

Specifications for Submission of State and Local Government Tax Exempt Income (TEI) Information

The annual Tax Exempt Income (TEI) data submission applies to all entities that issue, prepare, or submit 1099 forms for individual clients that have \$10 or more in federally tax exempt interest or dividends from bonds, mutual funds, money market funds, or unit investment trusts and have a Connecticut mailing address or are known to have a Connecticut tax filing obligation. This submission is in addition to and is separate from the other Connecticut reporting requirements for 1099 forms.

TEI information must be submitted through [myconneCT](#) in an electronic format using the AU-409 Transmittal Form. You will need to create an account in [myconneCT](#) to be able to submit this information. Paper records and electronic images of paper records are not allowed.

There is an automatic extension to **June 30, 2024**, for the 2023 filing year.

The technical specifications for the file layout are based upon a modified version of the [IRS Publication 1220](#).

All specifications are the same as the IRS except for the modifications listed below:

- Use 1099-B format to report earnings from bonds, mutual funds, money market funds and unit investment trusts. Report the federally tax-exempt income as if it were 100% taxable for federal purposes.
- Use a separate “A” record for each fund or bond reported.
- On the “A” record in **positions 26-27**, use code “B” to indicate this is a Form 1099-B to report both Interest and Interest-Dividends, not a code “6”.
- Use **positions 46-48** of the payer “A” record to report the total percentage of income that is exempt from Connecticut taxation. This includes income from bonds directly owned that were issued by Connecticut, Puerto Rico, Guam, American Samoa, and U.S. Virgin Islands and any mutual fund portfolio income distribution attributable from these jurisdictions. Round the value to the nearest whole number (e.g., 25.40% = ‘025’; 25.50% = ‘026’; 99.5 % = ‘100’). Do not enter decimal place or percentage sign. For bonds directly owned the percentage of income exempt from CT taxation will typically be either ‘000’ (zero) or ‘100’.
- Use **positions 55-66** *Payment Amount 1*** of the payee “B” record to report interest and interest-dividend amounts received, including any accrued interest received from the buyer at the time of the sale in 2023.
- Use **positions 67-78** *Payment Amount 2*** of the payee “B” record to report any accrued interest paid to the seller at the time of purchase in 2023.
- Use **positions 79-90** *Payment Amount 3*** of the payee “B” record to report any tax-exempt original issue discount (OID) amount as reported for 2023 on federal form 1099-OID.
- Use **positions 556-568** of the payee “B” record to report the CUSIP number (if one has been assigned to the security). Left-justify, blank-fill. If there is no CUSIP number, enter blank spaces in the field.
- Use **positions 569-607** of the payee “B” record to report the issuer/security name in the ‘DESCRIPTION’ field. Left-justify, blank-fill. Enter the official name of the Mutual fund, Money Market Fund, Unit Investment Trust or Municipal Bond. For example, enter *ABC Tax-Free Connecticut Fund*, not just *ABC Tax-Free*.

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**The following specifications apply to all payment amount and dollar value fields:

- All dollar value fields are fixed length 12 numeric character fields.
- Do not use dollar signs (\$) or commas “,”.
- Right-justify, zero-fill. (e.g., \$10,987,654.32 = ‘001098765432’; \$300 = ‘000000030000’).
- Do not use decimal points (.) to indicate dollars and cents. (e.g., \$1,234.56 = ‘000000123456’).
- Use double zeroes for cents to pad out whole dollars amounts (e.g., \$100 = ‘000000010000’; \$5 = ‘000000000500’; \$987.65 = ‘000000098756’).

Refer to [IRS Publication 1220](#) “B” record for more details about how to format the Payment Amount Fields.

If your organization uses an outside vendor to fulfill your tax reporting obligations, you must supply your vendor with this request and must specifically instruct them to make this submission on your behalf.

Electronic Media Specifications: TEI information must be submitted through **myconneCT** in an electronic format using the AU-409 Transmittal Form. You will need to create an account in **myconneCT** to be able to submit this information. Paper records and electronic images of paper records are not allowed.

Corrections: Submit a new, complete file through your **myconneCT** account and indicate on the AU-409 Transmittal Form that this is the corrected version.

Contact [**DRS.Datasubmission@ct.gov**](mailto:DRS.Datasubmission@ct.gov) for all questions and extension requests.

For more information and updates, visit portal.ct.gov/DRS/Bond-Interest/Reporting-State--Local-Gov-Bond-Interest