AccuPay®

AccuPay
1099 Filing
Instruction Guide

Revision Date: October 2024

This Guide contains detailed Data Sheet instructions for AccuPay's Form 1099 Information Return System. There are separate Guides for our After-the-Fact Payroll System, our Corrected Return Service and WinRX (AccuPay's FREE software allows you to key and transmit returns directly to AccuPay from your office).

The current version of all AccuPay Guides can be obtained from our website www.accupayonline.com.

Note: This Guide is not intended to be legal, accounting, tax or other professional advice. In accordance with your Services Agreement, AccuPay provides printing, computing, and selected E-filing services only.

ADMINISTRATIVE

How to Contact Us

Website:	**www.accupayonline.com**	**Email:**	**tech@accupayonline.com**
Phone:	(925) 945-1660	**FAX:**	(925) 945-6544
Address:	20422 Beach Blvd Ste. 345 Huntington Beach, CA 92648	**Mail:**	P.O. Box 8457 Huntington Beach, CA 92615
Order Supplies:	**www.accupayonline.com**		

Service Agreement

You must have a current Service Agreement (Contract) in order to process returns with AccuPay. All Contracts are effective from the date of acceptance by AccuPay through the end of February of the following year as stated on your original Contract.

The Contract may be renewed each year upon payment of the annual renewal fee. See your Contract for details or call us at (925) 945-1660. Renewal packages are automatically sent to all active accounts in early November, prior to the Contract expiration date.

Customizing Your Account

Your account information, Name, Address, Phone, etc. is maintained in AccuPay's Masterfile. You may customize two 1099 system features in your Masterfile. These features are normally set up when you establish your account but they can be changed at any time.

Ship Method (How you receive your completed returns back from AccuPay). The following delivery options are available:

- Mail
- Print Back (PDF)
- Hold for Pickup
- UPS Ground

Note: You may request special shipping for any one return (different address, method, etc). See **Ship Method** in Data Sheet A99 instructions.

Client Letter: Every return includes a letter which details filing instructions that can be given to your client. The printed letter includes a page border and your return address. Some accounts may wish to photocopy this letter onto letterhead stock. If you wish to do this, your account can be set up to eliminate either the page border, or both the page border and the return address. To see an example of the client letter, view the sample return on our website.

Billing Policy

AccuPay Services are billed according to the Fee Schedule furnished with your contract. Any revisions to the Fee Schedule are published prior to the contract renewal period each year. Statements detailing all current charges and credits are mailed at the end of each monthly billing cycle. No statements are mailed if there are no charges to your account for the month.

If you have inquiries about our Billing Policy or questions about your account, please call (925) 945-1660. Payment is due upon receipt of statement. Any balance as of the first of the following month is subject to a late charge of 1.5% per month.

Privacy Statement

AccuPay holds all information submitted by our customers as confidential. This includes all client return data as well as any information you furnish to us in setting up your account.

AccuPay does not disclose any non-public personal information to any third party except as authorized by our customers in the form of electronic and/or magnetic media filing agreements.

Access to non-public personal information is limited to those AccuPay employees who need the information to provide AccuPay processing and computing services.

Any documents or electronic media containing non-public personal information that is not returned to our customers is shredded before disposal.

Processing Schedule

Daily processing (Monday through Friday) for all returns is available during all months of the year.

Processing schedules are published quarterly in the AccuPay bulletin. You can also check our website, **www.accupayonline.com** for the current processing calendar.

PROCESSING RETURNS

This section provides an overview for processing returns with AccuPay.

Original 1099 Returns

There are three ways to submit returns for processing:

Data Sheets
These are custom forms designed for data entry by AccuPay. Data Sheets are available on our website.

Assembling returns:

- Data Sheet A99
- Assemble all Payee Data Sheets behind Data Sheet A99
- Attach any notes addressed to AccuPay on top of the return.

Fax 925-945-6544, email, or mail completed Data Sheets to the Processing Center.

Note: if you send returns in a group, AccuPay will endeavor to ship all of the returns in the group back to you in the same package which will save on your overall shipping costs.

WinRX
This is FREE software that allows you to key returns in your office. Electronic 1099 proformas are made available at the start of each tax year so that you key only the current year information. Returns that are processed using WinRX software are eligible for a 10% discount on processing fees. New returns may also be entered using WinRX.

Alternative Formats
For large 1099 returns (over 50 payees) AccuPay can process Excel spreadsheet files. See our website for required format and available pricing discounts.

Note: If you have internal reports that duplicate the 1099 information reported on data sheets, you may be able to submit these reports in lieu of our data sheets. Contact AccuPay for more details.

Receiving Your Returns Back from AccuPay

Completed returns are sent to you using the Shipping Method in your Masterfile. The actual cost of shipping returns will be charged to your account. See **Customizing Your Account** earlier.

You may selectively override your normal shipping method for specific returns.   A special handling fee will apply if the shipping department must handle the return outside the normal shipping process. For more information on overriding your ship method, see **Ship Method** in the Data Sheet A99 instructions.

Print Back Service allows you to view and print PDF returns in your office. AccuPay will calculate and produce a file that can be downloaded using our "GetPrintback" desktop software.

See **Print Back Service** under **Additional Services** for more information.

Reprocessing 1099 Returns

You may REPROCESS a return to change or correct a current tax year 1099 return as long as the original return has not been filed (either E-filed or via paper). Changes to a prior year return or to a return that has already been filed requires a corrected return instead.

WinRX returns: Simply make the changes in your office and retransmit the return. AccuPay will recognize the second transmission as a reprocess. If the original return was submitted via WinRX, then the reprocess must also be submitted via WinRX.

Data Sheet returns: If the original processing was keyed by AccuPay, then you can request a reprocess by either telephoning your changes or by resubmitting the data sheets with changes noted.

If you fax or email a reprocess, CIRCLE your desired changes so they are clearly identified. Include your name and contact number in case we have questions.

For telephone reprocesses, please have the following information available:
- Your account number
- The payer number for the return
- Identify the changes by Data Sheet and, if applicable, Payee Number

ADDITIONAL SERVICES

WinRX Software

WinRX is our custom software that allows you to key returns in your office and to transmit them via the internet to AccuPay for processing. This easy to use program is available at no charge. AccuPay provides electronic 1099 proforma files at the start of each tax year so you only key current year information. 1099 returns receive a discount from our regular pricing. Additionally, WinRX returns with 25 or fewer payees qualify for $5.00 reprocess charges.

PrintBack Service

PrintBack Service allows you to view and print PDF returns in your office. AccuPay will calculate and produce a file that can be downloaded using our "GetPrintback" desktop software.

See the current AccuPay bulletin available at **www.accupayonline.com** for current PrintBack Service hours. Generally, PrintBack returns submitted via WinRX by 5:00 PM on regular business days are ready for download by 8:00 AM the next business day.

For WinRX software users, an **EXPEDITE** service is also available. Generally, returns transmitted via WinRX by 9:00 PM during regular business days are ready for download within 2 hours. During quarterly processing months, Saturday Expedite Service is also available.

You must sign up for this service by **contacting** AccuPay.

Electronic 1099 Filing

All Information Returns are automatically scheduled for E-filing. This service is available during year-end processing only. Returns must be submitted for processing after January 1 and before the on-time AccuPay E-filing deadline, generally January 31 for 1099-NEC and March 31 for all others. AccuPay will continue to e-file late returns through May. Returns submitted for processing after this will automatically receive "red" paper 1099s for filing with the IRS.

AccuPay does not participate in the combined federal/state information reporting program. A separate transmission is prepared for transmission to the California Franchise Tax Board. Only those payees identified as **California Payees** are transmitted to the California FTB.

Edits: All 1099 information returns must pass a series of data edits. The Diagnostic Report will state whether or not a return is scheduled for E-filing. Penalties under IRC Sections 6721 and 6722 may be assessed for filing returns with missing or incorrect information. The Payer/Filer is responsible for the accuracy and completeness of the data. AccuPay acts only as a transmitter, NOT as a preparer. Returns scheduled for E-filing with missing or incomplete data should be reprocessed BEFORE the AccuPay E-file deadline to ensure that complete and correct information is filed. Returns that fail E-file edits MUST be reprocessed before they can be E-filed.

Corrected Returns

If a prior year return must be changed, AccuPay offers a corrected 1099 service. Visit our **website** or contact AccuPay for more details on corrected returns.

Prior Year Returns (Late Returns)

Prior year returns for the two immediately preceding tax years are available. Contact AccuPay regarding the availability of earlier returns.

Note: Prior year returns that have already been filed require corrected returns.
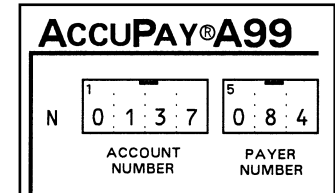
DATA SHEET A99 – PAYER/FILER INFORMATION

Overview: Use Data Sheet A99 to enter return level information for the Payer/Filer of this return. Each A99 may have only one type of payee data sheet attached.

Note: Because of strict IRS electronic reporting requirements, complete Payer/Filer information is required.

Record 1

Account Number: Enter your 4-digit AccuPay account number.

Payer Number: This is a 3-digit number assigned by you to this return. Do not use a number that you have already assigned to an existing return. AccuPay sends you a list of your currently assigned Payer Numbers with your proformas. For a new return, assign a number that is NOT on this list.

Note: If a single payer/filer is required to file more than one type of 1099 information return (e.g. 1099-NEC and 1099-MISC), then a separate A99 must be prepared for each return type. In this case, each A99 for this payer may have the same Payer Number. See **Form Type Code** below for more details.

Form Type Code: Enter the appropriate form type code. The available codes are defined on the data sheet. The code entered in this field determines which type of information return is to be prepared for this payer/filer.

Federal Identification Number: Enter the 9-digit federal taxpayer identification number. This may be an employer identification number or a social security number. Enter all 9 digits. Do not enter hyphens.

I.D. Type Code: Identify the type of taxpayer identification number entered in box 14.

1	Employer Identification Number
2	Social Security Number

State Code: Enter the appropriate code from the following table. This code controls IRS and California electronic filing.

01	**California:** Payer/filer will be transmitted to the IRS and the California Franchise Tax Board. **Note:** Payees identified as "out-of state" (X) on the payee data sheets will NOT be included in the California transmission.
98	**Foreign Entity:** Generally, payer/filer will be transmitted to the IRS only. If there are any payees identified as "California-payees" (C) a California transmission including only these payees will be prepared. **Note:** Code 98 should be use ONLY if the payer/filer is a foreign entity. For a non-California payer/filer located in the U.S., use code 99.
99	**Other State:** Generally, payer/filer will be transmitted to the IRS only. If there are any payees identified as "California-payees" (C) a California transmission including only these payees will be prepared.

Note: AccuPay does NOT participate in the Combined Federal/State Filing Program for information returns. AccuPay E-files state data ONLY with California.

California Account Number: This field applies ONLY if preparing Form 1099-R, 1099-NEC, or 1099-MISC. Enter the 8-digit California Account Number. Do not enter hyphens.

Payee Name Format: Individual 1099 recipient names must be entered consistently on the payee sheets. Enter the code that defines how you entered names on the payee data sheets.

F	ALL individual payees are listed **first** name first (e.g. John Smith).
L	ALL individual payees are listed **last** name first (e.g. Smith, John).

Note: If payee names are NOT reported consistently the payer may receive erroneous notices regarding invalid social security numbers.

Final Return: Complete only if this payer/filer will NOT be required to file this information return next year.

Mail Payee Copies: Mark an "X" in this box if you would like AccuPay to mail payee copies.

Reprocesses Only: Use this box only if you are reprocessing a return to correct information for the electronic file and you do not want the Forms 1099/1098 reprinted. A diagnostic report, the proof sheet listing, and a revised Form 1096 showing return totals will be produced for your records. See **Selected Print Option** for additional reprint options.

Confidential Handling:

C	Enter a "C" if Confidential Packaging is desired. Return will be shipped in a separate package marked "CONFIDENTIAL." **Note:** Any request for PRINT BACK Service will be ignored if "C" is entered. Return will be automatically printed and shipped from the Processing Center. **Note:** Any returns using this feature should be sent or faxed to AccuPay SEPARATELY so they do not get shipped in a group with your other returns. WinRX users should transmit **confidential** returns separately as well.
E	Enter "E" if mask confidential information on any E-file confirmation reports. This does NOT affect Print Back Service requests.

Red 1099: Red 1099 forms for paper filing with the IRS are available at any time (in lieu of electronic filing).

Payee Labels: Complete if you want Payee Name and Address labels printed. Cost is 5 cents per label with a minimum charge of $1.00.

Print Back: Enter "S" to request Print Back service for this return. You must be signed up for Print Back in order to utilize this service. See **Receiving Your Returns Back from AccuPay** earlier or contact the Processing Center for more information.

Mask SSN: AccuPay can, at your request, mask the first 5 digits of a payee's social security number as detailed in IRS Notice 2011-38. It does **not** apply to FEINs and affects ONLY the payee's copy of the 1099. Enter **"M"** in the 'Mask SSN' box.

Ship Method: This is an **override** box and will replace your Masterfile shipping method for this return. Use it ONLY if you want this return shipped OTHER than by the shipping method in your Masterfile.

For example, enter HOLD or MAIL or UPS or SEE NOTE (use when attaching a note requesting a different delivery address). If this box is used, a Special Handling fee may be charged.

Payer Contact Phone Number and extension: Number will print on recipient 1099 forms. This phone number should provide direct access to individuals able to resolve 1099 recipient's questions.

Boxes 94, 95, 96 and 97 APY USE: These fields are reserved for last minute changes to reporting requirements. They should be used only when directed to do so by AccuPay.

Record 2

Payer Name: Enter the payer/filer's name. Use the second line for name continuation only. Do not enter any address information here.

Note: For Form 1098 filers, enter the name of the person receiving the interest (the lender). For Form 1099-S returns, the name of the person responsible for reporting the transaction should be used. For all other forms, use the payer's name.

Note: AccuPay cannot transmit data being reported by TRANSFER AGENTS.

Record 3

Address: A complete address is required. All fields except the extended zip code box must be completed.

Record 5

CALIFORNIA FORM DE-542, INDEPENDENT CONTRACTOR REPORTING -1099-NEC ONLY: This form is used to report information about Independent Contractors to the California Employment Development Department. Generally, this report must be filed within 20 days of making payments of $600 or more or entering into a contract for $600 or more. AccuPay can prepare DE-542 for use by the Payer in the UPCOMING TAX YEAR. There are 3 options available:

Option	
1	Print blank forms with pre-printed Payer Information. With this option, the payer completes the independent contractor information and files as necessary during the year.
2	Prepare Form DE-542 for SELECTED Payees (i.e. independent contractors) and choose between two print methods. See instructions for **Data Sheet N99** for information on how to select the desired payees.
3	Prepare Form DE-542 for ALL Payees with non-employee compensation.

Number of BLANK Forms Wanted: The payer information will print at the top of blank DE-542 forms. Contractor information can manually be entered for filing as needed during the tax year.

Print DE-542 for All Payees with Non-employee Compensation: Enter "A" to print DE-542 for All Payees with non-employee compensation. AccuPay will print the payee's social security number, name and address. Each payee will be printed on a separate DE-542. See below for a second available print option.

Print Option: Enter "C" to print the payee names continuously, (up to 3 payees per form).

Note: When entering payee data, the ***independent contractor's name and social security number*** (NOT the ***business*** name or business employer identification number) should be entered in the Payee Name and Tax ID number fields of Data Sheet N99 to properly prepare the DE-542.

Record 4

Columns 14 through 90 REPROCESSES ONLY – SELECTED PRINT OPTION: Use this section if you are reprocessing the return AND you do not want all of the 1099s printed again. LEAVE blank if you want all the 1099s reprinted.

Enter the 4-digit Payee Numbers of the 1099s to be printed. Make the changes on the Payee Data Sheets as needed.

The electronic file will be updated for ALL payees. Do NOT delete any payees unless they should be REMOVED from the electronic file and thus not transmitted.

Up to 20 payees may be selectively printed using this option.

PAYEE NAME, ADDRESS, AND TAXPAYER ID NUMBER

Overview: The format for entering recipient information is the same for all payee data sheets.

For 1099-NEC, 1099-INT, 1099-DIV, 1099-MISC, and 1099-R, enter the income recipient's name, address and tax ID number. For 1099-S, enter the transferor's name, address and tax ID number. For 1098 Home Mortgage Interest, enter the borrower's name, address and tax ID number.

Note: Missing or incomplete Payee/Recipient information may cause return to fail E-filing edits.

Payee Number: Assign each recipient a unique 4-digit number. On the data sheets, recipient information is divided into two sections. Payee name and address is at the top and income data is entered in the lower section. Enter a recipient's PAYEE NUMBER in both sections. AccuPay does NOT recommend re-using a payee number that was used the previous year within the same return.

Note: Payee Number 9999 is reserved for proof totals.

Box 14 Payee ID Type Code: Identify the type of taxpayer identification number entered in box 15.

1	Employer Identification Number
2	Social Security Number

Taxpayer Identification Number: Enter the 9-digit federal taxpayer identification number. This may be an employer identification number or a social security number. Enter all 9 digits. Do not enter hyphens.

Note: For sole proprietorships, IRS prefers that the SSN be used, even if the sole proprietor has an assigned EIN.

Payee Name: Entering Payee Names correctly is important to prevent unnecessary TIN mismatch notices.

Note the following:
1. If the recipient is a sole proprietor, then enter the OWNER'S name (NOT the business name) on the payee name line.
2. Enter individual payee names consistently within the return either all **FIRST** name first or all **LAST** name first.
3. Do not enter any address information (including "in care of") in Payee Name field.

Payee Address: Enter a complete address. Use the 2 character USPS state abbreviation. The extended zip box is optional.

Note: Foreign addresses may be used. If the address printing on the 1099 is a foreign address, enter "F" in the last column.

Note: A foreign address DOES NOT prevent California filing. If a payee is NOT to be reported to California, see **Identifying California Payees** below.

Foreign Addresses Note: A foreign address refers to a non-U.S. address (NOT an out-of-state address). Military APO/FPO addresses and addresses in Puerto Rico, American Samoa, Federated States of Micronesia, Guam, Marshall Islands, Northern Mariana Islands, and the U.S. Virgin Islands should **NOT** be coded as FOREIGN. They are considered U.S. addresses.

# Identifying California Payees

Only payees that are identified as California Payees are reported to the California Franchise Tax Board.

If the **State Code** on Data Sheet A99 is '"01" (California Payer) then the following codes may be used in the "Out-of-state" box.	
blank	**California Payee** should be reported to the California Franchise Tax Board (FTB)
X	**Non-California Payee** who SHOULD NOT BE REPORTED to the California FTB

If the **State Code** on Data Sheet A99 is '"98" (Foreign Entity) or "99" (Other State Payer) then the following codes may be used in the "Out-of-state or foreign country" box:	
C	**California Payee** should be reported to the California Franchise Tax Board (FTB)
blank	**Non-California Payee** who SHOULD NOT BE REPORTED to the California FTB
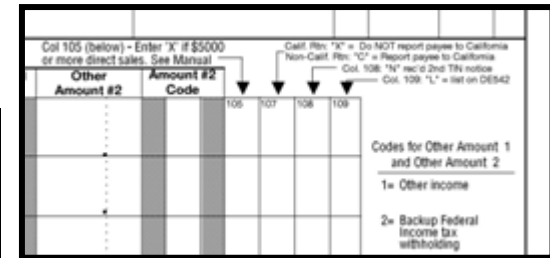
DATA SHEET N99 – FORM 1099-NEC, NONEMPLOYEE COMPENSATION

Proof Totals: Payee Number 9999 may be used to enter proof total amounts. Use of this feature is strongly encouraged as a tool for checking returns. Enter "9999" as the payee number. Total the amounts for each column and list it under the appropriate heading.

Enter proof totals on the payee line below the last payee listed. Use an additional data sheet if necessary.

Non-employee Compensation: Enter non-employee compensation for services performed in the course of the payer's trade or business. Entry will be reported in 1099-NEC box 1.

Federal Withholding: Enter any backup federal withholding. Entry will be reported in 1099-NEC box 4. Backup withholding should be reported to the IRS using Form 945, Annual Return of Federal Withheld Income Tax.

California Personal Income Tax Withholding: Enter California Personal Income Tax withheld. Enter the California state account number on Data Sheet A99. The state ID and "CA" will print in 1099-NEC box 6 and the tax withheld will be reported in box 5. **Note:** California PIT Withholding should be reported to the California Employment Development Department using Form DE-6.

Direct Sales of $5,000 or More: Check this box if the Payer made sales of $5,000 or more of consumer products to this payee on a buy-sell, deposit-commission, or other commission basis for resale anywhere in other than a permanent retail establishment.

Out of State: Use this box to identify California Payees and Non-California Payees. See **Identifying California Payees** for the proper use of this field.

Second TIN Notice: Enter "N" if the payer was notified by the IRS twice within 3 calendar years that the payee's tax ID number is incorrect.

List Payee on DE-542: Enter "L" to list this payee on California Form DE-542. See Data Sheet A99 **DE-542** for more options.

Note: When entering payee data, the *independent contractor's name and social security number* (NOT the *business* name or business employer identification number) should be entered in the Payee Name and Tax ID number fields.

DATA SHEET M99 – FORM 1099-MISC, MISCELLANEOUS INFORMATION

Overview: Use Data Sheet M99 to enter 1099-MISC Miscellaneous Information. For complete instructions on what types of income to report, see IRS instructions. See **Payee Name, Address, and Taxpayer ID Number** for payee name and address instructions.

Payee Number: Enter the payee number that corresponds to this payee's name and address listed in the top portion of the data sheet.

Proof Totals: Payee Number 9999 may be used to enter proof total amounts. Use of this feature is strongly encouraged as a tool for checking returns. Enter "9999" as the payee number. Total the amounts for each column and list it under the appropriate heading.

Enter proof totals on the payee line below the last payee listed. Use an additional data sheet if necessary.

Rents: Include all types of rents, including real estate rentals paid for office space and machine rentals. Entry will be reported in 1099-MISC box 1.

Gross Proceeds Paid to an Attorney: Enter the gross proceeds to an attorney in connection with legal services. Entry will be reported in 1099-MISC box 10.

Medical and Health Care Payments: Enter payments made to physicians or other providers of health care. Include payments made by medical and health insurers under health, accident, and sickness insurance programs. If the payment is made to a corporation, show the corporation's name as the recipient, not the individual who provided the service. Entry will be reported in 1099-MISC box 6.

Royalties: Enter gross royalty payments before reduction for severance and other taxes. Include royalties paid by a publisher directly to an author or literary agent, unless the agent is a corporation. Do not include surface royalties, oil or gas payments for a working interest, or timber royalties made under a pay-as-cut contract. Entry will be reported in 1099-MISC box 2.

Other 1099-MISC Items

Other Amount #1 & Amount #1 Code and Other Amount #2 & Amount #2 Code- Use these combination amount and code boxes to report the following items. If a second item is to be reported for the same payee, use Other Amount #2 & Amount #2 Code.

- **Other Income**: Use **code 1** to enter any income that should be reported on 1099-MISC that is not reported in another box. Include prizes and awards that are NOT for services performed, the fair market value of merchandise won on game shows, generally all punitive damages, and certain deceased employee wages. Entry will be reported in 1099-MISC box 3.
- **Federal Income Tax Withholding**: Use **code 2** to enter backup federal withholding. Entry will be reported in 1099-MISC box 4. Backup withholding should be reported to the IRS using Form 945, Annual Return of Federal Withheld Income Tax.
- **Substitute Payments in Lieu of Dividends or Interest**: Use **code 3** to enter payments received by a broker for a customer in lieu of dividends or tax-exempt interest as a result of a loan of customer's securities. Entry will be reported in 1099-MISC box 8.
- **Crop Insurance Payments**: Use **code 4** to enter insurance proceeds paid to farmers. Entry will be reported in 1099-MISC box 9.

- **Fishing Boat Proceeds**: Use **code 5** to enter the share from the sale of a catch or the fair market value of an in kind distribution to each crew member. Entry will be reported in 1099-MISC box 5.
- **Excess Golden Parachute Payments**: Use **code 6** to enter the EXCESS golden parachute payments. The total golden parachute payments should be reported as non-employee compensation above. Entry here will be reported in 1099-MISC box 14.
- **California Personal Income Tax Withholding**: Use **code 8** to enter **California** Personal Income Tax withheld. Enter the California state account number on Data Sheet A99. The state ID and "CA" will print in 1099-MISC box 17 and the tax withheld will be reported in 1099-MISC box 16. **Note:** California PIT Withholding should be reported to the California Employment Development Department using Form DE-6.
- **Section 409A Deferrals**: If you choose to report section 409A deferrals, use **code 9** and enter the total amount deferred during the year from all nonqualified plans. Entry will be reported in 1099-MISC box 12.
- **Nonqualified Deferred Compensation**: Use **code 10** to report all amounts deferred (including earnings) that are includible in income because the nonqualified plan does not satisfy the requirements of Section 409A. Generally, any Section 409A income should ALSO be reported as non-employee compensation. Entry will be reported in 1099-MISC box 15.
- **Fishing Purchased for Resale**: Use **code 11** to report the amount of cash received for the sale of fish if the payee is in the trade or business of catching fish.

Direct Sales of $5,000 or More: Check this box if the Payer made sales of $5,000 or more of consumer products to this payee on a buy-sell, deposit-commission, or other commission basis for resale anywhere in other than a permanent retail establishment.

Out of State: Use this box to identify California Payees and Non-California Payees. See **Identifying California Payees** for the proper use of this field.

Second TIN Notice: Enter "N" if the payer was notified by the IRS twice within 3 calendar years that the payee's tax ID number is incorrect.

DATA SHEET I99 – FORM 1099-INT, INTEREST INCOME

Overview: Use Data Sheet I99 to enter 1099-INT Interest Income. For complete instructions on what types of income to report, see IRS instructions. See **Payee Name, Address, and Taxpayer ID Number** for payee name and address instructions.

Payee Number: Enter the payee number that corresponds to this payee's name and address listed in the top portion of the data sheet.

Proof Totals: Payee Number 9999 may be used to enter proof total amounts. Use of this feature is strongly encouraged as a tool for checking returns. Enter "9999" as the payee number. Total the amounts for each column and list it under the appropriate heading.

Enter proof totals on the payee line below the last payee listed. Use an additional data sheet if necessary.

Interest Income: Enter interest not included in box 3 (Interest on U.S. Savings Bonds and Treasury Obligations). This includes amounts paid or credited to the payee's account by savings and loans, banks, and similar institutions. It also includes interest paid in the course of a trade or business. Entry will be reported in 1099-INT box 1.

U.S. Savings Bonds: This field is used to report interest on U.S. Savings Bonds, Treasury bills, Treasury notes, and Treasury bonds. Entry will be reported in 1099-INT box 3.

Federal Withholding: Enter any backup federal withholding. Entry will be reported in 1099-INT box 4. Backup withholding should be reported to the IRS using Form 945, Annual Return of Federal Withheld Income Tax.

Early Withdrawal: Enter interest or principal forfeited because of early withdrawal of time deposits. Entry will be reported in 1099-INT box 2.

Investment Expenses: This field applies to single class REMICs only. Enter the payee's pro rata share of investment expenses. Do not reduce the interest income reported in box 1 by these expenses. Entry will be reported in 1099-INT box 5.

Tax Exempt Interest: Use this field to report interest that is used to finance government operations and is issued by a state, the District of Columbia, a U.S. possession, an Indian tribal government, or a political subdivision. Include specified private activity bond interest here and in the Private Activity Bond Interest field below. Entry will be reported in 1099-INT box 8.

Private Activity Bond Interest: Enter that portion of Tax Exempt Interest reported above that represents interest from specified private activity bonds. Entry will be reported in 1099-INT box 9.

Market Discount: For a covered security, if you made an election under section 1278(b) to include market discount in income as it accrues and you notified your payer of the election, shows the market discount that accrued on the debt instrument during the year while held by you.

Bond Premium: For a covered security, shows the amount of premium amortization for the year, unless you notified the payer in writing that you did not want to amortize bond premium under section 171.

Foreign Taxes Paid: Enter, in U.S. dollars, the amount of foreign tax withheld or paid on interest. Entry will be reported in 1099-INT box 6. Identify the foreign country or the U.S. possession in the Foreign Taxes Paid Code field.

Foreign Taxes Paid Code: Enter the appropriate 2-digit code from the table below to identify the foreign country or U.S. possession.

11 = Argentina	**14** = Greece	**17** = Japan	**20** = Scotland	**23** = U.S. Virgin Island
12 = Canada	**15** = Hong Kong	**18** = Mexico	**21** = Sweden	**24** = Other
13 = France	**16** = Ireland	**19** = Puerto Rico	**22** = United Kingdom	

Out of State: Use this box to identify California Payees and Non-California Payees. See **Identifying California Payees** for the proper use of this field.

Second TIN Notice: Enter "N" if the payer was notified by the IRS twice within 3 calendar years that the payee's tax ID number is incorrect.

DATA SHEET D99 – FORM 1099-DIV, DIVIDENDS AND DISTRIBUTIONS

Overview: Use Data Sheet D99 to enter 1099-DIV Dividends and Distributions. For complete instructions on what types of income to report, see IRS instructions. See **Payee Name, Address, and Taxpayer ID Number** for payee name and address instructions.

Payee Number: Enter the payee number that corresponds to this payee's name and address listed in the top portion of the data sheet.

Proof Totals: Payee Number 9999 may be used to enter proof total amounts. Use of this feature is strongly encouraged as a tool for checking returns. Enter "9999" as the payee number. Total the amounts for each column and list it under the appropriate heading.

Enter proof totals on the payee line below the last payee listed. Use an additional data sheet if necessary.

Total Ordinary Dividends: Enter total ordinary dividends. This can include dividends from money market funds as well as short term capital gains from mutual funds. Entry will be reported in 1099-DIV box 1a.

Qualified Dividends Portion: Enter that portion of the dividends reported in 1099-DIV box 1a that qualify for the zero and 15% capital gains rates. Entry will be reported in 1099-DIV box 1b.

Total Capital Gains: Enter the total long term capital gain distributions. This should include any Unrecaptured Section 1250 Gain, Section 1202 Gain, and Collectibles (28%) Gain for this payee. Entry will be reported in 1099-DIV box 2a.

Nondividend Distributions: Enter any nondividend (return of cost) distributions. Entry will be reported in 1099-DIV box 3.

Other 1099-DIV Items

Other Amount #1 & Amt Cd #1 and Other Amount #2 & Amt Cd #2- Use these combination amount and code boxes to report the following items. If a second item is to be reported for the same payee, use Other Amount #2 & Amt Cd #2.

- **Federal Income Tax Withholding**: Use **code 1** to enter backup federal withholding. Entry will be reported in 1099-DIV box 4. Backup withholding should be reported to the IRS using Form 945, Annual Return of Federal Withheld Income Tax.
- **Collectibles (28%) Gain**: Use **code 2** to enter that portion of total capital gains that is a 28% rate gain from the sale or exchange of collectibles. Entry will be reported in 1099-DIV box 2d.
- **Section 1202 Gain**: Use **code 3** to enter that portion of total capital gains that represents a Section 1202 gain from certain qualified small business stock. Entry will be reported in 1099-DIV box 2c.
- **Unrecaptured Section 1250 Gain**: Use **code 4** to enter that portion of total capital gains that is an unrecaptured Section 1250 gain from the sale of certain depreciable property. Entry will be reported in 1099-DIV box 2b.
- **Investment Expenses**: Use **code 5** to enter this payee's pro rata share of amounts deductible by a non-publicly offered RIC. Do not reduce the Total Ordinary Dividends entry by this amount. Entry will be reported in 1099-DIV box 5.
- **Liquidation Distributions - Cash**: Use **code 6** to report liquidation cash distributions. Entry will be reported in 1099-DIV box 8.

- **Liquidation Distributions – Non-cash**: Use **code 7** to report the fair market value of liquidation non-cash distributions. Entry will be reported in 1099-DIV box 9.
- **Foreign Taxes Paid**: Use **code 8** to enter, in U.S. dollars, the amount of foreign tax withheld or paid on dividends. Entry will be reported in 1099-DIV box 6. Identify the foreign country or the U.S. possession in the Foreign Taxes Paid Code field.

Foreign Taxes Paid Code: Enter the appropriate 2-digit code from the table below to identify the foreign country or U.S. possession.

11 = Argentina	**14** = Greece	**17** = Japan	**20** = Scotland	**23** = U.S. Virgin Island
12 = Canada	**15** = Hong Kong	**18** = Mexico	**21** = Sweden	**24** = Other
13 = France	**16** = Ireland	**19** = Puerto Rico	**22** = United Kingdom	

Out of State: Use this box to identify California Payees and Non-California Payees. See **Identifying California Payees** for the proper use of this field.

Second TIN Notice: Enter "N" if the payer was notified by the IRS twice within 3 calendar years that the payee's tax ID number is incorrect.

DATA SHEET R99 – FORM 1099-R, RETIREMENT DISTRIBUTIONS

Overview: Use Data Sheet R99 to enter 1099-R Retirement Distributions. For complete instructions on what types of income to report, see IRS instructions. See **Payee Name, Address, and Taxpayer ID Number** for payee name and address instructions.

Payee Number: Enter the payee number that corresponds to this payee's name and address listed in the top portion of the data sheet.

Proof Totals: Payee Number 9999 may be used to enter proof total amounts. Use of this feature is strongly encouraged as a tool for checking returns. Enter "9999" as the payee number. Total the amounts for each column and list it under the appropriate heading.

Enter proof totals on the payee line below the last payee listed. Use an additional data sheet if necessary.

Distribution Code Box 14: Required Entry. Enter the code that describes the type of distribution being reported. The codes are listed on the data sheet and correspond to the same codes in the IRS instructions for Form 1099-R. This code will be reported in 1099R, box 7.

Total Distribution Code Box 15: Enter 'T' if the entire balance in the account is distributed. If periodic or installment payments are made, this box should be checked in the final year of distributions. 1099-R Total Distribution box will be checked.

Taxable Amount Not Known Box 16: Enter 'X' if the payer is unable to compute the taxable amount of a distribution. If this box is checked, the taxable amount field must be left blank. 1099-R Taxable Amount Not Determined box will be checked.

IRA/SEP/SIMPLE or Roth Conversion Box 17: Enter 'X' if the distribution is for a traditional IRA, SEP, or SIMPLE plan. Enter 'R' if the distribution is the result of a Roth Conversion. Do not use this field for a Roth distribution or a Roth recharacterization.

Second Distribution Code Box 18: Some 1099-Rs may require more than one distribution code. If a second distribution code applies to this payee, enter it here. Consult IRS instructions for information on multiple distribution codes. The codes are listed on the data sheet and correspond to the same codes in the IRS instructions for Form 1099-R. This code will be reported in 1099R, box 7.

Note: In some cases where multiple distribution codes apply, separate 1099-Rs must be prepared. If this is the case, then the payee should be listed on the Data Sheet twice. Valid multiple distribution code combinations are defined in the IRS instructions.

Gross Distribution: Required Entry. Enter the total distribution before any tax withholding. Include direct rollovers, IRA rollovers to an employer plan, and premiums paid for current life insurance. Entry will be reported in 1099-R box 1.

Taxable Amount: Enter the taxable portion (including zero if applicable) of the distribution. Entry will be reported in 1099-R box 2a.

Note: if the taxable amount is left blank and the **Taxable Amount Not Known** box is not checked, the distribution will be reported as nontaxable and zero will print in 1099-R box 2a.

Federal Withholding: Enter any federal income tax withheld. Entry will be reported in 1099-R box 4. Form 945, Annual Return of Federal Withheld Income Tax should also be filed to report this withholding.

State Withholding: Enter any state income tax withheld. If the **State Code** on Data Sheet A99 is '"01" (California payer) and this payee is being reported to the California Franchise Tax Board, then the state income tax will be considered California Personal Income Tax Withheld. The California State Account number should be entered on Data Sheet A99. Entry will be reported in 1099-R box 10.

Note: California PIT Withholding should be reported to the California Employment Development Department using Form DE-6.

Other 1099-R Items

Other Amount #1 & Code #1 and Other Amount #2 & Code #2- Use these combination amount and code boxes to report the following items. If a second item is to be reported for the same payee, use Other Amount #2 & Code #2.

- **Capital Gain Portion of Taxable Amount**: Use **code 1** to enter that part of a Taxable Lump Sum Distribution that may be eligible for the Capital Gain election. Entry will be reported in 1099-R box 3.

- **Employee's Total Investment in Life Annuity**: Use **code 2** to enter the recipient's total investment in a life annuity from a qualified plan or from a Section 403(b) plan (with after-tax contributions). This amount will be reported in 1099-R box 9b.

- **Net Unrealized Appreciation in Employer Securities**: If employer securities are included in a distribution, use **code 3** to enter the net unrealized appreciation in employer securities. Generally this amount should also be included in Total Distribution but not in the Taxable Portion. Entry here will be reported in 1099-R box 6.

- **Employee Contributions, Designated Roth Contributions, or Insurance Premiums**: Use **code 4** to enter this payee's contributions to a qualified plan, designated Roth contributions, or insurance premiums that may be recovered tax free. Entry will be reported in 1099-R box 5.

- **Current Actuarial Value**: If an annuity contract is part of a lump-sum distribution, enter the current actuarial value with **code 5**. Entry will be reported in 1099-R box 8.

- **1st Year of Designated Roth Contribution**: If this is a distribution from a designated Roth account, enter the gross distribution in the Gross Distribution field, the taxable portion in the Taxable Amount field, and the payee's basis in box 59 (with code 4 in box 69). Use **code 7** in box 80 and enter the first year of the 5-taxable-year period in box 70. Enter as a 4-digit year (e.g. 2007).

- **Amount allocated to IRR within 5 years**: See 1099R instructions for more information.

Distribution Made to More Than One Person **Box 98-99**: If this is a lump-sum distribution made to more than one person, enter this payee's share of the distribution rounded to 2 places (e.g. 66.7% = 67, 33.3% = 33)

Out of State: Use this box to identify California Payees and Non-California Payees. See **Identifying California Payees** for the proper use of this field.

DATA SHEET S99 – FORM 1099-S, PROCEEDS FROM REAL ESTATE TRANSACTIONS

Overview: Use Data Sheet S99 to enter 1099-S Transferor Information. For complete instructions on what to report, see IRS instructions. See **Payee Name, Address, and Taxpayer ID Number** for transferor name and address instructions.

Payee Number: Enter the payee number that corresponds to this payee's name and address listed in the top portion of the data sheet.

Proof Totals: Payee Number 9999 may be used to enter proof total amounts. Use of this feature is strongly encouraged as a tool for checking returns. Enter "9999" as the payee number. Total the amounts for each column and list it under the appropriate heading.

Enter proof totals on the payee line below the last payee listed. Use an additional data sheet if necessary.

Closing Date: Generally, the closing date is the selling date. If a Uniform Settlement Statement is not used, the closing date is the earlier of (1) the date title transfers or (2) the date the economic burdens and benefits of ownership shifts to the transferee. Enter as MMDDYY. Entry will be reported in 1099-S box 1.

Gross Proceeds (Cash and Notes): Enter the gross proceeds, including cash received or to be received. For a like-kind exchange, enter zero and enter "X" in the **Property or Services Received** box. Entry will be reported in 1099-S box 2.

Buyer's Portion of Real Estate Tax: If the transaction involves a residence, enter the real estate tax paid in advance that is allocable to the buyer. Entry will be reported in 1099-S box 5.

Address or Legal Description of Property Transferred: Enter the address of the property (including the city, state and ZIP code) or a legal description such as section, lot, and block. For timber royalties, enter "Timber." Entry will be reported in 1099-S box 3.

Property or Services Received: Enter "X" if the transferor received or will receive property (other than cash) as part of the consideration for the property.

Out of State: Use this box to identify California Payees and Non-California Payees. See **Identifying California Payees** for the proper use of this field.

DATA SHEET 1098 - FORM 1098, MORTGAGE INTEREST STATEMENT

Overview: Use Data Sheet 1098 to prepare Form 1098. For complete instructions on what to report, see IRS instructions. Enter the BORROWER'S (interest payer) information on this Data Sheet and the LENDER'S information on Data Sheet A99. See **Payee Name, Address, and Taxpayer ID Number** for payee name and address instructions.

Payee Number: Enter the payee number that corresponds to this payee's name and address listed in the top portion of the data sheet.

Proof Totals: Payee Number 9999 may be used to enter proof total amounts. Use of this feature is strongly encouraged as a tool for checking returns. Enter "9999" as the payee number. Total the amounts for each column and list it under the appropriate heading.

Enter proof totals on the payee line below the last payee listed. Use an additional data sheet if necessary.

Interest Received: Enter the interest (not including points) received on the mortgage. Do not include prepaid interest. Entry will be reported in 1098 box 1.

Principal Residence Points: Enter the points paid on the purchase of the borrower's principal residence. Entry will be reported in 1098 box 6.

Overpaid Interest Refunded: Enter the total refund or credit of a prior year(s) interest overpayment. Entry will be reported in 1098 box 4.

Mortgage Insurance Premiums: If an amount is reported in this box, it may qualify to be treated as deductible mortgage interest.

Number of Mortgaged Properties: If more than one property secures the loan, shows the number of properties securing the mortgage. If only one property secures the loan, this box may be blank.

Other: Optional. Entry will be reported in 1098 with the description that you enter in the "Other Description" box. Amount will NOT be included in the electronic transmission file.

Out of State: Use this box to identify California Payees and Non-California Payees. See **Identifying California Payees** for the proper use of this field.