

Publication 1220

Specifications for Electronic Filing of Forms 1097, 1098, 3921, 3922, 5498, and W-2G

Tax Year 2019

Volume 1 of 4



First Time Filers Quick Reference Guide

1. Submit Form 4419, Application for Filing Information Returns Electronically (FIRE), to request authorization to file Forms 1097, 1098 Series, 1099 Series, 3921, 3922, 5498 Series, 8027, 8955-SSA, 1042-S, and W-2G electronically through the Filing Information Returns Electronically (FIRE) System. Allow a 45-day processing timeframe prior to the earliest information return due date. Form 4419 is subject to review before the approval to transmit electronically is granted and may require additional documentation at the request of the Internal Revenue Service (IRS). If your application is approved, a Transmitter Control Code (TCC) will be assigned to your business and sent by U.S. Postal Service to the mailing address on Form 4419. If the electronically transmitted documents are determined to be invalid, the IRS

has the authority to revoke the TCC and terminate the release of files.
Refer to Part B. Sec.1, Application for Filing Information Returns Electronically.

Note: The FIRE System does not provide fill-in forms for information returns. Transmitters must have software, an in-house programmer, or a third-party transmitter to put the file in the standard ASCII format. We do not accept scanned or PDF documents.

2. Electronic Filing - You are required to establish an account on the FIRE System before transmitting files electronically. For more information on creating a User ID, password, PIN, secret phrase, and connecting to the FIRE System, refer to Part B. Data Communications.

Note: The FIRE Production System and FIRE Test System do not communicate. You must create and maintain a separate account for each FIRE System.

3. File Format - The format must conform to the specifications found in Part C. Record Format Specifications and Record Layouts. In order to transmit files electronically through FIRE, you must have software, a service provider, or an in-house programmer that will create the file in the proper format per the requirements and record layouts in this publication. To find software providers, perform an internet search with the keywords, "Form 1099 software providers."
4. Test Files - Filers are generally not required to submit a test file; however, the IRS encourages the submission of a test file for all new electronic filers to test hardware and software. Refer to Part B. Sec. 7, Test Files. A test file is required only when applying to participate in the Combined Federal/State Filing Program. Refer to Part A. Sec. 12, Combined Federal/State Filing Program (CF/SF).

5. Common Problems - Review Part B. Sec. 8, Common Problems, to avoid common processing and/or format errors before submitting your file.
6. Assistance - Contact the IRS at 866-455-7438 (toll-free). (Monday through Friday).

Note: Listen to all options before making your selection.

7. The following is a list of related instructions and forms for filing information returns electronically:
 - General Instructions for Certain Information Returns
 - Form 4419, Application for Filing Information Returns Electronically (FIRE)
 - Form 8508, Request for Waiver from Filing Information Returns Electronically
 - Form 8809, Application for Extension of Time To File Information Returns

8. Important filing guidance for tax year 2019 for Form 1099-MISC with non-employee compensation (NEC) - Refer to Part A. Sec. 7, Form 1099-MISC NEC Filing Guidance for Tax Year 2019.

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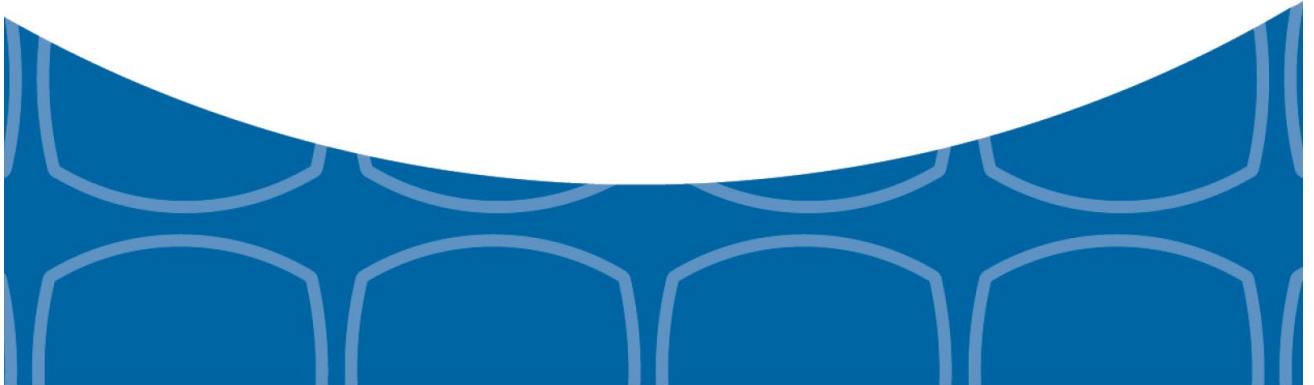
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Part A. | Introduction and General Information



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Sec. 1 Introduction

This publication outlines the communication procedures and transmission formats for the following information returns:

- Form 1097-BTC, Bond Tax Credit
- Form 1098, Mortgage Interest Statement
- Form 1098-C, Contributions of Motor Vehicles, Boats, and Airplanes
- Form 1098-E, Student Loan Interest Statement
- Form 1098-F, Fines, Penalties and Other Amounts
- Form 1098-Q, Qualifying Longevity Annuity Contract Information
- Form 1098-T, Tuition Statement
- Form 1099-A, Acquisition or Abandonment of Secured Property
- Form 1099-B, Proceeds From Broker and Barter Exchange Transactions
- Form 1099-C, Cancellation of Debt

- Form 1099-CAP, Changes in Corporate Control and Capital Structure
- Form 1099-DIV, Dividends and Distributions
- Form 1099-G, Certain Government Payments
- Form 1099-H, Health Coverage Tax Credit (HCTC) Advance Payments
- Form 1099-INT, Interest Income
- Form 1099-K, Payment Card and Third Party Network Transactions
- Form 1099-LS, Reportable Life Insurance Sale
- Form 1099-LTC, Long-Term Care and Accelerated Death Benefits
- Form 1099-MISC, Miscellaneous Income
- Form 1099-OID, Original Issue Discount
- Form 1099-PATR, Taxable Distributions Received From Cooperatives

- Form 1099-Q, Payments from Qualified Education Programs (Under Sections 529 & 530)
- Form 1099-R, Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.
- Form 1099-S, Proceeds From Real Estate Transactions
- Form 1099-SA, Distributions From an HSA, Archer MSA, or Medicare Advantage MSA
- Form 1099-SB, Seller's Investment in Life Insurance Contract
- Form 3921, Exercise of an Incentive Stock Option Under Section 422(b)
- Form 3922, Transfer of Stock Acquired Through an Employee Stock Purchase Plan under Section 423(c)
- Form 5498, IRA Contribution Information
- Form 5498-ESA, Coverdell ESA Contribution Information

- Form 5498-SA, HSA, Archer MSA, or Medicare Advantage MSA Information
- Form W-2G, Certain Gambling Winnings

Sec. 2 Purpose

The purpose of this publication is to provide the specifications for filing of Forms 1097, 1098, 1099, 3921, 3922, 5498, and W-2G electronically with the IRS including the requirements and specifications for electronic filing under the Combined Federal/State Filing Program (CF/SF). Additionally, this publication provides specifications to submit an automatic 30-day extension of time to file certain information returns.

Generally, boxes on paper forms correspond with fields used for the electronic file; however, if the form and field instructions do not match, the guidance in this publication supersedes form instructions. Electronic reporting of information returns eliminates the need for electronic filers to file paper documents with the IRS. Do not send copies of paper forms to the IRS for any forms filed

electronically as this will result in duplicate filing which may result in penalty notices.

The FIRE System can accept multiple files for the same type of return. For example, if a company has several branches issuing Forms 1099-INT, it is not necessary to consolidate all the forms into one transmission. Each file may be sent separately. Do not transmit duplicate data.

Note: Payers are responsible for providing statements to payees as outlined in the

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Sec. 3 What’s New for Tax Year 2019

Updates to Publication 1220 after August 30, 2019, are listed in [Part E. Exhibit 2, Publication 1220 Tax Year 2019 Revision Updates](#).

1. FIRE System Availability:

FIRE Production System Availability		
	From:	Through:
Down for annual updates	December 6, 2019, 6 p.m. ET	January 7, 2020
Controlled launch	January 8, 2020, 8 a.m. ET	January 10, 2020, 4 p.m. ET
Available	January 10, 2020	Available 24 hours a day until end of year updates. Date to be determined and will be available on the FIRE webpage.
FIRE Test System Availability		
	From:	Through:
Down for updates	October 28, 2019	November 3, 2019
Available	November 4, 2019	December 6, 2019, 6 p.m. ET
Down for annual updates	December 6, 2019, 6 p.m. ET	January 1, 2020
Available	January 2, 2020	Date to be determined and will be available on the FIRE webpage.
Note: FIRE Systems (Production and Test) may be down for programming updates and maintenance every Wednesday and Sunday from 2 a.m. ET to 5 a.m. ET		

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2. Form 1098, Mortgage Interest Statement

- Payee "B" Record:

- Field Position 723-730 Mortgage Acquisition Date – New Field Position
- Field Position 731-748 Blank – new Field Position

3. Form 1098-F, Fines, Penalties and Other Amounts – Filing Form 1098-F is not required until further notice. Notice 2018-

23 (PDF), 2018-15 I.R.B. 474, suspends the section 6050X reporting requirement until the date specified in proposed regulations that the IRS intends to publish. Therefore, entities required to report do not need to file a Form 1098-F until further notice. For the latest information, visit Information Return Reporting for Federal Agencies.

Publication 1220 provides Form 1098-F record layouts for tax year 2019 to be used pending the finalization of the regulations.

4. Form 1098-T, Tuition Statement

- Payee "B" Record
 - Field Position 550 – Blank – Revised Field Title and Description
- 5. Form 1099-B, Proceeds from Broker and Barter Exchange Transactions
 - Payee "B" Record:
 - Field Position 620 – Applicable Checkbox for Qualified Opportunity Fund (QOF) – New Field Position
- 6. Form 1099-G, Certain Government Payments
 - Payee "B" Record:
 - Field Position 544 - Second TIN Notice (Optional) – New Field Position
 - Field Position 545-546 – Blank – Revised Field Position
- 7. Form 1099-PATR, Taxable Distributions Received from Cooperatives
 - Payer "A" Record
 - Field Position 28-43 – Amount Code B – New code for Qualified Payments

8. Part A. Sec 12 .02 Participation in CF/SF Program – New subsection
9. Form 4419, Application for Filing Information Returns Electronically
 - As of October 1, 2019, Form 4419 is mandated to be electronically filed when requesting an original TCC. Submit an online Fill-in Form 4419 located within the FIRE System at <https://fire.irs.gov/>. Refer to Part B. Sec. 02. Mandate to Electronically File Form 4419.
 - Form 4419 (Rev 9-2019) will be available on [irs.gov](https://www.irs.gov).

Sec. 4 Communicating with the IRS

The Technical Services Operation (TSO) is available to payers, transmitters, and employers at the numbers listed below. When you call you will be provided guidance to essential elements pertaining to technical aspects for electronic filing through the FIRE Systems, self-help resources, and referrals to

tax law topics on IRS.gov. Below are some examples of essential elements:

- Form identification
- How to obtain a form
- Related publications for a form or topic
- Electronic filing information returns
- FIRE file status information and guidance

Contact TSO Monday through Friday 8:30 am - 5:30 pm ET. **Listen to all options before making your selection.**

- 866-455-7438 (toll-free)
- 304-263-8700 (International) (Not toll-free)
- 304-579-4827 for Telecommunications Device for the Deaf (TDD) (Not toll-free)

The IRS address for filing information returns electronically is <https://fire.irs.gov/>. The address to send a test file electronically is IRS FIRE Home.

You can also mail general inquiries regarding the filing of information returns and your

comments or suggestions regarding this publication to:

Internal Revenue Service
230 Murall Drive, Mail Stop 4360
Kearneysville, WV 25430

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Sec. 5 Additional Resources

The following are additional resources and information available for information returns:

Topic	Location
Electronic filing of Forms W-2	<ul style="list-style-type: none">Social Security Administration (SSA) website at https://www.ssa.gov/ or call 800-772-6270 (toll-free) to obtain the number of the SSA Employer Service Liaison Officer for your area.
Forms and Publications	<ul style="list-style-type: none">Forms, Instructions & Publications on https://www.irs.gov/.
Form 4419, Application for Filing Information Returns Electronically (FIRE)	<ul style="list-style-type: none">Apply online at https://fire.irs.gov/. Select Log On or Create New Account. From the Main Menu Options select Fill-in Form 4419.
Form 8508, Request for Waiver From Filing Information Returns Electronically	<ul style="list-style-type: none">Search Forms, Instructions & Publications on https://www.irs.gov/.
Form 8809, Application for Extension of Time to File Information Returns	<ul style="list-style-type: none">Apply online at https://fire.irs.gov/. After logging in, select “Extension of Time Request” from the Main Menu Options.Search Forms, Instructions & Publications on https://www.irs.gov/.
Internal Revenue Bulletin (IRB) - The authoritative instrument for the distribution of all types of official IRS tax guidance; a weekly collection of these and other items of general interest to the tax professional community.	<ul style="list-style-type: none">Refer to https://www.irs.gov/irb/.
Filing Information Returns Electronically on https://www.irs.gov/ . Provides information on filing information returns electronically including transmissions, file preparation, file naming, file status, testing and more.	<ul style="list-style-type: none">Search for Filing Information Returns Electronically on https://www.irs.gov/.
Mailing address for paper filing of information returns	<ul style="list-style-type: none">Search for General Instructions for Certain Information Returns on Forms, Instructions & Publications.
Payee/recipient questions on how to report information return data	<ul style="list-style-type: none">Search the Help tab on https://www.irs.gov/ for assistance with individual taxpayer returns or account related issues.
Quick Alerts	<ul style="list-style-type: none">In search box, type “Quick Alerts”; and select “Subscribe To Quick Alerts” on https://www.irs.gov/.

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Sec. 6 Filing Requirements, Retention Requirements, and Due Dates

.01 Filing Requirements

For instructions regarding Forms 1097, 1098, 1099, 3921, 3922, 5498, and W-2G, refer to the General Instructions for Certain Information Returns. The instructions include additional information about filing requirements, paper filing, and line instructions.

Filers of Forms 1097, 1098, 1099, 3921, 3922, 5498, and W-2G may be required to file electronically. Treasury Regulation Section 301.6011-2 provides that any person, including a corporation, partnership, individual, estate, or trust, who is required to file 250 or more information returns, must file such returns electronically. The 250 or more requirement applies separately for each type of return and separately to each type of corrected return. If you are required to file electronically, and this requirement causes an

undue hardship, see Part A. Sec. 9, Form 8508, Request for Waiver from Filing Information Returns Electronically.

All filing requirements apply individually to each reporting entity as defined by its separate TIN. For example, if a corporation with several branches or locations uses the same employer identification number (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.

Note: All filers are encouraged to file information returns electronically even if they are not required to do so.

.02 Retention Requirements

Payers should retain a copy of information returns (or have the ability to reconstruct the data) for at least three years from the reporting due date with the following exceptions:

- Returns reporting federal withholding should be retained for four years.

- Retain a copy of Form 1099-C, Cancellation of Debt, for at least four years from the due date of the return.

.03 Due Dates

Forms 1097, 1098, 1099, 3921, 3922, and W-2G are filed on a calendar year basis. Form 5498, IRA Contribution Information, Form 5498-ESA, Coverdell ESA Contribution Information, and Form 5498-SA, HSA, Archer MSA, or Medicare Advantage MSA Information, are used to report amounts contributed during or after the calendar year but no later than April 15.

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Due Dates		
Form	IRS Electronic Filing	Recipient/Participant Copy
1097-BTC	March 31	On or before the 15th day of the 2nd calendar month after the close of the calendar quarter (on or before May 15, August 15, November 15, and February 15 of the following year).
1098	March 31	January 31
1099	March 31	January 31 February 15 for Forms 1099-B and 1099-S. This also applies to statements furnished as part of a consolidated reporting statement.
1099-MISC reporting Non-Employment Compensation (NEC) in Box 7	January 31	January 31
1099-MISC (No data in Box 7 for NEC)	March 31	January 31 February 15 for amounts reported in boxes 8 or 14
3921	March 31	January 31
3922	March 31	January 31
5498	May 31	January 31 – for FMV/RMD May 31 – for contributions
5498-SA	May 31	May 31
5498-ESA	May 31	April 30
W-2G	March 31	January 31
<p>Note 1: 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 business day.</p> <p>Note 2: Form 1099-MISC with data in box 7 for NEC is due January 31st. The due date for Form 1099-MISC with no data in box 7 remains at February 28 (paper) and March 31 (electronic).</p> <p>Note 3: Important filing guidance for Form 1099-MISC non-employee compensation (NEC) - Refer to Sec. 7 Form 1099-MISC NEC Filing Guidance for Tax Year 2019.</p>		

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Sec. 7 Form 1099-MISC NEC Filing Guidance for Tax Year 2019

The Protecting Americans from Tax Hikes (PATH) Act of 2015 requires Forms 1099-MISC reporting non-employee compensation (NEC) in box 7 to be filed by January 31. This requirement does not affect the due date for Forms 1099-MISC that do not report NEC, which must be filed by March 31 when filed electronically. Therefore, Form 1099-MISC has two possible due dates, depending whether it reports NEC.

After January 31, if you transmit a Form 1099-MISC reporting NEC with other Forms 1099-MISC that do not report NEC together with a single Payer 'A' Record, the IRS may inadvertently treat each form transmitted with the Payer 'A' Record as if it is subject to the section 6721 penalty for failure to file by January 31, even though many of the forms might not be due until March 31. In this case, the IRS may send you a proposed penalty

notice, to which you may respond and clarify the content of the transmission in question. If no Form 1099-MISC transmitted with a single Payer 'A' Record reports NEC, the IRS systems will properly treat all forms in the transmission as due March 31.

Tax Year 2019:

If any of your Forms 1099-MISC reporting NEC will be filed after the January 31st due date, separate the transmission of those Forms 1099-MISC from the transmission of any Forms 1099-MISC that do not report NEC and are not due until March 31, 2020. This procedure is for all Form 1099-MISC transmissions submitted after January 31st. Transmitters should anticipate that their transmissions sent after January 31st and include both a Form 1099-MISC reporting NEC and a Form 1099-MISC that does not report NEC with a single Payer 'A' Record, the IRS will treat each form transmitted with the Payer 'A' Record as if it is subject to the section 6721 penalty for failure to file by January 31st.

You can furnish each recipient with a single payee statement reporting all Form 1099-MISC payment types. Two separate recipient statements are not required, even if you report the NEC and non-NEC on two different forms filed with the IRS. Regardless of how you file with the IRS, you are required to furnish the payee statements by the recipient copy due date.

Sec. 8 Extensions

A 30-day extension of time to file information returns may be submitted by creating and transmitting an electronic file or fill-in form on the FIRE Production System, or submitting a paper Form 8809.

An additional 30-day extension of time to file information returns may be submitted if the initial 30-day extension was granted and the additional extension is filed before the expiration of the initial 30-day extension. Additional 30-day extension requests must be submitted on a paper Form 8809. Select a checkbox on Form 8809 under Line 7 that describes the need for an extension

(Required). Form 8809 must be signed by the filer/transmitter or a person who is duly authorized to sign a return. Regulations Section 1.6081-8(d)(2).

Non-Automatic Extension

Treasury Decision (TD) 9838, "Extension of Time to File Certain Information Returns", Regulations' finalized the removal of the 30-day automatic extension of time to file information returns that report wages and tax (Form W-2 series), and also removed the 30-day automatic extension of time to file forms that report nonemployee compensation (currently Form 1099-MISC reporting NEC in box 7).

Forms W-2 and Form 1099-MISC reporting NEC in box 7 may request a non-automatic extension request on paper Form 8809.

Required: (1) Select a checkbox on Form 8809 under Line 7 that describes the need for an extension (2) Form 8809 must be signed by the filer/transmitter or a person who is duly authorized to sign a return.

Extensions for Form 5498-QA, Able Account Contribution Information, and Form 1099-QA, Distributions from ABLE Accounts, must be submitted on paper Form 8809 and cannot be submitted through FIRE. Additional information can be found in Form 8809 Instructions.

Approval letters will not be issued for the automatic, additional 30-day, and non-automatic extension requests. Payer/filer will receive incomplete or denial letters when applicable.

Extension of Time requests submitted through the FIRE System (Production) will require the entry of your FIRE account PIN.

Refer to Part D. Extension of Time.

Sec. 9 Form 8508, Request for Waiver from Filing Information Returns Electronically

If an employer is required to file original or corrected returns electronically and the

requirement creates an undue hardship, a waiver may be requested by filing Form 8508, Request for Waiver from Filing Information Returns Electronically, with the IRS. If a waiver for an original filing is approved, any corrections for the same type of returns will be covered under that waiver.

Note: Form 8508 is also filed to request a waiver from filing Form W-2 series electronically. Transmitters must file a separate Form 8508 for each payer. Do not submit a list of payers.

Filers are encouraged to file Form 8508 with the IRS at least 45 days before the due date of the returns, but no later than the due date of the returns for which the waiver is being requested. The IRS does not process waiver requests until January 1st of the calendar year in which the returns are due.

Waivers are evaluated on a case-by-case basis and are approved or denied based on criteria set forth under Treasury Regulation Section 301.6011-2(c) (2). Allow a minimum of 30 days for the IRS to respond to a waiver request.

An approved waiver will provide exemption from electronic filing for the current tax year only. An approved waiver does not provide exemption from filing. If a waiver is approved, the filer/payer must timely file all information returns with the appropriate service center on the official IRS paper form or an acceptable substitute form.

If a waiver request is approved, keep the approval letter on file. Include a copy of the approved waiver when filing paper Forms 8027, Employer's Annual Information Return of Tip Income and Allocated Tips. Do not send a copy of the approved waiver when filing any other paper information returns.

Mail a complete Form 8508 to:

Internal Revenue Service
Attn: Extension of Time Coordinator
240 Murall Drive, Mail Stop 4360
Kearneysville, WV 25430

Note: For information on how to file ACA information returns including extension or waivers, see Publication 5165, Guide for Electronically Filing Affordable Care Act (ACA)

Information Returns for Software Developers and Transmitters.

Sec. 10 Penalties Associated with Information Returns

Generally, the following penalties apply to the person required to file information returns. The penalties apply to both paper and electronic filers:

- Failure to File Correct Information Returns (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.
- Failure to Furnish Correct Payee Statements (Section 6722) - If you fail to provide correct payee statements and you cannot show reasonable cause, you may be subject to a penalty.
- Failure to File Electronically (Section 6721) – If you are required to file electronically but fail to do so, and you don't have an approved waiver on record, you may be subject to a penalty.

Refer to General Instructions for Certain Information Returns for additional information on penalty specifications and guidelines.

Refer to Part A. Sec. 7, Form 1099-MISC NEC Filing Guidance for Tax Year 2019.

Sec. 11 Corrected Returns

.01 General Information

If an information return was successfully processed by the IRS and you identify an error with the file after the IRS accepted the file and it is in "Good, Released" status, you need to file a corrected return. Do not file the Original file again as this may result in duplicate reporting. File only the returns that require corrections. Do not code information returns omitted from the Original file as corrections. If you omitted an information return, it should be filed as an original return.

Note: The standard correction process will not resolve duplicate reporting. All fields of the corrected return must be complete.

Treasury Regulation 301.6011-2 requires filers who are required to file 250 or more

information returns for any calendar year to file the returns electronically. The 250 or more requirement applies separately for each type of form filed and separately for original and corrected returns. Example: If a payer has 100 Forms 1099-A to correct, the returns can be filed on paper because they fall under the 250 threshold. However, if the payer has 300 Forms 1099-B to correct, the forms must be filed electronically.

The filer or transmitter must furnish corrected statements to recipients as soon as possible. If a filer or transmitter discovers errors that affect a large number of recipients, contact the IRS at 866-455-7438 (toll-free). Send corrected returns to the IRS and notify the recipients.

If corrected returns are not filed electronically, they must be filed on official forms or acceptable substitute forms. For information on substitute forms, refer to Publication 1179, General Rules and Specifications for Substitute Forms 1096, 1098, 1099, 5498, and Certain Other Information Returns.

In general, corrected returns should be submitted for returns filed within the last three calendar years with the following exceptions:

- Backup withholding was imposed under Internal Revenue Code Section 3406 - four calendar years
- Form 1099-C, Cancellation of Debt - four calendar years

.02 Error in Reporting the Payer

If an error is discovered in reporting the payer (not recipient) name and/or TIN, the payer should write a letter to the IRS containing the following information:

- Name and address of payer
- Type of error (include the incorrect payer name/TIN that was reported)
- Tax year
- Correct payer TIN
- TCC
- Type of return

- Number of payees
- Filing method, paper or electronic

If federal income tax was withheld Mail correspondence to:

Internal Revenue Service
230 Murall Drive, Mail Stop 4360
Kearneysville, WV 25430

.03 Specifications for Filing Corrected Returns Electronically

The record sequence for filing corrections is the same as for original returns. Refer to Part C. Record Format Specifications and Record Layouts, for more information. Corrected returns may be included in the same transmission as original returns; however, separate 'A' Records are required.

The "B" Record provides a 20-character field for a unique Payer's Account Number for payees. The account number is required if there are multiple accounts for a recipient for whom more than one information return of the same type is being filed. This number will 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 must appear on the initial return and on the corrected return for the IRS to identify and process the correction properly.

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

All corrections properly coded for the CF/SF will be made available to the participating states. Only send corrections which affect the federal reporting or affect federal and state reporting. **Errors which apply only to a state filing requirement should be sent directly to the state.**

.04 Corrections and Penalties

File corrected returns to meet the guidelines located in Part A. Sec. 10, Penalties Associated with Information Returns.

.05 Corrected Returns Procedures

There are numerous types of errors, and in some cases, more than one transaction may be required to correct the initial error. Review the “One-transaction Correction” and “Two-transaction Correction” tables below before transmitting a corrected file.

Note: Some software does not support the correction process. Please contact your software provider for additional information.

One-transaction Correction	
If ... The original return was filed with one or more of the following error types: <ul style="list-style-type: none">a. Incorrect payment amount codes in the Payer “A” Record.b. Incorrect payment amounts in the Payee “B” Record.c. Incorrect code in the distribution code field in the Payee “B” Record.d. Incorrect payee indicator. (Payee indicators are non-money amount indicator fields located in the specific form record layouts of the Payee “B” Record between field positions 544-748.)e. Return should not have been filed. Note: To correct a TIN and/or payee name, follow the instructions under Two-transaction Correction.	Then ... Follow the steps below for one-transaction correction: <ul style="list-style-type: none">1. Prepare a new file. The first record on the file will be the Transmitter “T” Record.2. Make a separate “A” Record for each type of return and each payer being reported. Payer information in the “A” Record must be the same as it was in the original submission.3. The Payee “B” Records must show the correct record information as well as a Corrected Return Indicator Code of “G” in field position 6.4. Corrected returns using “G” coded “B” Records may be on the same file as original returns; however, separate “A” Records are required.5. Prepare a separate “C” Record for each type of return and each payer being reported.6. The last record on the file must be the End of Transmission “F” Record.

Sample File layout for One-transaction Corrections

Transmitter “T” Record	Payer “A” Record	“G” coded Payee “B” Record	“G” coded Payee “B” Record	End of Payer “C” Record	End of Transmission “F” Record
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Two separate transactions using both the "G" and "C" codes are required to submit a Two-transaction Correction.
Note: Do not use this correction process for payment amount corrections.

Two-transaction Correction	
If ... The original return was filed with one or more of the following error types: a. No payee TIN (SSN, EIN, ITIN, QI-EIN, ATIN) b. Incorrect payee TIN c. Incorrect payee name d. Wrong type of return indicator	Then ... Follow the steps below for two-transaction correction:
	Transaction 1: 1. Prepare a new file. The first record on the file will be the Transmitter "T" Record. 2. 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. (See Note below). 3. The Payee "B" Records must contain exactly the same information as submitted previously. Exception: Insert a Corrected Return Indicator Code of "G" in field position 6 of the "B" Records, and enter "0" (zeros) in all payment amounts. (See Note below.) 4. Corrected returns using "G" coded "B" Records may be on the same file as those returns filed with a "C" code; however, separate "A" Records are required. 5. Prepare a separate "C" Record for each type of return and each payer being reported. Note: Although the "A" and "B" Records will be exactly the same as the original submission, the Record Sequence Number will be different because this is a counter number and is unique to each file. For Form 1099-R corrections, if the amounts are zeros, certain indicators will not be used.
	Then . . . Follow the steps below for two-transaction correction:
	Transaction 2: 1. Make a separate "A" Record for each type of return and each payer being reported. 2. The Payee "B" Records must show the correct information as well as a Corrected Return Indicator Code of "C" in field position 6. Corrected returns filed with the IRS using "C" coded "B" Records may be on the same file as those returns submitted with "G" codes; however, separate "A" Records are required. 3. Prepare a separate "C" Record for each type of return and each payer being reported. 4. The last record on the file must be the End of Transmission "F" Record.

Sample File layout for Two-transaction Correction

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

Note: If a filer is reporting "G" coded, "C" coded, and/or "Non-coded" (original) returns on the same file, each category must be reported under separate "A" Records. Although the "A" Record will be exactly the same as the original submission, the Record Sequence Number may be different because this is a counter number and is unique to each file. For Form 1099-R corrections, if the amounts are zeros, certain indicators will not be used.

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Sec. 12 Combined Federal/State Filing (CF/SF) Program

.01 General Information

The Combined Federal/State Filing (CF/SF) Program was established to simplify information returns filing for payers. Through CF/SF, the IRS electronically forwards information returns (original and corrected) to participating states.

The following information returns may be filed under the CF/SF:

- Form 1099-B, Proceeds from Broker and Barter Exchange Transactions
- Form 1099-DIV, Dividends and Distributions
- Form 1099-G, Certain Government Payments
- Form 1099-INT, Interest Income
- Form 1099-K, Payment Card and Third Party Network Transactions

- 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 Contribution Information

.02 Participation in CF/SF Program

- 1. State Coordinators:** Contact your IRS Government Liaison to request a state be added or deleted to the CF/SF program. Requests must be submitted by January 1st and the request will be implemented the following tax year. For example: To be added or deleted to the CF/SF program for tax year 2020, the request would need to be submitted by January 1, 2020. For additional information about the Fed/State

program, email
GovernmentLiaison@irs.gov.

- 2. Test Files:** To request approval to participate, an electronic test file coded for this program must be submitted to the FIRE Test System at <https://fire.test.irs.gov>. Refer to Part B. Sec. 4, Connecting to FIRE for FIRE testing availability dates. If the test file is acceptable, an approval letter will be sent. There is no charge to use CF/SF for approved participants. A test file is only required for the first year a filer participates in the program; however, it is highly recommended that a test file be submitted every year. Records in the test and actual file must conform to current procedures.

Within two days, the results of the electronic transmission(s) will be sent to the email address that was provided on the "Verify Your Filing Information" page in the FIRE Test System. If using email-filtering software, configure the software

to accept email from fire@irs.gov and irs.e-helpmail@irs.gov.

Note: During peak filing periods, the timeframe for returning file results may be more than two days.

If the file is bad, the filer or transmitter must return to <https://fire.test.irs.gov> and select “Check File Status” to determine what errors are in the file. See Part B. Sec. 4, Connecting to FIRE. If the test file was unacceptable, a new test file can be transmitted no later than August 30, 2020.

If a payee has a reporting requirement for more than one state, separate “B” Records must be created for each state. Payers must prorate the amounts to determine what should be reported to each state. Do not report the total amount to each state.

Some participating states require separate notification that the payer is filing in this manner. The IRS acts as a forwarding agent only. It is the payer’s responsibility to contact

the appropriate state(s) for further information.

Participating states and corresponding valid state codes are listed below in Table 1, Participating States and Codes. The appropriate state code must be entered in fields requesting a CF/SF code. Do not use state abbreviations.

Each state's filing requirements are subject to change by the state. It is the payer's responsibility to contact the participating state(s) to verify their criteria. Upon submission of the files, the transmitter must be sure of the following:

- All records are accurate.
- State Total "K" Record(s) for each state(s) being reported follows the "C" Record.
- Payment amount totals and the valid participating state code are included in the State Totals "K" Record(s).
- The last "K" Record is followed by an "A" Record (if there are more payers to

report) or an End of Transmission "F" Record (if this is the last record of the entire file).

The following table provides codes for participating states in the CF/SF Program.

Table 1: Participating States and Codes*					
State	Code	State	Code	State	Code
Alabama	01	Indiana	18	Montana	30
Arizona	04	Kansas	20	Nebraska	31
Arkansas	05	Louisiana	22	New Jersey	34
California	06	Maine	23	New Mexico	35
Colorado	07	Maryland	24	North Carolina	37
Connecticut	08	Massachusetts	25	North Dakota	38
Delaware	10	Michigan	26	Ohio	39
Georgia	13	Minnesota	27	Oklahoma	40
Hawaii	15	Mississippi	28	South Carolina	45
Idaho	16	Missouri	29	Wisconsin	55
*The codes listed apply to the CF/SF Program and may not correspond to state codes of agencies or programs outside of the IRS.					

Sample File Layout for Combined Federal/State Filing Program

Transmitter “T” Record	Payer “A” Record coded with 1 in position 6	Payee “B” Record with state code 01 in positions 747-748	Payee “B” Record with state code 06 in positions 747-748	Payee “B” Record with no state code	End of Payer “C” Record
State Total “K” Record for “B” Records coded 01 in positions 747-748		State Total “K” Record for “B” Records coded 06 in positions 747-748	Record End of Transmission “F” Record		

Sec. 13 State Abbreviation Codes and APO/FPO Addresses

.01 State Abbreviation Codes

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

Table 2: State & U.S. Territory Abbreviations					
State	Code	State	Code	State	Code
Alabama	AL	Kentucky	KY	Ohio	OH
Alaska	AK	Louisiana	LA	Oklahoma	OK
American Samoa	AS	Maine	ME	Oregon	OR
Arizona	AZ	Maryland	MD	Pennsylvania	PA
Arkansas	AR	Massachusetts	MA	Puerto Rico	PR
California	CA	Michigan	MI	Rhode Island	RI
Colorado	CO	Minnesota	MN	South Carolina	SC
Connecticut	CT	Mississippi	MS	South Dakota	SD
Delaware	DE	Missouri	MO	Tennessee	TN
District of Columbia	DC	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	No. Mariana Islands	MP		

See [Part C. Record Format Specifications and Record Layouts](#) for more information on the required formatting for an address.

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

.02 APO and FPO Addresses

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

EXAMPLE:

Recipient Name

Mailing Address

Recipient City

Recipient State

Recipient ZIP Code

PVT Willard J. Doe

Company F, PSC Box 100
167 Infantry REGT

APO (or FPO)

AE, AA, or AP*

098010100

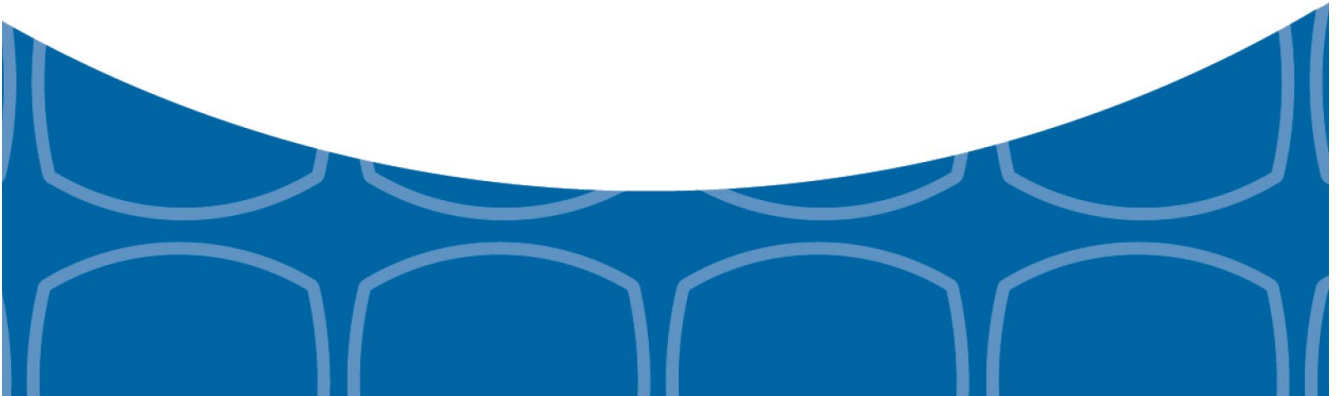
*AE is the designation for ZIP codes beginning with 090-098, AA for ZIP code 340, and AP for ZIP codes 962-966.

Sec. 14 Definition of Terms

ELEMENT	DESCRIPTION
Correction	A correction is an information return filed by the filer/transmitter to correct an information return that was previously filed and successfully processed by the IRS but contained erroneous information.
EIN	A nine-digit employer identification number which has been assigned by the IRS for business federal tax reporting purposes.
Replacement	A replacement is an information return file sent by the filer/transmitter to replace a file that received a bad file status due to errors encountered while processing the filer’s Original file or Correction file.
In-house Programmer	An employee or a hired contract programmer.
Payer’s Account Number For Payee	<div>Any number assigned by the payer to the payee that can be used by the IRS to distinguish between information returns.</div> <ul style="list-style-type: none">• This number must be unique for each information return of the same type for the same payee. Refer to Part C. Payee "B" Record, Field Positions 21-40.• If a payee has more than one reporting of the same document type, it is vital that each reporting have a unique account number. For example, if a payer has three separate pension distributions for the same payee and three separate Forms 1099-R are filed; three separate unique account numbers are required.• A payee’s account number may be given a unique sequencing number, such as 01, 02 or A, B, etc., to differentiate each reported information return.• Do not use the payee’s TIN since this will not make each record unique. This information is critical when corrections are filed.• This number will be provided with the backup withholding notification and may be helpful in identifying the branch or subsidiary reporting the transaction.• The account number can be any combination of alpha, numeric, or special characters.

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Part B. | Data Communication



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Sec. 1 Form 4419, Application for Filing Information Returns

.01 Form 4419, Application for Filing Information Returns Electronically

All transmitters who file information returns electronically through the FIRE System are required to request authorization to file electronically by submitting Form 4419, Application for Filing Information Returns Electronically. Additionally, to transmit files electronically through FIRE, you must have software, a service provider, or an in-house programmer that will create the file in the proper format per the requirements and record layouts in this publication. **Note: A scanned or PDF copy will not be accepted.**

To ensure timely filing, submit Form 4419 at least 45 days before the due date of the returns.

.02 Mandate to Electronically File Form 4419

As of October 1, 2019, Form 4419 is mandated to be electronically filed when requesting an original TCC. Submit an online Fill-in Form 4419 located within the FIRE System at <https://fire.irs.gov/>. Guidelines are provided below:

- Select Log On or Create New Account.
- Under the main menu, select "Fill-in Form 4419."
- Review the "Important Notes" screen to ensure that you have the correct information to proceed and
- Ensure you are authorized to complete and sign the application: *This application must be completed and submitted by: (a) the owner, if the applicant is a sole proprietorship, (b) the president, vice president, or other principal officer, if the applicant is a corporation, (c) a responsible and duly authorized member or officer having knowledge of its affairs, if*

the applicant is a partnership, government entity, or other unincorporated organization, or (d) the fiduciary, if the applicant is a trust or an estate.

The FIRE System is down for annual updates from December 6, 2019 through January 7, 2020. Fill-In Form 4419 cannot be submitted during this period. Submit your Fill-In Form 4419 early to be ready to timely transmit through the FIRE System.

Only submit a paper Form 4419 (Rev. 9-2019) when you have an existing Transmitter Control Code (TCC) to:

- Revise current TCC information. Refer to .04 Revise Current TCC Information.
- Request an additional TCC for a form type that you currently have an active TCC or for another form type listed on Form 4419 Block 8. Refer to .05 Do I Need More than One TCC? Provide a reason an additional TCC is necessary.

.03 Application Approval

If your application is approved, a five-character alphanumeric TCC is assigned to your business. An approval letter will be issued to the address listed on Form 4419 informing you of your TCC. Allow 45 days for processing. A TCC will not be issued over the phone or via email. If you do not receive a TCC within 45 days, contact the IRS. Refer to Part A. Sec. 4, Communicating with the IRS.

Electronically filed returns may not be transmitted through FIRE until Form 4419 has been approved and a TCC has been assigned.

Reminder: You must have software that meets the requirements and record layouts in this publication or a service provider that will create the file in the proper format.

Form 4419 is subject to review before approval to transmit electronically is granted. The IRS will issue correspondence if additional documentation is required. Once a transmitter is approved to file electronically, it is not necessary to reapply unless:

- Payer has discontinued filing electronically for two consecutive years.
- 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 the IRS and wishes to prepare the files.

The IRS has the authority to revoke the TCC and terminate the release of transmitted files.

.04 Revise Current TCC Information

Transmitters should notify the IRS of any changes to their TCC information. Submit paper Form 4419 (Rev. 9-2019) to update a previously approved Form 4419 for the following information:

- Legal name and address
- Person to contact or contact information

Changes to the information listed below require you to submit a Fill-in Form 4419 on the FIRE System at <https://fire.irs.gov/> for assignment of a new TCC.

- EIN
- Type of return to be reported.

Refer to Form 4419 Instructions.

.05 Do I Need More than One TCC?

No. Only one Transmitter Control Code (TCC) is required if you are only filing Forms 1097, 1098, 1099, 3921, 3922, 5498, and W-2G. The TCC is used to catalog files as they are received. The forms listed in Publication 1220 require a single TCC; therefore, only submit one Form 4419. There is no need to request an additional TCC.

For example, if you intend to file Forms 1099-INT, submit Form 4419. If at a later date another type of form will be filed (Forms 1097, 1098, 1099, 3921, 3922, 5498, and W-2G), use the TCC assigned to file Forms 1099-INT. Do not request an additional TCC.

An additional TCC is required for each of the following types of returns. Submit a paper Form 4419 to file:

- Form 1042-S, Foreign Person's U.S. Source Income Subject to Withholding. Refer to Publication 1187.
- Form 8027, Employer's Annual Information Return of Tip Income and Allocated Tips. Refer to Publication 1239.
- Form 8955-SSA, Annual Registration Statement Identifying Separated Participants with Deferred Vested Benefits. Refer to Publication 4810.

Note: The IRS encourages transmitters who file for multiple payers to submit one application and use the assigned Transmitter Control Code (TCC) for all payers. The purpose of the TCC is to identify the transmitter of the file. You may transmit files for as many companies as you need under the one TCC. The information return data will be contained in the file itself. While not encouraged, additional TCCs can be issued to payers with multiple TINs. Transmitters cannot use more than one TCC in a file. Each TCC must be reported in separate transmissions. Some service bureaus will

transmit files using their TCC, while others will require filers to obtain a TCC of their own.

Refer to Form 4419 Instructions.

.06 Deleted TCC

Your TCC will remain valid as long as you transmit information returns or requests for extension of time to file information returns electronically through the FIRE System. If you do not use your TCC for two consecutive years, your TCC will be deleted. A deleted TCC cannot be reactivated. You will need to submit a new Form 4419.

Sec. 2 User ID, Password, and PIN Requirements

You must establish a FIRE account before you can transmit files through the FIRE Systems (Production and Test). The system will prompt you to create your User ID, password, and a 10-digit Personal Identification Number (PIN). Each user should create their individual FIRE account and login credentials. Multiple FIRE accounts can be created under one TCC.

The FIRE Production System and the FIRE Test System are two different sites that do not communicate with each other. If you plan on sending a production file and a test file, you will need an account on each system.

FIRE Password

FIRE passwords must be a minimum of 8 characters and are limited to a maximum of 20 characters. Passwords must contain at least 1 uppercase letter, 1 lowercase letter, 1 number and one of the following special characters #?@\$%^&*. , ' - and cannot contain the User ID or User Name. The FIRE System will require you to change your password every 90 days or at the first logon attempt after. Additionally, the previous 24 passwords cannot be used.

For all passwords, it is the user's responsibility to remember the password and not allow the password to be compromised.

FIRE PIN

All FIRE accounts are required to have a valid 10-digit PIN. If you fail to establish a valid

PIN, you will continue to receive prompts until you do. PINs are required to be 10 unique numbers. The FIRE System will **not** allow a PIN that:

- Consists of all the same numbers, example 1111111111
- Is sequential in ascending or descending order, examples 0123456789 or 9876543210
- Contains alpha characters

Established accounts that do not meet the criteria will be prompted to update their PIN when they log into the FIRE System.

You must enter the PIN each time you electronically send an Original, Corrected, or Replacement file. Authorized agents or transmitters may enter their PIN; however, the payer/filer is responsible for the accuracy of the returns and will be liable for penalties for failure to comply with filing requirements.

If you enter an incorrect PIN three times, you will be locked out of submitting files for a 24-hour period.

If you are submitting files for more than one TCC, it is not necessary to create a separate User ID and password for each TCC.

Sec. 3 Secret Phrase

FIRE accounts require the user to establish a secret phrase to assist in resetting passwords for FIRE Systems (Production and Test).

You will be prompted to create the secret phrase at the same time you create your User ID, Password, and PIN. If you already have a FIRE System account (Production and Test) but don't have a secret phrase, you will be prompted to create one the first time you log into the system. If you fail to establish a valid secret phrase, you will receive continual prompts until you do.

- At the 'Create FIRE System Account Secret Phrase screen', all fields with an asterisk (*) are required fields.
- Your secret phrase must be 8 to 20 characters with one uppercase, one lowercase, one numeric, and one special character with no spaces. The following

special characters are allowed:

#?!@\$%^&.,'-..

- Secret phrase cannot contain the User ID or User name.
- Enter the validation code (CAPTCHA) exactly as shown in the text box and click 'Create'.
- If all data entered was valid, you will receive the message, "Your Secret Phrase has been successfully created!."

Resetting your FIRE Password - If you have a FIRE System account (Production and Test) with an established secret phrase and forgot your password, you may reset your password by using your established secret phrase.

- At the FIRE System Log on Screen, click on 'Forgot Password'.
- At the 'FIRE System Forgot Password' screen, enter all the required information and click 'Login'. You will then be prompted to 'Change Your Password' with the specified criteria.

Once logged into the FIRE System, you have the option to 'Change Secret Phrase' if needed.

Note: If you exceed the number of allowed login attempts with the secret phrase, you will be prompted to call the IRS for a secret phrase reset.

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