



## Information Reporting & Withholding

**2019 Publication 1179, General Rules and  
Specifications for Substitute Forms 1096, 1098,  
1099, 5498, and Certain Other Information  
Returns**



## Who is Impacted

Any payors and withholding agents filing information returns for the 2019 calendar year using a substitute form will be interested in the updated [Publication 1179, General Rules and Specifications for Substitute Forms 1096, 1098, 1099, 5498, and Certain Other Information Returns](#), which the Internal Revenue Service (IRS) published on July 15, 2019. This publication provides the 2019 requirements for using substitute versions of the official IRS forms to file information returns with the IRS, preparing acceptable substitutes of the official IRS forms to file information returns with the IRS and furnish information to recipients.

## What Changed

Each year something changes in Publication 1179, which makes it one of the most important information return publications for payors and withholding agents. Many organizations provide substitute statements to form recipients. It is critical that these substitute statements conform to the requirements in this publication. Last month, the IRS published the most recent version that filers will use for 2019 calendar year information return reporting. Below are some of the key updates for reporting next year.

Form 1042-S, Foreign Person's U.S. Source Income Subject to Withholding. Although the 2019 Form 1042-S is still in draft form (published in September 2018), there are a few notable updates, which include:

- New box 7c. This box is for partnerships to indicate whether withholding with respect to a partnership interest occurred in the subsequent year.
- New Income Code 55. This code is for taxable death benefits paid on a life insurance contract.

Please see [2019 Form 1042-S](#) and [2019 Instructions to Form 1042-S](#) for additional information.

Form 1098-F, Fines, Penalties, and Other Amounts. This is a new form required by section 6050X regarding information with respect to certain fines, penalties, and other amounts. Here is some information required by this form:

- Box 1. Total amount required to be paid in relation to the violation or potential violation of law.
- Box 2. The amount of restitution or remediation required to be paid as stated in the court order or document.
- Box 3. The amount identified in the court order or agreement as required to be paid for purposes of coming into compliance with any law.
- Box 4. The date the order was entered by the court or the agreement was fully executed.
- Box 5. The name of the court that entered the order or the approved agreement.

Please see [2019 Form 1098-F](#) and [2019 Instructions to Form 1098-F](#) for additional information.

Form 1099-B Proceeds From Broker and Barter Exchange Transactions. The 2019 version of this form now includes a check box in box 3 to report disposition of qualified opportunity funds (QOFs).

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This requirement is a result of Section 13823 of P.L. 115-97, which added section 1400Z, Opportunity Zones.

Please see [2019 Instructions to Form 1099-B](#) for additional information. As of the date of this article, the 2019 Form 1099-B was not published, but please continue to check this site for [published Forms 1099-B](#).

Form 1099-DIV, Dividends and Distributions. This form includes box 5, which must be completed to report section 199A dividends paid to the recipient. The amount paid also is included in box 1a.

Please see [2019 Form 1099-DIV](#) and 2019 [Instructions to Form 1099-DIV](#) for additional information.

Form 1099-G, Certain Government Payments. Copies A and C of this form now includes a second taxpayer identification number (TIN) notice checkbox.

Please see [2019 Form 1099-G](#) and [2019 Instructions to Form 1099-G](#) for additional information.

Form 1099-LS, Reportable Life Insurance Sale. This is a new form required under section 6050Y, regarding returns relating to certain life insurance contract transactions. Here is some information required by this form:

- Box 1. The amount paid to the recipient in the reportable policy sale under section 6050Y.
- Box 2. The date of sale.
- Issuer's name. The insurance company that bears the risk with respect to the life insurance contract on the date a Form 1099-LS is required to be furnished to that issuer.
- Acquirer's information.

Please see [2019 Form 1099-LS](#) for additional information and note that the IRS has not yet published 2019 Instructions to Form 1099-LS as of the date of this article.

Form 1099-MISC, Miscellaneous Income. Updates to the filing dates are as follows:

- File Form 1099-MISC on or before January 31, 2020, to report nonemployee compensation (NEC) payments in box 7, using either paper or electronic filing procedures.
- File Form 1099-MISC for all other income by February 28, 2020, if you file on paper, or March 31, 2020, if you file electronically.

Please see [2019 Form 1099-MISC and 2019 Instructions to Form 1099-MISC](#) for additional information.

Form 1099-PATR, Taxable Distributions Received From Cooperatives. Specified agricultural and horticultural cooperatives only, will report qualified payments paid to the patron in new box 7.

Please see [2019 Form 1099-PATR](#) and [2019 Instructions to Form 1099-PATR](#) for additional information.

Form 1099-Q, Payments From Qualified Education Programs (Under Sections 529 and 530). This form now requires reporting in box 4, distribution code 1, form rollover of limited funds from a Qualified Tuition Program (QTP) to an ABLE account.

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Please see [2019 Form 1099-Q](#) and [2019 Instructions to Form 1099-Q for additional information](#).

Form 1099-SB, Seller's Investment in Life Insurance Contract. This is a new form required under section 6050Y, regarding returns of certain life insurance contracts. It reports the investment in a life insurance contract and surrender amount upon receiving notice of a transfer of the life insurance contract, or an interest in the life insurance contract, in a reportable policy sale or to a foreign person. Below is some information required by this form:

- Box 1. The issuer's estimate of the recipient's investment in the contract.
- Box 2. The amount that the recipient would have received upon surrender of the life insurance contract transferred.
- Issuer's information.

Please see [2019 Form 1099-SB](#) and [2019 Instructions to Form 1099-SB](#) for additional information.

Form 5498-QA, Distributions From ABLE Accounts and ABLE Account Contribution Information. The title in box 2 changed from Rollover Contributions to ABLE to ABLE Rollovers.

Please see [2019 Form 5498-QA](#) and 2019 [Instructions to Form 5498-QA](#) for additional information.

### **How to Implement**

Organizations required to file any of the information returns mentioned in this article and organizations using substitute forms should consider the following:

- Use the updated IRS tax calendar and consider syncing the deadlines with your own calendar application for consistency.
- Confirm your systems and reporting applications are update to date!
- Confirm tax reporting vendors are aware of forthcoming updates to 2018 and 2019 Forms and withholding rates.
- Confirm your organization reviewed any substitute forms in use to this publication.
- Update process and procedure manuals to incorporate any changes required.
- Update training materials and presentations to staff.
- Make sure you update any relevant controls, approvals, or sign off procedures for making payments if yearend reporting is referenced.
- Be sure you have updated processes and procedures for reporting where you do find yourself to making payments that will be reported on new forms.

Will any of these updates impact your organization? Share your experiences with us in the [comments](#) or [e-mail us](#)!