Correcting 1099-S Returns

A **Corrected Return** is a return submitted by the transmitter to correct information on a return that was previously submitted to the IRS, but contained erroneous information. Corrected returns may take either one or two transactions, depending on the type of correction being made.

A Corrected Return is _not_ the same as a Replacement Filing

Replacement Filing:

Submitting a Replacement File

WHAT IS A REPLACEMENT FILE?

Replacement files are not the same as corrected returns. A replacement file is an information return file sent by the filer, because the CHECK FILE STATUS option on the FIRE System indicated the file was bad. A replacement file:

- …may be required for **bad originals** OR **bad correction files**. If it is a **bad correction file**, it is created in Pro1099 as a correction and uploaded to the IRS as a replacement file for a bad correction file.
- …**must be submitted within 60 days** from the day the original file was transmitted.

Creating a Replacement File:

Replacement files are submitted in exactly the same manner as the original submissions. After the
necessary changes have been made, the file must be transmitted through the FIRE System. The IRS website will automatically code the submission as Replacement.

Note: Filers should not transmit anything to IRS as a _Replacement_ unless the CHECK FILE STATUS option on the FIRE System indicated the file is BAD.

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- Raleigh, NC 27609
- Sales & Service: 800-848-0143
- Email: sales@softprocorp.com
- Web: www.softprocorp.com

Correcting Returns:

A Correction is a record that was previously submitted to the IRS, but contained erroneous information. Corrections to 1099-S submissions to the IRS may take either one or two transactions, depending on the type of correction being made

> **Corrections should only be made to records that have been submitted incorrectly**

Corrections requiring one transaction:

Original return was filed with one or more of the following errors:

- Incorrect Payee Address
- Incorrect Payee Name

To make corrections requiring one transaction:

1. Retrieve the Pro1099 record that needs to be corrected
2. Correct the error in the record
3. Select "**One part or first of two part correction**" in the **Correction Status** drop down
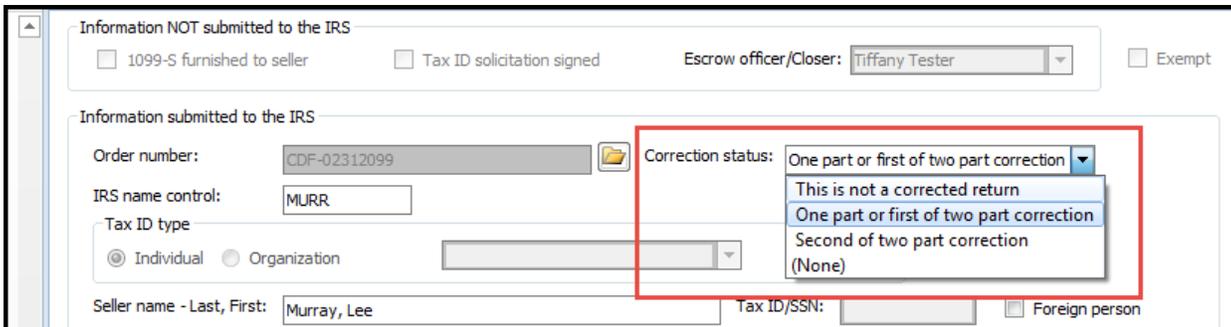
Corrections requiring two transactions:

Original Return was filed with one or more of the following errors:

- **No Payee TIN (SSN or EIN) ****
- **Incorrect Payee TIN ****
- Wrong type of return indicator
- Incorrect payee name and address

**Please contact SoftPro Support for Tax ID Corrections

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To make corrections requiring two transactions:

1. Retrieve the Pro1099 Record that needs to be corrected
   Do not correct the error. The Record should appear exactly as it was in the original submission
2. Select One part or first of two part correction in the **Correction Status** field on the <u>original</u> 1099
3. Add a new 1099 record containing the correct information
4. Select Second of two part correction from the **Correction Status** drop down on the <u>new</u> 1099

To create your Corrected submission file, follow the same steps as the original submission. When prompted:

Choose Yes – The Submission file will only contain CORRECTED returns.

Follow same steps as the original submission to upload the Corrected submission to the Fire System