Instructions for Form 1098-F

(Rev. April 2025)

Fines, Penalties, and Other Amounts

Section references are to the Internal Revenue Code unless otherwise noted.

Future Developments

For the latest information about developments related to Form 1098-F and its instructions, such as legislation enacted after they were published, go to *IRS.gov/Form1098F*.

You can get the general instructions from *IRS.gov/1099GeneralInstructions*.

What's New

E-filing returns. The Taxpayer First Act of 2019 authorized the Department of the Treasury and the IRS to issue regulations that reduce the 250-return e-file threshold. T.D. 9972, published February 23, 2023, lowered the e-file threshold to 10 (calculated by aggregating all information returns), effective for information returns required to be filed on or after January 1, 2024. Go to *IRS.gov/InfoReturn* for e-file options.

Information Reporting Intake System (IRIS). The IRS has developed IRIS, an online portal for e-filing information returns. Go to *IRS.gov/IRIS* for more information.

Reminders

In addition to these specific instructions, you should also use the current General Instructions for Certain Information Returns. Those general instructions include information about the following topics.

- Who must file.
- When and where to file.
- Electronic reporting.
- Corrected and void returns.
- Statements to recipients.
- Taxpayer identification numbers (TINs).
- Backup withholding.
- Penalties.
- Other general topics.

Continuous use revision. Use these instructions for tax year 2025 and subsequent years until a superseding revision is issued.

Online fillable Copy B. To ease statement furnishing requirements, Copy B has been made fillable online in a PDF format, available at *IRS.gov/Form1098F*. You can complete this copy online for furnishing statements to recipients and for retaining in your own files.

Threshold amount. Pursuant to Regulations section 1.6050X-1(f)(6) the threshold amount for reporting is $50,000. Reporting is required for a suit, order, or agreement that becomes binding on or after January 1, 2022. See T.D. 9946, available at *IRS.gov/TD9946*.

Specific Instructions

Who Must File

The appropriate official of a government or governmental entity (including a nongovernmental entity treated as a governmental entity) must file Form 1098-F, Fines, Penalties, and Other Amounts. The Form 1098-F reports the amount required to be paid pursuant to a suit, court order (order), or agreement with respect to any violation of a law or the investigation or inquiry into the potential violation of a law, if the aggregate amount involved in all suits, orders, or agreements equals or exceeds an amount determined by the Secretary ("threshold amount"). The amount required to be paid includes costs to provide services or to provide property. A separate Form 1098-F must be filed with respect to each payer that is a party to the suit, order, or agreement.

Statements to be furnished to payers. If you are required to file Form 1098-F, you must provide a statement to the payer. For more information about the requirement to furnish a statement to the payer, see part M in the current General Instructions for Certain Information Returns.

Truncating payer's TIN on statements to payers. Pursuant to Regulations section 301.6109-4, all filers of this form may truncate a payer's TIN (social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN)) on statements to payers. Truncation is not allowed on any documents the filer files with the IRS. A filer's TIN may not be truncated on any form. See part J in the current General Instructions for Certain Information Returns.

Filer's name, address, and telephone number box. Enter the name, address, and telephone number of the filer of Form 1098-F. Use this same name and address on Form 1096.

Payer's name and address boxes. Enter the name and address, in the appropriate boxes, of the person with respect to whom Form 1098-F is filed.

Box 1. Total Amount To Be Paid Pursuant to the Suit, Order, or Agreement

If the aggregate amount required to be paid pursuant to a suit, order, or agreement to, or at the direction of, a government or governmental entity in relation to the violation of a law, or for the investigation or inquiry into the potential violation of a law, equals or exceeds $50,000, enter the total amount required to be paid pursuant to the suit, order, or agreement. This rule applies regardless of whether any separate amount required to be paid pursuant to a suit, order, or agreement is less than the threshold amount. This rule also applies if the aggregate

amount of all suits, orders, or agreements relating to the same violation, investigation, or inquiry equals or exceeds the threshold amount.

Payment amount not identified. If the suit, order, or agreement does not identify some or all of the total amount to be paid for the violation of a law or the investigation, or inquiry into the potential violation of a law, and the government or governmental entity reasonably expects the aggregate amount of the payment pursuant to the suit, order, or agreement to equal or exceed $50,000, enter $50,000. Enter code E in box 9.

Multiple payers. If, under the suit, order, or agreement, the aggregate amount to be paid by multiple payers for the violation of a law or the investigation or inquiry into the potential violation of a law equals or exceeds $50,000, enter this payer's individual and joint and several payment liability. Enter code B in box 9. Do **not** file a Form 1098-F with respect to any person that does not have a payment obligation or obligation for costs to provide services or to provide property.

Box 2. Amount To Be Paid for Violation or Potential Violation

Enter the amount required to be paid for the violation, investigation, or inquiry into the potential violation of a law. If some or all of the amount to be paid for the violation or potential violation of a law is not identified, leave box 2 blank and enter code E in box 9.

Box 3. Restitution/Remediation Amount

Enter the amount required to be paid (or costs to provide property or to provide services), as a result of the suit, order, or agreement, which constitutes restitution or remediation. If some or all of the amount to be paid as restitution or remediation is not identified, leave box 3 blank and enter code E in box 9.

Box 4. Compliance Amount

Enter the amount required to be paid (or costs to provide property or to provide services), as a result of the suit, order, or agreement, for the purpose of coming into compliance with a law. If some or all of the amount to be paid to come into compliance with a law is not identified, leave box 4 blank and enter code E in box 9.



The amount entered in box 1 may or may not equal the amount entered in box 2, box 3, or box 4, or the sum of box 2 plus box 3 plus box 4.

Example. Corporation A (Corp. A) enters into an agreement with State Y's environmental enforcement agency (Agency) for violating state environmental laws. Pursuant to the agreement, Corp. A pays $40,000 to Agency in civil penalties, $80,000 in restitution for the environmental harm that the Corp. A has caused, $50,000 for remediation of contaminated sites, and $60,000 to conduct comprehensive upgrades to Corp. A's operations to come into compliance with the state environmental laws.

Pursuant to the settlement agreement, the aggregate amount Corp. A is required to pay to, or at the direction of Agency, for the violation or potential violation of State Y law exceeds $50,000. Therefore, an appropriate government official of Agency must file Form 1098-F. Agency will complete Form 1098-F as follows:

- Box 1. Total Amount To Be Paid Pursuant to the Suit, Order, or Agreement. Total Amount $230,000 ($40,000 + $80,000 + $50,000 + $60,000)
- Box 2. Amount To Be Paid for Violation or Potential Violation $40,000
- Box 3. Restitution/Remediation Amount $130,000 ($80,000 + $50,000)
- Box 4. Compliance Amount $60,000

Box 5. Date of Order/Agreement

Enter the date the order was entered by the court or the agreement was fully executed.

Box 6. Court or Entity

Enter the name of the court, or any other entity, that entered the order or approved the agreement, if applicable.

Box 7. Case Number

Enter the case number associated with the court order or agreement, if applicable.

Box 8. Case Name or Names of Parties to Suit, Order, or Agreement

Enter the case name or names of parties to suit, order, or agreement.

Box 9. Code

Enter one or more of the following codes if applicable. Read the code descriptions carefully to ensure you choose the correct one(s).

A—Multiple payments. Use code A if the payer has made or is obligated to make multiple payments to satisfy the total payment required by the suit, order, or agreement.

B—Multiple payers. Use code B if multiple payers have a payment obligation pursuant to the suit, order, or agreement.

C—Multiple payees. Use code C if there are multiple payees pursuant to the suit, order, or agreement.

D—Provision of services or provision of property required. Use code D if the suit, order, or agreement requires the payer to provide services or to provide property.

E—Payment amount not identified. Use code E if the suit, order, or agreement does not identify some or all of the amount required to be paid for the violation, investigation, or inquiry, or if it identifies a payment as restitution, remediation, or an amount paid to come into compliance with a law but does not identify some or all of the aggregate amount the payer must pay. In addition, use code E if the suit, order, or agreement does not identify some or all of the amount to be paid to provide property or to provide services.