2000 and XP — Disable the LCP extension by going to your Dial-up Networking Properties, Networking and Settings.

Browser settings:

- (a) Browser must be capable of file uploads (*i.e.*, Internet Explorer 4.0, Netscape 2.0 or higher)
- (b) Enter the URL address of *http://10.225.224.2* after you have connected via dial-up. (Remember, this is a point-to-point connection, not the Internet.)

.02 Before dialing have your TCC and EIN available.

.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 filers use Windows 95, 98, NT, 2000 or ME software (more current versions are similar), the following instructions are geared toward those products:

## Web-like Interface

Select *Programs*

*Accessories*

*Communications* (Windows 98, NT, 2000)

*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 *“Submit”*.

Enter your *logon name* (most users logon with their first and last name).

Enter your *password* (the password is user assigned and must be 8 alpha/numerics, containing at least 1 uppercase, 1 lowercase and 1 numeric). FIRE will force you to change the password once a year.

Complete the online survey by choosing one of the options.

Click **“Create”**.

If you receive the message **“account created”**, click **“OK”**.

Enter your 10 digit self-assigned PIN (Personal Identification Number) and verify.

Click **“Submit”**.

If you receive the message **“Your PIN has been successfully created!”**, click **“OK”**.

Read the bulletin(s) and/or click **“Start the FIRE application”**.

## Subsequent connections to The FIRE System

Click **“Log On”**.

Enter your *logon name* (most users logon with their first and last name).

Enter your *password* (the password is user assigned and is case sensitive).

At Menu Options:

Click **“Information Returns”**

Enter your *TCC*:

Enter your *EIN*:

Click **“Submit”**.

The system will then display the company name, address, city, state, ZIP code and phone number. This information will be used to contact or send 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 sent with the request for replacement file.

Click **“Submit”**.

Enter your 10 digit PIN.

Click **“Submit”**.

Enter the *drive/path/filename* of the file you want to upload or click **“Browse”** to locate the file.

Click **“Upload”**.

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

If you have more files to upload for that TCC:

Click **“File Another?”**; otherwise,

Click **“Main Menu”**.

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

At the Main Menu:

Click **“File Stats”**.

Enter your *TCC*:

Enter your *EIN*:

Click **“Search”**.

If “Results” indicate:

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

“**File Released**” — File has been released to our mainline processing.

“**File Bad**” — Correct the errors and timely resubmit the file as a “replacement”.

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

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

When you are finished, click on **Main Menu**.

Click “**Logoff**”.

Close your Web Browser.

## **IMPORTANT**

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

### **Sec. 9. Communications Software Specifications (Text Interface)**

.01 Communications software settings must be:

-No parity

-Eight data bits

-One stop bit

.02 Terminal Emulation must be VT100.

.03 Before dialing have your TCC and EIN available.

.04 Due to the large number of communication products available, it is impossible to provide specific information on all software/hardware configurations. However, since most filers use Windows 95, 98, NT, 2000 or ME software (more current versions are similar), the following instructions are geared toward those products:

## **Text Interface**

Select **Programs**

**Accessories**

**Communications** (Windows 98, NT, 2000)

**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.

Press “**I**” to connect to the system.

Read the Information notice and/or press **ENTER** to continue.

## **First Time Logon**

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

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

## Logon Name and Password

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

**Password:** Enter a password (the password is user assigned and must be 8 alpha/numerics, containing at least 1 uppercase, 1 lowercase and 1 numeric). FIRE will force you to change the password once a year.

After entering the password and completing the survey, press **ENTER**.

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

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

## Transferring Your Electronic File

From the Main Menu,

Enter “A” for Electronic Filing.

Enter “A” for Forms 1098, 1099, 5498, W-2G, 1042-S, 8027 and Questionable Forms W-4.

Press the Tab key to advance to TCC box; otherwise, enter “E” to exit.

Enter your **TCC**:

Enter your **EIN**:

The system will then display the company name, address, city, state, ZIP code and phone number. This information will be used to contact or send correspondence (if necessary) regarding this transmission. If you need to update, enter “n” to correct; otherwise, enter “y” to accept.

Select one of the following:

“A” for an Original file

“B” for a Replacement file

“C” for a Correction file

“D” for a Test file

### **If you selected “B” for a replacement file, select one of the following:**

“A” Replacement Files For This System

This option is to replace an original/correction file that was submitted electronically on this system but was bad and needs to be replaced. Select the file to be replaced.

“B” Magnetic media replacement files

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

Press **ENTER** to continue or “e” to exit.

Enter your 10 digit PIN and press **ENTER**.

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

**X** — Xmodem

**Y** — Ymodem

**Z** — Zmodem (Zmodem will normally give you the fastest transfer rate.)

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

To send a file:

Go to the hyperterminal menu bar.

Click on **Transfer**.

Click on **Send file**. (Be sure the protocol selected matches the protocol selected earlier. If Zmodem was selected, set to Zmodem **not** Zmodem with crash recovery.)

A box will appear titled “**Send File**”.

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

Click on **Send**.

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

Press **ENTER** to continue.

If you have more files to send for the same TCC/EIN, enter “y”; otherwise, enter “n”.

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

At the Main Menu:

Enter “B” for file status.

Press the Tab key to advance to TCC box; otherwise, enter “E” to exit.

Enter your **TCC**:

Enter your **EIN**:

Enter “B” for the current year file results.

Tab to the appropriate file and press **ENTER**.

If “Results” indicate:

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

“**File Released**” — File has been released to our mainline processing.

“**File Bad**” — Correct the errors and timely resubmit the file as a replacement.

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

When you are finished, enter “E” from the Main Menu to logoff.

Enter “2” to hang-up.

## **Sec. 10. Modem Configuration**

### **.01 Hardware features**

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

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

**.01** Refer to Part A, Sec. 16, for common format errors associated with electronic/magnetic files.

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

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

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

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### **2. Incorrect file is not replaced timely.**

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

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### **3. Transmitter compresses several files into one.**

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

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

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

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

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

---

**6. File is formatted as EBCDIC.**

All files submitted electronically must be in standard ASCII code.

---

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

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

---

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

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

---

**.03** The following are the most common problems encountered when connecting with dial-up networking/web browser:

---

**1. Transmitter is unable to connect to the FIRE System using dial-up networking.**

- The user name and password should be blank when trying to connect unless it is needed by your system.
- Windows 95/98: Disable **“enable software compression”**
- Windows NT/2000: Disable both **“enable software compression”** and **“enable PPP/LCP extensions”**
- TCP/IP should be the only network protocol that is enabled.

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

---

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

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

**3. Transmitter clicks on “start the fire application”, but the logon screen is displayed again.**

Your browser must be set to receive **“cookies”**.

---

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

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

---

**5. Transmitter cannot find the browse button to upload file.**

If using Internet Explorer, you must have version 4.0 or higher. If using Netscape Navigator, it must be version 2.0 or higher.

---

## 6. The line is busy when dialed.

We have enough lines available that you should not get this message. Check the phone number being dialed. It should be **304–262–2400**. If you need a number such as an 8 or a 9 to access an outside line, make sure it is present. Also, some companies require an access code for long distance dialing.

---

## 7. I am receiving the error message “Remote PPP Peer Not Responding” or receiving a 718 error with Windows 2000 or XP.

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

---

**.04** The following are the most common problems encountered when connecting with hyperterminal.

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### 1. Transmitter is unable to connect using hyperterminal.

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

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

---

### 2. Transmitter is getting the message “annex command line interpreter”.

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

---

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

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

---

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

Scroll lock cannot be turned on.

---

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

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

---

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

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

---

## Part C. Magnetic Media Specifications

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

## Sec. 1. Tape Cartridge Specifications

.01 In most instances, IRS/MCC can process tape cartridges that meet the following specifications:

- (a) Must be IBM 3480, 3490, 3490E, 3590, 3590E or AS400 compatible.
- (b) Must meet American National Standard Institute (ANSI) standards, and have the following characteristics:
  - (1) Tape cartridges will be ½-inch tape contained in plastic cartridges which are approximately 4-inches by 5-inches by 1-inch in dimension.
  - (2) Magnetic tape will be chromium dioxide particle based ½-inch tape.
  - (3) Cartridges must be 18-track, 36-track, 128-track or 256-track parallel (**See Note**).
  - (4) Cartridges will contain 37,871 CPI, 75,742 CPI, or 3590 CPI (characters per inch).
  - (5) Mode will be full function.
  - (6) The data may be compressed using EDRC (Memorex) or IDRC (IBM) compression.
  - (7) Either EBCDIC (Extended Binary Coded Decimal Interchange Code) or ASCII (American Standard Coded Information Interchange) may be used.

.02 The tape cartridge records defined in this Revenue Procedure may be blocked subject to the following:

- (a) A block **must not** exceed 32,250 tape positions.
- (b) If the use of blocked records would result in a short block, all remaining positions of the block must be filled with 9s; however, the last block of the file may be filled with 9s or truncated. **Do not pad a block with blanks.**
- (c) All records, except the header and trailer labels, may be blocked or unblocked. A record may not contain any control fields or block descriptor fields which describe the length of the block or the logical records within the block. The number of logical records within a block (the blocking factor) must be constant in every block with the exception of the last block which may be shorter (see item (b) above). The block length must be evenly divisible by 750.
- (d) Records may not span blocks.

.03 Tape cartridges may be labeled or unlabeled.

.04 For the purposes of this Revenue Procedure, the following must be used:

Tape Mark:

- (a) Signifies the physical end of the recording on tape.
- (b) For even parity, use BCD configuration 001111 (8421).
- (c) May follow the header label and precede and/or follow the trailer label.

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

## Sec. 2. 8mm, 4mm, and Quarter-Inch Cartridge Specifications

☞ **Note: Beginning in calendar year 2004 for Tax Year 2003, IRS/MCC will no longer accept 8mm, 4mm, and Quarter Inch Cartridges (QIC).**

.01 In most instances, IRS/MCC can process tape cartridges that meet the following specifications:

(a) **General**

(1) Must meet American National Standard Institute (ANSI) standards, and have the following characteristics:

- Created from an AS400 operating system only.
- Mode will be full function.
- Compressed data is not acceptable.
- 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.
- 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, IRSTAX, will contain a three digit extension. The extension will indicate the sequence of the cartridge within the file (e.g., 1 of 3, 2 of 3, and 3 of 3 will appear in the header label as IRSTAX.001, IRSTAX.002, and IRSTAX.003 on each cartridge of the file). The Transmitter "T" Record must only appear on the first cartridge. The End of Transmission "F" Record should be placed only on the last cartridge for files containing multiple cartridges.

(2) The tape cartridge records defined in this Revenue Procedure may be blocked subject to the following:

- A block **must not** exceed 32,250 tape positions.
- If the use of blocked records would result in a short block, the last block of the file may be filled with 9s or truncated.
- 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 above). The block length must be evenly divisible by 750.

- Various COPY commands have been successful; however, the **SAVE OBJECT COMMAND** is not acceptable.
  - Extraneous data following the “F” Record will result in IRS/MCC requesting a replacement file. Therefore, IRS/MCC encourages transmitters to use a blank tape cartridge, rather than used cartridges, in the preparation of data when submitting information returns.
  - Records may not span blocks.
  - No more than 250,000 documents per cartridge and per file.
- (3) For faster processing, IRS/MCC encourages transmitters to use header labeled cartridges. Filers should use IRSTAX as a filename.
- (4) For the purposes of this Revenue Procedure, the following must be used:  
Tape Mark:
- Signifies the physical end of the recording on tape.
  - For even parity, use BCD configuration 001111 (8421).
  - May follow the header label and precede and/or follow the trailer label.
- (5) 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.
- (b) 8mm cartridge specifications**
- (1) 8mm (.315-inch) tape cartridges will be 2½-inch by 3¾-inch.
- (2) These are the **only** 8mm tape cartridges IRS/MCC can accept:

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

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

**(c) 4mm cartridge specifications**

- (1) 4mm (.157-inch) cartridges will be 2¼-inch by 3-inch.
- (2) These are the **only** 4mm cartridges IRS/MCC can accept:

Tracks	Density	Capacity
1	19 (61000 BPI)	1.3 Gb (60 meter) DDS
1	19 (61000 BPI)	2 Gb (90 meter) DDS
1	19 (61000 BPI)	4 Gb (120 meter) DDS-2

**(d) Quarter-Inch Cartridges (QIC) (1/4-inch) specifications**

- (1) QIC cartridges will be 4” by 6”.
- (2) These are the **only** QIC cartridges IRS/MCC accepts:

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

.02 IRS/MCC strongly recommends filers using 8mm, 4mm or Quarter-Inch cartridges send in test media.(See Part A, Sec. 7).

**Sec. 3. 3½-Inch Diskette Specifications**

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

- (a) 3½-inches in diameter.
- (b) Data **must** be recorded in standard ASCII code.
- (c) Records must be a fixed length of 750 bytes per record.
- (d) Delimiter character commas (,) must not be used.
- (e) Positions 749 and 750 of each record have been reserved for use as carriage return/line feed (cr/lf) characters, if applicable.

- (f) Filename of IRSTAX must be used. Do not enter any other data in this field. If a file will consist of more than one diskette, the filename IRSTAX will contain a three-digit extension. This extension will indicate the sequence of the diskettes within the file. For example, if the file consists of three diskettes, the first diskette will be named IRSTAX.001, the second will be IRSTAX.002, and the third will be IRSTAX.003. The first diskette, IRSTAX.001 will begin with a "T" Record and the third diskette, IRSTAX.003 will have an "F" Record at the end of the file.
- (g) A diskette cannot contain multiple files. A file can have only **ONE** Transmitter "T" Record.
- (h) Failure to comply with instructions will result in IRS/MCC requesting a replacement file.
- (i) Diskettes must meet one of the following specifications:

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

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

**.03** IRS/MCC will **only** accept 3½-inch diskettes created using MS-DOS.

**.04** 3½-inch diskettes created on a System 36 or iSeries(AS400) are **not** acceptable.

**.05** *Compressed data is not acceptable.*

## Part D. Record Format Specifications and Record Layouts

### Sec. 1. General

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

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

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

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

**.02** The Transmitter "T" Record is the first record on each file and is followed by a Payer "A" Record. A file format diagram is located at the end of Part D. A replacement file will be requested by IRS/MCC if the "T" Record is not present. For transmitters with multiple diskettes, refer to Part C, Sec. 3, 3½-Inch Diskette Specifications.

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

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

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

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#### Record Name: Transmitter "T" Record

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Field Position	Field Title	Length	Description and Remarks
1	Record Type	1	<b>Required.</b> Enter "T."
2-5	Payment Year	4	<b>Required.</b> Enter "2002" (unless reporting prior year data; report the year which applies [2000, 2001, etc.] and set the Prior Year Data Indicator in field position 6).
6	Prior Year Data Indicator	1	<b>Required.</b> Enter "P" <b>only</b> if reporting prior year data; otherwise, enter blank. Do not enter a "P" if tax year is 2002.
7-15	Transmitter's TIN	9	<b>Required.</b> Enter the transmitter's nine-digit TIN Taxpayer Identification Number. May be an EIN, SSN or ITIN.
16-20	Transmitter Control Code	5	<b>Required.</b> Enter the five character alpha/numeric Transmitter Control Code (TCC) assigned by IRS/MCC. A TCC must be obtained to file data with this program.

---

**Record Name: Transmitter “T” Record (Continued)**

<b>Field Position</b>	<b>Field Title</b>	<b>Length</b>	<b>Description and Remarks</b>
21–22	Replacement Alpha Character	2	<b>Required for replacement files only.</b> Enter the alpha/numeric character which appears immediately following the TCC number on the Media Tracking Slip (Form 9267). The Form 9267 accompanies correspondence sent by IRS/MCC when files can not be processed. This field must be blank unless a replacement file has been requested. If the file is being replaced magnetically, information is required in this field. If the file was originally sent magnetically, but the replacement is being sent electronically, the information is required in this field. Otherwise, leave blank for electronic files. Left-justify information and fill unused positions with blanks. <b>If this is not a replacement file, enter blanks.</b>
23–27	Blank	5	Enter blanks.
28	Test File Indicator	1	<b>Required for test files only.</b> Enter a “T” if this is a test file; otherwise, enter a blank.
29	Foreign Entity Indicator	1	Enter a “1” (one) if the transmitter is a foreign entity. If the transmitter is not a foreign entity, enter a blank.
30–69	Transmitter Name	40	<b>Required.</b> Enter the name of the transmitter in the manner in which it is used in normal business. Left-justify and fill unused positions with blanks.
70–109	Transmitter Name (Continuation)	40	<b>Required.</b> Enter any additional information that may be part of the name. Left-justify information and fill unused positions with blanks.
110–149	Company Name	40	<b>Required.</b> Enter the name of the company to be associated with the address where correspondence should be sent.
150–189	Company Name (Continuation)	40	Enter any additional information that may be part of the name of the company where correspondence should be sent.
190–229	Company Mailing Address	40	<b>Required.</b> Enter the mailing address where correspondence should be sent.

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

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

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

230–269	Company City	40	<b>Required.</b> Enter the city, town, or post office where correspondence should be sent.
270–271	Company State	2	<b>Required.</b> Enter the valid U. S. Postal Service state abbreviation. Refer to the chart for valid state codes in Part A, Sec. 15.
272–280	Company ZIP Code	9	<b>Required.</b> Enter the valid nine-digit ZIP assigned by the U. S. Postal Service. If only the first five digits are known, left-justify information and fill unused positions with blanks.
281–295	Blank	15	Enter blanks.
296–303	Total Number of Payees	8	Enter the total number of Payee “B” reported in the file. Right-justify information and fill unused positions with zeros.

**Record Name: Transmitter "T" Record (Continued)**

<b>Field Position</b>	<b>Field Title</b>	<b>Length</b>	<b>Description and Remarks</b>
304-343	Contact Name	40	<b>Required.</b> Enter the name of the person to be contacted if IRS/MCC encounters problems with the file or transmission.
344-358	Contact Phone Number & Extension	15	<b>Required.</b> Enter the telephone number of the person to contact regarding electronic or magnetic files. Omit hyphens. If no extension is available, left-justify information and fill unused positions with blanks. For example, the IRS/MCC <i>Customer Service Section</i> phone number of <b>866-455-7438</b> with an extension of <b>52345</b> would be <b>866455743852345</b> .
359-393	Contact Email Address	35	<b>Required if available.</b> Enter the email address of the person to contact regarding electronic or magnetic files. Left-justify information. If no email address is available, enter blanks.
394-395	Cartridge Tape File Indicator	2	<b>Required for tape cartridge filers only.</b> Enter the letters "LS" (in uppercase only). Use of this field by filers using other types of media will be acceptable but is not required.
396-410	Electronic File Name For a Replacement File	15	<b>Required.</b> Use for an electronic file which "FILE STATUS" has indicated was rejected. Enter the ORIGINAL or CORRECTION electronic file name assigned by the IRS electronic FIRE system. If you are sending an original, correction, or test file, enter blanks.
<b>EXAMPLE: If you have sent an original file, the TCC is 44444 and it is your first original file, then the filename would be ORIG.44444.0001</b>			
411-416	Transmitter's Media Number	6	For magnetic media filers only. Enter the number used to identify a particular piece of media.
417-499	Blank	83	Enter blanks.
500-507	Record Sequence Number	8	<b>Required.</b> Enter the number of the record as it appears within your file. The record sequence number for the "T" record will always be "1" (one), since it is the first record on your file. Each record, thereafter, must be incremented by one in ascending numerical sequence, i.e. 2, 3, 4, etc. Right-justify numbers with leading zeroes in the field. For example, the "T" record sequence number would appear as "00000001" in the field.
508-517	Blank	10	Enter blanks.
518	Vendor Indicator	1	<b>Required.</b> Enter the appropriate code from the table below to indicate if your software was provided by a vendor or produced in-house.
	<b>Indicator</b>	<b>Usage</b>	
	V	Your software was purchased from a vendor or other source.	
	I	Your software was produced by in-house programmers.	
<b>Note: In-house programmer is defined as an employee or a hired contract programmer. If your software is produced in-house the following Vendor information fields are not required.</b>			
519-558	Vendor Name	40	<b>Required.</b> Enter the name of the company from whom you purchased your software.
559-598	Vendor Mailing Address	40	<b>Required.</b> Enter the mailing address.
599-638	Vendor City	40	<b>Required.</b> Enter the city, town, or post office.
639-640	Vendor State	2	<b>Required.</b> Enter the valid U.S. Postal Service state abbreviation. Refer to the chart of valid state codes in Part A, Sec. 15.

**Record Name: Transmitter "T" Record (Continued)**

<b>Field Position</b>	<b>Field Title</b>	<b>Length</b>	<b>Description and Remarks</b>
641-649	Vendor ZIP Code	9	<b>Required.</b> Enter the valid nine-digit ZIP Code assigned by the U.S. Postal Service. If only the first five digits are known, left-justify information and fill unused positions with blanks.
650-689	Vendor Contact Name	40	<b>Required.</b> Enter the name of the person who can be contacted concerning any software questions.
690-704	Vendor Contact Phone Number & Extension	15	<b>Required.</b> Enter the telephone number of the person to contact concerning software questions. Omit hyphens. If no extension is available, left-justify information and fill unused positions with blanks.
705-739	Vendor Contact Email Address	35	<b>Required.</b> Enter the email address of the person to contact concerning software questions.
740-748	Blank	9	Enter blanks.
749-750	Blank	2	Enter blanks, or carriage return/line feed characters (CR/LF).

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

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

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

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

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

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

**Sec. 3. Transmitter “T” Record—Record Layout (Continued)**

<i>Vendor ZIP Code</i>	<i>Vendor Contact Name</i>	<i>Vendor Contact Phone Number &amp; Extension</i>	<i>Vendor Contact Email Address</i>	Blank	Blank or CR/LF
641–649	650–689	690–704	705–739	740–748	749–750

**Sec. 4. Payer “A” Record — General Field Descriptions**

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

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

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

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

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

**.06** All alpha characters entered in the “A” Record must be upper-case.

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

**Record Name: Payer “A” Record**

<b>Field Position</b>	<b>Field Title</b>	<b>Length</b>	<b>Description and Remarks</b>
1	Record Type	1	<b>Required.</b> Enter an “A”
2–5	Payment Year	4	<b>Required.</b> Enter “2002” (unless reporting prior year data; report the year which applies [2000, 2001, etc.]).
6–11	Blank	6	Enter blanks.
12–20	Payer’s Taxpayer Identification Number(TIN)	9	<b>Required.</b> Must be the valid nine-digit Taxpayer Identification Number assigned to the payer. <b>Do not enter blanks, hyphens, or alpha characters.</b> All zeros, ones, twos, etc., will have the effect of an incorrect TIN.

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

21–24	Payer Name Control	4	The Payer Name Control can be obtained only from the mail label on the Package 1099 that is mailed to most payers each December. Package 1099 contains Form 7018-C, Order Blank for Forms, and the mail label on the package contains a four (4) character name control. If a Package 1099 has not been received, you can determine your name control using the following simple rules or you can leave the field blank. For a business, use the first four significant characters of the business name. Disregard the word “the” when it is the first word of the name, unless there are only two words in the name. A dash (-) and an ampersand (&) are the only acceptable special characters. Names of less than four (4) characters should be left-justified, filling the unused positions with blanks.
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**Record Name: Payer "A" Record (Continued)**

<b>Field Position</b>	<b>Field Title</b>	<b>Length</b>	<b>Description and Remarks</b>																																										
25	Last Filing Indicator	1	Enter a "1" (one) if this is the <b>last year</b> this payer name and TIN will file information returns electronically, magnetically or on paper; otherwise, enter blank.																																										
26	Combined Federal/State Filer	1	<b>Required for the Combined Federal/State Filing Program.</b> Enter "1" (one) if approved to participate in the Combined Federal/State Filing Program; otherwise, enter blank. Refer to Part A, Sec. 13, for further information.																																										
27	Type of Return	1	<p><b>Required.</b> Enter the appropriate code from the table below:</p> <table border="1"> <thead> <tr> <th><u>Type of Return</u></th> <th><u>Code</u></th> </tr> </thead> <tbody> <tr><td>1098</td><td>3</td></tr> <tr><td>1098-E</td><td>2</td></tr> <tr><td>1098-T</td><td>8</td></tr> <tr><td>1099-A</td><td>4</td></tr> <tr><td>1099-B</td><td>B</td></tr> <tr><td>1099-C</td><td>5</td></tr> <tr><td>1099-DIV</td><td>1</td></tr> <tr><td>1099-G</td><td>F</td></tr> <tr><td>1099-INT</td><td>6</td></tr> <tr><td>1099-LTC</td><td>T</td></tr> <tr><td>1099-MISC</td><td>A</td></tr> <tr><td>1099-MSA</td><td>M</td></tr> <tr><td>1099-OID</td><td>D</td></tr> <tr><td>1099-PATR</td><td>7</td></tr> <tr><td>1099-Q</td><td>Q</td></tr> <tr><td>1099-R</td><td>9</td></tr> <tr><td>1099-S</td><td>S</td></tr> <tr><td>5498</td><td>L</td></tr> <tr><td>5498-MSA</td><td>K</td></tr> <tr><td>W-2G</td><td>W</td></tr> </tbody> </table>	<u>Type of Return</u>	<u>Code</u>	1098	3	1098-E	2	1098-T	8	1099-A	4	1099-B	B	1099-C	5	1099-DIV	1	1099-G	F	1099-INT	6	1099-LTC	T	1099-MISC	A	1099-MSA	M	1099-OID	D	1099-PATR	7	1099-Q	Q	1099-R	9	1099-S	S	5498	L	5498-MSA	K	W-2G	W
<u>Type of Return</u>	<u>Code</u>																																												
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1099-PATR	7																																												
1099-Q	Q																																												
1099-R	9																																												
1099-S	S																																												
5498	L																																												
5498-MSA	K																																												
W-2G	W																																												
28-39	Amount Codes ( <b>See Note</b> )	12	<b>Required.</b> Enter the appropriate amount codes for the type of return being reported. In most cases, the box numbers on paper information returns correspond with the amount codes used to file electronically or magnetically. However, if discrepancies occur, this Revenue Procedure governs. Enter the amount codes in ascending sequence, left-justify, and fill unused positions with blanks.																																										

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

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

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

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

**Record Name: Payer "A" Record (Continued)**

<b>Field</b>	<b>Position</b>	<b>Field Title</b>	<b>Length</b>	<b>Description and Remarks</b>
Amount Codes Form 1098-E – Student Loan Interest				For Reporting Interest on Student Loans on Form 1098-E:
				<b>Amount</b>
				<b>Code</b>
				<b>Amount Type</b>
			1	Student loan interest received by lender
Amount Codes Form 1098-T – Tuition Payments Statement				For Reporting Tuition Payments on Form 1098-T:
See the 2002 Instructions for Form 1098-E and T for further information				<b>Amount</b>
				<b>Code</b>
				<b>Amount Type</b>
			1	Qualified tuition and related expenses
			2	Reimbursements or refunds
			3	Scholarships or grants
Amount Codes Form 1099-A – Acquisition or Abandonment of Secured Property				For Reporting the Acquisition or Abandonment of Secured Property on Form 1099-A:
See the 2002 Instructions for Forms 1099-A and 1099-C for further information on coordination with Form 1099-C				<b>Amount</b>
				<b>Code</b>
				<b>Amount Type</b>
			2	Balance of principal outstanding
			4	Fair market value of property
Amount Codes Form 1099-B – Proceeds From Broker and Barter Exchange Transactions				For Reporting Payments on Form 1099-B:
				<b>Amount</b>
				<b>Code</b>
				<b>Amount Type</b>
			2	Stocks, bonds, etc. (For forward contracts, see <b>Note 1</b> .)
			3	Bartering (Do not report negative amounts.)
			4	Federal income tax withheld (backup withholding) (Do not report negative amounts.)
			6	Profit (or loss) realized in 2002
			7	Unrealized profit (or loss) on open contracts–12/31/2001 (See <b>Note 2</b> .)
			8	Unrealized profit (or loss) on open contracts–12/31/2002 (See <b>Note 2</b> .)
			9	Aggregate profit (or loss) (See <b>Note 2</b> .)

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

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

**Record Name: Payer "A" Record (Continued)**

<b>Field</b>	<b>Position</b>	<b>Field Title</b>	<b>Length</b>	<b>Description and Remarks</b>
Amount Codes Form 1099-C – Cancellation of Debt				For Reporting Cancellation of Debt on Form 1099-C:

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

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

Amount Codes Form 1099-DIV – Dividends and Distributions				For Reporting Payments on Form 1099-DIV:
See the 2002 Instructions for Form 1099-DIV for further information				
				<b>Amount</b>
				<b>Code</b>
				<b>Amount Type</b>
			1	Ordinary dividends
			2	Total capital gains distributions
			3	28% rate gain
			4	Qualified 5-year gain
			5	Unrecaptured section 1250 gain
			6	Section 1202 gain
			7	Nontaxable distributions
			8	Federal income tax withheld (backup withholding)
			9	Investment expenses
			A	Foreign tax paid
			B	Cash liquidation distribution
			C	Noncash liquidation distribution

Amount Codes Form 1099-G – Certain Government Payments				For Reporting Payments on Form 1099-G:
				<b>Amount</b>
				<b>Code</b>
				<b>Amount Type</b>
			1	Unemployment compensation
			2	State or local income tax refunds, credits, or offsets
			4	Federal income tax withheld (backup withholding or voluntary withholding on unemployment compensation or Commodity Credit Corporation Loans, or certain crop disaster payments)
			6	Taxable grants
			7	Agriculture payments

Amount Codes Form 1099-INT – Interest Income				For Reporting Payments on Form 1099-INT:
				<b>Amount</b>
				<b>Code</b>
				<b>Amount Type</b>
			1	Interest income not included in Amount Code 3
			2	Early withdrawal penalty
			3	Interest on U.S. Savings Bonds and Treasury obligations
			4	Federal income tax withheld (backup withholding)
			5	Investment expenses
			6	Foreign tax paid

Amount Codes Form 1099-LTC – Long-Term Care and Accelerated Death Benefits				For Reporting Payments in Form 1099-LTC:
				<b>Amount</b>
				<b>Code</b>
				<b>Amount Type</b>
			1	Gross long-term care benefits paid
			2	Accelerated death benefits paid

**Record Name: Payer "A" Record (Continued)**

<b>Field Position</b>	<b>Field Title</b>	<b>Length</b>	<b>Description and Remarks</b>
Amount Codes	<b>Form 1099-MISC</b> – Miscellaneous Income (See Note 1.)		For Reporting Payments on Form 1099-MISC:

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

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

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

Amount Codes	<b>Form 1099-MSA</b> – Distributions From an Archer MSA or Medicare+Choice MSA	For Reporting Distributions from an Archer Medical Savings Account or Medicare+Choice MSA on Form 1099-MSA:
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<b>Amount Code</b>		<b>Amount Type</b>
1		Gross distribution
2		Earnings on excess contributions
4		Fair market value of the account on date of death

Amount Codes	<b>Form 1099-OID</b> – Original Issue Discount	For Reporting Payments on Form 1099-OID:
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See the 2002 Instructions for Forms 1099-INT and 1099-OID for further reporting information

<b>Amount Code</b>		<b>Amount Type</b>
1		Original issue discount for 2002
2		Other periodic interest
3		Early withdrawal penalty
4		Federal income tax withheld (backup withholding)
6		Original issue discount on U.S. Treasury Obligations
7		Investment expenses

Amount Codes	<b>Form 1099-PATR</b> – Taxable Distributions Received From Cooperatives	For Reporting Payments on Form 1099-PATR:
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<b>Amount Code</b>		<b>Amount Type</b>
1		Patronage dividends
2		Nonpatronage distributions
3		Per-unit retain allocations
4		Federal income tax withheld (backup withholding)
5		Redemption of nonqualified notices and retain allocations

**Record Name: Payer "A" Record (Continued)**

<b>Field Position</b>	<b>Field Title</b>	<b>Length</b>	<b>Description and Remarks</b>
			<b>Pass-Through Credits</b>
			<b>Amount</b>
			<u><b>Code</b></u> <u><b>Amount Type</b></u>
			6                    For filer's use for pass-through credits
			7                    Investment credit
			8                    Work opportunity credit
			9                    Patron's alternative minimum tax (AMT) adjustment

Amount Codes **Form 1099-Q** –  
*Qualified Tuition Program Payments*  
 (Under Section 529)

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

<b>Amount</b>	
<u><b>Code</b></u>	<u><b>Amount Type</b></u>
1	Gross distribution
2	Earnings
3	Basis

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

For Reporting Payments on Form 1099-R:

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

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

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

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

For Reporting Payments on Form 1099-S:

<b>Amount</b>	
<u><b>Code</b></u>	<u><b>Amount Type</b></u>
2	Gross proceeds ( <b>See Note.</b> )
5	Buyer's part of real estate tax

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

Amount Codes **Form 5498** –  
 IRA and Coverdell ESA Contribution  
 Information

For Reporting Information on Form 5498:

<b>Amount</b>	
<u><b>Code</b></u>	<u><b>Amount Type</b></u>
1	IRA contributions (other than amounts in Amount Codes 2, 3, 4, 8, 9, A and B) ( <b>See Notes 1 and 2.</b> )

**Record Name: Payer "A" Record (Continued)**

Field Position	Field Title	Length	Description and Remarks
			<b>Amount Code</b>
			<b>Amount Type</b>
		2	Rollover contributions
		3	Roth conversion amount
		4	Recharacterized contributions
		5	Fair market value of account
		6	Life insurance cost included in Amount Code 1
		8	SEP contributions
		9	SIMPLE contributions
		A	Roth IRA contributions
		B	Coverdell ESA contributions

☞ **Note 1: If reporting IRA contributions for a participant in a military operation, see 2002 Instructions for Forms 1099-R and 5498.**

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

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

For Reporting Information on 5498-MSA:

Amount Code	Amount Type
1	Employee or self-employed person's MSA contributions made in 2002 and 2003 for 2002
2	Total contributions made in 2002 (See current 2002 Instructions.)
3	Total MSA contributions made in 2003 for 2002
4	Rollover contributions (See Note.)
5	Fair market value of Archer MSA or M+C MSA account on December 31, 2002

☞ **Note: This is the amount of any rollover made to this MSA in 2002 after a distribution from another MSA. For detailed information on reporting, see the 2002 Instructions for Forms 1099-MSA and 5498-MSA.**

Amount Codes **Form W-2G** – Certain Gambling Winnings

For Reporting Payments on Form W-2G:

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

40-47	Blank	8	Enter blanks.
48	Original File Indicator	1	<b>Required for original files only.</b> Enter "1" (one) if the information is original data. Otherwise, enter a blank.
49	Replacement File Indicator	1	<b>Required for replacement files only.</b> Enter "1" (one) if this file is to replace a file that IRS/MCC has informed you in writing cannot be processed or the FIRE System indicated a FILE STATUS of bad. Otherwise, enter a blank.

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

**Record Name: Payer “A” Record (Continued)**

<b>Field Position</b>	<b>Field Title</b>	<b>Length</b>	<b>Description and Remarks</b>						
50	Correction File Indicator	1	<b>Required for correction files only.</b> Enter “1” (one) if this file is to correct information which was previously submitted to IRS/MCC, was processed, but contained erroneous information. Any information return which was inadvertently omitted from a file must be submitted as original. Otherwise, enter a blank.						
51	Blank	1	Enter a blank.						
52	Foreign Entity Indicator	1	Enter a “1” (one) if the payer is a foreign entity and income is paid by the foreign entity to a U. S. resident. Otherwise, enter a blank.						
53–92	First Payer Name Line	40	<b>Required.</b> Enter the name of the payer whose TIN appears in positions 12–20 of the “A” Record. Any extraneous information must be deleted. Left-justify information, and fill unused positions with blanks. (Filers should not enter a transfer agent’s name in this field. Any transfer agent’s name should appear in the Second Payer Name Line Field.)						
93–132	Second Payer Name Line	40	If the Transfer (or Paying) Agent Indicator (position 133) contains a “1” (one), this field must contain the name of the transfer (or paying) agent. If the indicator contains a “0” (zero), this field may contain either a continuation of the First Payer Name Line or blanks. Left-justify information and fill unused positions with blanks.						
133	Transfer Agent Indicator	1	<p><b>Required.</b> Identifies the entity in the Second Payer Name Line Field.</p> <table border="0"> <thead> <tr> <th><u>Code</u></th> <th><u>Meaning</u></th> </tr> </thead> <tbody> <tr> <td>1</td> <td>The entity in the Second Payer Name Line Field is the transfer (or paying) agent.</td> </tr> <tr> <td>0 (zero)</td> <td>The entity shown is <b>not</b> the transfer (or paying) agent (i.e., the Second Payer Name Line Field contains either a continuation of the First Payer Name Line Field or blanks).</td> </tr> </tbody> </table>	<u>Code</u>	<u>Meaning</u>	1	The entity in the Second Payer Name Line Field is the transfer (or paying) agent.	0 (zero)	The entity shown is <b>not</b> the transfer (or paying) agent (i.e., the Second Payer Name Line Field contains either a continuation of the First Payer Name Line Field or blanks).
<u>Code</u>	<u>Meaning</u>								
1	The entity in the Second Payer Name Line Field is the transfer (or paying) agent.								
0 (zero)	The entity shown is <b>not</b> the transfer (or paying) agent (i.e., the Second Payer Name Line Field contains either a continuation of the First Payer Name Line Field or blanks).								
134–173	Payer Shipping Address	40	<b>Required.</b> If the Transfer Agent Indicator in position 133 is a “1” (one), enter the shipping address of the transfer (or paying) agent. Otherwise, enter the <b>actual</b> shipping address of the payer. The street address should include number, street, apartment or suite number (or PO Box if mail is not delivered to street address). Left-justify information, and fill unused positions with blanks.						
<p><b>For U.S. addresses,</b> the payer city, state, and ZIP Code must be reported as a 40, 2, and 9 position field, respectively. <b>Filers must adhere to the correct format for the payer city, state, and ZIP Code.</b></p> <p><b>For foreign addresses,</b> filers may use the payer city, state, and ZIP Code as a continuous 51 position field. Enter information in the following order: city, province or state, postal code, and the name of the country. When reporting a foreign address, the Foreign Entity Indicator in position 52 must contain a “1” (one).</p>									
174–213	Payer City	40	<b>Required.</b> If the Transfer Agent Indicator in position 133 is a “1” (one), enter the city, town, or post office of the transfer agent. Otherwise, enter the city, town, or post office of the payer. Left-justify information, and fill unused positions with blanks. Do not enter state and ZIP Code information in this field.						
214–215	Payer State	2	<b>Required.</b> Enter the valid U.S. Postal Service state abbreviations. Refer to the chart of valid state abbreviations in Part A, Sec.15.						

**Record Name: Payer “A” Record (Continued)**

<b>Field Position</b>	<b>Field Title</b>	<b>Length</b>	<b>Description and Remarks</b>
216–224	Payer ZIP Code	9	<b>Required.</b> Enter the valid nine-digit ZIP Code assigned by the U.S. Postal Service. If only the first five-digits are known, left-justify information and fill the unused positions with blanks. For foreign countries, alpha characters are acceptable as long as the filer has entered a “1” (one) in the Foreign Entity Indicator, located in Field Position 52 of the “A” Record.
225–239	Payer Number & Extension	15	Enter the payer’s phone number and extension.
240–499	Blank	260	Enter blanks.
500–507	Record Sequence Number	8	<b>Required.</b> Enter the number of the record as it appears within your file. The record sequence number for the “T” Record will always be “1” (one), since it is the first record on your file. Each record thereafter, must be incremented by one in ascending numerical sequence, i.e. 2, 3, 4 etc. Right-justify numbers with leading zeroes in the field. For example, the “T” Record sequence number would appear as “00000001” in the field.
508–748	Blank	241	Enter blanks.
749–750	Blank	2	Enter blanks or carriage return/line feed (CR/LF) characters.

**Sec. 5. Payer “A” Record — Record Layout**

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

Combined Federal/State Filer	Type of Return	Amount Codes	Blank	Original File Indicator	Replacement File Indicator	Correction File Indicator
26	27	28–39	40–47	48	49	50

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

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

**Sec. 6. Payee “B” Record — General Field Descriptions and Record Layouts**

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

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

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

- (1) The surname of the payee whose TIN is shown in the “B” Record should always appear first. If, however, the records have been developed using the first name first, the filer must leave a blank space between the first and last names.
- (2) In the case of multiple payees, only the surname of the payee whose TIN (SSN, EIN, ITIN, or ATIN) is shown in the “B” Record must be present in the First Payee Name Line. Surnames of any other payees may be entered in the Second Payee Name Line.

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

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

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

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

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

**.08** All alpha characters in the “B” Record must be uppercase.

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

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**Record Name: Payee “B” Record**

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Field Position	Field Title	Length	Description and Remarks
1	Record Type	1	<b>Required.</b> Enter “B”.
2–5	Payment Year	4	<b>Required.</b> Enter “2002” (unless reporting prior year data; report the year which applies [2000, 2001, etc.]).
6	Corrected Return Indicator (See Note.)	1	<b>Required for corrections only.</b> Indicates a corrected return.

<u>Code</u>	<u>Definition</u>
G	If this is a one-transaction correction or the first of a two-transaction correction.
C	If this is the second transaction of a two-transaction correction.
Blank	If this is not a return being submitted to correct information already processed by IRS.

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

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**Record Name: Payer "B" Record (Continued)**

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

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

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

Name	Name Control
------	--------------

Individuals:

Jane <b>Brown</b>	BROW
John A. <b>Lee</b>	LEE*
James P. <b>En</b> , Sr.	EN*
John <b>O'Neill</b>	ONEI
Mary <b>Van Buren</b>	VANB
Juan <b>De Jesus</b>	DEJE
Gloria A. <b>El-Roy</b>	EL-R
Mr. John <b>Smith</b>	SMIT
Joe <b>McCarthy</b>	MCCA
Pedro <b>Torres-Lopes</b>	TORR
Maria <b>Lopez</b> Moreno**	LOPE
Binh To <b>La</b>	LA*
Nhat Thi <b>Pham</b>	PHAM
Mark <b>D'Allesandro</b>	DALL

Corporations:

The <b>First</b> National Bank	FIRS
<b>The Hideaway</b>	THEH
<b>A &amp; B</b> Cafe	A&BC
<b>11TH</b> Street Inc.	11TH

Sole Proprietor:

Mark <b>Hemlock</b>	HEML
DBA The Sunshine Club	

**Record Name: Payer "B" Record (Continued)**

<b>Field Position</b>	<b>Field Title</b>	<b>Length</b>	<b>Description and Remarks</b>
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Partnership:

	Robert <b>Aspen</b> and Bess Willow		ASPE
	Harold <b>Fir</b> , Bruce Elm, and Joyce Spruce et al Ptr		FIR*

Estate:

	Frank <b>White</b> Estate		WHIT
	Estate of Sheila <b>Blue</b>		BLUE

Trusts and Fiduciaries:

	<b>Daisy</b> Corporation Employee Benefit Trust		DAIS
	Trust FBO The <b>Cherryblossom</b> Society		CHER

Exempt Organization:

	<b>Laborer's</b> Union, AFL-CIO		LABO
	<b>St. Bernard's</b> Methodist Church Bldg. Fund		STBE

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

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

11	Type of TIN	1	This field is used to identify the Taxpayer Identification Number (TIN) in positions 12–20 as either an Employer Identification Number (EIN), a Social Security Number (SSN), an Individual Taxpayer Identification Number (ITIN) or an Adoption Taxpayer Identification Number(ATIN). Enter the appropriate code from the following table:
	<b><u>Code</u></b>	<b><u>Type of TIN</u></b>	<b><u>Type of Account</u></b>
	1	EIN	A business, organization, sole proprietor, or other entity
	2	SSN	An individual, including a sole proprietor
	2	ITIN	An individual required to have a taxpayer identification number, but who is not eligible to obtain an SSN
	2	ATIN	An adopted individual prior to the assignment of a social security number
	Blank	N/A	If the type of TIN is not determinable, enter a blank.

**Record Name: Payee "B" Record (Continued)**

<b>Field Position</b>	<b>Field Title</b>	<b>Length</b>	<b>Description and Remarks</b>
12-20	Payee's Taxpayer Identification Number(TIN)	9	<b>Required.</b> Enter the nine-digit Taxpayer Identification Number of the payee (SSN, ITIN, ATIN, or EIN). If an identification number has been applied for but not received, enter blanks. <b>Do not enter hyphens or alpha characters.</b> All zeros, ones, twos, etc., will have the effect of an incorrect TIN. If the TIN is not available, enter blanks. Payers who submit data with missing TINs, and have taken the required steps to obtain this information, should submit a letter with their media.
<p>☛ <b>Note: If you are required to report payments made through Foreign Intermediaries and Foreign Flow-Through Entities on Form 1099, see the 2002 General Instruction for Forms 1099, 1098, 5498 and W-2G beginning on page 13 for reporting requirements.</b></p>			
21-40	Payer's Account Number For Payee	20	Enter any number assigned by the payer to the payee (e.g., checking or savings account number). Filers are encouraged to use this field. This number helps to distinguish individual payee records and should be unique for each document. Do not use the payee's TIN since this will not make each record unique. This information is particularly useful when corrections are filed. This number will be provided with the backup withholding notification and may be helpful in identifying the branch or subsidiary reporting the transaction. Do not define data in this field in packed decimal format. If fewer than twenty characters are used, filers may either left or right-justify, filling the remaining positions with blanks.
41-44	Payer's Office Code	4	Enter office code of payer; otherwise, enter blanks. For payers with multiple locations, this field may be used to identify the location of the office submitting the information return. This code will also appear on backup withholding notices.
45-54	Blank	10	Enter blanks
	Payment Amount Fields (Must be numeric)		<b>Required. Filers should allow for all payment amounts. For those not used, enter zeros.</b> Each payment field must contain 12 numeric characters. Each payment amount must contain U.S. dollars and cents. The right-most two positions represent cents in the payment amount fields. <b>Do not enter dollar signs, commas, decimal points, or negative payments, except those items that reflect a loss on Form 1099-B.</b> Positive and negative amounts are indicated by placing a "+" (plus) or "-" (minus) sign in the left-most position of the payment amount field. A negative over punch in the units position may be used, instead of a minus sign, to indicate a negative amount. If a plus sign, minus sign, or negative over punch is not used, the number is assumed to be positive. Negative over punch cannot be used in PC created files. Payment amounts must be right-justified and unused positions must be zero-filled.
55-66	Payment Amount 1*	12	The amount reported in this field represents payments for Amount Code 1 in the "A" Record.
67-78	Payment Amount 2*	12	The amount reported in this field represents payments for Amount Code 2 in the "A" Record.
79-90	Payment Amount 3*	12	The amount reported in this field represents payments for Amount Code 3 in the "A" Record.
91-102	Payment Amount 4*	12	The amount reported in this field represents payments for Amount Code 4 in the "A" Record.
103-114	Payment Amount 5*	12	The amount reported in this field represents payments for Amount Code 5 in the "A" Record.

**Record Name: Payee "B" Record (Continued)**

<b>Field Position</b>	<b>Field Title</b>	<b>Length</b>	<b>Description and Remarks</b>
115–126	Payment Amount 6*	12	The amount reported in this field represents payments for Amount Code 6 in the "A" Record.
127–138	Payment Amount 7*	12	The amount reported in this field represents payments for Amount Code 7 in the "A" Record.
139–150	Payment Amount 8*	12	The amount reported in this field represents payments for Amount Code 8 in the "A" Record.
151–162	Payment Amount 9*	12	The amount reported in this field represents payments for Amount Code 9 in the "A" Record.
163–174	Payment Amount A*	12	The amount reported in this field represents payments for Amount Code A in the "A" Record.
175–186	Payment Amount B*	12	The amount reported in this field represents payments for Amount Code B in the "A" Record.
187–198	Payment Amount C*	12	The amount reported in this field represents payments for Amount Code C in the "A" Record.
* If there are discrepancies between the payment amount fields and the boxes on the paper forms, the instructions in this Revenue Procedure govern.			
199–246	Reserved	48	Enter blanks.
247	Foreign Country Indicator	1	<b>If the address of the payee is in a foreign country, enter a "1" (one) in this field;</b> otherwise, enter blank. When filers use this indicator, they may use a free format for the payee city, state, and ZIP Code. Enter information in the following order: city, province or state, postal code, and the name of the country. Address information must not appear in the First or Second Payee Name Line.
248–287	First Payee Name Line	40	<b>Required.</b> Enter the name of the payee (preferably surname first) whose Taxpayer Identification Number (TIN) was provided in positions 12–20 of the "B" Record. Left-justify and fill unused positions with blanks. If more space is required for the name, use the Second Payee Name Line Field. The names of any other payees may be entered in the Second Payee Name Line Field. If reporting information for a sole proprietor, the individual's name must always be present, preferably on the First Payee Name Line. The use of the business name is optional in the Second Payee Name Line Field. End the First Payee Name Line with a full word. Use appropriate spacing. Extraneous words, titles, and special characters (i.e., Mr., Mrs., Dr., period, apostrophe) should be removed from the Payee Name Lines. This information may be dropped during subsequent processing at IRS/MCC. A dash (-) and an ampersand (&) are the only acceptable special characters.
<b>Note:</b> If you are required to report payments made through Foreign Intermediaries and Foreign Flow-Through Entities on Form 1099, see the 2002 General Instruction for Forms 1099, 1098, 5498 and W-2G beginning on page 13 for reporting requirements.			
288–327	Second Payee Name Line	40	If there are multiple payees (e.g., partners, joint owners, or spouses), use this field for those names not associated with the TIN provided in positions 12–20 of the "B" Record, or if not enough space was provided in the First Payee Name Line, continue the name in this field. <b>Do not enter address information.</b> It is important that filers provide as much payee information to IRS/MCC as possible to identify the payee associated with the TIN. Left-justify and fill unused positions with blanks. <b>See Note above in First Payee Name Line.</b>
328–367	Blank	40	Enter blanks.

**Record Name: Payee "B" Record (Continued)**

Field Position	Field Title	Length	Description and Remarks
368-407	Payee Mailing Address	40	<b>Required.</b> Enter mailing address of payee. Street address should include number, street, apartment or suite number (or PO Box if mail is not delivered to street address). Left-justify information and fill unused positions with blanks. This field <b>must not</b> contain any data other than the payee's mailing address.
408-447	Blank	40	Enter blanks.
448-487	Payee City	40	<b>Required.</b> Enter the city, town or post office. Left-justify information and fill the unused positions with blanks. Enter APO or FPO if applicable. Do not enter state and ZIP Code information in this field.
488-489	Payee State	2	<b>Required.</b> Enter the valid U.S. Postal Service state abbreviations for states or the appropriate postal identifier (AA, AE, or AP) described in Part A, Sec. 15.
490-498	Payee ZIP Code	9	<b>Required.</b> Enter the valid ZIP Code (nine or five digit) assigned by the U.S. Postal Service. If only the first five-digits are known, left-justify information and fill the unused positions with blanks. For foreign countries, alpha characters are acceptable as long as the filer has entered a "1" (one) in the Foreign Country Indicator, located in position 247 of the "B" Record.
499	Blank	1	Enter blank.
500-507	Record Sequence Number	8	<b>Required.</b> Enter the number of the record as it appears within your file. The record sequence number for the "T" record will always be "1" (one), since it is the first record on your file. Each record, thereafter, must be incremented by one in ascending numerical sequence, i.e. 2, 3, 4 etc. Right-justify numbers with leading zeroes in the field. For example, the "T" record sequence number would appear as "00000001" in the field.
508-543	Blank	36	Enter Blanks.

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

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

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

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

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

Payment Amount C	Reserved	Foreign Country Indicator	First Payee Name Line	Second Payee Name Line	Blank
187–198	199–246	247	248–287	288–327	328–367

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

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

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

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

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

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

**Payee “B” Record — Record Layout Positions 544–750  
Forms 1098**

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

**(2) Payee “B” Record — Record Layout Positions 544–750 for Form 1098-E**

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

**Payee “B” Record — Record Layout Positions 544–750  
Forms 1098-E**

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

**(3) Payee “B” Record — Record Layout Positions 544–750 for Form 1098-T**

<b>Field Position</b>	<b>Field Title</b>	<b>Length</b>	<b>Description and Remarks</b>
544–546	Blank	3	Enter blanks.
547	Half-time Student Indicator	1	Enter “1” (one) if the student was at least a half-time student during any academic period that began in 2002. Otherwise, enter a blank.
548	Graduate Student Indicator	1	Enter “1” (one) if the student is enrolled exclusively in a graduate level program. Otherwise, enter a blank.
549–662	Blank	114	Enter blanks.
663–722	Special Data Entries	60	This portion of the “B” Record may be used to record information for state or local government reporting or for the filer’s own purposes. Payers should contact the state or local revenue departments for the filing requirements. If this field is not utilized, enter blanks.
723–748	Blank	26	Enter blanks.
749–750	Blank	2	Enter blanks or carriage return/line feed (CR/LF) characters.

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

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

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

Field	Position	Field Title	Length	Description and Remarks						
	544–546	Blank	3	Enter blanks.						
	547	Personal Liability Indicator	1	Enter the appropriate indicator from the table below:  <table border="0"> <tr> <td align="center"><u>Indicator</u></td> <td align="center"><u>Usage</u></td> </tr> <tr> <td align="center">1</td> <td>Borrower was personally liable for repayment of the debt.</td> </tr> <tr> <td align="center">Blank</td> <td>Borrower was not personally liable for repayment of the debt.</td> </tr> </table>	<u>Indicator</u>	<u>Usage</u>	1	Borrower was personally liable for repayment of the debt.	Blank	Borrower was not personally liable for repayment of the debt.
<u>Indicator</u>	<u>Usage</u>									
1	Borrower was personally liable for repayment of the debt.									
Blank	Borrower was not personally liable for repayment of the debt.									
	548–555	Date of Lender's Acquisition or Knowledge of Abandonment	8	Enter the acquisition date of the secured property or the date the lender first knew or had reason to know the property was abandoned, in the format YYYYMMDD (e.g., January 5, 2002, would be 20020105). <b>Do not enter hyphens or slashes.</b>						
	556–594	Description of Property	39	Enter a brief description of the property. For real property, enter the address, or, if the address does not sufficiently identify the property, enter the section, lot and block. For personal property, enter the type, make and model (e.g., Car-1999 Buick Regal or Office Equipment). Enter "CCC" for crops forfeited on Commodity Credit Corporation loans. If fewer than 39 positions are required, left-justify information and fill unused positions with blanks.						
	595–662	Blank	68	Enter blanks.						
	663–722	Special Data Entries	60	This portion of the "B" Record may be used to record information for state or local government reporting or for the filer's own purposes. Payers should contact the state or local revenue departments for the filing requirements. If this field is not utilized, enter blanks.						
	723–748	Blank	26	Enter blanks.						
	749–750	Blank	2	Enter blanks, or carriage return/line feed (CR/LF) characters.						

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

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

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

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

Field Position	Field Title	Length	Description and Remarks						
544	Second TIN Notice (Optional)	1	Enter "2" (two) to indicate notification by IRS twice within three calendar years that the payee provided an incorrect name and/or TIN combination; otherwise, enter a blank.						
545–546	Blank	2	Enter blanks.						
547	Gross Proceeds Indicator	1	Enter the appropriate indicator from the following table, to identify the amount reported in Amount Code 2; otherwise, enter a blank. <table border="1"><thead><tr><th>Indicator</th><th>Usage</th></tr></thead><tbody><tr><td>1</td><td>Gross proceeds</td></tr><tr><td>2</td><td>Gross proceeds less commissions and options premiums</td></tr></tbody></table>	Indicator	Usage	1	Gross proceeds	2	Gross proceeds less commissions and options premiums
Indicator	Usage								
1	Gross proceeds								
2	Gross proceeds less commissions and options premiums								
548–555	Date of Sale	8	For broker transactions, enter the trade date of the transaction. For barter exchanges, enter the date when cash, property, a credit, or scrip is actually or constructively received in the format YYYYMMDD (e.g., January 5, 2002, would be 20020105). Enter blanks if this is an aggregate transaction. <b>Do not enter hyphens or slashes.</b>						
556–568	CUSIP Number	13	For broker transactions only, enter the CUSIP (Committee on Uniform Security Identification Procedures) number of the item reported for Amount Code 2 (stocks, bonds, etc.). Enter blanks if this is an aggregate transaction. Enter "0s" (zeros) if the number is not available. Right-justify information and fill unused positions with blanks.						
569–607	Description	39	If fewer than 39 characters are required, left-justify information and fill unused positions with blanks. For broker transactions, enter a brief description of the disposition item (e.g., 100 shares of XYZ Corp). For regulated futures and forward contracts, enter "RFC" or other appropriate description. For bartering transactions, show the services or property provided.						
608–662	Blank	55	Enter blanks.						
663–722	Special Data Entries	60	This portion of the "B" Record may be used to record information for state or local government reporting or for the filer's own purposes. Payers should contact the state or local revenue departments for filing requirements. If this field is not utilized, enter blanks.						
723–734	State Income Tax Withheld	12	State income tax withheld is for the convenience of the filers. This information does not need to be reported to IRS. The payment amount must be right-justified and unused positions must be zero-filled. If not reporting state tax withheld, this field may be used as a continuation of the Special Data Entries Field.						
735–746	Local Income Tax Withheld	12	Local income tax withheld is for the convenience of the filers. This information does not need to be reported to IRS. The payment amount must be right-justified and unused positions must be zero-filled. If not reporting local tax withheld, this field may be used as a continuation of the Special Data Entries field.						
747–748	Blank	2	Enter blanks.						
749–750	Blank	2	Enter blanks, or carriage return/line feed (CR/LF) characters.						

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

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

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

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

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

Field Position	Field Title	Length	Description and Remarks
544–546	Blank	3	Enter blanks.
547	Bankruptcy Indicator	1	Enter "1" (one) to indicate the debt was discharged in bankruptcy, if known. Otherwise, enter a blank.
548–555	Date Canceled	8	Enter the date the debt was canceled in the format of YYYYMMDD (e.g., January 5, 2002, would be 20020105). <b>Do not enter hyphens or slashes.</b>
556–594	Debt Description	39	Enter a description of the origin of the debt, such as student loan, mortgage, or credit card expenditure. If a combined Form 1099-C and 1099-A is being filed, also enter a description of the property.
595–662	Blank	68	Enter blanks.
663–722	Special Data Entries	60	This portion of the "B" Record may be used to record information for state or local government reporting or for the filer's own purposes. Payers should contact the state or local revenue departments for filing requirements. If this field is not utilized, enter blanks.
723–748	Blank	26	Enter blanks.
749–750	Blank	2	Enter blanks, or carriage return/line feed (CR/LF) characters.

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

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

Blank	Blank or CR/LF
723–748	749–750

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

Field Position	Field Title	Length	Description and Remarks
544	Second TIN Notice (Optional)	1	Enter "2" (two) to indicate notification by IRS twice within three calendar years that the payee provided an incorrect name and/or TIN combination; otherwise, enter a blank.
545–546	Blank	2	Enter blanks.
547–586	Foreign Country or U.S. Possession	40	Enter the name of the foreign country or U.S. possession to which the withheld foreign tax (Amount Code A) applies. Otherwise, enter blanks.
587–662	Blank	76	Enter blanks.

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

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

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

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

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

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

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

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

<b>Field Position</b>	<b>Field Title</b>	<b>Length</b>	<b>Description and Remarks</b>
548–551	Tax Year of Refund	4	Enter the tax year for which the refund, credit, or Offset (Amount Code 2) was issued. <b>The tax year must reflect the tax year for which the payment was made, not the tax year of the Form 1099-G. The tax year must be in the four position format of YYYY (e.g., 1999).</b> The valid range of years for the refund is 1992 through 2001.
<b>☛ Note: This data is not considered prior year data since it is required to be reported in the current tax year. Do NOT enter "P" in field position 6 of the Transmitter "T" Record.</b>			
552–662	Blank	111	Enter blanks.
663–722	Special Data Entries	60	This portion of the "B" Record may be used to record information for state or local government reporting or for the filer's own purposes. Payers should contact the state or local revenue departments for filing requirements. You may enter your routing and transit number (RTN) here. If this field is not utilized, enter blanks.
723–734	State Income Tax Withheld	12	State income tax withheld is for the convenience of the filers. This information does not need to be reported to IRS. The payment amount must be right-justified and unused positions must be zero-filled. If not reporting state tax withheld, this field may be used as a continuation of the Special Data Entries Field.
735–746	Local Income Tax Withheld	12	Local income tax withheld is for the convenience of the filers. This information does not need to be reported to IRS. The payment amount must be right-justified and unused positions must be zero-filled. If not reporting local tax withheld, this field may be used as a continuation of the Special Data Entries Field.
747–748	Combined Federal/State Code	2	If this payee record is to be forwarded to a state agency as part of the Combined Federal/State Filing Program, enter the valid state code from Part A, Sec. 13, Table 1. For those payers or states not participating in this program, enter blanks.
749–750	Blank	2	Enter blanks or carriage return/line feed (CR/LF) characters.

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

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

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

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

<b>Field Position</b>	<b>Field Title</b>	<b>Length</b>	<b>Description and Remarks</b>
544	Second TIN Notice (Optional)	1	Enter "2" to indicate notification by IRS twice within three calendar years that the payee provided an incorrect name and/or TIN combination; otherwise, enter a blank.
545–546	Blank	2	Enter blanks.
547–586	Foreign Country or U.S. Possession	40	Enter the name of the foreign country or U.S. possession to which the withheld foreign tax (Amount Code 6) applies. Otherwise, enter blanks.
587–662	Blank	76	Enter blanks.
663–722	Special Data Entries	60	This portion of the "B" Record may be used to record information for state or local government reporting or for the filer's own purposes. Payers should contact the state or local revenue departments for filing requirements. You may enter your routing and transit number (RTN) here. If this field is not utilized, enter blanks.
723–734	State Income Tax Withheld	12	State income tax withheld is for the convenience of the filers. This information does not need to be reported to IRS. The payment amount must be right-justified and unused positions must be zero-filled. If not reporting state tax withheld, this field may be used as a continuation of the Special Data Entries Field.
735–746	Local Income Tax Withheld	12	Local income tax withheld is for the convenience of the filers. This information does not need to be reported to IRS. The payment amount must be right-justified and unused positions must be zero-filled. If not reporting local tax withheld, this field may be used as a continuation of the Special Data Entries Field.
747–748	Combined Federal/State Code	2	If this payee record is to be forwarded to a state agency as part of the Combined Federal/State Filing Program, enter the valid state code from Part A, Sec. 13, Table 1. For those payers or states not participating in this program, enter blanks.
749–750	Blank	2	Enter blanks or carriage return/line feed (CR/LF) characters.

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

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

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

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

<b>Field Position</b>	<b>Field Title</b>	<b>Length</b>	<b>Description and Remarks</b>
544–546	Blank	3	Enter blanks.
547	Type of Payment Indicator	1	Enter the appropriate indicator from the following table; otherwise, enter blanks.

**(10) Payee “B” Record — Record Layout Positions 544–750 for Form 1099-LTC (Continued)**

<b>Field Position</b>	<b>Field Title</b>	<b>Length</b>	<b>Description and Remarks</b>
			<b>Indicator Usage</b> 1 Per diem 2 Reimbursed amount
548–556	Social Security Number of Insured	9	<b>Required.</b> Enter the Social Security Number of the insured.
557–596	Name of Insured	40	<b>Required.</b> Enter the name of the insured.
597–636	Address of Insured	40	<b>Required.</b> Enter the address of the insured. Street address should include number, street, apartment, or suite number (or PO Box if mail is not delivered to street address). Left-justify information and fill unused positions with blanks. This field <b>must not</b> contain any data other than payee’s address.  <b>For U.S. addresses,</b> the payee city, state, and ZIP Code must be reported as a 40, 2, and 9 position field, respectively. <b>Filers must adhere to the correct format for the insured’s city, state, and ZIP Code.</b> <b>For foreign addresses,</b> filers may use the insured’s city, state, and ZIP Code as a continuous 51 position field. Enter information in the following order: city, province or state, postal code, and the name of the country. When reporting a foreign address, the Foreign Country Indicator in position 247 must contain a “1” (one).
637–676	City of Insured	40	<b>Required.</b> Enter the city, town, or post office. Left-justify information and fill the unused positions with blanks. Enter APO or FPO, if applicable. Do not enter state and ZIP Code information in this field.
677–678	State of Insured	2	<b>Required.</b> Enter the valid U.S. Postal Service state abbreviations for states or the appropriate postal identifier (AA, AE, or AP) described in Part A, Sec. 15.
679–687	ZIP Code of Insured	9	<b>Required.</b> Enter the valid nine-digit ZIP Code assigned by the U.S. Postal Service. If only the first five-digits are known, left-justify information and fill the unused positions with blanks. For foreign countries, alpha characters are acceptable as long as the filer has entered a “1” (one) in the Foreign Country Indicator, located in position 247 of the “B” Record.
688	Status of Illness Indicator (Optional)	1	Enter the appropriate code from the table below to indicate the status of the illness of the insured; otherwise, enter blank: <b>Indicator Usage</b> 1 Chronically ill 2 Terminally ill
689–696	Date Certified (Optional)	8	Enter the latest date of a doctor’s certification of the status of the insured’s illness. The format of the date is YYYYMMDD (e.g., January 5, 2002, would be 20020105). <b>Do not enter hyphens or slashes.</b>
697	Qualified Contract (Optional)	1	Enter a “1” (one) if benefits were from a qualified long-term care insurance contract; otherwise, enter blank.
698–722	Blank	25	Enter blanks.
723–734	State Income Tax Withheld	12	State income tax withheld is for the convenience of the filers. This information does not need to be reported to IRS. The payment amount must be right-justified and unused positions must be zero-filled.
735–746	Local Income Tax Withheld	12	Local income tax withheld is for the convenience of the filers. This information does not need to be reported to IRS. The payment amount must be right-justified and unused positions must be zero-filled.

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

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

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

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

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

Blank	Blank or CR/LF
747–748	749–750

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

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

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

548–662	Blank	115	Enter blanks.
663–722	Special Data Entries	60	This portion of the "B" Record may be used to record information for state or local government reporting or for the filer's own purposes. Payers should contact the state or local revenue departments for filing requirements. If this field is not used, enter blanks.
723–734	State Income Tax Withheld	12	State income tax withheld is for the convenience of the filers. This information does not need to be reported to IRS. The payment amount must be right-justified and unused positions must be zero-filled. If not reporting state tax withheld, this field may be used as a continuation of the Special Data Entries Field.

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

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

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

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

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

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

<b>Field Position</b>	<b>Field Title</b>	<b>Length</b>	<b>Description and Remarks</b>														
544	Blank	1	Enter blank.														
545	Distribution Code	1	<b>Required.</b> Enter the applicable code to indicate the type of payment: <table><thead><tr><th><u>Code</u></th><th><u>Category</u></th></tr></thead><tbody><tr><td>1</td><td>Normal distribution</td></tr><tr><td>2</td><td>Excess contribution</td></tr><tr><td>3</td><td>Disability</td></tr><tr><td>4</td><td>Death distribution other than code 6 (This includes distributions to a spouse, nonspouse, or estate beneficiary in the year of death and to an estate after the year of death.)</td></tr><tr><td>5</td><td>Prohibited transaction</td></tr><tr><td>6</td><td>Death distribution <b>after year of death</b> to a nonspouse beneficiary (Do not use for distribution to an estate.)</td></tr></tbody></table>	<u>Code</u>	<u>Category</u>	1	Normal distribution	2	Excess contribution	3	Disability	4	Death distribution other than code 6 (This includes distributions to a spouse, nonspouse, or estate beneficiary in the year of death and to an estate after the year of death.)	5	Prohibited transaction	6	Death distribution <b>after year of death</b> to a nonspouse beneficiary (Do not use for distribution to an estate.)
<u>Code</u>	<u>Category</u>																
1	Normal distribution																
2	Excess contribution																
3	Disability																
4	Death distribution other than code 6 (This includes distributions to a spouse, nonspouse, or estate beneficiary in the year of death and to an estate after the year of death.)																
5	Prohibited transaction																
6	Death distribution <b>after year of death</b> to a nonspouse beneficiary (Do not use for distribution to an estate.)																
546	Blank	1	Enter a blank.														
547	Medicare+Choice MSA Indicator	1	Enter "1" (one) if distributions are from a Medicare+Choice MSA. Otherwise, enter a blank.														
548–662	Blank	115	Enter blanks.														

**(12) Payee “B” Record — Record Layout Positions 544–750 for Form 1099-MSA (Continued)**

<b>Field Position</b>	<b>Field Title</b>	<b>Length</b>	<b>Description and Remarks</b>
663–722	Special Data Entries	60	This portion of the “B” Record may be used to record information for state or local government reporting or for the filer’s own purposes. Payers should contact the state or local revenue departments for filing requirements. If this field is not utilized, enter blanks.
723–734	State Income Tax Withheld	12	State income tax withheld is for the convenience of the filers. This information does not need to be reported to IRS. The payment amount must be right-justified and unused positions must be zero-filled. If not reporting state tax withheld, this field may be used as a continuation of the Special Data Entries Field.
735–746	Local Income Tax Withheld	12	Local income tax withheld is for the convenience of the filers. This information does not need to be reported to IRS. The payment amount must be right-justified and unused positions must be zero-filled. If not reporting local tax withheld, this field may be used as a continuation of the Special Data Entries Field.
747–748	Blank	2	Enter blanks.
749–750	Blank	2	Enter blanks or carriage return/line feed (CR/LF) characters.

**Payee “B” Record — Record Layout Positions 544–750 for Form 1099-MSA**

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

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

**(13) Payee “B” Record — Record Layout Positions 544–750 for Form 1099-OID**

<b>Field Position</b>	<b>Field Title</b>	<b>Length</b>	<b>Description and Remarks</b>
544	Second TIN (Optional)	1	Enter “2” to indicate notification by IRS twice within three calendar years that the payee provided an incorrect name and/or TIN combination; otherwise, enter a blank.
545–546	Blank	2	Enter blanks.
547–585	Description	39	<b>Required.</b> Enter the CUSIP number, if any. If there is no CUSIP number, enter the abbreviation for the stock exchange and issuer, the coupon rate, and year ( <b>must be 4-digit year</b> ) of maturity (e.g., NYSE XYZ 12 / 2002). Show the name of the issuer if other than the payer. If fewer than 39 characters are required, left-justify information and fill unused positions with blanks.
586–662	Blank	77	Enter blanks.
663–722	Special Data Entries	60	This portion of the “B” Record may be used to record information for state or local government reporting or for the filer’s own purposes. Payers should contact the state or local revenue departments for filing requirements. If this field is not utilized, enter blanks.

**(13) Payee “B” Record — Record Layout Positions 544–750 for Form 1099-OID (Continued)**

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

**Payee “B” Record — Record Layout Positions 544–750 for Form 1099-OID**

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

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

**(14) Payee “B” Record — Record Layout Positions 544–750 for Form 1099-PATR**

<b>Field Position</b>	<b>Field Title</b>	<b>Length</b>	<b>Description and Remarks</b>
544	Second TIN Notice (Optional)	1	Enter “2” (two) to indicate notification by IRS twice within three calendar years that the payee provided an incorrect name and/or TIN combination; otherwise, enter a blank.
545–662	Blank	118	Enter blanks.
663–722	Special Data Entries	60	This portion of the “B” Record may be used to record information for state or local government reporting or for the filer’s own purposes. Payers should contact the state or local revenue departments for filing requirements. If this field is not utilized, enter blanks.
723–734	State Income Tax Withheld	12	State income tax withheld is for the convenience of the filers. This information does not need to be reported to IRS. The payment amount must be right-justified and unused positions must be zero-filled. If not reporting state tax withheld, this field may be used as a continuation of the Special Data Entries Field.

**(14) Payee "B" Record — Record Layout Positions 544–750 for Form 1099-PATR (Continued)**

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

**Payee "B" Record — Record Layout Positions 544–750 for 1099-PATR**

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

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

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

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

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

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

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Field Position	Field Title	Length	Description and Remarks																																										
544	Blank	1	Enter blank.																																										
545–546	Distribution Code	2	<p><b>Required.</b> Enter at least one distribution code from the table below. More than one code may apply. If only one code is necessary, it must be entered in position 545. If two codes are necessary, and one of the codes is an alpha code (except code A), the alpha code must be entered in position 545 and the numeric code in position 546 (for example G4, J8, etc.). Distribution code A, when applicable, must be entered in position 546 with a numeric code in position 545 (for example 7A). When using Code P for an IRA distribution under section 408(d)(4) of the Internal Revenue Code, the filer may also enter Code 1, 2, or 4, if applicable. Only three numeric combinations are acceptable: Codes 8 and 1, 8 and 2, and 8 and 4 on one return. These three combinations can be used only if both codes apply to the distribution being reported. If more than one numeric code is applicable to different parts of a distribution, report two separate "B" Records. Distribution Codes E, F, H, N, R, and S cannot be used with any other codes. Distribution Code G may be used with Distribution Code 4 only if applicable.</p> <table border="1"><thead><tr><th>Code</th><th>Category</th></tr></thead><tbody><tr><td>1</td><td>*Early distribution, no known exception (in most cases, under age 59 1/2)</td></tr><tr><td>2</td><td>*Early distribution, exception applies (Under age 59 1/2)</td></tr><tr><td>3</td><td>*Disability</td></tr><tr><td>4</td><td>*Death</td></tr><tr><td>5</td><td>*Prohibited transaction</td></tr><tr><td>6</td><td>Section 1035 exchange (a tax-free exchange of life insurance, annuity, or endowment contracts)</td></tr><tr><td>7</td><td>*Normal distribution</td></tr><tr><td>8</td><td>*Excess contributions plus earnings/excess deferrals (and/or earnings) taxable in 2002</td></tr><tr><td>9</td><td>PS 58 costs (premiums paid by a trustee or custodian for current insurance protection)</td></tr><tr><td>A</td><td>May be eligible for 10-year tax option</td></tr><tr><td>D</td><td>*Excess contributions plus earnings/excess deferrals taxable in 2000</td></tr><tr><td>E</td><td>Excess annual additions under section 415</td></tr><tr><td>F</td><td>Charitable gift annuity</td></tr><tr><td>G</td><td>Direct rollover to IRA</td></tr><tr><td>H</td><td>*Direct rollover to qualified plan or tax-sheltered annuity or a transfer from a conduit IRA to a qualified plan</td></tr><tr><td>J</td><td>Early distribution from a Roth IRA, no known exception (This code may be used with Code 5, 8, or P.)</td></tr><tr><td>L</td><td>Loans treated as deemed distributions under section 72(p)</td></tr><tr><td>M</td><td>Distribution from a Coverdell ESA</td></tr><tr><td>N</td><td>Recharacterized IRA contribution made for 2002</td></tr><tr><td>P</td><td>*Excess contributions plus earnings/excess deferrals taxable in 2001</td></tr></tbody></table>	Code	Category	1	*Early distribution, no known exception (in most cases, under age 59 1/2)	2	*Early distribution, exception applies (Under age 59 1/2)	3	*Disability	4	*Death	5	*Prohibited transaction	6	Section 1035 exchange (a tax-free exchange of life insurance, annuity, or endowment contracts)	7	*Normal distribution	8	*Excess contributions plus earnings/excess deferrals (and/or earnings) taxable in 2002	9	PS 58 costs (premiums paid by a trustee or custodian for current insurance protection)	A	May be eligible for 10-year tax option	D	*Excess contributions plus earnings/excess deferrals taxable in 2000	E	Excess annual additions under section 415	F	Charitable gift annuity	G	Direct rollover to IRA	H	*Direct rollover to qualified plan or tax-sheltered annuity or a transfer from a conduit IRA to a qualified plan	J	Early distribution from a Roth IRA, no known exception (This code may be used with Code 5, 8, or P.)	L	Loans treated as deemed distributions under section 72(p)	M	Distribution from a Coverdell ESA	N	Recharacterized IRA contribution made for 2002	P	*Excess contributions plus earnings/excess deferrals taxable in 2001
Code	Category																																												
1	*Early distribution, no known exception (in most cases, under age 59 1/2)																																												
2	*Early distribution, exception applies (Under age 59 1/2)																																												
3	*Disability																																												
4	*Death																																												
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6	Section 1035 exchange (a tax-free exchange of life insurance, annuity, or endowment contracts)																																												
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8	*Excess contributions plus earnings/excess deferrals (and/or earnings) taxable in 2002																																												
9	PS 58 costs (premiums paid by a trustee or custodian for current insurance protection)																																												
A	May be eligible for 10-year tax option																																												
D	*Excess contributions plus earnings/excess deferrals taxable in 2000																																												
E	Excess annual additions under section 415																																												
F	Charitable gift annuity																																												
G	Direct rollover to IRA																																												
H	*Direct rollover to qualified plan or tax-sheltered annuity or a transfer from a conduit IRA to a qualified plan																																												
J	Early distribution from a Roth IRA, no known exception (This code may be used with Code 5, 8, or P.)																																												
L	Loans treated as deemed distributions under section 72(p)																																												
M	Distribution from a Coverdell ESA																																												
N	Recharacterized IRA contribution made for 2002																																												
P	*Excess contributions plus earnings/excess deferrals taxable in 2001																																												
	(For a detailed explanation of distribution codes, see the 2002 Instructions for Forms 1099-R and 5498.)																																												
	<i>See chart at the end of this record layout for a diagram of valid combinations of Distribution Codes.</i>																																												

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

Field Position	Field Title	Length	Description and Remarks
			R Recharacterized IRA contribution made for 2001 (See Note.)
			S *Early distribution from a SIMPLE IRA in first 2 years, no known exception
			T Roth IRA distribution, exception applies (This code may be used with Code 5, 8, or P.)

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

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

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

☞ Note: For Form 1099-R, generally, report the Roth conversion or total amount distributed from a traditional IRA, SEP, or SIMPLE in Payment Amount Field A (traditional IRA/SEP/SIMPLE distribution or Roth conversion), as well as Payment Amount Field 1 (Gross Distribution) of the "B" Record. Refer to the 2002 Instructions for Forms 1099-R and 5498 for exceptions (Box 2a instructions).

549	Total Distribution Indicator (See Note.)	1	Enter a "1" (one) only if the payment shown for Distribution Amount Code 1 is a total distribution that closed out the account; otherwise, enter a blank.
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☞ Note: A total distribution is one or more distributions within one tax year in which the entire balance of the account is distributed. Any distribution that does not meet this definition is not a total distribution.

550–551	Percentage of Total Distribution	2	Use this field when reporting a total distribution to more than one person, such as when a participant is deceased and a payer distributes to two or more beneficiaries. Therefore, if the percentage is 100, leave this field blank. If the percentage is a fraction, round off to the nearest whole number (for example, 10.4 percent will be 10 percent; 10.5 percent will be 11 percent). Enter the percentage received by the person whose TIN is included in positions 12–20 of the "B" Record. This field must be right-justified and unused positions must be zero-filled. If not applicable, enter blanks. Filers are not required to enter this information for any IRA distribution or for direct rollovers.
552–662	Blank	111	Enter blanks.

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

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

**FORM 1099-R DISTRIBUTION CODE CHART 2002**

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

X – Denotes valid combinations

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

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

Percentage of Total Distribution	Blank	Special Data Entries	State Income Tax Withheld	Local Income Tax Withheld	Combined Federal/State Code	Blank or CR/LF
550–551	552–662	663–722	723–734	735–746	747–748	749–750

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

Field Position	Field Title	Length	Description and Remarks
544–546	Blank	3	Enter blanks.
547	Property or Services Indicator	1	<b>Required.</b> Enter "1" (one) if the transferor received or will receive property (other than cash and consideration treated as cash in computing gross proceeds) or services as part of the consideration for the property transferred. Otherwise, enter a blank.
548–555	Date of Closing	8	<b>Required.</b> Enter the closing date in the format YYYYMMDD (e.g., January 5, 2002, would be 20020105). <b>Do not enter hyphens or slashes.</b>
556–594	Address or Legal Description	39	<b>Required.</b> Enter the address of the property transferred (including city, state, and ZIP Code). If the address does not sufficiently identify the property, also enter a legal description, such as section, lot, and block. For timber royalties, enter "TIMBER." If fewer than 39 positions are required, left-justify information and fill unused positions with blanks.
595–662	Blank	68	Enter blanks.
663–722	Special Data Entries	60	This portion of the "B" Record may be used to record information for state or local government reporting or for the filer's own purposes. Payers should contact the state or local revenue departments for filing requirements. If this field is not utilized, enter blanks.
723–734	State Income Tax Withheld	12	State income tax withheld is for the convenience of the filers. This information does not need to be reported to IRS. The payment amount must be right-justified and unused positions must be zero-filled. If not reporting state tax withheld, this field may be used as a continuation of the Special Data Entries Field.
735–746	Local Income Tax Withheld	12	Local income tax withheld is for the convenience of the filers. This information does not need to be reported to IRS. The payment amount must be right-justified and unused positions must be zero-filled. If not reporting local tax withheld, this field may be used as a continuation of the Special Data Entries Field.
747–748	Blank	2	Enter blanks.
749–750	Blank	2	Enter blanks or carriage return/line feed (CR/LF) characters.

**Payee “B” Record — Record Layout Positions 544–750  
for Form 1099-S**

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

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

**(18) Payee “B” Record — Record Layout Positions 544–750 for Form 5498**

Field Position	Field Title	Length	Description and Remarks
544–546	Blank	3	Enter blanks.
547	<b>IRA</b> Indicator (Individual Retirement Account)	1	<b>Required, if applicable.</b> Enter “1” (one) if reporting a rollover (Amount Code 2) or Fair Market Value (Amount Code 5) for an IRA. Otherwise, enter a blank.
548	<b>SEP</b> Indicator (Simplified Employee Pension)	1	<b>Required, if applicable.</b> Enter “1” (one) if reporting rollover (Amount Code 2) or Fair Market Value (Amount Code 5) for a SEP. Otherwise, enter a blank.
549	<b>SIMPLE</b> Indicator (Savings Incentive Match Plan for Employees)	1	<b>Required, if applicable.</b> Enter “1” (one) if reporting a rollover (Amount Code 2) or Fair Market Value (Amount Code 5) for a SIMPLE. Otherwise, enter a blank.
550	<b>Roth IRA</b> Indicator	1	<b>Required, if applicable.</b> Enter “1” (one) if reporting a rollover (Amount Code 2) or Fair Market Value (Amount Code 5) for a Roth IRA. Otherwise, enter a blank.
551	Blank	1	Enter blank.
552	<b>Coverdell ESA</b> Indicator	1	<b>Required, if applicable.</b> Enter “1” (one) if reporting a rollover (Amount Code 2) or Fair Market Value (Amount Code 5) for a Coverdell ESA. Otherwise, enter a blank.
553–662	Blank	110	Enter blanks.
663–722	Special Data Entries	60	This portion of the “B” Record may be used to record information for state or local government reporting or for the filer’s own purposes. Payers should contact the state or local revenue departments for filing requirements. If this field is not utilized, enter blanks.
723–746	Blank	24	Enter blanks.
747–748	Combined Federal/State Code	2	If this payee record is to be forwarded to a state agency as part of the Combined Federal/State Filing Program, enter the valid state code from Part A, Sec. 13, Table 1. For those payers or states not participating in this program, enter blanks.
749–750	Blank	2	Enter blanks or carriage return/line feed (CR/LF) characters.

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

Blank	IRA Indicator	SEP Indicator	SIMPLE Indicator	Roth IRA Indicator	Blank	<i>Coverdell ESA Indicator</i>
544–546	547	548	549	550	551	552

Blank	Special Data Entries	Blank	Combined Federal/ State Code	Blank or CR/LF
553–662	663–722	723–746	747–748	749–750

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

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

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

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

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

Field Position	Field Title	Length	Description and Remarks																		
544–546	Blank	3	Enter blanks.																		
547	Type of Wager Code	1	<b>Required.</b> Enter the applicable type of wager code from the table below:  <table border="0"> <tr> <td><b>Code</b></td> <td><b>Category</b></td> </tr> <tr> <td>1</td> <td>Horse race track (or off-track betting of a horse track nature)</td> </tr> <tr> <td>2</td> <td>Dog race track (or off-track betting of a dog track nature)</td> </tr> <tr> <td>3</td> <td>Jai-alai</td> </tr> <tr> <td>4</td> <td>State-conducted lottery</td> </tr> <tr> <td>5</td> <td>Keno</td> </tr> <tr> <td>6</td> <td>Bingo</td> </tr> <tr> <td>7</td> <td>Slot machines</td> </tr> <tr> <td>8</td> <td>Any other type of gambling winnings</td> </tr> </table>	<b>Code</b>	<b>Category</b>	1	Horse race track (or off-track betting of a horse track nature)	2	Dog race track (or off-track betting of a dog track nature)	3	Jai-alai	4	State-conducted lottery	5	Keno	6	Bingo	7	Slot machines	8	Any other type of gambling winnings
<b>Code</b>	<b>Category</b>																				
1	Horse race track (or off-track betting of a horse track nature)																				
2	Dog race track (or off-track betting of a dog track nature)																				
3	Jai-alai																				
4	State-conducted lottery																				
5	Keno																				
6	Bingo																				
7	Slot machines																				
8	Any other type of gambling winnings																				

**(20) Payee “B” Record — Record Layout Positions 544–750 for Form W-2G (Continued)**

<b>Field Position</b>	<b>Field Title</b>	<b>Length</b>	<b>Description and Remarks</b>
548–555	Date Won	8	<b>Required.</b> Enter the date of the winning transaction in the format YYYYMMDD (e.g., January 5, 2002, would be 20020105). <b>Do not enter hyphens or slashes.</b> This is not the date the money was paid if paid after the date of the race (or game).
556–570	Transaction	15	<b>Required.</b> For state-conducted lotteries, enter the ticket or other identifying number. For keno, bingo, and slot machines, enter the ticket or card number (and color, if applicable), machine serial number, or any other information that will help identify the winning transaction. For all others, enter blanks.
571–575	Race	5	If applicable, enter the race (or game) relating to the winning ticket; otherwise, enter blanks.
576–580	Cashier	5	If applicable, enter the initials or number of the cashier making the winning payment; otherwise, enter blanks.
581–585	Window	5	If applicable, enter the window number or location of the person paying the winning payment; otherwise, enter blanks.
586–600	First ID	15	For other than state lotteries, enter the first identification number of the person receiving the winning payment; otherwise, enter blanks.
601–615	Second ID	15	For other than state lotteries, enter the second identification number of the person receiving the winnings; otherwise, enter blanks.
616–662	Blank	47	Enter blanks.
663–722	Special Data Entries	60	This portion of the “B” Record may be used to record information for state or local government reporting or for the filer’s own purposes. Payers should contact the state or local revenue departments for filing requirements. If this field is not utilized, enter blanks.
723–734	State Income Tax Withheld	12	State income tax withheld is for the convenience of the filers. This information does not need to be reported to IRS. The payment amount must be right-justified and unused positions must be zero-filled. If not reporting state tax withheld, this field may be used as a continuation of the Special Data Entries field.
735–746	Local Income Tax Withheld	12	Local income tax withheld is for the convenience of the filers. This information does not need to be reported to IRS. The payment amount must be right-justified and unused positions must be zero-filled. If not reporting local tax withheld, this field may be used as a continuation of the Special Data Entries field.
747–748	Blank	2	Enter blanks.
749–750	Blank	2	Enter blanks or carriage return/line feed (CR/LF) characters.

**Payee “B” Record — Record Layout Positions 544–750 for Form W-2G**

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

601–615	616–662	663–722	723–734	735–746	747–748	749–750
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**Sec. 7. End of Payer “C” Record — General Field Descriptions and Record Layout**

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

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

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

**Record Name: End of Payer “C” Record**

Field Position	Field Title	Length	Description and Remarks
1	Record Type	1	<b>Required.</b> Enter “C”.
2–9	Number of Payees	8	<b>Required.</b> Enter the total number of “B” Records covered by the preceding “A” Record. Right-justify information and fill unused positions with zeros.
10–15	Blank	6	Enter blanks.
16–33	Control Total 1	18	<b>Required.</b> Accumulate totals of any payment amount fields in the “B” Records into the appropriate control total fields of the “C” Record. <b>Control totals must be right-justified and unused control total fields zero-filled.</b> All control total fields are 18 positions in length.
34–51	Control Total 2	18	
52–69	Control Total 3	18	
70–87	Control Total 4	18	
88–105	Control Total 5	18	
106–123	Control Total 6	18	
124–141	Control Total 7	18	
142–159	Control Total 8	18	
160–177	Control Total 9	18	
178–195	Control Total A	18	
196–213	Control Total B	18	
214–231	Control Total C	18	
232–499	Blank	268	Enter blanks.
500–507	Record Sequence Number	8	<b>Required.</b> Enter the number of the record as it appears within your file. The record sequence number for the “T” Record will always be “1” (one), since it is the first record on your file. Each record, thereafter, must be incremented by one in ascending numerical sequence, i.e. 2, 3, 4, etc. Right-justify numbers with leading zeroes in the field. For example, the “T” Record sequence number would appear as “00000001” in the field.
508–748	Blank	241	Enter blanks.
749–750	Blank	2	Enter blanks or carriage return/line feed (CR/LF) characters.

**End of Payer “C” Record — Record Layout**

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

Control Total 7	Control Total 8	Control Total 9	Control Total A	Control Total B	Control Total C	Blank	Record Sequence Number
124–141	142–159	160–177	178–195	196–213	214–231	232–499	500–507

**End of Payer “C” Record — Record Layout (Continued)**

Blank 508–748	Blank or CR/LF 749–750
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**Sec. 8. State Totals “K” Record — General Field Descriptions and Record Layout**

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

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

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

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

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

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

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**State Totals “K” Record — Record Layout Forms 1099-DIV, 1099-G, 1099-INT, 1099-MISC, 1099-OID, 1099-PATR, 1099-R, and 5498**

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Field Position	Field Title	Length	Description and Remarks
1	Record Type	1	<b>Required.</b> Enter “K”.
2–9	Number of Payees	8	<b>Required.</b> Enter the total number of “B” Records being coded for this state. Right-justify information and fill unused positions with zeros.
10–15	Blank	6	Enter blanks.
16–33	Control Total 1	18	<b>Required.</b> Accumulate totals of any payment amount fields in the “B” Records for each state being reported into the appropriate control total fields of the appropriate “K” Record. <b>Control totals must be right-justified and unused control total fields zero-filled.</b> All control total fields are 18 positions in length.
34–51	Control Total 2	18	
52–69	Control Total 3	18	
70–87	Control Total 4	18	
88–105	Control Total 5	18	
106–123	Control Total 6	18	
124–141	Control Total 7	18	
142–159	Control Total 8	18	
160–177	Control Total 9	18	
178–195	Control Total A	18	
196–213	Control Total B	18	
214–231	Control Total C	18	
232–499	Blank	268	Enter blanks.
500–507	<i>Record Sequence Number</i>	8	<b>Required.</b> Enter the number of the record as it appears within your file. The record sequence number for the “T” Record will always be “1” (one), since it is the first record on your file. Each record, thereafter, must be incremented by one in ascending numerical sequence, i.e. 2, 3, 4, etc. Right-justify numbers with leading zeroes in the field. For example, the “T” Record sequence number would appear as “00000001” in the field.
508–706	Blank	199	Enter blanks.

**State Totals "K" Record — Record Layout Forms 1099-DIV, 1099-G, 1099-INT, 1099-MISC, 1099-OID, 1099-PATR, 1099-R, and 5498 (Continued)**

Field Position	Field Title	Length	Description and Remarks
707-724	State Income Tax Withheld Total	18	State income tax withheld total is for the convenience of the filers. Aggregate totals of the state income tax withheld field in the Payee "B" Records; otherwise, enter blanks.
725-742	Local Income Tax Withheld Total	18	Local income tax withheld total is for the convenience of the filers. Aggregate totals of the local income tax withheld field in the Payee "B" Records; otherwise, enter blanks.
743-746	Blank	4	Enter blanks.
747-748	Combined Federal/State Code	2	<b>Required.</b> Enter the code assigned to the state which is to receive the information. (Refer to Part A, Sec. 13, Table I.)
749-750	Blank	2	Enter blanks or carriage return/line feed (CR/LF) characters.

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

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

Control Total 7	Control Total 8	Control Total 9	Control Total A	Control Total B	Control Total C	Blank	Record Sequence Number	Blanks
124-141	142-159	160-177	178-195	196-213	214-231	232-499	500-507	508-706

State Income Tax Withheld Total	Local Income Tax Withheld Total	Blank	Combined Federal/State Code	Blank or CR/LF
707-724	725-742	743-746	747-748	749-750

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

- .01 The End of Transmission "F" Record is a summary of the number of payers in the entire file.
- .02 The "F" Record is a fixed record length of 750 positions.
- .03 This record must be written after the last "C" Record (or last "K" Record, when applicable) of the entire file.

**Record Name: End of Transmission "F" Record**

Field Position	Field Title	Length	Description and Remarks
1	Record Type	1	<b>Required.</b> Enter "F".
2-9	Number of "A" Records	8	Enter the total number of Payer "A" Records in the entire file (right-justify and zero-fill) or enter all zeros.
10-30	Zero	21	Enter zeros.
31-49	Blank	19	Enter blanks.
50-57	Total Number Payees	8	Enter the total number of Payee "B" Records reported in the file. Right-justify information and fill unused positions with zeros. If you have entered this total in the "T" Record, you may leave this field blank.

**Record Name: End of Transmission "F" Record (Continued)**

Field Position	Field Title	Length	Description and Remarks
58-499	Blank	442	Enter blanks.
500-507	Record Sequence Number	8	<b>Required.</b> Enter the number of the record as it appears within your file. The record sequence number for the "T" Record will always be "1" (one), since it is the first record on your file. Each record, thereafter, must be incremented by one in ascending numerical sequence, i.e. 2, 3, 4, etc. Right-justify numbers with leading zeroes in the field. For example, the "T" Record sequence number would appear as "00000001" in the field.
508-748	Blank	241	Enter blanks.
749-750	Blank	2	Enter blanks or carriage return/line feed (CR/LF) characters.

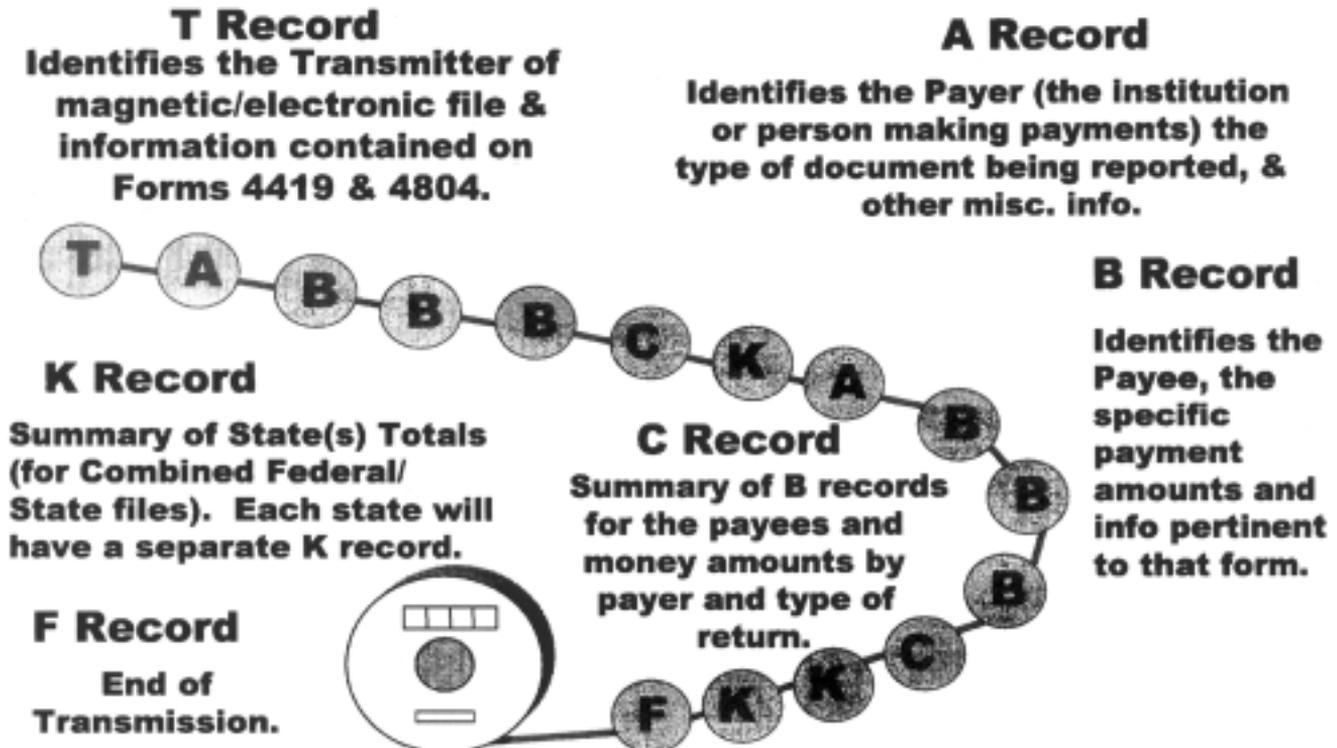
**End of Transmission "F" Record — Record Layout**

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

**Sec. 10. File Layout Diagram**

# File Format

**Each record must be 750 positions.**



## Part E. Extensions of Time and Waivers

### Sec. 1. General — Extensions

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

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

**.03** To be considered, an extension request must be postmarked or transmitted by the due date of the returns; otherwise, the request will be denied. (See Part A, Sec. 9, for due dates.) If requesting an extension of time to file several types of forms, use one Form 8809; however, the Form 8809 or file must be postmarked no later than the earliest due date. For example, if requesting an extension of time to file both Forms 1099-INT and 5498, submit Form 8809 on or before February 28, 2003. (**See Note.**)

**Note:** For Tax Year 2002, if you will be filing Forms 1098, 1099, or W-2G *electronically*, the Form 8809 is not required unless an extension is needed beyond March 31, 2003.

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

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

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

**.07** Requests for an extension of time to file for more than 50 payers are **required** to be submitted electronically or magnetically. IRS encourages requests for 10 to 50 payers to be filed electronically or magnetically. (See Sec. 3, for the file format.) The request may be filed electronically, on tape cartridges, 8mm, 4mm, Quarter-Inch Cartridges (QIC), or 3½-inch diskette.

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

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

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

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

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

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

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

**.13** Request an extension for only one tax year.

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

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

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

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

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

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

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

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

.05 Do not submit Tax Year 2002 extensions of time to file requests on magnetic media before *January 1, 2003*, or electronically before *January 7, 2003*.

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

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

.07 *Electronic filing, tape cartridge, 8mm, 4mm, QIC, and 3 1/2-inch diskette specifications for extensions are the same as the specifications for filing of information returns. (See Part B or C for specific technical information.)*

## Sec. 3. Record Layout — Extension of Time

.01 Positions 6 through 185 of the following record should contain information about the **payer** for whom the extension of time to file is being requested. Do not enter transmitter information in these fields. **Only one TCC may be present in a file.**

Record Layout for Extension of Time			
Field Position	Field Title	Length	Description and Remarks
1-5	Transmitter Control Code	5	<b>Required.</b> Enter the five-digit Transmitter Control Code (TCC) issued by IRS. <b>Only one TCC per file is acceptable.</b>
6-14	Payer TIN	9	<b>Required.</b> Must be the valid nine-digit EIN/SSN assigned to the payer. <b>Do not enter blanks, hyphens, or alpha characters.</b> All zeros, ones, twos, etc., will have the effect of an incorrect TIN. For foreign entities that are not required to have a TIN, this field may be blank; however, the Foreign Entity Indicator, position 187, <b>must</b> be set to "X".
15-54	Payer Name	40	<b>Required.</b> Enter the name of the payer whose TIN appears in positions 6-14. Left-justify information and fill unused positions with blanks.
55-94	Second Payer Name	40	If additional space is needed, this field may be used to continue name line information (e.g., c/o First National Bank); otherwise, enter blanks.
95-134	Payer Address	40	<b>Required.</b> Enter the payer's address. Street address should include number, street, apartment, or suite number (or PO Box if mail is not delivered to a street address).
135-174	Payer City	40	<b>Required.</b> Enter payer city, town, or post office.

**Record Layout for Extension of Time (Continued)**

<b>Field Position</b>	<b>Field Title</b>	<b>Length</b>	<b>Description and Remarks</b>														
175-176	Payer State	2	<b>Required.</b> Enter the payer valid U.S. Postal Service state abbreviation. (Refer to Part A, Sec. 15.)														
177-185	Payer ZIP Code	9	<b>Required.</b> Enter payer ZIP Code. If using a five-digit ZIP Code, left-justify information and fill unused positions with blanks.														
186	Document Indicator (See Note.)	1	<b>Required.</b> Enter the appropriate code of the Document Indicator for which you are requesting an extension of time.  <table border="1"> <thead> <tr> <th><u>Code</u></th> <th><u>Document</u></th> </tr> </thead> <tbody> <tr> <td>1</td> <td>W-2</td> </tr> <tr> <td>2</td> <td>1098, 1098-E, 1098-T, 1099-A, 1099-B, 1099-C, 1099-DIV, 1099-G, 1099-INT, 1099-LTC, 1099-MISC, 1099-MSA, 1099-OID, 1099-PATR, 1099-Q, 1099-R, 1099-S, or W-2G</td> </tr> <tr> <td>3</td> <td>5498</td> </tr> <tr> <td>4</td> <td>1042-S</td> </tr> <tr> <td>5</td> <td>REMIC Documents (1099-INT or 1099-OID)</td> </tr> <tr> <td>6</td> <td>5498-MSA</td> </tr> </tbody> </table>	<u>Code</u>	<u>Document</u>	1	W-2	2	1098, 1098-E, 1098-T, 1099-A, 1099-B, 1099-C, 1099-DIV, 1099-G, 1099-INT, 1099-LTC, 1099-MISC, 1099-MSA, 1099-OID, 1099-PATR, 1099-Q, 1099-R, 1099-S, or W-2G	3	5498	4	1042-S	5	REMIC Documents (1099-INT or 1099-OID)	6	5498-MSA
<u>Code</u>	<u>Document</u>																
1	W-2																
2	1098, 1098-E, 1098-T, 1099-A, 1099-B, 1099-C, 1099-DIV, 1099-G, 1099-INT, 1099-LTC, 1099-MISC, 1099-MSA, 1099-OID, 1099-PATR, 1099-Q, 1099-R, 1099-S, or W-2G																
3	5498																
4	1042-S																
5	REMIC Documents (1099-INT or 1099-OID)																
6	5498-MSA																
<p><b>Note:</b> Do not enter any other values in this field. Submit a separate record for each document. For example, if you are requesting an extension for Form 1099-INT and Form 5498 for the same payer, submit one record with “2” coded in this field and another record with “3” coded in this field. If you are requesting an extension for Form 1099-DIV and Form 1099-MISC for the same payer, submit one record with “2” coded in this field.</p>																	
187	Foreign Entity Indicator	1	Enter character “X” if the payer is a foreign entity.														
188-198	Blank	11	Enter blanks.														
199-200	Blank	2	Enter blanks or carriage return/line feed (CR/LF) characters.														

**Extension of Time Record Layout**

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

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

**Sec. 4. Extension of Time for Recipient Copies of Information Returns**

**.01** Request an **extension of time to furnish the statements to recipients** of Forms 1098, 1099, 5498, W-2G, W-2 series, and 1042-S by submitting a letter to IRS/MCC at the address listed in Part E, Sec. 1.08. The letter should contain the following information:

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

**.02** Requests for an extension of time to furnish the statements to recipients for Forms 1098, 1099, 5498, W-2G, W-2 series, and 1042-S are not automatically approved; however, if approved, generally an extension will allow a maximum of 30 additional days from the due date to furnish the statements to the recipients. The request must be postmarked by the date on which the statements are due to the recipients.

**.03** Generally, only the payer may sign the letter requesting the extension for recipient copies. A transmitter may sign if given power of attorney; however, a letter signed by the payer stating this fact must be attached to the extension request letter. A transmitter **must** submit a separate extension request letter for each payer. **Do not** submit a list of payers.

## **Sec. 5. Form 8508, Request for Waiver From Filing Information Returns on Magnetic Media**

**.01** If a payer is required to file on magnetic media but fails to do so (or fails to file electronically in lieu of magnetic media filing) and does not have an approved waiver on record, the payer will be subject to a penalty of \$50 per return in excess of 250. (For penalty information, refer to the Penalty Section of the *2002 General Instructions for Forms 1099, 1098, 5498, and W-2G.*)

**.02** If payers are required to file original or corrected returns on magnetic media, but such filing would create 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. A Form 8508 can be obtained on the IRS Web Site at *www.irs.gov* or by calling toll-free 1-800-829-3676.

**.03** Even though a payer may submit as many as 249 corrections on paper, IRS encourages electronic or magnetic filing of corrections. Once the 250 threshold has been met, filers are required to submit any returns of 250 or more electronically or magnetically. However, if a waiver for original documents is approved, any corrections for the same type of returns will be covered under this waiver.

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

**.05** A transmitter must submit a separate Form 8508 for each payer. Do not submit a list of payers.

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

**.07** The waiver, if approved, will provide exemption from the magnetic media filing requirement for the current tax year only. Payers may not apply for a waiver for more than one tax year at a time; application must be made each year a waiver is necessary.

**.08** Form 8508 may be photocopied or computer-generated as long as it contains all the information requested on the original form.

**.09** Filers are encouraged to submit Form 8508 to IRS/MCC at least 45 days before the due date of the returns. Generally, IRS/MCC does not process waiver requests until January. Waiver requests received prior to January are processed on a first come, first serve basis.

**10.** All requests for a waiver should be sent using the following address:

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

**.11 File Form 8508 for the W-2 series of forms with IRS/MCC not SSA.**

**.12** Waivers are evaluated on a case-by-case basis and are approved or denied based on criteria set forth in the regulations under Section 6011(e) of the Internal Revenue Code. The transmitter must allow a minimum of 30 days for IRS/MCC to respond to a waiver request.

**.13** If a waiver request is approved, the transmitter should keep the approval letter on file. The transmitter should not send a copy of the approved waiver to the service center where the paper returns are filed.

**.14** An approved waiver from filing information returns on magnetic media does not provide exemption from all filing. The payer must timely file information returns on Copy A of acceptable paper forms with the appropriate service center.