

Year 2000 Changes

Announcement 98-5

The purpose of this announcement is to identify forms and date fields that will be affected by the impending expansion of the date field to accommodate the Year 2000.

The Information Reporting Program has date fields within the information return records filed magnetically/electronically to the Martinsburg Computing Center. Currently we allow a two-position field for the year (YY) which appears in both the Payer "A" Record and Payee "B" Record. All other dates within the Payee Records are currently six-digit fields in the format of MMDDYY.

For Tax Year 1998, the information returns date fields will be expanded and reformatted by changing the two-digit tax year field to four-digits in preparation for the Year 2000. To accommodate the change, the four-digit tax year field in the Payer "A" Record will be in positions 2-5. The sequence number field will be eliminated due to the date expansion. The tax year will be dropped in the Payee "B" record since the tax year of the return can be determined by the tax year provided in the Payer "A" Record. By expanding the tax year field to four-positions, the Information Reporting Program will be consistent with the industry standard.

The record format for information returns filed magnetically/electronically will have the following changes:

- Two-digit date fields (YY) will be expanded to four-digits (YYYY)
- Six-digit date fields (MMDDYY) will be changed to eight-digits (YYYYMMDD)

In addition to the necessary Year 2000 changes, there are changes that will be made as a result of legislative requirements. The current 420 position record will be expanded to accommodate this new information. It is our intention to make the Publication 1220, which will identify these changes, available as soon as possible.

This announcement refers specifically to the information returns designated below that are received and processed magnetically/electronically at the Internal Revenue Service, Martinsburg Computing Center. The related publications will be revised accordingly.

1098	Mortgage Interest Statement
1099-A	Acquisition and Abandonment of Secured Property
1099-B	Proceeds From Broker and Barter Exchange Transactions
1099-C	Cancellation of Debt
1099-DIV	Dividends and Distributions
1099-G	Certain Government Payments
1099-INT	Interest Income
1099-LTC	Long Term Care and Accelerated Death Benefits
1099-MISC	Miscellaneous Income
1099-MSA	Distributions from Medical Savings Accounts
1099-OID	Original Issue Discount
1099-PATR	Taxable Distributions Received from Cooperatives
1099-R	Distributions From Pension, Annuities, Retirement or Profit-Sharing

1099-S	Plans, IRAs, Insurance Contracts, Etc.
5498	Proceeds From Real Estate Transactions
5498MSA	Individual Retirement Arrangement Information
W-2G	Medical Savings Account Information
1042S	Certain Gambling Winnings
W-4	Foreign Person's U.S. Source Income Subject to Withholding
	Employee's Withholding Allowance Certificate

The date field expansion will be effective for Tax Year 1998 data filed in Calendar Year 1999.