Filing Information Returns Electronically

for business e-filers

IRS e-file

consider it done

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, and W-2G.

Note: Forms W-2 are filed with the Social Security Administration.

Filing Information Returns Electronically

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 the on-line availability of transmitter files;

- **It's** Efficient…
File Status results will be emailed in 1-2 business days if the correct email address is provided (1042-S and 8027 may require additional time and at the printing of this publication, it is uncertain if these returns will receive the File Status email);

- **It's** Fast…
large files compressed with PKZIP or WINZIP reduce transmission time by up to 95%;

- **It's** Flexible…
due dates are extended for electronically filed forms 1098, 1099, 8027 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 and W-2 G for any calendar year must file their Information Returns electronically or magnetically. However, if you have less than 250, IRS encourages you to file these returns electronically. (As of 12/1/2008, we will no longer accept any magnetic media. Everything must be filed electronically after this date.)

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/Enterprise Computing Center – Martinsburg (IRS/ECC-MTB). 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. Form 4419 should be submitted to IRS/ECC-MTB at least 30 days before the due date of the returns for current year processing. Send your completed Form 4419 to:

Internal Revenue Service
Enterprise Computing Center—Martinsburg
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, create an executable file, or create an encrypted zip file (password protected).

File Preparation

Your electronically transmitted file(s) must follow the record format that is required for the type of form(s) you are filing. For complete filing instructions, see Publication 1220, *Specifications for Filing Forms 1098, 1099, 5498 and W-2G Electronically or Magnetically*; Publication 1187, *Specifications for Filing Form 1042-S, Foreign Person's U.S. Source Income Subject to Withholding, Electronically or Magnetically*; or Publication 1239, *Specifications for Filing Form 8027, Employer's Annual Information Return of Tip Income and Allocated Tips, Magnetically/Electronically.* **All files must be in standard ASCII code.**

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

File Naming

Files submitted to the FIRE System will be assigned a unique filename (the user can name the file anything they choose from their end, however, most software products name the file for you). 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.44444.0001.

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.

Online Extension of Time

The fill-in Form 8809, *Application for Extension of Time To File Information Returns*, may be completed online via the FIRE system. (If you do not already have a User ID and password, refer to the section 'First Time Connection to the FIRE system'.) At the Main Menu, click 'Extension of Time Request' and then click 'Fill-in Extension Form'. This option is only used to request an automatic 30-day extension and must be completed by the due date of the return for each payer requesting an extension. Print the approval page for your records.

File Status Email Notification

After 1-2 business days, the results of the electronic transmission(s) will be sent to the email address that is provided on the 'Verify Your Filing Information' screen. If you are using email filtering software, configure your software to accept emails from *fire@irs.gov*. If the email indicates that your file is bad, log into the FIRE system and go to CHECK FILE STATUS at the Main Menu to determine the errors in your file, correct the file and resubmit the file as a replacement. If you disagree with the count of payees, please call or email us to resolve the discrepancy. As of the printing of this publication, we are not sure if Forms 1042-S and 8027 will be part of the email notification.

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 (most do).

4. Your browser must be set to receive "cookies". Cookies are used to preserve your User ID status. (Normally, this is already set and does not require additional action.)

5. If you are running pop-up blocking software, disable it if you have any problem uploading the file.

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 **"Create FIRE System Account"** screen and click **"Submit"**.
▶ Enter your **User ID** (most users logon with their first and last names).
▶ 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 **"Click here to continue"**.

Subsequent connections to The FIRE System

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

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. It is critical that the correct email address is provided since this is where the FILE STATUS results will be sent. Update as appropriate and/or Click **"Accept".**

- ▶ Click one of the following:
  - **Original File**
  - **Correction File**
  - **Test File (11/1 – 2/15)**
  - **Replacement File** (if you select this option, click one of the following):
    - ▪ **Electronic Replacement** (file was originally transmitted on this system) Click the file to be replaced.
    - ▪ **Mag Media Replacement** (file was originally sent on some type of magnetic media) Enter the alpha character from the letter (L-2494) that was returned. It is located on the top right of the letter under "Refer Reply To:". For example, if the letter indicates TCC 44444A, the alpha code that would be entered would be 'A'. 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 display the name of the file just uploaded. **IF THIS IS NOT DISPLAYED TO YOUR SCREEN, WE PROBABLY DID NOT RECEIVE THE FILE.** To verify, go to CHECK FILE STATUS option on the Main Menu. If the file is displayed and the count is equal to '0' and the results indicate 'not yet processed', then we received the file. If the file is not displayed, 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. If you do not receive an email in 1-2 business days or your email indicates the file is bad, log back into the FIRE system and click on CHECK FILE STATUS to view the results of your file.

Checking your FILE STATUS

At the Main Menu:
- ▶ Click **"Check File Status".**
- ▶ Enter your **TCC**:
- ▶ Enter your **EIN:**
- ▶ Click **"Search".**

If the file is an Original, Correction or Replacement and your **"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".** Click on the filename for additional details.
- ▪ **"Not yet processed"** – File has been received, but we do not have results available yet. Please check back in a few days.

If the file is a Test and your **"Results"** indicate:
- ▪ **"Good, Federal Reporting"** – Your test file is good for federal reporting only. Click on the filename for additional details.
- ▪ **"Good, Federal/State Reporting"** – Your file is good for the Combined Federal/State Filing Program (refer to Publication 1220, Part A, for further details). Click on the filename for additional details.
- ▪ **"Bad"** – This means that your test file contained errors. Click on the filename for a list of the errors. If you want to send another test file, send it as another test (not a replacement, original or correction).
- ▪ **"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 filename for a detailed report of your transmission.
- ▶ When you are finished, click on **Main Menu**.
- ▶ Click **"Log Out".**
- ▶ Click **"Close Web Browser".**

Troubleshooting

1. Incorrect file is not replaced timely. If your file is bad, correct the file and timely resubmit as a replacement.

2. Bad correction file is sent then sent back as another correction. If your correction file is bad, correct the file and timely resubmit as a replacement, not another correction. If you are not going to replace the file, please contact us.

3. Transmitter sends a file and CHECK FILE STATUS indicates that the file is Good, not Released, but the transmitter wants to send a replacement file to replace the original/correction/replacement file because the file contains errors. Once a Good, not Released file has been transmitted, you cannot send a replacement file until you contact us at 1-866-455-7438 to see if this is a possibility.

4. 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. Publication 1220, Part A, contains further details.

5. 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. When you upload the file, it will contain the EIN's for the other companies that you are filing for. This is the information that will be passed forward.

6. File is formatted as EBCDIC. All files submitted electronically must be in standard ASCII code.

7. 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.

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.**

9. Transmitter sends the same file multiple times. Call or email us and let us know that you have sent the same file multiple times and that we need to close out the duplicate files.

For More Information

Filers may contact IRS/ECC-MTB 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: _____
(must be 8 alpha/numerics, containing at least 1 uppercase, 1 lowercase and 1 numeric).

PIN: _____