

FILING
INFORMATION
RETURNS
ELECTRONICALLY



for business e-filers



consider it done

FILING I NFORMATION R ETURNS E LECTRONICALLY

OVERVIEW

An Information Return is a tax document used to report certain types of payments made by financial institutions and others who make payments as part of their trade or business as required by Internal Revenue Code Regulations. Information Returns are filed electronically via the FIRE (Filing Information Returns Electronically) system at <http://fire.irs.gov>. The following information returns can be filed electronically: Forms 1042-S, 1098, 1099, 5498, 8027, W-2G and QWF (Questionable Forms W-4).

Note: Forms W-2 are filed with the Social Security Administration at www.socialsecurity.gov/employer.

BENEFITS OF FILING ELECTRONICALLY

- **It's Paperless...**there are no Form 4804 requirements;
- **It's Secure...**the system supports SSL 128-bit encryption;
- **It's Easy to Use...**there is better customer service due to on-line availability of transmitter files;
- **It's Efficient...**online notification within 1-2 days on most forms;
- **It's Fast...**reduce transmission time by up to 95%;
- **It's Flexible...**due dates are extended for electronically filed forms 1098, 1099 and W-2G.

WHO CAN PARTICIPATE

Any filer of information returns may file their returns electronically. Any corporation, partnership, employer, estate and/or trust, who files 250 or more Forms 1042-S, 1098, 1099, 5498, 8027, W-2G and QWF for any calendar year *must* file their Information Returns electronically or magnetically. However, if you have less than 250, you may voluntarily use the FIRE system.

Note: This system does not provide for fill-in forms. Only files formatted according to the applicable publication can be uploaded to the FIRE system.

HOW TO PARTICIPATE

Participants are required to submit Form 4419, *Application for Filing Information Returns Electronically/Magnetically* to request authorization to file Information Returns with the Internal Revenue Service (IRS)/Martinsburg Computing Center (MCC). Once approved, a five-character alpha/numeric Transmitter Control Code (TCC) will be assigned. If you already have a TCC for magnetic media filing, you need not reapply. New users should submit Form 4419 to IRS/MCC at least 30 days before the due date of the returns for current year processing. Send your completed Form 4419 to:

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

PREPARATION

Transmission Time

The time required to transmit information returns electronically will vary depending on your type of connection to the Internet and if you use compression.

Software Data Compression

The IRS accepts and encourages the use of software data compression for files larger than 10,000 records submitted via the FIRE System. PKZIP and WINZIP are acceptable compression packages. The time to transmit your file can be reduced by as much as 95% by using software data compression.

Note: Do not compress multiple files into one compressed file or transmit self-extracting files.

File Preparation

Your electronically transmitted file must follow the same record format that is required for magnetic media files (tape cartridge and diskette). For complete filing instructions, see Publication 1220, *Specifications for Filing Forms 1098, 1099, 5498 and W-2G Electronically or Magnetically*. All files must be in standard ASCII code.

If you are considering submitting files larger than 5 million records, please contact IRS/MCC for specifics.

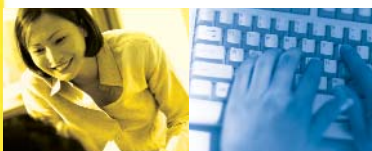
File Naming

Files submitted to the FIRE System will be assigned a unique filename (the user may name the file anything they choose from their end). The IRS assigned filename will consist of the submission type [TEST, ORIG (original), CORR (correction) or REPL (replacement)], the filer's TCC and a four-digit sequence number. The sequence number will be incremented for every file sent. For example, if this is the first original file for the calendar year and the TCC is 44444, the IRS assigned filename will be ORIG.44444.8001.

Testing

There is no requirement to submit test files; however, IRS highly recommends it for first time electronic filers and software companies. Electronic test files can be transmitted from November 1st through February 15th.

Note: Participants of the Combined Federal/State Filing Program are required to submit a test file the first year and encouraged thereafter to verify that the file is being coded properly for this program. See Publication 1220 for further details.



FILING ELECTRONICALLY

1. Point your browser to <http://fire.irs.gov> to connect to the FIRE System.
2. Before connecting, have your TCC and EIN available.
3. Your browser must support SSL 128-bit encryption.
4. Your browser must be set to receive "cookies". Cookies are used to preserve your User ID status.

First time connection to The FIRE System

(If you have logged on previously, skip to Subsequent Connections to the FIRE System.)

- ▶ Click **"Create New Account"**.
- ▶ Fill out the registration form and click **"Submit"**.
- ▶ Enter your **User ID** (most users logon with their first and last name).
- ▶ Enter and verify your password (the password is user assigned and must be 8 alpha/numerics, containing at least 1 uppercase, 1 lowercase and 1 numeric). FIRE may require you to change the password once a year.
- ▶ Click **"Create"**.
- ▶ If you receive the message **"Account Created"**, click **"OK"**.
- ▶ Enter and verify your 10 digit self-assigned PIN (Personal Identification Number).
- ▶ Click **"Submit"**.
- ▶ If you receive the message **"Your PIN has been successfully created!"**, click **"OK"**.
- ▶ Read the bulletin(s) and/or click **"Start the FIRE Application"**.

(NOTE: It is your responsibility to protect and secure your password, User ID and PIN. For your convenience we have provided a place to maintain such information on the last page of this brochure.)

Subsequent connections to The FIRE System

- ▶ Click **"Log On"**.
- ▶ Enter your **User ID** (most users logon with their first and last name).
- ▶ Enter your **Password** (the password is user assigned and is case sensitive).
- ▶ Click **"Login"**.
- ▶ Read the bulletin(s) and/or click **"Start the FIRE Application"**.

Uploading your file to the FIRE System

At Menu Options:

- ▶ Click **"Send Information Returns"**
- ▶ Enter your **TCC**:
- ▶ Enter your **EIN**:
- ▶ Click **"Submit"**.

The system will then display the company name, address, city, state, ZIP code, phone number, contact and email address. This information will be used to contact or send correspondence (if necessary) regarding this transmission. Update as appropriate and/or Click **"Accept"**.

▶ Click one of the following:

Original File

Correction File

Test File

Replacement File (if you select this option, select one of the following):

■ New FIRE Replacement

(file was originally transmitted on this system)
Click the file to be replaced.

■ Magnetic Media Replacement

(file was originally sent on magnetic media)
Enter the alpha character from Form 9267, *Media Tracking Slip*, which was sent with the request for replacement file.
Click **"Submit"**.

■ Old FIRE Replacement

(file was originally sent on old dial-up system)
Enter the old dial-up FIRE system filename. Click **"Submit"**.

▶ Enter your 10-digit PIN.

- ▶ Click **"Submit"**.
- ▶ Click **"Browse"** to locate the file and open it.
- ▶ Click **"Upload"**.

When the upload is complete, the screen will display the total bytes received and tell you the name of the file you just uploaded. **IF THIS IS NOT DISPLAYED TO YOUR SCREEN, WE PROBABLY DID NOT RECEIVE THE FILE.** To verify, go to CHECK FILE STATUS. If nothing was received, send the file again.

▶ **If you have more files to upload for that TCC:**

Click **"File Another?"**; otherwise,
Click **"Main Menu"**.

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

Checking your FILE STATUS

At the Main Menu:

- ▶ Click **"Check File Status"**.
- ▶ Enter your **TCC**:
- ▶ Enter your **EIN**:
- ▶ Click **"Search"**.

If **"Results"** indicate:

- **"Good, Not Released"** and you agree with the **"Count of Payees"**, you are finished with this file. The file will automatically be released after 10 calendar days unless you contact us within this timeframe.
- **"Good, Released"** – File has been released to our mainline processing.
- **"Bad"** – Correct the errors and timely resubmit the file as a **"replacement"**.
- **"Not yet processed"** – File has been received, but we do not have results available yet. Please check back in a few days.
 - ▶ Click on the desired file for a detailed report of your transmission.
 - ▶ When you are finished, click on **Main Menu**.
 - ▶ Click **"Log Out"**.
 - ▶ Click **"Close Web Browser"**.



TROUBLESHOOTING

1. Transmitter does not check the FIRE System to determine file acceptability.

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

2. Incorrect file is not replaced timely.

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

3. Transmitter compresses several files into one.

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

4. Transmitter sends a file and CHECK FILE STATUS indicates that the file is good, but the transmitter wants to send a replacement or correction file to replace the original/correction/replacement file.

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

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

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

6. File is formatted as EBCDIC.

All files submitted electronically must be in standard ASCII code.

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

When sending the file electronically, you will need to enter the EIN of the company assigned to the TCC. The file will contain the EINs of the other companies that you are filing for when you upload the file. This is the information that will be passed forward.

8. Transmitter sent the wrong file.

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

FOR MORE INFORMATION

Filers may contact IRS/MCC toll-free at 1-866-455-7438 between the hours of 8:30 a.m. and 4:30 p.m. Eastern Time Zone or email us at fire@irs.gov.

Private and Confidential:

USER ID, Password and PIN should be kept private and in a secured location at all times.

USER ID: _____

PASSWORD: _____

PIN: _____



consider it done



IRS

Department of the Treasury
Internal Revenue Service

www.irs.gov

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