



DSI Training - Understanding the Tax Publication

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DSI Team:

Each year, the tax publication will change for many of the tax forms.

This means the boxes and mapping for the forms may need to be adjusted to support the changes documented by the IRS.

Please refer to page 8 and 9 of the publication to view these changes.



Sec. 3 What's New for Tax Year 2016

Updates to Publication 1220 are listed in Exhibit 2, Publication 1220 Tax Year 2016 Updates.

- 1. FIRE Production System is available from January 17, 2017, through December 8, 2017.
- FIRE Test System is available from November 1, 2016, through March 17, 2017. The FIRE Test System will be down from 6 p.m. (Eastern) December 9, 2016, through January 2, 2017.

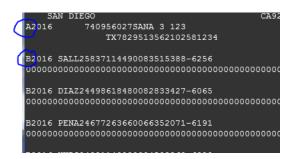
3. Form 1098, Mortgage Interest Statement

- Payer "A" Record Added Amount Code 6, Outstanding Mortgage Principle
- Payee "B" Record Added field position 544-551, Mortgage Origination Date
- Payee "B" Record Added field position 552, Property Securing Mortgage Indicator
- Payee "B" Record Added field position 553-591, Property Address Securing Mortgage
- . Payee "B" Record Added field position 592-630, Legal Description of Property
- Payee "B" Record Added field position 631-669, Other
- 4. Form 1098-T, Tuition Statement

We work with Records A & B for the 1098/1099/5498 tax forms.

Record A contains information relating to the bank or credit union.

Record B contains information for each member of that institution.



The mapping for Record A starts on page 43 of the publication and ends on page 62.

There will be a mapping summary on page 62.

Record Name: Payer "A" Record					
Field Position	Field Title	Length	General Field Description		
1	Record Type	1	Required. Enter an "A".		
2-5	Payment Year	4	Required. Enter "2016." If reporting prior year data, report the year which applies (2015, 2014, etc.).		
6	Combined Federal/ State Filing Program	1	Required for CF/SF. Enter "1" (one) if approved and submitting information as part of the CF/SF Program or if submitting a test file in order to		

Payer "A" Record - Record Layout

Record Type	Payment Year	Combined Federal/State Filing Program	Blank	Payer's TIN	Payer Name Control
1	2-5	6	7-11	12-20	21-24
Last Filing Indicator	Type of Return	Amount Codes	Blank	Foreign Entity Indicator	First Payer Name Line
25	26-27	28-43	44-51	52	53-92
Second Payer Name Line	Transfer Agent Indicator	Payer Shipping Address	Payer City	Payer State	Payer ZIP Code
93-132	133	134-173	174-213	214-215	216-224
Payer's Telephone Number & Extension	Blank	Record Sequence Number	Blank	Blank or CR/LF	
225-239	240-499	500-507	508-748	749-750	•

Record B will differ slightly depending on the form.

The mapping will always start the same but end differently.

You can find the parts that are the same on page 63 to 69 of the publication.

For this year, the common field mappings range from position 1 to 543.

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Record Name: Payee "B" Record					
Field Position	Field Title	Length	General Field Description		
1	Record Type	1	Required. Enter "B."		
2-5	Payment Year	4	Required. Enter "2016." If reporting prior year data, report the year which applies (2015, 2014, etc.).		
6	Corrected Return Indicator (See Note.)	1	Required for corrections only.		

Standard Payee "B" Record Format For All Types of Returns, Positions 1-543

Record Type	Payment Year	Corrected Return Indicator	Name Control	Type of TIN	Payee's TIN
1	2-5	6	7-10	11	12-20
Payer's Account Number for Payee	Payer's Office Code	Blank	Payment Amount 1	Payment Amount 2	Payment Amount 3
21-40	41-44	45-54	55-66	67-78	79-90
Payment Amount 4	Payment Amount 5	Payment Amount 6	Payment Amount 7	Payment Amount 8	Payment Amount 9
91-102	103-114	115-126	127-138	139-150	151-162
Payment Amount A	Payment Amount B	Payment Amount C	Payment Amount D	Payment Amount E	Payment Amount F
163-174	175-186	187-198	199-210	211-222	223-234
Payment Amount G	Foreign Country Indicator	First Payee Name Line	Second Payee Name Line	Blank	Payee Mailing Address
235-246	247	248-287	288-327	328-367	368-407
Blank	Payee City	Payee State	Payee ZIP Code	Blank	Record Sequence Number
408-447	448-487	488-489	490-498	499	500-507
Blank					
508-543	4				

508-543

You will need to locate specific forms for mapping after position 543.

Example: page 72 and 73 for 1098.

(2) Payee "B" Record - Record Layou t Positions 544-750 f General Field Description **Field Position** Field Title Length 544-551 Mortgage Origination 8 Enter the date of the Mortgage Origination in YYYYMMDD Enter "1" (one) if Property Securing Mortgage is the same as payer/borrowers address. Otherwise enter a blank. Property Securing Mortgage Indicator 552 Property Address 39 Enter the address of the property securing the mortgage if different than the payer/borrowers address. Left justify and 553-591 Securing Mortgage fill with blanks.

Payee "B" Record - Record Layout Positions 544-750 for Form 1098

Mortgage Origination Date	Property Securing Mortgage Indicator	Property Address Securing Mortgage	Legal Description of Property	Other
544-551	552	553-591	592-630	631-669
Special Data Entries	Blank	Blank		
670-772	723-748	749-750		

Also, Payment Amount 1, 2, 3, 4, 5, 6, 7, 8, 9, A, B, C, D, E, F, G will be different for each form.

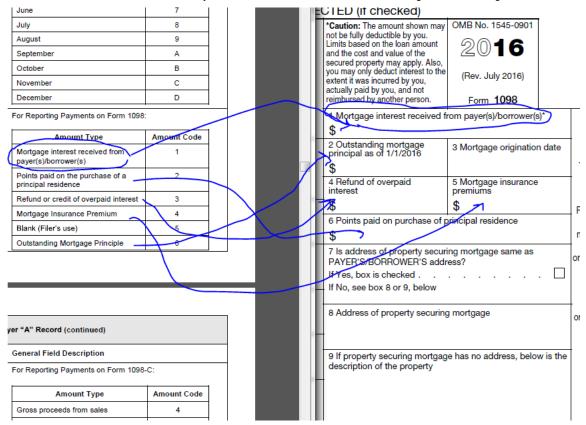
Payer's Account Number for Payee	Payer's Office Code	Blank	Payment Amount 1	Payment Amount 2	Payment Amount 3
21-40	41-44	45-54	55-66	67-78	79-90
Payment Amount 4	Payment Amount 5	Payment Amount 6	Payment Amount 7	Payment Amount 8	Payment Amount 9
91-102	103-114	115-126	127-138	139-150	151-162
Payment Amount A	Payment Amount B	Payment Amount C	Payment Amount D	Payment Amount E	Payment Amount F
163-174	175-186	187-198	199-210	211-222	223-234

You will need to reference the Amount Codes in the Record A section (starting page 45 for 1098) to know what the amount means for each form. For example, for 1098:

Amount Codes	For Reporting Payments on Form 1098:				
Form 1098, Mortgage Interest Statement	Amount Type	Amount Code			
	Mortgage interest received from payer(s)/borrower(s)	1			
	Points paid on the purchase of a principal residence	2			
	Refund or credit of overpaid interest	3			
	Mortgage Insurance Premium	4			
	Blank (Filer's use)	5			
	Outstanding Mortgage Principle	6			

You will need to match the mapping for each box.

For example:



To complete the scenario for one example: Amount Code 2 on 1098 is "Points paid on purchase of principal residence" and should be mapped to box 6. Amount Code 2 is also 67 – 78 on the Thus, Record B, 67 – 78 should map to 1098's box 6.

You will need to do this type of checking for all of the boxes for all of the forms that we do.

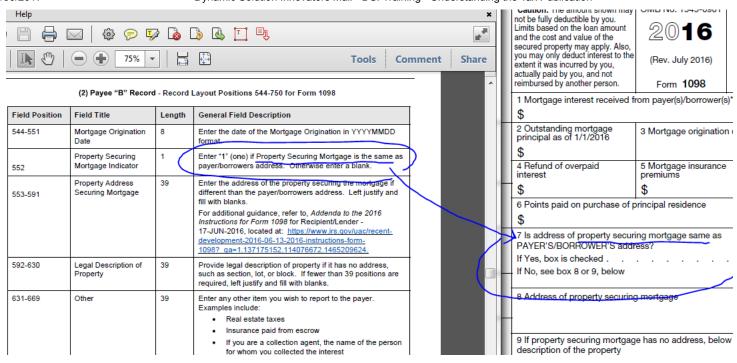
In addition, you will need to check the other mapping but it should be more simple.

You will have to match the description with the boxes.

In the example below, box 7 mentioned whether the property securing mortgage is the same for the payer/borrower address.

Also, it says if it is the same (yes), it will have a '1'. Otherwise, it will be blank.

Thus, the checkbox on #7 should check for '1' or blank on position 552 of the B record.



Let me know if there are any questions so far.

There might be some parts that are not clear, please ask me questions about them.

Thanks,

Kevin

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