

# Specifications for Submission of 2020 State and Local Government Tax Exempt Income (TEI) Information

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This data submission applies to all entities that issue, prepare or submit 1099 forms for individual clients who have \$10 or more in federally tax exempt interest and/or dividends from bonds, mutual funds, money market funds or unit investment trusts where the individual client has a Connecticut mailing address or is known to have a CT tax filing obligation.

This submission is in addition to and is separate from the other Connecticut reporting requirements for CT-1099 forms.

This information must be submitted in an electronic format using an acceptable form of digital media. Paper records and electronic images of paper records are not allowed. Submit this data with a transmittal form AU-409.

The technical specifications for the file layout are based upon a modified version of [IRS Publication 1220](#) (Rev. 9-2020). 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 44-46** of the payer "A" record to report the total percentage of income that is exempt from CT taxation. This includes income from tax exempt bonds directly owned that were issued by Connecticut, Puerto Rico, Guam, American Samoa, and U.S. Virgin Islands and any such 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 a 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 2020.
- 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 2020.
- 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 2020 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*.

\*\* 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.

**Due date** is **January 31, 2021** however an automatic 3 month extension to **April 30, 2021** is granted without any forms needing to be submitted or any formal request being made. To obtain an additional extension to **June 30, 2021** complete the [Common Replies](#) form or submit a written request by mail or email.

**Corrections** - To report corrections to a file already transmitted submit another complete file and indicate on the transmittal form that this file is a corrected file.

**Electronic Media Specifications** - File can be transmitted by secure email initiated either by the sender through their own secure email system or by contacting CT-DRS to request an outbound secure email that the file can then be attached to in a secure reply. CT-DRS also has a secure file transfer method available. Allowable physical media is a CD or USB thumb drive (not returned). Magnetic media such as floppy disks, cartridges and tapes are no longer accepted. If physical media is being mailed it should be protected from both the risk of data theft and physical damage.

For more information and updates please visit: [www.CT.Gov/DRS/ReportingTEI](http://www.CT.Gov/DRS/ReportingTEI)

For all questions and extension requests please contact: [DRS.Datasubmission@po.state.ct.us](mailto:DRS.Datasubmission@po.state.ct.us)