

# Practice Note

December 12, 2005

## Form 1099-S Filing Deadlines Near

The filing season for 1099-S forms is officially underway. The Form 1099-S, along with the appropriate Form 1096 transmittal, must be submitted to the Internal Revenue Service no later than February 28, 2006. The table presented below is intended to serve as a quick reference to the filing process.

### Federal Filing Requirements

WHERE	WHAT	WHEN	HOW
IRS SERVICE CENTER CINCINNATI, OH 45999	ORIGINAL FORM 1099-S	BETWEEN 1-1-2006 AND 2-28-2006	TOGETHER WITH FEDERAL FORM 1096
TO TRANSFEROR	COPY OF FORM 1099-S (OR SUBSTITUTE FORM 1099-S)	ON OR BEFORE 1-31-2006	BY HAND DELIVERY AT TIME OF CLOSING <i>OR</i> BY MAIL TO TRANSFEROR'S ADDRESS

### State Filing Requirements

<i>Connecticut:</i>	Send copies of Form 1099-S with State of Connecticut Form 1096 to Connecticut Department of Revenue Services, P.O. Box 5081, Hartford, CT 06102-5081. Send forms between 1-1-2006 and 2-28-2006.
<i>Massachusetts:</i>	No state filing requirement
<i>New Hampshire:</i>	No state filing requirement
<i>Rhode Island:</i>	No state filing requirement
<i>Vermont:</i>	No state filing requirement

Included with this *Practice Note* are the Federal and, if applicable, Connecticut Forms 1096. CATIC has a small supply of 2005 Forms 1099-S available for distribution to our members/agents. Orders may be placed using our Fax Order Form or on our web site. (Please be sure to indicate that you wish to receive 2005 forms.)

As to your 2006 filing, Forms 1099-S will be available shortly. You may place your order now and as soon as the forms become available, they will be forwarded to you.

Listed on the reverse are reminders for Form 1099-S preparation. Please take a minute to review to help ensure a smooth filing process.

Rocky Hill, CT  
(800) 842-2216

Stamford, CT  
(800) 324-4797

Springfield, MA  
(800) 552-2842

Wellesley, MA  
(877) 502-2842

Manchester, NH  
(866) 595-5559

West Warwick, RI  
(800) 652-6155

Burlington, VT (VATC)  
(800) 649-3366

Visit our web site at [www.catic-e.com](http://www.catic-e.com).

## *Form 1099-S Filing Preparation Reminders*

<p>Preparation of Form 1096 – Annual Summary of Transmittal of U.S. Information Returns</p>	<p>In preparing the Transmittal, either enter the Federal Taxpayer Identification Number (TIN) of the law firm in Box 1 of the Form 1099-S; or if the social security number is used as the TIN, enter it in Box 2. Enter the total number of Forms 1099-S which are being filed in Box 3. If the Transmittal Form is used for 1099-S reporting, Box 4 should be left blank. Enter the total amount of gross proceeds (Box 2 of the Form 1099-S) of all Forms 1099-S in Box 5.</p>
<p>Certification for No Information Reporting</p>	<p>A separate Certification form should be presented to each Seller for execution. If the Seller answers in the affirmative to all questions, then he is exempt from filing Form 1099-S. In the event a Seller answers “no” to any of the four questions, a Form 1099-S must be filed. The issuing attorney must maintain the Certification for a period of four years. It is not necessary to forward the Certification or a copy to the IRS or Connecticut Department of Revenue Services, if applicable.</p>
<p>Estates and Trusts</p>	<p>If the Estate or Trust is the transferor of the property, the Estate or Trust should be listed as the Transferor on Form 1099-S with the TIN for the Trust or the Estate. If the TIN of the Trust or Estate is not available, use the social security number of the deceased individual. Do not file Form 1099-S listing the name or social security number of the Executor/Fiduciary or the Trustee of the Transferor.</p>
<p>Commercial Property</p>	<p>Form 1099-S must be filed when commercial property is transferred. Perpetual easements and long-term commercial leases are also reportable.</p>
<p>Buyer’s Portion of Real Estate Tax</p>	<p>Buyer’s portion of real estate tax should be entered in Box 5 of the Form 1099-S. This figure should include real estate taxes, fire district taxes, homeowner association tax or any other taxes for which Seller may receive a credit for prepayment at the time of closing. If the tax credit is in favor of the Buyer, Box 5 should be left blank.</p>
<p>PrepExpress® Users</p>	<p>The 1099-S package within PrepExpress® will allow the user to print a Solicitation or a Solicitation/Substitute Form 1099-S. If the user has a Solicitation/Substitute Form executed at closing and gives a copy of that Solicitation/Substitute Form to Seller at closing, it is not necessary to mail the Seller anything further prior to January 31, 2006. If, however, the user does not have a Solicitation/Substitute Form executed at closing, then a Form 1099-S must be forwarded to the Seller by January 31, 2006. Regardless of the type of form used, the Form 1099-S must be prepared and submitted to both the IRS and the State of Connecticut, if applicable, with the appropriate 1096 Transmittal Form, unless the member/agent is using a 1099-S reporting service.</p> <p>In using the PrepExpress® Form 1099-S package, please remember that any file deleted in HUD or Policy will automatically delete the file from the 1099-S package and from the list of 1099-S.</p>