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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.

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.

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. Indicates a corrected return. Enter the appropriate code from

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

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

Example: page 72 and 73 for 1098.

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

Field Position	Field Title	Length	General Field Description
544-551	Mortgage Origination Date	8	Enter the date of the Mortgage Origination in YYYYMMDD format.
552	Property Securing Mortgage Indicator	1	Enter "1" (one) if Property Securing Mortgage is the same as payer/borrowers address. Otherwise enter a blank.
553-591	Property Address Securing Mortgage	39	Enter the address of the property securing the mortgage if different than the payer/borrowers address. Left justify and fill with blanks. For additional guidance, refer to Addenda to the 2016

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:

June	7
July	8
August	9
September	A
October	B
November	C
December	D

For Reporting Payments on Form 1098:

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

...yer "A" Record (continued)

General Field Description

For Reporting Payments on Form 1098-C:

Amount Type	Amount Code
Gross proceeds from sales	4

...CTED (if checked)

*Caution:** The amount shown may not be fully deductible by you. Limits based on the loan amount and the cost and value of the secured property may apply. Also, you may only deduct interest to the extent it was incurred by you, actually paid by you, and not reimbursed by another person.

OMB No. 1545-0901

2016 (Rev. July 2016)

Form **1098**

1 Mortgage interest received from payer(s)/borrower(s)*
$

2 Outstanding mortgage principal as of 1/1/2016
$

3 Mortgage origination date

4 Refund of overpaid interest
$

5 Mortgage insurance premiums
$

6 Points paid on purchase of principal residence
$

7 Is address of property securing mortgage same as PAYER'S/BORROWER'S address?
If Yes, box is checked . . . . ☐
If No, see box 8 or 9, below

8 Address of property securing mortgage

9 If property securing mortgage has no address, below is the description of the property

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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.

Help ✕

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

Field Position	Field Title	Length	General Field Description
544-551	Mortgage Origination Date	8	Enter the date of the Mortgage Origination in YYYYMMDD format.
552	Property Securing Mortgage Indicator	1	Enter "1" (one) if Property Securing Mortgage is the same as payer/borrowers address. Otherwise enter a blank.
553-591	Property Address Securing Mortgage	39	Enter the address of the property securing the mortgage if different than the payer/borrowers address. Left justify and fill with blanks. For additional guidance, refer to, *Addenda to the 2016 Instructions for Form 1098* for Recipient/Lender - 17-JUN-2016, located at: https://www.irs.gov/uac/recent-development-2016-06-13-2016-instructions-form-1098?_qa=1.137175152.114076672.1465209624.
592-630	Legal Description of Property	39	Provide legal description of property if it has no address, such as section, lot, or block. If fewer than 39 positions are required, left justify and fill with blanks.
631-669	Other	39	Enter any other item you wish to report to the payer. Examples include: • Real estate taxes • Insurance paid from escrow • If you are a collection agent, the name of the person for whom you collected the interest

Caution. The amount shown may not be fully deductible by you. Limits based on the loan amount and the cost and value of the secured property may apply. Also, you may only deduct interest to the extent it was incurred by you, actually paid by you, and not reimbursed by another person.

OMB No. 1545-0901

20**16**

(Rev. July 2016)

Form **1098**

1 Mortgage interest received from payer(s)/borrower(s)*

$

2 Outstanding mortgage principal as of 1/1/2016

$

3 Mortgage origination

4 Refund of overpaid interest

$

5 Mortgage insurance premiums

$

6 Points paid on purchase of principal residence

$

7 Is address of property securing mortgage same as PAYER'S/BORROWER'S address?

If Yes, box is checked .   .   .   .

If No, see box 8 or 9, below

8 Address of property securing mortgage

9 If property securing mortgage has no address, below description of the property

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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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