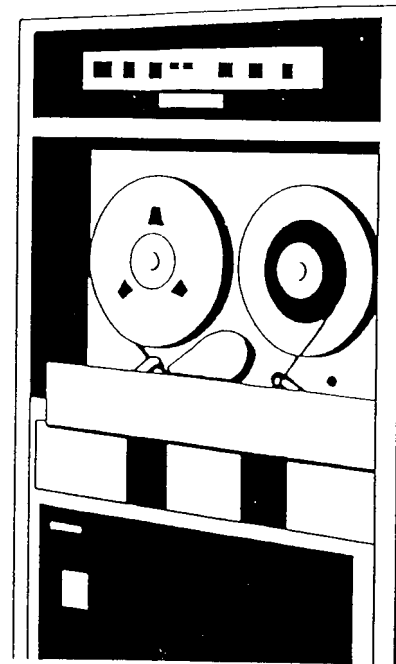# DIFSLA Handbook

Disclosure of
Information to
Federal,
State and
Local
Agencies

Tax Year 1999
from the Information Returns Master File (IRMF)

MCC Help Desk (304) 264-7501
IRS Project Coordinator (202) 622-3941

IRS

This document is intended for use by
Federal and State Officials for the purpose
of obtaining federal tax information under
IRC 6103(l)(7).

Summary of Changes

Tax Year 1999 (effective cycle 199929)

DIFSLA Program

1.   Input file: Remains the same as last year.

2.   D3 file: Remains the same as last year.

3.   D9 File:

      A.   Added income indicator "05" Taxable State Tuition" to Doc. Code 86;

      B.   Added income indicator "91" OID on Treasury Obligations" to Doc. Code 96;

      C.   Added non-payment indicator "6" Distribution to a non-spousal beneficiary to Doc Code 94; and

      D.   Deleted non-payment indicators "B", "C", and "K" from Category of Distribution, Doc Code 98.

Table of Contents

Section 1. PURPOSE

The purpose of this Handbook is to notify officers and employees of Federal, State, and local agencies that administer certain programs of procedures for obtaining certain return information from the Internal Revenue Service.

Section 2. BACKGROUND

01. Section 6103(l)(7)(B) of the Internal Revenue Code (IRC) authorizes the disclosure of tax return information with respect to unearned income to Federal, State and local agencies administering certain Federally-assisted benefit programs under the Social Security Act, the Food Stamp Act of 1977, Title 38 of the United States Code or certain Housing Assistance Programs for the purpose of determining eligibility for, or the correct amount of benefits under these programs.

02. The tax return information will be extracted from the Wage and Information Returns (IRP) File - Treas/IRS 22.061, hereafter referred to as the Information Returns Master File (IRMF) for the current tax year. This file contains information returns filed by payers of income such as dividends, interest and retirement income as reported on Forms 1099-DIV, 1099-INT and 1099-R, respectively. The information will be extracted on a monthly basis using identifying information on magnetic media submitted by the requester. The tax return information will likewise be on magnetic media.

03. The program to extract the information from the IRMF has been operational since July 1, 1985. Return information for Tax Year (TY) 1999 will be available July 2000 through June 2001.

Section 3. AUTHORITY

01. Section 6103(l)(7)(B) of the Internal Revenue Code requires the Service, upon written request, to disclose unearned income information to Federal, State, and local agencies administering the following programs:

> 1) A State program funded under Part A of Title IV of the Social Security Act;
>
> 2) Medical assistance provided under a State plan approved under Title XIX of the Social Security Act;
>
> 3) Supplemental Security Income benefits provided under Title XVI of the Social Security Act, and federally administered supplementary payments of the type described in Section 1616(a) of such Act (including payments pursuant to an agreement entered into under Section 212(a) of Public Law 93-66);
>
> 4) Any benefits provided under a State plan approved under Titles I, X, XIV, or XVI of the Social Security Act (as those titles apply to Puerto Rico, Guam, and the Virgin Islands);
>
> 5) Unemployment Compensation provided under a State law as described in Section 3304 of the Internal Revenue Code;
>
> 6) Assistance provided under the Food Stamp Act of 1977;

7)   State-administered supplementary payments of the type described in Section 1616(a) of the Social Security Act (including payments pursuant to an agreement entered into under Section 212(a) of Public Law 93-66);

8)   a)   Needs-based pensions provided under United States Code (U.S.C.) Title 38, Chapter 15 or under any other law administered by the Secretary of Veterans Affairs (This clause will not apply after year 2003);

    b)   Parents' dependency and indemnity compensation provided under U.S.C. Title 38, Section 1315 (This clause will not apply after 2003);

    c)   Health-care services furnished under U.S.C. Title 38 sections 1710(a)(1)(I), 1710(a)(2), 1710(b) and 1712(a)(2)(B) (This clause will not apply after 2003);

    d)   Compensation paid under U.S.C. Title 38, Chapter 11 at the 100 percent rate based solely on unemployability and without regard to the fact that the disability or disabilities are not rated as 100 percent disabling under the rating schedule (This clause will not apply after 2003); and

9)   Any housing assistance program administered by the Department of Housing and Urban Development that involves initial and periodic review of an applicant's or participant's income.

02.   Information may be disclosed by the Service only for the purposes of, and to the extent necessary in, determining eligibility for or the correct amount of benefits under the aforementioned programs.

Section 4. DEFINITIONS

DIFSLA: Disclosure of Information to Federal, State and Local Agencies is the name of the extract
                program developed (pursuant to IRC 6103(l)(7)(B)) to provide unearned income information.
                 Also the internal file name for all input files.

D1 File: Input file unprocessed. Cartridge or tape submitted by agency does not meet the format
                requirements or the number of records in error equal more than 5% of the total record
                count. It is returned to agency unprocessed.

D3 File: Invalid request file. This file contains records in error that equal less than 5% of the total record
                count and/or records that were run against the DM1-NAP file that failed to match Primary
                TIN and Name Control.

D9 File: Information file.

EBCDIC: Extended Binary Coded Decimal Interchange.

EIN: Employer Identification Number which has been assigned by the Internal Revenue Service to
                the reporting entity.

File: For the purpose of this document, a file consists of all input and output data in magnetic
                media (one or more tapes/cartridges).

Input File: Data records submitted by an agency in magnetic media format (formerly DIFSLA or
                request file).

IRC: Internal Revenue Code.

IRMF: Information Returns Master File.

IRP: Wage and Information Returns (IRP), Treas/IRS 22.061, commonly referred to as
                Information Returns Master File.

MCC: Martinsburg Computing Center.

Name Control: First four characters of the individual's last name.

NAP DM1 File: IRS file of all validly issued SSNs and their related name controls.

Output File: Data provided to the requesting agency by IRS including the D1 (unprocessed input),
                D3 (Invalid Requests) and D9 (Information Requests).

Payee: Person(s) or organization(s) receiving payments from the reporting entity or for whom an
                information return must be filed.

Payer: Person or organization, including paying agent, making payments or is otherwise required to
                issue an information return.

SSA: Social Security Administration.

SSN: Social Security Number assigned by SSA.

TIN: Taxpayer Identification Number which may be either an EIN or SSN.

Section 5. APPLICATION FOR INCLUSION IN PROGRAM

     01. This program will be a magnetic media project in which the tax return information is accessed by magnetic tape(s) or cartridge(s) supplied by the requesting agencies; likewise tax return information about identified individuals is provided on magnetic tape(s) or cartridge(s) by the Service. Input by paper will not be accepted and no disclosures will be made on paper. Disclosures by the Service will be made on a reimbursable basis only.

     02. Agencies wishing to participate in the program should submit their applications to:

> Internal Revenue Service
> Director, Office of
> Governmental Liaison and Disclosure
> CL:GLD, Room 1603
> 1111 Constitution Ave., NW
> Washington, D.C. 20224

     03. The application must be made in writing and be signed by the head of the Federal, State, or local agency.

     04. The application must contain the following information:

    1)   an overview of how the information will be used, the programs for which the information will be used, who will conduct the eligibility verification, if any local entities will have access to the information, and any other relevant information as to how the receiving agency will use the tax information;

    2)   the authorizing statute by which the agency qualifies to receive the information;

    3)   the name(s) and title(s) of the official(s) who is (are) authorized to request tax return information on behalf of the agency;

    4)   the actions which will be taken by the agency to comply with the safeguard and reporting requirements of Section 6103(p)(4) of the Code (see Section 8 of this Handbook) and Internal Revenue Service Publication 1075, Tax Information Security Guidelines for Federal, State and Local Agencies. The Internet address for Pub. 1075 is **www.irs.ustreas.gov** under "newsstand");

    5)   a statement certifying that the safeguards to be employed will be in place at the time the agency makes its initial request for tax return information; and

    6)   the name(s) and title(s) of the official(s) in the agency who has (have) responsibility for safeguarding the tax return information.

Section 6. MATCHING AGREEMENTS

01. Upon receipt and approval of an application from an agency, the Service will prepare a matching agreement in accordance with the Section 552a(o) of the Privacy Act of 1974, as amended. The agreements will detail the following information:

1)   the purpose and legal authority for conducting the matching program;

2)   justification for the matching program and anticipated results;

3)   description of the records to be matched;

4)   projected starting and completion dates of the matching program;

5)   procedures for providing notice to individuals that information provided by them may be subject to verification through matching programs;

6)   procedures for verifying information produced in matching programs;

7)   procedures for the retention and timely destruction of identifiable records created by the recipient agency in the matching program;

8)   procedures for ensuring the administrative, technical, and physical security of the records matched and the results of such programs;

9)   prohibitions on duplication and disclosure of records;

10)   procedures governing the use by a recipient agency of records provided in the matching program including return or destruction of records;

11)   information on assessments made regarding the accuracy of the records used in the matching program, if available;

12)   that the Comptroller General may have access to all records of a recipient agency necessary in order to monitor or verify compliance with the agreement;

13)   a cost-benefit analysis that details the source agency's anticipated benefit as a result of the matching program; and

14)   as appropriate, provide samples of applicable agency notices.

02. The requesting agency will be provided an original of the matching agreement for signature by the agency head or other delegated official authorized to request data. Once signed by that agency, the agreement may be faxed to the IRS at (202) 622-3041.

03. The requesting agency will provide a cost/benefit analysis and a sample of the agency's notice(s) used to inform individuals applying for and receiving benefits that the matching program is being conducted.

04. The Service will receive the signed agreements from the requesting agency. After the Service obtains the signature of its approving official; approval of the matching agreement from the Data Integrity Board of the Department of Treasury and forwards copies of the matching agreement to the appropriate Congressional Committees, a copy of the signed matching agreement will be returned to the requesting agency.

05. The agreement will remain in effect for a period not to exceed 18 months and may be renewed (or extended) for an additional period not to exceed one year.

Section 7. REIMBURSABLE AGREEMENT

01. All work done by the Service under this matching program will be performed on a cost reimbursable basis. Billing will be at least quarterly, and may be monthly during the last quarter of the fiscal year. Actual costs may be higher or lower than the estimate and include the cost of IRS tapes/cartridges used to provide the tax return information.

02. In addition to the matching agreement, the Service will prepare an original Form 5181, Agreement Covering Reimbursable Services, upon receipt of and approval of an application from an agency. The requesting agency will be provided with an original of Form 5181. The requesting agency will complete the Form 5181 in accordance with accompanying instructions. Federal agencies must provide their Agency Location Code (ALC) in block 6b.

03. The Service will receive the signed documents from the agency. After the signature of the Service's approving official is obtained, a Form 5181 will be returned to the requesting agency. The Service will also assign an agency code and agency abbreviation to be used when making requests.

04. Upon receipt of the signed matching and reimbursable agreements, the agency may begin requesting tax return information.

Section 8. SAFEGUARDS AND RECORD KEEPING REQUIREMENTS

01. All tax return information obtained under Section 6103(l)(7) of the Code is subject to the safeguarding, record keeping, and reporting requirements of Section 6103(p)(4) of the Code. (Namely, information received from the Service and the Social Security Administration.) Information on the implementation of these statutory requirements may be found in IRS Publication 1075, Tax Information Security Guidelines for Federal, State and Local Agencies (as revised). The Internet address for Pub. 1075 is **www.irs.ustreas.gov** under "newsstand"). Tax return information does not lose its character as tax return information simply because the accuracy of the data has been "verified" by a third party. Rather, agencies should look to the source of the data as the determinant of whether information must be treated as return information. If the IRS has provided data from its records, then the data is return information. If a third party provides data from their records, the data provided is not considered to be return information. The third party cannot simply attest to the accuracy of the data submitted, but must provide data from their own records in order for the data to be considered "independently verified" and thus not subject to the safeguard requirements. Since return information must be safeguarded in accordance with the provisions of 26 U.S.C. section 6103(p)(4), it would be to the agency's advantage to accurately categorize the information as to its source.

02. If the tax return information becomes a part of the agency's case file regarding a specific taxpayer, because physical separation is impractical, the entire case file must be safeguarded. These files should be clearly labeled to indicate that Federal tax information is included and care should be taken to remove all such Federal tax data, when appropriate, to preclude access by unauthorized persons.

03. All computers and computer systems which process, store, or transmit Federal tax return information must meet or exceed class C2 security criteria as contained in the "Orange Book" (Department of Defense Trusted Computer System Evaluation Criteria, DOD 5200.28-STD).

04. Each agency which receives tax return information pursuant to Section 6103(l)(7) of the Code must submit a Safeguard Procedures Report at least 45 days prior to the initial scheduled receipt of tax return information. The report shall detail the security afforded the information, the individuals who may request and have access to the information, the flow of the information once the agency has received it, as well as other information which will give a comprehensive picture of the need for, the use of, and the

disposal of the tax return information. IRS Publication 1075, <u>Tax Information Security Guidelines for Federal, State and Local Agencies (as revised)</u>, gives additional information about the Safeguard Procedures Report and may be obtained by writing to:

> Internal Revenue Service
> Manager, Headquarters Safeguard Office
> CL:GLD:A2:HQS, Room 3619
> 1111 Constitution Ave., NW
> Washington, D.C. 20224

or on the Internet at **www.irs.ustreas.gov** under "newsstand".

05. The <u>Safeguard Procedures Report</u> is required prior to the initial receipt of Federal tax information but is not required for receipt of additional tax information received under the same disclosure authorization (program). However, if another program is entered into under the matching program, a Safeguard Procedures Report for the additional program must be submitted at least 45 days prior to scheduled receipt of tax return information. In addition, if agency procedures have changed substantially over several years, as reflected in the annual Safeguard Activity Reports, a new updated Safeguard Procedures Report may be requested of the agency by the Service.

06. The agency Safeguard Procedures Report will be submitted at least 45 days prior to scheduled receipt of tax return information and shall be submitted to:

> Internal Revenue Service
> Manager, Headquarters Safeguard Office
> CL:GLD:A2:HQS, Room 3619
> 1111 Constitution Ave., NW
> Washington, D.C. 20224

07. Recipient agencies must also submit an annual Safeguard Activity Report which updates the material in the Safeguard Procedures Report. The specific content of this report is outlined in IRS Publication 1075. The annual period covered by the Safeguard Activity Report coincides with the "processing year" (July 1, through June 30, of the following year). <u>State</u> agencies must submit their Reports by **September 30th**, and <u>federal</u> agencies should submit their Reports by **January 31st**.

08. Pursuant to Section 6103(p)(4) of the Code, the Service has the authority to ensure compliance with applicable laws and regulations through the conduct of safeguard reviews of all recipient agencies at the Federal, State, and local levels.

Section 9. LIMITATIONS

01. The return information provided by the IRS will be used by the agency only to determine eligibility for, or the correct amount of, benefits under these programs. The agencies may not use the information in any manner or for any purpose not consistent with that authorized use under I.R.C. 6103(l)(7). Any secondary use is specifically prohibited and may subject offending officials to the imposition of criminal and/or civil penalties.

02. The Secretary shall disclose return information only for purposes of, and to the extent necessary in, determining eligibility for, or the correct amount of, benefits programs listed in Section 3 of this document. Agencies which receive tax return information pursuant to Section 6103(l)(7) may not reduce, suspend, terminate or deny aid or benefits until the agency has taken steps to independently verify the information, as provided for by the section 552a(p) of the Privacy Act of 1974, as amended. (See Section 9.01 for additional guidance in this area.)

03. Access to tax information must be restricted to the agency employees whose duties require access for the purpose for which the disclosure to the agency was made. The agency must evaluate which employees require such access before the information is disclosed. Because an employee may need to know some information does not mean the employee needs to know all tax return information provided to the agency. Access must be strictly limited and Federal tax information must be separated so an employee only sees what he or she needs to know. Federal tax information must be kept separate from other information to avoid commingling that may allow individuals access to information they do not need to know. Section 6103(l)(7) of the I.R.C. does not allow recipient agencies to disclose tax return information to contractors or other agencies.

04. The agency will strictly follow the safeguards required by the IRS in protecting tax return information. Safeguard standards prescribed in IRS Publication 1075, Tax Information Security Guidelines for Federal, State, and Local Agencies, must be followed.

05. Officers and employees of Federal, State, and local agencies who are entitled to access return information must not access it except to the extent necessary to achieve the purpose of the match and must not disclose this information to any other officer or employee within the agency whose official duties do not require this information to determine eligibility for, or the correct amount of, benefits for the programs specified in their matching agreement.

06. Officers and employees of Federal, State, and local agencies who inspect or disclose tax return information in a manner not authorized by IRC 6103(l)(7) are subject to the criminal penalty provisions of IRC Sections 7213 and 7213A, and of 18 U.S.C. Section 1030(a)(2). In addition, the agency could be required to defend a civil damages action under I.R.C. Section 7431.

07. Unauthorized inspections or disclosures of return information must be reported to the Treasury Inspector General for Tax Administration. The hot line telephone number for reports is: 1-800-366-4484.

08. **If a State has more than one agency under the same department administering benefit programs (e.g., Department of Human Resources, Division of Food Stamps and Division of Medical Assistance) and the department head (e.g., Director, Department of Human Resources) is the signatory on the Matching Agreement, one agency may act as the coordinating agency to consolidate requests from the agencies and disseminate the IRS response.   State agencies under different department heads must enter into a separate Matching Agreement with the Service and submit separate requests.**

Section 10. INPUT FILE

01. Each agency must submit an input file to receive information from the Service. See Processing Schedule (Attachment 1).

02. Each input file must have an accompanying transmittal letter (Exhibit 1) that contains, at a minimum, the following information:

        a)   Project Name: DIFSLA;
        b)   Submitting Agency name;
        c)   Assigned Agency Code;
        d)   Number of cartridges/tapes in the shipment;
        e)   Identification Number of each cartridge/tape;
        f)   Exact number of records on the entire file; and
        g)   Name and Telephone Number of an individual within the requesting agency who can aid in reconciling data processing and/or shipping problems.

03. Ship the transmittal letter and cartridge(s) or tape(s) in the same package. Files submitted without a record count of the file may be returned to the requesting agency unprocessed.

04. Input files must be forwarded to:

        Internal Revenue Service
        Martinsburg Computing Center
        250 Murall Drive
        Kearneysville, WV 25430
        ATTN: Chief, Tape Library

05. An agency's input cartridge(s)/tape(s) will be retained for approximately 90 days. After that time, the input cartridge(s)/tape(s) will be scratched (electro-magnetically erased) and will be used for subsequent output. When the input file is scratched, the agency's file identification number will be replaced with a new identification number assigned by the Service.

06. INPUT TAPE/CARTRIDGE SPECIFICATIONS

A. The file specifications contained in this section define the required characteristics of the tape/cartridge input file. These specifications must be followed.

B. **Tape File Format**:
1) 9 track;
2) ODD parity
3) 6250 BPI Density (high density tape only)
4) Standard Label, EBCDIC (Note: SL processing only reads 17 positions, right justified);
5) File name of "DIFSLA"; and
6) Non-Compressed
7) Tape Characteristics:
a) Type of tape: 0.5 inch (12.7 mm) wide, computer grade magnetic tape ;
b) Tape thickness: 1.0 or 1.5 mils;
c) Interrecord Gap: 3/4 inch

C. **Cartridge File Format**:
1) 18 track 3480 or 36 track 3490;
2) ODD parity;
3) 38,000 BPI Density
4) Standard Label, EBCDIC (Note: SL processing only reads 17 positions, right justified);
5) File name of "DIFSLA"; and
6) Non-Compressed

D. **Header Label**:
1) Standard Header labels may be used beginning with HDR1, VOL1, or HDR2;
2) 80 positions maximum; and
3) Data Set Name: DIFSLA

E. **Trailer Label**:
1) Standard Trailer labels may be used beginning with 1EOR, 1EOF, EOR1, EOV1, or EOV2; and
2) 80 positions maximum.

F. **Tape Mark** (required for processing). The file will not be processed without the tape mark.
1) Signifies the physical end of the recording on tape.
2) Must follow the Header Label; and
3) Must precede the Trailer Label.

G. **Record Length** - The records may be blocked subject to the following:
1) A FIXED RECORD OF 121 POSITIONS IS REQUIRED.
2) All records except the Header and Trailer Labels may be blocked.
3) If records are blocked, we recommend a blocking factor 264. The maximum block size must be 31,944 tape positions in length.

H. **External File Label**

1) Tape Identification or Volume Serial Number;
2) Requesting Agency Name;
3) Assigned Agency Code;
4) Project Identification of "DIFSLA";
5) Reel Sequence (e.g., 1/2, 2/2); and
6) Number of Records on the Reel

07. **INPUT FILE DESCRIPTION**

Record Format - this essay format refers to relative data placement positions, while the physical data address on magnetic tape/cartridge begins with zero.

Field Positions	Field Name/Description	Field Length
1-3	**Agency Code** REQUIRED. This identifies the agency which originated the request. The number is assigned by the Service when a formal application is approved.	3
4	**Filler** REQUIRED. Blank fill this position.	1
5-6	**Tax Year Code** REQUIRED. Enter "F1" into these positions.	2
7-11	**Filler** REQUIRED. Blank fill these positions.	5
12	**New Record Indicator** REQUIRED. Enter "N" into this position.	1
13	**Request Type** REQUIRED. Enter "E" into this position.	1
14-15	**Document Type** REQUIRED. Enter "99" into these positions.	2
16	**Primary TIN Validity Indicator** REQUIRED. Enter "0" (zero) into this position.	1
17	**Secondary TIN Validity Indicator** REQUIRED. Enter "0" (zero) into this position.	1
18-26	**Primary TIN** REQUIRED. Enter the SSN of the requested individual. This field must be ALL NUMERICS.	9
27	**Filler** REQUIRED. Insert a blank into this position.	1
28-36	**Secondary TIN** REQUIRED. Enter the SSN of the individual's spouse. This field must be ALL NUMERICS, if present. Otherwise, zero fill.	9

Field Positions	Field Name/Description	Field Length

37-43 **Assistance Codes** **7**

REQUIRED. Enter the code(s) for the assistance program(s) requesting information. Left justify and blank fill. This code represents the program(s) requesting return information. The field may contain up to seven codes. Federal agencies requesting information for quality control purposes should use code 9 *plus* the code representing the assistance program being monitored.

    1 = a State program funded under part A of title IV of the Social Security Act
    2 = Medicaid
    3 = SSI Benefits
    4 = Cash Assistance
    5 = Unemployment Compensation
    6 = Food Stamps
    7 = State Supplementary Payments
    8 = Veterans' Benefits
    9 = Federal Quality Control

44-47 **Name Control 1** **4**

REQUIRED. Enter the first four letters of the last name. Left justify and blank fill if the name is less than four letters. Alpha characters/capital letters only, special characters are not accepted.

48-51 **Name Control 2** **4**

REQUIRED. If the Secondary TIN is present (pos 28-36), Name Control 2 is REQUIRED. Enter the first four letters of the Secondary TIN's last name. Left justify and blank fill.

OPTIONAL. If the Secondary TIN is not present, blank fill.

52-72 **Requesting Agency Information** **21**

OPTIONAL. Provided for Requesting Agency use. It is an optional information field. If used, the information will be duplicated and returned on the IRS information document (positions 410-430).

73-82 **Filler** **10**

REQUIRED. Blank (alpha) fill these positions.

83 **D3 File Indicator** **1**

REQUIRED. Specify preference for D3 invalid file.
    Blank = create file.   S = suppress file

84-86 **Agency Abbreviation** **3**

REQUIRED. This identifies the Agency which originated the request. The code is also assigned by the Service when a formal application is approved. Left justify and blank fill if the abbreviation is less than three characters. See Attachment 2 for appropriate abbreviation.

Field Positions	Field Name/Description	Field Length
87-90	**Filler**	**4**
	REQUIRED. Blank (alpha) fill these positions.	
91	**Requested Output**	**1**
	REQUIRED. Enter a code which identifies the desired medium for output. Failure to supply a desired format code or an incorrect format code will default to H. One of the following codes must be provided for each input file. If multiple cartridge/ tape files are submitted, only one output type may be used per processing cycle.	

        C = Cartridge, 18 track, 3480
        T = Cartridge, 36 track, 3490
        H = Tape, 9 track, 6250 bpi

Field Positions	Field Name/Description	Field Length
92-121	**Filler**	**30**
	REQUIRED. Blank fill these positions.	

Section 11. OUTPUT FILES OVERVIEW

01. The output files may be provided monthly on high or low density cartridge or high density tape. The output media should be specified in the Input file (pos 91). Failure to specify desired output media will result in a default to high density tape.

02. Agencies submit one file for processing; however up to two output files may be returned if the agency prefers. One file contains the invalid requests (D3) and the other contains tax return information (D9). Agencies electing not to receive the D3 file should so indicate in position 82 of their Input file and only the D9 file will be returned.

03. The Service will initially validate all SSNs and Name Controls provided by the requesting agency against the NAP DM1 file prior to running the agency's input against the IRMF. All records that do not pass the NAP DM1 validation process, as well as invalid agencies code, SSNs not all numeric or Name Controls not meeting specifications, will be captured on the D3 file.

04. All records that passed the diagnostic and NAP DM1 validation processes are matched against the IRMF. These records represent tax return information reported by the payers or "no match" when no information is available or information available is not authorized for disclosure. The records are returned on the Information (D9) file.

05. Each shipment will be accompanied by Form 3220, <u>Mass Storage Media</u>. This document is used to confirm receipt of cartridge or tape files. The recipient agency must sign, date and return one copy of Form 3220 to the Service within 14 days to the address noted on the form.

06. The cost of processing includes the cartridges/tapes used by IRS to provide the agency with return information, therefore, cartridges/tapes need not be returned to IRS. However, if agency policy or safeguard procedures dictate the return of the cartridges/tapes, a shipping transmittal should be used (Exhibit 2).

Section 12. UNPROCESSED RECORDS (D1 FILE)

01. The agency input file must follow the specified format exactly. Each cartridge or tape is processed through a diagnostic program to assure that it meets the format requirements. Each cartridge or tape, which does not meet the format requirements or the number of records in error equal more than 5% of the total record count, will be returned to the requesting agency unprocessed.

02. If the cartridge/tape is returned due to failing the diagnostic program, a copy of the diagnostic report number 405-DD-40 will accompany it (see next page).

03. A hand-written label will be affixed to each cartridge/tape. File Name: 405-D1-01aaa (aaa =Assigned Agency Code).

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                              DIAGNOSTIC REPORT FOR (Agency)        AGENCY CODE  XXX

P/R/T.  405-DD-40                      DIFSLA - PROGRAM                               DATE 01-21-2000
JOB.  I4A5DDPT
CYCLE.  IAM199807W.VOP05                                             VOLUME NAME   115670

                                                                    DATA SET NAME  DIFSLA.ACCENT

                                                                    REQUESTED OUTPUT C

         RECORDS                        ERROR                        GOOD
         INPUT                          RECORDS (1-4)                RECORDS

         523,300                            2                        523,298


ERROR CODE 1      0                   ERROR CODE A      0
ERROR CODE 2      0                   ERROR CODE B      0
ERROR CODE 3      0                   ERROR CODE E      0
ERROR CODE 4      2


       ERROR CODE KEY


ERROR CODE 1 - INVALID AGENCY CODE

ERROR CODE 2 - INVALID AGENCY ABBREVIATION

ERROR CODE 3 - PRIMARY TIN NOT ALL NUMERIC

ERROR CODE 4 - NAME CONTROL-ONE MISSING OR IN ERROR

ERROR CODE A - SECONDARY TIN NOT ALL NUMERIC

ERROR CODE B - NAME CONTROL-TWO MISSING OR IN ERROR

ERROR CODE E - INVALID ASSISTANCE CODES
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Section 13. OUTPUT TAPE/CARTRIDGE SPECIFICATIONS

01. The response files may be received on tape or cartridge. The desired output media should be specified in your request (input) file (pos 91). Failure to specify desired output media will result in a default to high density tape.

02. Tape File Specifications:
   1) 9 track;
   2) Standard Label, EBCDIC;
   3) ODD parity; and
   4) 6250 BPI density
   5) Type of tape: 0.5 inch (12.7 mm) wide, computer grade magnetic tape;
   6) Tape thickness: 1.0 or 1.5 mils;
   7) Interrecord Gap: 3/4 inch.

03. Cartridge File Specifications:
   1) 18 track 3480 or 36 track 3490;
   2) IBM Standard Label;
   3) ODD parity;
   4) 38,000 BPI density.

04. Record Formats
   1) Invalid Records (D3 File)
      a) Length: 121 bytes;
      b) Block Size: 31,944
      c) Blocked: 264 records

   2) Information Records (D9 File)
      a) Length: 544 bytes
      b) Block Size: 31,552 bytes
      c) Blocked: 58 records

05. Header Label:
   1) Standard Headers beginning with 1HDR, HDR1, VOL1, or VOL2; and
   2) 80 positions maximum;
   3) Data Set Name: DIFSLA

06. Trailer Label:
   1) Standard Trailer beginning with 1EOR, 1EOF, EOR1, EOV1, or EOV2; and
   2) 80 positions maximum.

07. Tape Mark:
   1) Signifies the physical end of the recording on tape.
   2) Follows the Header Label; and
   3) Precedes the Trailer Label.

08. File Labels:

    1) Internal\External Labels

        a) Unprocessed Records (D1): 405 D1aaa (**external label only**)

        b) Invalid Records (D3 File): PDIAM.I405D3.F11aaa.Wcccccc

        c) Information Records (D9 File): PDIAM.I405D9.F11aaa.Wcccccc

            11, 12 or 13 = requested output media

            aaa = Assigned Agency Code, and

            cccccc = the processing cycle.

Section 14. INVALID RECORDS (D3 FILE)

    01. **FILE DESCRIPTION**

    02. This essay format refers to relative data placement positions, while the physical data address on magnetic tape/cartridge begins with zero.

    03. All information, except position 121 which provides the reason for the record's elimination from processing, is duplicated from the agency's request record. If any of the default values were incorrect, they have been corrected.

Field Position	Field Name	Field Length
1-3	**Agency Code**	**3**
	The assigned Agency Code which represents the originator of the request.	
4	**Filler**	**1**
	Blank (alpha) filled.	
5-6	**Tax Year Code**	**2**
	F1	
7-11	**Filler**	**5**
	Blank (alpha) filled.	
12	**New Record Indicator**	**1**
	"N"	
13	**Request Type**	**1**
	"E"	
14-15	**Document Type**	**2**
	"99"	
16	**Primary TIN Validity Indicator**	**1**
	"θ" (zero)	
17	**Secondary TIN Validity Indicator**	**1**
	"θ" (zero)	
18-26	**Primary TIN**	**9**
	TIN of the primary account holder.	
27	**Filler**	**1**
	Blank (alpha) filled.	

Field Position	Field Name	Field Length

28-36   **Secondary TIN**   **9**
TIN of the spouse or secondary account holder from the input record (if valid).
If submitted TIN is invalid or Name Control 2 was blank, it will be set to zeros (numeric).

37-43   **Assistance Codes**   **7**
The assistance program code(s) for which the request is being made.
Duplicated from positions 37-43 of the input record.

44-47   **Name Control 1**   **4**
The first four (4) characters (alpha only) of the last name associated with the
Primary TIN. If less than 4 characters, left justified and blank filled.

48-51   **Name Control 2**   **4**
The first four (4) characters (alpha only) of spouse's last name, if Secondary
TIN is present. Otherwise, blank filled.

52-72   **Requesting Agency Information**   **21**
Agency supplied information. Duplicated from positions 52-72 of the
input record.

73-83   **Filler**   **11**
Blank (alpha) filled.

84-86   **Agency Abbreviation**   **3**
This identifies the Agency which originated the request. Duplicated from
positions 84-86 of the input record.

87   **Filler**   **1**
Blank (alpha) filled.

88-90   **Agency Code**   **3**
The assigned Agency Code which represents the originator of the request.
Duplicated from positions 1-3 of the input record.

91   **Requested Output**   **1**
The code which identifies the desired medium for output. Duplicated from
the input record (pos 91).

Field Position	Field Name	Field Length
92-120	**Filler**	**29**
	Blank filled.	
121	**Error Code**	**1**
	Code indicating the type of error that was encountered during the diagnostic or TIN validation process.	

    1 = Invalid Agency Code
    2 = Invalid Agency Abbreviation
    3 = Primary TIN not all numeric
    4 = Primary Name Control (Name Control 1) missing or in error
*5 = RESERVED FOR FUTURE USE
*6 = RESERVED FOR FUTURE USE
    7 = No Match-Primary
*8 = RESERVED FOR FUTURE USE
*9 = RESERVED FOR FUTURE USE
*A = Secondary TIN not all numeric
*B = Secondary Name Control (Name Control 2) in error
*C = RESERVED FOR FUTURE USE
*D = RESERVED FOR FUTURE USE
*E = Assistance Code(s) Invalid
*F = No Match-Secondary

* Information only. These codes will not cause a record to be rejected.

Section 15. INFORMATION RECORDS (D9 FILE)

01. This essay format refers to relative data placement positions, while the physical data address on magnetic tape/cartridge begins with zero.

02. INFORMATION RECORDS (D9) FILE DESCRIPTION

Field Positions	Field Name/Description	Field Length
1-9	**Primary Payee TIN** Primary SSN from input record.	9
10-13	**Primary Payee Name** Name Control (alpha) from input record.	4
14-16	**Agency Code (Requester)** Assigned Agency Code.	3
17-20	**Tax Year (Current)** CONSTANT. "1999" represents the year in which the income was paid and/or reported.	4
21-40	**Payee Account Number** The number assigned to the taxpayer's account by the payer. On occasion, the taxpayer's SSN is also used as the account number. This field is not verified by IRS, information is provided exactly as supplied by payer.	20
41-80	**Payee Name Line 1** The name of the primary taxpayer as reported on the information document. If less than 40 characters, left justified and blank filled.	40
81-120	**Payee Name Line 2** The remainder of the primary taxpayer name, if more than 40 characters, or the name of the secondary taxpayer. Left justified and blank filled.	40
121-160	**Payee Mailing Address** The mailing address of the taxpayer, left justified and blank filled.	40
161-200	**Payee City** The taxpayer's city, left justified and blank filled.	40
201-202	**Payee State** The taxpayer's State as abbreviated by the U.S. Postal Service or 　　.b = foreign country 　　** = no valid State code	2
203-211	**Payee ZIP Code** The payee's ZIP Code. If only 5 digits, left justified and zero filled.	9

Field Position	Field Name	Field Length

212-220 **Payer TIN** **9**
The payer's EIN or SSN.

221-260 **Payer Name Line 1** **40**
The name of the payer of the income, left justified and blank filled.

261-300 **Payer Name Line 2** **40**
Extra name line for the payer of the income or transfer agent if applicable.
Left justified and blank filled.

301-340 **Payer Address** **40**
The payer's address, left justified and blank filled.

341-380 **Payer City/State/Zip Code** **40**
The payer's city, state and zip code, left justified and blank filled.

381 **Document Source** **1**
Code indicating the type of media used to report the document information.
    P = Paper Source
    T = Tape Source

382-383 **Document Code** **2**
Code that indicates the type of document on which the income was reported.
See Attachment 3 for explanation of codes.

384 **Reserved** **1**
CONSTANT. Blank (alpha) filled.

385 **Amended Return Indicator** **1**
1 (numeric) = amended information return
blank (alpha) = original information return

386-394 **Select SSN** **9**
SSN used to locate income information document on IRMF.

395-401 **Assistance Codes** **7**
Duplicated from input record (positions 37-43)

402-405 **Name Control 1** **4**
Primary Name Control duplicated from input record (positions 44-47).

406-409 **Name Control 2** **4**
Duplicated from input record (positions 48-51)

410-430 **Requesting Agency Information** **21**
Duplicated from input record (positions 52-72)

Field Position	Field Name	Field Length
431	**Reserved** Blank (alpha).	1
432	**Error Code (Secondary SSN)** Code indicating the type of error that was encountered during diagnostic or primary TIN validation process. The error code may appear for the secondary TIN although income information is provided.	1

   1 = Invalid Agency Code
   2 = Invalid Agency Abbreviation
   3 = Primary TIN not all numeric
   4 = Primary Name Control (Name Control 1) missing or in error
*5 = RESERVED FOR FUTURE USE
*6 = RESERVED FOR FUTURE USE
   7 = No Match-Primary
*8 = RESERVED FOR FUTURE USE
*9 = RESERVED FOR FUTURE USE
*A = Secondary TIN not all numeric
*B = Secondary Name Control (Name Control 2) in error
*C = RESERVED FOR FUTURE USE
*D = RESERVED FOR FUTURE USE
*E = Assistance Code(s) Invalid
*F = No Match-Secondary

* Information only. These codes will not cause a record to be rejected.

Field Position	Field Name	Field Length
433	**Requested Output** Duplicated from input record (position 91). Default to H (if code is missing or in error).	1
434-435	**Income Indicator 1** Code which indicates the type of income reported. See Attachment 3 for definition of codes.	2
436-445	**Income Amount 1** *All income amounts are in dollars only (cents are dropped), however, a minus sign may appear in the first position of the field to indicate a negative (loss) amount. Amount of income reported or θ (numeric) if DOC CODE (pos 382-383) = **.*	10
446-447	**Income Indicator 2** Code which indicates the type of income reported or blank (alpha) filled if no information available.	2
448-457	**Income Amount 2** Amount of income reported or θ (numeric) filled if no information available.	10

Field Position	Field Name	Field Length
458-459	**Income Indicator 3** Code which indicates the type of income reported or blank (alpha) filled if no information available.	**2**
460-469	**Income Amount 3** Amount of income reported or θ (numeric) filled if no information available.	**10**
470-471	**Income Indicator 4** Code which indicates the type of income reported or blank (alpha) filled if no information available.	**2**
472-481	**Income Amount 4** Amount of income reported or θ (numeric) filled if no information available.	**10**
482-483	**Income Indicator 5** Code which indicates the type of income reported or blank (alpha) filled if no information available.	**2**
484-493	**Income Amount 5** Amount of income reported or θ (numeric) filled if no information available.	**10**
494-495	**Income Indicator 6** Code which indicates the type of income reported or blank (alpha) filled if no information available.	**2**
496-505	**Income Amount 6** Amount of income reported or θ (numeric) filled if no information available.	**10**
506-507	**Income Indicator 7** Code which indicates the type of income reported or blank (alpha) filled if no information available.	**2**
508-517	**Income Amount 7** Amount of income reported or θ (numeric) filled if no information available.	**10**
518-519	**Income Indicator 8** Code which indicates the type of income reported or blank (alpha) filled if no information available.	**2**
520-529	**Income Amount 8** Amount of income reported or θ (numeric) filled if no information available.	**10**
530-531	**Income Indicator 9** Code which indicates the type of income reported or blank (alpha) filled if no information available.	**2**

Field Position	Field Name	Field Length
532-541	**Income Amount 9** Amount of income reported or θ (numeric) filled if no information available.	**10**
542	**Non-Payment Indicator 1** Additional data regarding payment information. Explanation of codes are provided in Attachment 3 with the respective DOC CODE.	**1**
543-544	**Non-Payment Indicator 2** Additional data regarding payment information. Explanation of codes are provided in Attachment 3 with the respective DOC CODE.	**2**

Section 16. INQUIRIES

01. Any questions regarding this project may be addressed to the National Director, Governmental Liaison and Disclosure, at the address listed in Section 5.02 of this document; or contact the IRS Project Coordinator, Diana Lee, at (202) 622-3941 or e-mail diana.g.lee@irs.gov.

02. Questions concerning receipt and shipment of tapes/cartridges may be addressed to the Martinsburg Computing Center (MCC) Help Desk at (304) 264-7501.

PROCESSING SCHEDULE

      01. Input files must be received by the dates specified below in order for the Service to process the file in the corresponding month. If the input file is received after the deadline for submission, the Service will process the file the following month. Although more than one input file may be processed simultaneously, the output will be one file only.

      02. If output files are not received within 3 days of the shipping date, please immediately notify the Martinsburg Computer Center, Help Desk, at (304) 264-7501.

      03. Processing files are only maintained 30 days, therefore, replacement cartridges/tapes should be requested as soon as possible. When submitting a request for replacement, please provide your agency code (6NN), file identity (D3 or D9), cycle number, serial number(s) and sequence number(s) of the cartridge(s)/tape(s) to be replaced and the type of output requested.

DIFSLA Tax Year 1999				
PROCESSING		REQUEST	SCHEDULED	
MONTH	CYCLE	DUE DATE	RUN DATE	SHIPPING DATE
JULY 2000	199929	07/14/2000	07/17/2000	08/04/2000
AUG 2000	199933	08/11/2000	08/14/2000	09/01/2000
SEPT 2000	199937	09/08/2000	09/11/2000	9/29/2000
OCT 2000	199941	10/06/2000	10/09/2000	10/27/2000
NOV 2000	199945	11/03/2000	11/06/2000	11/24/2000
DEC 2000	199949	12/01/2000	12/04/2000	12/22/2000
DEC 2000	199952	12/22/2000	12/25/2000	01/12/2001
JAN 2001	**DARK MONTH - NO PROCESSING**			
FEB 2001	199907	02/09/2001	02/12/2001	03/02/2001
MAR 2001	199911	03/09/2001	03/12/2001	03/30/2001
APR 2001	199915	04/06/2001	04/09/2001	04/27/2001
MAY 2001	199919	05/04/2001	05/07/2001	05/25/2001
JUN 2001	199923	06/01/2001	06/04/200	06/22/2001
JUL 2001	199926	06/22/2001	06/25/2000	07/13/2001

AGENCY ABBREVIATIONS

This code represents the agency's name as assigned by IRS. If the code is less than 3 characters, left justify and blank fill (Input file position 84-86).

Agency Name	Code	Agency Name	Code
Housing and Urban Development	HUD	Mississippi Division of Medicaid	MS2
Office of Public/Indian Housing Comptroller		Missouri Dept. of Social Services	MO
Veterans Benefits Administration	VBA	Montana Dept. of Public Health and	
Veterans Health Administration	VHA	Human Services	MT
Social Security Administration	SSA	Nebraska Dept. of Health & Human	
Office of Program Benefits Policy		Services	NE
		Nevada Dept. of Human Resources	NV
Alabama Dept. of Human Resources	AL	New Hampshire Dept. of Health and	
Alabama Medicaid Agency	AL2	Human Services	NH
Alaska Dept. of Health/Social Services	AK	New Jersey Dept. of Human Services	NJ
Arizona Dept. of Economic Security	AZ	New Mexico Human Services Dept.	NM
Arizona Cost Containment System	AZ2	New York Office of Temporary & Disability	
Arkansas Dept. of Human Services	AR	Assistance	NY
California Dept. of Social Services	CA	North Carolina Dept. of Health & Human	
Colorado Dept. of Human Services	CO	Services	NC
Connecticut Dept. of Social Services	CT	North Dakota Dept. of Human Services	ND
Delaware Health & Social Services	DE	Ohio Dept. of Human Services	OH
District of Columbia Dept. of Human		Oklahoma Dept. of Human Services	OK
Services	DC	Oregon Dept. of Human Resources	OR
Florida Dept. of Children & Families	FL	Pennsylvania Dept. of Public Welfare	PA
Georgia Dept. of Human Resources	GA	Puerto Rico Dept. of the Family	PR
Hawaii Dept. of Human Services	HI	Puerto Rico Dept. of Health	PR2
Idaho Dept. of Health and Welfare	ID	Rhode Island Dept. of Human Services	RI
Illinois Dept. of Human Services	IL	South Carolina Dept. of Social Services	SC
Indiana Family & Social Services Admin.	IN	South Dakota Dept. of Social Services	SD
Iowa Dept. of Human Services	IA	Tennessee Dept. of Human Services	TN
Kansas Dept. of Social/Rehab. Services	KS	Texas Dept. of Human Services	TX
Kentucky Cabinet for Families & Children	KY	Utah Division of Health	UT2
Louisiana Dept. of Social Services	LA	Utah Dept. of Workforce Services	UT
Louisiana Dept. of Health & Hospitals	LA2	Vermont Dept. of Social Welfare	VT
Maine Dept. of Human Services	ME	Virgin Islands Dept. of Human Svcs	VI
Maryland Dept. of Human Resources	MD	Virgin Islands Bureau of Health Insurance	
Massachusetts Dept. of Transitional		and Medical Assistance	VI2
Assistance	MA	Virginia Dept. of Social Services	VA
Massachusetts Div. of Medical Asst.	MA2	Washington Dept. of Social/Health Svcs	WA
Michigan Family Independence Agency	MI	West Virginia Dept. of Human Services	WV
Minnesota Dept. of Human Services	MN	Wisconsin Dept. of Workforce Devlmt.	WI
Mississippi Dept. of Human Services	MS	Wyoming Dept. of Family Services	WY

DOC CODE and INCOME INDICATOR

Doc. Code	Document	Income Indicator	Type of Income

The DOC CODE (D9 pos 382-383) represents the type of document used by the payer to report the income

The INCOME INDICATOR (pos 434-435, 446-447, 458-459, 470-471, 482-483, 494-495, 506-507, 518-519 and 530-531) reflects the type of income reported.

Doc. Code	Document	Income Indicator	Type of Income
**			No Matched Record on IRMF or Record not Authorized for Disclosure
~~00~~			No information provided
32	W-2-G		Statement of Gambling Winnings
		03	Gross Winnings - income resulting from wagers.
		21	Winnings from Identical Wagers -income from identical wagers.

Non-Payment Indicator 1
Gambling
1 = Horse Racing	5 = Keno
2 = Dog Racing	6 = Casino Type Bingo
3 = Jai-alia	7 = Slot Machines
4 = State Lottery	8 = Other

Doc. Code	Document	Income Indicator	Type of Income
65	1065-K1		Partners Share of Income, Credits, Deductions, etc.
		01	Dividends - distribution of money, stock, or other property from partnership.
		02	Interest - income from or credited to: accounts (including certificates of deposit and money market accounts) with banks, credit unions and savings and loan associations; building and loan accounts; notes, loans and mortgages; tax refunds; insurance companies if paid or credited on dividends left with the company; bonds and debentures; also arbitrage bonds issued by State and local governments after October 9, 1969; gain on the disposition of certain market discount bonds to the extent of the accrued market discount; U.S. Treasury bills, notes and bonds; U.S. savings bonds which include: total interest when bond is cashed or when bond reaches maturity and no longer earns interest; or yearly increase in the bond(s)' value.
		19	Royalties - income from oil, gas, mineral properties, copyrights and patents.
		73	Ordinary Income - share of income (loss) from trade or business activities of partnership.

DOC CODE and INCOME INDICATOR

Doc. Code	Document	Income Indicator	Type of Income
65 (Cont'd)		74	Real Estate - income (loss) from activity in which partner did not materially participate.
		75	Other Rental - income (loss) activity in which partner did not materially participate.
		76	Guaranteed Payments - partner's share of income for services.
		97	Short Term Capital Gain - income (loss) from partnership of less than 1 year.
		98	Long Term Capital Gain - income (loss) from partnership of more than 1 year.
66	**1041-K1**	**Beneficiary's Share of Income, Credits, Deductions, Etc.**	
		01	Dividends - distribution of money, stock, or other property from an estate or trust.
		02	Interest - beneficiary's share of taxable income from accounts with banks, credit unions and thrifts (e.g., certificates of deposit and money market accounts).
		32	Business Income and Other Nonpassive Income - beneficiary's share of annuities, royalties, or any other income not subject to passive activity limitation.
		90	Passive Income - Rental income from trade or business activities in which beneficiary did not materially participate.
		97	Short Term Capital Gain - income from installment sales, like-kind exchanges and/or other partnerships and fiduciaries of less than 1 year.
		98	Long Term Capital Gain - income from installment sales, like-kind exchanges and/or other partnerships and fiduciaries of more than 1 year.

DOC CODE and INCOME INDICATOR

Doc. Code	Document	Income Indicator	Type of Income
67	**1120S-K1**		**Shareholder's Share of Undistributed Taxable Income, Credits, Deductions, Etc.**
		01	Dividends - distribution of cash; value of stock, property or merchandise received as a shareholder (e.g., mutual fund).
		02	Interest - income from or credited to: accounts (including certificates of deposit and money market accounts) with banks, credit unions and savings and loan associations; buildings and loan accounts; notes, loans and mortgages; tax refunds; insurance companies if paid or credited on dividends left with the company; bonds and debentures; also arbitrage bonds issued by State and local governments after October 9, 1969; gain on the disposition of certain market discount bonds to the extent of the accrued market discount; U.S. Treasury bills, notes and bonds; U.S. savings bonds including total interest when bond is cashed or when bond reaches maturity and no longer earns interest; or yearly increase in the bond(s)' value; income received or credited to an account that may be withdrawn.
		19	Royalties - income from oil, gas, mineral properties, copyrights and patents.
		73	Ordinary Income - shareholder's pro rata share of ordinary income, loss, deductions, credits and other information from all corporate activities.
		74	Rental Real Estate - net income (loss) in which shareholder did not materially participate.
		75	Other Rental - net income (loss) from other rental activity in which shareholder did not materially participate.
		97	Short Term Capital Gain - income from sales and exchanges of capital assets, including stocks, bonds, etc. and real estate held for less than 1 year.
		98	Long Term Capital Gain - income from sales and exchanges of capital assets, including stocks, bonds, etc. and real estate held for more than 1 year.
75	**1099-S**		**Statement for Recipients of Proceeds from Real Estate Transactions**
		50	Real Estate Sales - gross proceeds from sale or exchange of real estate.

DOC CODE and INCOME INDICATOR

Doc. Code	Document	Income Indicator	Type of Income
79	**1099-B**		**Statement for Recipients of Proceeds from Real Estate Brokers and Barters Exchange Transactions**
		61	Stocks and Bonds - gross proceeds from disposition of securities (including short sales), commodities, or forward contracts.
		63	Aggregate Profit and Loss - total profit (loss) from regulated futures or foreign currency contracts.
		64	Realized Profit or Loss - profit (loss) realized on closed regulated futures or foreign currency contracts.
82	**SSA-1099**		**Social Security Benefit Statement**
		04	Total Benefits Paid - gross amount of benefits the individual is entitled to for the current tax year. This amount is prior to subtracting the amount of any benefit checks returned, adjustments for disability payments, work, overpayments and/or cash repayments.
	Non-Payment Indicator 1 (Pos. 542) Trust Fund R = Retirement D = Disability		
	Non-Payment Indicator 2 (Pos. 543) SSA/RRB 0 = Either RRB or SSA 1 = Both RRB and SSA		
86	**1099-G**		Statement for Recipients of Certain Government Payments
		05	Taxable State Tuition – earnings part of qualified state tuition program payments made to the designated beneficiary or account owner.
		14	Unemployment Compensation - payments of unemployment compensation including Railroad Retirement Board payments.
		54	Agricultural Subsidies - agricultural subsidy payments
		55	Prior Year Refund - refunds, credits, or offsets of State or local income tax.

DOC CODE and INCOME INDICATOR

Doc. Code	Document	Income Indicator	Type of Income
91	**1099-DIV**		**Statement for Recipients of Dividends and Distributions**
		23	Capital Gains - amount of total capital gain distributions (long-term).
		24	Nontaxable Distribution - amount of nontaxable distribution.
		27	Cash Liquidation Distribution - amount of cash distributed as part of a corporation's partial or complete liquidation.
		28	Noncash Liquidation Distribution - fair market value (at time of distribution) of non-cash distributions made as part of partial or complete liquidation of a corporation.
		41	Ordinary Dividend - amount of ordinary dividends, including those from money market funds and net short-term capital gains from mutual funds, and other distributions on stock.
		2C	28% Rate Gain - any amount of capital gains (IND 23) that is 28% rate gain.
		2D	Unrecaptured Section 1250 Gain - any amount of capital gains (IND 23) that is section 1250 gain from certain depreciable real property.
		2E	Section 1202 Gain - any amount of capital gains (IND 23) that is section 1202 gain from certain qualified small business stock.
92	**1099-INT**		**Statement for Recipients of Interest Income**
		02	Interest - amounts paid or credited by: savings & loan associations, mutual savings banks, building & loan associations, credit unions or similar organizations; bank deposits, accumulated dividends paid by life insurance companies, indebtedness (bonds, debentures, notes and certificates); in course of trade or business; delayed death benefits from insurance companies; accrued to a REMIC regular interest holder, or paid to a CDO holder.
		22	Savings Bonds - interest paid on U.S. Savings Bonds, Treasury Bills, Treasury Bonds and Treasury Notes.

DOC CODE and INCOME INDICATOR

Doc. Code	Document	Income Indicator	Type of Income
93	**1099-LTC**		**Distributions from Long Term Care Insurance Contract**
		1E	Gross Benefits
		1F	Accelerated Death Benefits Paid
94	**1099-MSA**		**Distributions from Medical Savings Accounts**
		2A	Earnings on Distributive Excess Contributions
		2B	Gross Benefits

		Non-Payment Indicator 1 (position 542)
		    <u>Distribution Code MSA</u>
		        1 = Normal Distribution
		        2 = Excess Contributions
		        3 = Disability
		        4 = Death
		        5 = Prohibited Transaction
		        6 = Distribution to a non-spousal beneficiary	

95	**1099-MISC**		**Statement for Recipients of Miscellaneous Income**
		16	Medical Payments - payments made in the course of trade or business to each physician or other supplier or provider of medical or health care services, including payments made by medical and health care insurers under health, accident, and sickness insurance programs.
		18	Rents - income received as rents; e.g., owner of housing project, real estate rentals for office space, machine rentals and pasture rentals.
		19	Royalties - income paid from oil, gas, mineral properties, copyrights and patents.
		20	Other Income - income not reportable in other boxes on form; e.g. prizes and awards, punitive damages, deceased employee's wages paid to estate or beneficiary.
		30	Substitute Payments for Dividends - total payments received by a broker on behalf of a taxpayer in lieu of dividends or interest as a result of a transfer of a taxpayer's securities for use in a short sale.

DOC CODE and INCOME INDICATOR

Doc. Code	Document	Income Indicator	Type of Income
96	**1099-OID**		**Statement for Recipients of Original Issue Discount**
		02	Interest - amount paid or credited. The difference between the stated redemption price at maturity and the issue price of a debt instrument.
		53	Original Issue Discount - the difference between the issue price of a debt instrument (e.g., stock, bond or promissory note) and the stated redemption price at maturity.
		91	Original Issue Discount on Treasury Obligations – amount of OID on a U.S. Treasury obligation for the part of the year it was owned by the record holder.
97	**1099-PATR**		**Statement for Recipients of Taxable Distributions Received from Cooperatives**
		43	Patronage Dividends - cash, written notice of allocation or other property distribution by a farmer's cooperative.
		44	Nonpatronage Dividends - cash, written notice of allocation or other property distribution by a farmer's cooperative.
		45	Retained Allocations - cash, per-unit retail certificates and other property distributed by a cooperative
		46	Redemption Amount - value of written notice of allocation issued as patronage dividends.
98	**1099-R**		**Distributions from Pensions, Annuities, Retirement or Profit-sharing Plans, IRAs, Insurance Contracts, Etc.**
		38	Unrealized Appreciation - Portion of distribution that represents net unrealized appreciation in securities of the employer corporation (or subsidiary or parent corporation) attributable to employee contributions.
		39	Other Income - actuarial value of annuity contract or retirement bond, retirement account exchange or death benefit payment that is part of a lump-sum distribution.
		80	Gross Distribution - total amount of distribution from pensions (including disability), profit-sharing plans, retirement plans, employee savings plans and/or annuities before income tax or other deductions are withheld. Includes premiums paid by a trustee or custodian for current life or other insurance protection, or IRA or SEP distributions. Savings Bonds distributed from a pension

DOC CODE and INCOME INDICATOR

Doc. Code	Document	Income Indicator	Type of Income
98 (Cont'd)	**1099-R**		

Non-Payment Indicator 1 (position 542)
<u>Total Distribution</u>
ƀ = Not checked
1 = Total Distribution

Non-Payment Indicator 2 (position 543)
<u>Category of Distribution</u> (Cont'd)
ƀ = Not significant
1 = Premature payment
2 = Premature distribution
3 = Disability
4 = Death
5 = Prohibited transactions
6 = Section 1035 exchange
7 = Normal distribution
8 = Excess contributions refunded plus earnings
9 = PS 58 costs

A = Qualifies for 10-Year averaging
D = Excess contributions plus earnings/excess deferrals
     Taxable in 1987
E = Excess annual deductions under Section 415
F = Charitable gift annuity
G = Direct rollover to IRA
H = Direct rollover to qualified plan or tax sheltered annuity
J = Distribution from a ROTH IRA in 1st 5 years
L = Loans Treated as Distribution
M = Distribution from an Education IRA
P = Excess contributions refunded plus earnings on such
    Contributions in the prior year
N = RRB-Tier 1 NSSEB
W = RRB-Vested Dual Benefit (Windfall)
S = Early Distribution from a Simple IRA
T = RRB-Tier 2
Z = RRB-Supplemental

(position 544)
same as Category of Distribution, first position (one or both may be set).

EXHIBIT 1

Transmittal Letter - Input File

<div align="right">

Submitting Agency
Agency Address
Assigned Agency Code
Date

</div>

Internal Revenue Service
Martinsburg Computing Center
250 Murall Drive
Kearneysville, WV 25430

Attn: Chief, Tape Library

Enclosed is (are) _____ cartridge(s)/tape(s) for the DIFSLA project for submission to the
         (number)

_____ run of this project.
        (month/year)

File Name: DIFSLA
Number of Records: N,NNN,NNN

Tape ID#(s)	Sequence
GEC0807	"
DCC0725	2/2

Please direct all inquiries to:

_____
(Name of Contact)

_____
(Telephone Number)

Sincerely,

_____
(signature)

_____
(typed name)

_____
(title)

EXHIBIT 2

Transmittal Letter - Return to Stock

Submitting Agency
Agency Address
Assigned Agency Code
Date

Internal Revenue Service
Martinsburg Computing Center
250 Murall Drive
Kearneysville, WV 25430

Attn: Chief, Tape Library

Enclosed is (are) _____ cartridge(s)/tape(s) for return to stock.

Tape ID#(s)

GEC0807
DCC0725

Please direct all inquiries to:

_____
(Name of Contact)

_____
(Telephone Number)

Sincerely,

_____
(signature)

_____
(typed name)

_____
(title)