

Interest and Interest-Dividend Information Returns

The due date for furnishing information returns for payments of interest or interest-dividends made during 2010 is June 1, 2011. *Provide this information separately from other interest or interest-dividend information returns that are due by February 28, 2011.*

For assistance with creating your data file or electronic filing, see the Technical Assistance information on PAGE 4.

250 or More Returns

If you have 250 or more returns, you must provide the information on cartridge, diskette, or compact disk (CD). See the transmittal and instructions on PAGES 3 and 4.

We accept IBM compatible cartridges, diskettes, and CDs. You must format 3.5 inch diskettes on an MS-DOS/PC-DOS operating system. Files should be in standard ASCII code. We accept ZIP files if correctly formatted.

Fewer Than 250 Returns

If you have fewer than 250 returns, you must provide the information on either a data file or paper. For paper filing, use the Hard Copy Reporting Form provided on PAGE 5. Make additional copies of the form, as necessary.

Modifications to Internal Revenue Service (IRS) Publication 1220 Specifications

The format specifications for reporting interest and interest-dividend payments to FTB are similar to IRS specifications for 1099-B reporting in IRS Publication 1220. Exceptions to IRS specifications for bonds and funds are listed below:

Bonds

- Use 1099-B format to record earnings on each state or local government bond. Report the income as if it were taxable for federal purposes. A return is due for each bond on which interest was paid.
- Enter payment amounts in positions 55-66 of the payee "B" record. Right-justify, zero-fill.
- Enter the CUSIP number in positions 556-568. Left-justify, blank-fill.
- Enter the issuer or security name in positions 569-607. Left-justify, blank-fill.

Funds

- Use 1099-B format to record earnings from mutual funds, money market funds, and unit investment trusts. Report the income as if it were taxable for federal purposes.
- Use a separate "A" record for each fund reported. Use positions 40-42 of the "A" record to report the percentage of mutual fund portfolio income distribution attributable to bonds issued by California, Puerto Rico, Guam, and the Virgin Islands, rounded to the nearest whole number (e.g., 25.4 percent would be reported as 025; 25.5 percent would be reported as 026).
- Enter payment amounts in positions 55-66 of the payee "B" record. Right-justify, zero-fill.
- Enter the CUSIP number of the fund in positions 556-568. Left-justify, blank-fill.

Preparation Instructions

A. Form Preparation

Prepare a separate transmittal form for cartridges, diskettes, or CDs. If your organization reports on more than one media type, then a transmittal form prepared in the manner described below must accompany each media type.

1. Transmitter Information

Indicate whether the data on the media file is the original installment, a correction of specific original records, or a replacement for the original file. Enter the name, address, city, state, ZIP code, and FEIN of the organization **transmitting** the magnetic media.

2. Payer Information

List the payer name, FEIN, the number of payee documents, and the corresponding dollar amount. If more room is needed to list additional payers, fill out and attach additional forms.

Accumulate and enter (1) the total number of payee returns reported by all payers and (2) the total of all payment amounts reported by all payers. If this information is reported on an attached computer list, it must be carried forward to the *Grand Total* line.

The signature line must be properly signed and dated by the person delegated this responsibility by the organization. An organization transmitting for others becomes the payer's agent and assumes responsibility for data quality and completeness.

3. Media Characteristics

Important: We do not accept nine-track magnetic tape reels. Acceptable media are cartridge, diskette, and CD. Indicate the cartridge, diskette, or CD recording characteristics by filling in the necessary information and checking the appropriate boxes. Obtain this information from someone in your data processing department familiar with this reporting procedure. Consult that source for help.

4. Contact Information

Enter the name and telephone number of a person we can contact for technical information or to resolve media problems.

B. File Preparation

If you submit multiple volumes, list the volume sequence numbers on the media labels (i.e., 1 of 2, 2 of 2). If you only submit one media file, list it as "1 of 1."

C. Password Protection

If you choose to password protect your diskette or CD before sending it to FTB, please send your password to the email address desbond@ftb.ca.gov.

Enter "Interest and Interest-Dividend Payments on Federally Tax-Exempt Bonds" on the subject line and include your:

- Business name.
- Transmitter number or other identification number.
- Password.

Write 'Password Protected' on the top of your completed transmittal that you mail with your diskette or CD. Do not send your password via the U.S. mail as this will delay the processing of your information.

Mailing Instructions

Complete this form as described above and send it with the media files to:

U.S. Postal Services (USPS)

DATA EXCHANGE TEB MS L120
FRANCHISE TAX BOARD
PO BOX 1468
SACRAMENTO CA 95812-1468

Private Mail Carriers

DATA EXCHANGE TEB MS L120
SERVICE AND SUPPLY
FRANCHISE TAX BOARD
9646 BUTTERFIELD WAY
SACRAMENTO CA 95827

Technical Assistance

For technical assistance with media reporting, call the Data Exchange Office at 916.845.3778. For other questions regarding this reporting requirement or submitting data electronically, call 916.845.6660.

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