Note: *The draft you are looking for begins on the next page.*

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This is an early release draft of an IRS tax form, instructions, or publication, which the IRS is providing for your information. **Do not file draft forms.** We incorporate all significant changes to forms posted with this coversheet.

However, unexpected issues occasionally arise, or legislation is passed—in this case, we will post a new draft of the form to alert users that changes were made to the previously posted draft. Thus, there are never any changes to the last posted draft of the form and the final revision of the form. Forms and instructions are subject to OMB approval before they can be officially released, so we post drafts of them until they are approved. Drafts of instructions and publications usually have some additional changes before their final release. Early release drafts are posted at IRS.gov/DraftForms and remain there after the final release is posted at IRS.gov/LatestForms. Also see IRS.gov/Forms.

Most forms and publications have a page on IRS.gov: IRS.gov/Form1040 for Form 1040; IRS.gov/Pub501 for Pub. 501; IRS.gov/W4 for Form W-4; and IRS.gov/ScheduleA for Schedule A (Form 1040), for example, and similarly for other forms, publications, and schedules for Form 1040. When typing in a link, type it into the address bar of your browser, not a Search box on IRS.gov.

If you wish, you can submit comments to the IRS about draft or final forms, instructions, or publications at IRS.gov/FormsComments. Include "NTF" followed by the form or publication number (for example, "NTF1040", "NTFW4", "NTF501", etc.) in the body of the message to route your message properly. We cannot respond to all comments due to the high volume we receive and may not be able to consider many suggestions until the subsequent revision of the product, but we will review each "NTF" message.

If you have comments on reducing paperwork and respondent (filer) burden, with respect to draft or final forms, please respond to the relevant information collection through the Federal Register process; for more information, click here.

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Instructions for Form 1099-DIV

(Rev. December 2027)

Dividends and Distributions

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

Future Developments

For the latest information about developments related to Form 1099-DIV and its instructions, such as legislation enacted after they were published, go to *IRS.gov/Form1099DIV*.

You can get Pub. 1099, General Instructions for Certain Information Returns at *IRS.gov/Pub1099*.

What's New

Address fields. For the Payer's and Recipient's information, we separated the address fields into individual entry boxes.

Change in reporting threshold for liquidation distributions. Beginning in tax year 2026, the reporting threshold for liquidation distributions was changed from $600 to $2,000 which will be indexed annually for inflation. For the current-year threshold amount, go to *IRS.gov/InflationAdjustment*.

Reminders

In addition to these specific instructions, you should also use Pub. 1099. 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.
- The definitions of terms applicable for the purposes of chapter 4 of the Internal Revenue Code that are referenced in these instructions.
- Other general topics.

Continuous-use revisions. Use the December 2027 revision of Form 1099-DIV and these instructions to file 2027 information with the IRS in early 2028. Also use them to furnish the information to the recipient. Continue to use these revisions for subsequent years until we issue a superseding revision. Do not use these revisions for prior years.

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

Online fillable Copies 1, B, and 2. To ease statement furnishing requirements, Copies 1, B, and 2 are fillable online in a PDF format, available at *IRS.gov/Form1099DIV*. You can complete these copies online for furnishing statements to recipients and for retaining in your own files.

Specific Instructions

File Form 1099-DIV for each person:

- To whom you have paid dividends (including capital gain dividends and exempt-interest dividends) and other distributions valued at $10 or more in money or other property,
- For whom you have withheld and paid any foreign tax on dividends and other distributions on stock,
- For whom you have withheld any federal income tax on dividends under the backup withholding rules, or
- To whom you have paid $2,000 or more in money or other property as part of a liquidation.

Note: The liquidation distribution threshold amount will be adjusted annually for inflation. For the current-year threshold amount, go to *IRS.gov/InflationAdjustment*.

Dividends

If you make a payment that may be a dividend but you are unable to determine whether any part of the payment is a dividend by the time you must file Form 1099-DIV, the entire payment must be reported as a dividend. See the regulations under section 6042 for a definition of dividends.

Exceptions

You are not required to report on Form 1099-DIV the following.

1. Taxable dividend distributions from life insurance contracts and employee stock ownership plans. These are reported on Form 1099-R, Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc..
2. Substitute payments in lieu of dividends. For payments received by a broker on behalf of a customer in lieu of dividends as a result of a loan of a

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customer's securities, see the instructions for box 8 under *Specific Instructions for Form 1099-MISC* in the current Instructions for Forms 1099-MISC and 1099-NEC.

Tip: Substitute payments in lieu of dividends may be reported on a composite statement to the recipient with Form 1099-DIV. See *Pub. 1179*.

3. Payments made to certain payees. These include a corporation, tax-exempt organization, IRA, Archer MSA, health savings account (HSA), U.S. agency, state, District of Columbia, U.S. territory, or registered securities or commodities dealer.

Caution: Certain distributions commonly referred to as "dividends" are actually interest and are to be reported on Form 1099-INT, Interest Income. These include so-called dividends on deposit or on share accounts in cooperative banks, credit unions, domestic building and loan associations, domestic and federal savings and loan associations, and mutual savings banks.

Qualified Dividends

Except as provided below, qualified dividends are dividends paid during the tax year from domestic corporations and qualified foreign corporations.

Exceptions. The following dividends are not qualified dividends.

- Dividends the recipient received on any share of stock held for less than 61 days during the 121-day period that began 60 days before the ex-dividend date. See the instructions for box 1b, later. When determining the number of days the recipient held the stock, you cannot count certain days during which the recipient's risk of loss was diminished. The ex-dividend date is the first date following the declaration of a dividend on which the purchaser of a stock is not entitled to receive the next dividend payment. When counting the number of days the recipient held the stock, include the day the recipient disposed of the stock but not the day the recipient acquired it.
- Dividends attributable to periods totaling more than 366 days that the recipient received on any share of preferred stock held for less than 91 days during the 181-day period that began 90 days before the ex-dividend date. See the instructions for box 1b, later. When determining the number of days the recipient held the stock, you cannot count certain days during which the recipient's risk of loss was diminished. Preferred dividends attributable to periods totaling less than 367 days are subject to the 61-day holding period rule above.
- Dividends that relate to payments that the recipient is obligated to make with respect to short sales or positions in substantially similar or related property.
- Dividends paid by a regulated investment company (RIC) that are not treated as qualified dividend income under section 854.
- Dividends paid by a real estate investment trust (REIT) that are not treated as qualified dividend income under section 857(c).
- Deductible dividends paid on employer securities. See *Section 404(k) Dividends*, later.

Qualified foreign corporation. A foreign corporation is a qualified foreign corporation if it is:

1. Incorporated in a territory of the United States, or
2. Eligible for benefits of a comprehensive income tax treaty with the United States that the Department of the Treasury determines is satisfactory for this purpose and that includes an exchange of information program.

Tip: For a list of income tax treaties of the United States that (a) are comprehensive, (b) include an information exchange program, and (c) have been determined by the Department of the Treasury to be satisfactory for this purpose, see Notice 2011-64, 2011-37 I.R.B. 231, available at *IRS.gov/irb/2011-37_IRB#NOT-2011-64*.

If the foreign corporation does not meet either (1) or (2) above, then it may be treated as a qualified foreign corporation for any dividend paid by the corporation if the stock associated with the dividend paid is readily tradable on an established securities market in the United States. See Notice 2003-71, 2003-43 I.R.B. 922, available at *IRS.gov/irb/2003-43_IRB#NOT-2003-71*, for more information on when stock may be considered to be readily tradable. For additional requirements that must be met, see Notice 2006-3, 2006-3 I.R.B. 306, available at *IRS.gov/irb/2006-03_IRB#NOT-2006-3*.

A foreign corporation will not be considered a qualified foreign corporation if:

1. The foreign corporation is a passive foreign investment company (as defined in section 1297) for the tax year in which the dividend was paid or the prior year; or
2. The foreign corporation first became a surrogate foreign corporation (as defined in section 7874(a)(2)(B)) after December 22, 2017, but is not treated as a domestic corporation under section 7874(b).

Tip: For guidance on the extent to which distributions, inclusions, and other amounts received by, or included in the income of, individual shareholders as ordinary income from foreign corporations subject to certain anti-deferral regimes may be treated as qualified dividends, see Notice 2004-70, 2004-44 I.R.B. 724, available at *IRS.gov/irb/2004-44_IRB#NOT-2004-70*.

Section 404(k) Dividends

Report as ordinary dividends in box 1a of Form 1099-DIV payments of 404(k) dividends directly from the corporation to the plan participants or their beneficiaries.

Section 404(k) dividends are not subject to backup withholding. Also, these dividends are not eligible for the reduced capital gains rates (see *Exceptions* under *Qualified Dividends*, earlier).

RICs and REITs

Qualified dividends. If any part of the total ordinary dividends reported in box 1a is qualified dividends, report the qualified dividends in box 1b.

Tip: For guidance pertaining to dividends of RICs and REITs, see Notice 2004-39, 2004-22 I.R.B. 982, available at *IRS.gov/irb/2004-22_IRB#NOT-2004-39*, modified by Notice 2015-41, 2015-24 I.R.B. 1058, available at *IRS.gov/irb/2015-24_IRB#NOT-2015-41*; and Rev. Rul.

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2005-31, 2005-21 I.R.B. 1084, available at *IRS.gov/irb/2005-21_IRB#RR-2005-31*.

Qualified REIT dividends. Certain taxpayers are entitled to a deduction under section 199A computed by reference to several types of income, including qualified REIT dividends. A qualified REIT dividend is generally a dividend from a REIT received during the tax year that is not a capital gain dividend or a qualified dividend. However, a qualified REIT dividend does not include any REIT dividend received with respect to any share of REIT stock that is held for 45 days or less during the 91-day period beginning on the date that is 45 days before the date on which such share became ex-dividend with respect to the dividend. When counting the number of days the recipient held the stock, include the day the recipient disposed of the stock, but do not include the day the recipient acquired the stock or certain days during which the recipient's risk of loss was diminished. In addition, a qualified REIT dividend does not include any dividend on shares of REIT stock to the extent the recipient is under an obligation (whether pursuant to a short sale or otherwise) to make related payments with respect to positions in substantially similar or related property.

Section 199A dividends. A RIC that receives qualified REIT dividends in a tax year may generally pay section 199A dividends for that year, which certain shareholders of the RIC that meet holding period requirements may treat as qualified REIT dividends for purposes of section 199A. The amount of section 199A dividends that a RIC may pay for a tax year is limited to the amount of qualified REIT dividends includible in the RIC's taxable income for the year, reduced by properly allocable deductions. See Regulations section 1.199A-3(d) for other limits and rules, including holding period requirements.

Dividend payment delayed until January. If a RIC or a REIT declares a dividend in October, November, or December payable to shareholders of record on a specified date in such a month, the dividends are treated as paid by the RIC or REIT and received by the recipients on December 31 of such year as long as the dividends are actually paid by the RIC or REIT during January of the following year. Report the dividends on Form 1099-DIV for the year preceding the January they are actually paid. See sections 852(b)(7) and 857(b)(9) for RICs and REITs, respectively.

If a dividend paid in January is subject to backup withholding, withhold when the dividend is actually paid. Therefore, backup withhold in January, deposit the withholding when appropriate, and reflect it on Form 945, Annual Return of Withheld Federal Income Tax, for the year withheld. However, because the dividend is reportable on Form 1099-DIV for the prior year, the related backup withholding is also reportable on the prior year Form 1099-DIV.

Qualified small business stock—RICs. Under section 1202, a 50% exclusion may be allowed on the gain from the sale or exchange of qualified small business stock issued after August 10, 1993, and held for more than 5 years. A 60% exclusion may be allowed if the stock is empowerment zone business stock acquired after December 21, 2000, and before December 31, 2018. For qualified small business stock acquired after February 17, 2009, and before September 28, 2010, the exclusion is 75%. For qualified small business stock acquired on or after September 28, 2010, and before January 1, 2014, the exclusion is 100%. For purposes of the 75% and 100% exclusions, the acquisition date shall be the first day on which the stock was held by the taxpayer determined after the application of section 1223.

If any part of the capital gain distribution reported in box 2a may qualify for this exclusion (taking into consideration the recipient's holding period), report the gain in box 2c, and furnish the recipient a statement that reports separately for each designated section 1202 gain the:

- Name of the corporation that issued the stock that was sold,
- Date(s) on which the RIC acquired the stock,
- Date sold,
- Recipient's part of the sales price,
- Recipient's part of the RIC's basis in the stock, and
- Amount of the recipient's section 1202 gain and the exclusion percentage.

Tax credit bonds. If a RIC or REIT holds any tax credit bonds, any bond tax credit allowed to the RIC or REIT under section 54A or 54AA on the bond is included in the RIC's or REIT's gross income as interest. See sections 54A(f) and 54AA(f)(2); and Notice 2009-15, 2009-6 I.R.B. 449, available at *IRS.gov/irb/2009-06_IRB#NOT-2009-15*. RICs can make an election to distribute any bond tax credits allowed under sections 54A and 54AA to its shareholders or beneficiaries. See section 853A. Report bond tax credits distributed by a RIC or REIT on Form 1097-BTC, Bond Tax Credit.

If a RIC or REIT distributes any credits with respect to its stock, the RIC or REIT must report the distributed credits that are treated as dividends on Form 1099-DIV. See Notice 2010-28, 2010-15 I.R.B. 541, available at *IRS.gov/irb/2010-15_IRB#NOT-2010-28*.

Section 897 gain. If a RIC described in section 897(h)(4)(A)(ii) or a REIT disposes of a U.S. real property interest (USRPI) at a gain, any distributions made to the extent attributable to such gain shall be treated as gain recognized by the recipient from the disposition of a USRPI (that is, the look-through rule).

If any part of the ordinary dividend reported in box 1a or capital gain distributions reported in box 2a is attributable to section 897 gains, report that gain in box 2e and box 2f, respectively.

See section 897 for the definition of USRPI and the exceptions to the look-through rule.

Note: Only RICs and REITs should complete boxes 2e and 2f. Boxes 2e and 2f do not need to be completed for recipients that are U.S. individuals.

Restricted Stock

For information about reporting dividends on restricted stock, see Rev. Proc. 80-11, 1980-1 C.B. 616, distinguished by Rev. Proc. 83-38, 1983-1 C.B. 773; and Rev. Rul. 83-22, 1983-1 C.B. 17.

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Widely Held Fixed Investment Trusts (WHFITs)

Trustees and middlemen must report the gross amount of dividend income attributable to a trust income holder (TIH) in the appropriate box on Form 1099-DIV if that amount exceeds $10. If the trustee or middleman provides WHFIT information using the safe harbor rules in Regulations section 1.671-5(f)(1) or (g)(1), the trustee or middleman must determine the amounts reported on all Forms 1099 under section 1.671-5(f)(2) or (g)(2), as appropriate.

Due date exception and other requirements for furnishing the tax information statement to TIHs. A tax information statement that includes the information provided to the IRS on all Forms 1099 filed for the calendar year with respect to the TIH's interest in the WHFIT, as well as additional information identified in Regulations section 1.671-5(e), must be provided to the TIHs. The written tax information furnished to the TIH for the reporting tax year is due on or before March 15 of the subsequent year. The amount of an item of trust expense that is attributable to a TIH must be included on the tax information statement provided to the TIH and is not required to be included in box 6 on the Form 1099-DIV.

For more filing requirements, see *Pub. 1099*.

Statements to Recipients

If you are required to file Form 1099-DIV, you must provide a statement to the recipient. For information about the requirement to furnish statements to recipients, see part M in *Pub. 1099*.

Truncating recipient's TIN on payee statements. Pursuant to Regulations section 301.6109-4, all filers of this form may truncate a recipient's TIN (social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN)) on payee statements. Truncation is not allowed on any documents the filer files with the IRS. A payer's TIN may not be truncated on any form. See part J in *Pub. 1099*.

2nd TIN Not.

You may enter an "X" in this box if you were notified by the IRS twice within 3 calendar years that the payee provided an incorrect TIN. If you mark this box, the IRS will not send you any further notices about this account.

However, if you received both IRS notices in the same year, or if you received them in different years but they both related to information returns filed for the same year, do not check the box at this time. For purposes of the two-notices-in-3-years rule, you are considered to have received one notice and you are not required to send a second "B" notice to the taxpayer on receipt of the second notice. See part N in *Pub. 1099*.

Tip: For information on the TIN Matching System offered by the IRS, see Items You Should Note in *Pub. 1099*.

Account Number

The account number is required if you have multiple accounts for a recipient for whom you are filing more than one Form 1099-DIV. The account number is also required if you check box 11. See *Box 11*, later. Additionally, the IRS encourages you to designate an account number for all Forms 1099-DIV that you file. See part L in *Pub. 1099*.

Box 1a. Total Ordinary Dividends

Enter dividends, including dividends from money market funds, net short-term capital gains from mutual funds, and other distributions on stock. Include reinvested dividends and section 404(k) dividends paid directly from the corporation. Box 1a includes amounts entered in boxes 1b and 2e and it also includes the amount of the recipient's share of investment expenses that you report in box 6.

Caution: An S corporation reports as dividends on Form 1099-DIV only distributions made during the tax year out of accumulated earnings and profits. See section 1368 for more information.

Box 1b. Qualified Dividends

Enter the portion of the dividends in box 1a that qualifies for the reduced capital gains rates. Include dividends for which it is impractical to determine if the section 1(h)(11)(B)(iii) holding period requirement has been met. See *Qualified Dividends* and the *Caution*, earlier.

You must report a dividend paid by a foreign corporation according to the guidance provided in Notice 2003-79, 2003-50 I.R.B. 1206, available at *IRS.gov/irb/2003-50_IRB#NOT-2003-79*, and Notice 2004-71, 2004-45 I.R.B. 793, available at *IRS.gov/irb/2004-45_IRB#NOT-2004-71*, which contain the rules for reporting the dividend for tax years 2003 and 2004. These rules are extended for 2005 and subsequent tax years by Notice 2006-3, 2006-3 I.R.B. 306, available at *IRS.gov/irb/2006-03_IRB#NOT-2006-3*.

Caution: Qualified dividends cannot be less than zero. Do not include an amount less than zero in box 1b.

Box 2a. Total Capital Gain Distr.

Enter total capital gain distributions (long-term). Include all amounts shown in boxes 2b, 2c, 2d, and 2f.

Tip: For more information about reporting amounts in boxes 2b, 2c, 2d, and 2f, see section 1(h).

Box 2b. Unrecap. Sec. 1250 Gain

Enter any amount included in box 2a that is an unrecaptured section 1250 gain from certain depreciable real property.

Box 2c. Section 1202 Gain

Enter any amount included in box 2a that is a section 1202 gain from certain qualified small business stock. See *Qualified small business stock—RICs*, earlier.

Box 2d. Collectibles (28%) Gain

Enter any amount included in box 2a that is a 28% rate gain from sales or exchanges of collectibles.

Box 2e. Section 897 Ordinary Dividends

Enter any amount included in box 1a that is section 897 gain from dispositions of USRPI. See *Section 897 gain*, earlier.

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Box 2f. Section 897 Capital Gain

Enter any amount included in box 2a that is section 897 gain from dispositions of USRPI. See *Section 897 gain*, earlier.

Note: Only RICs and REITs should complete boxes 2e and 2f. Boxes 2e and 2f do not need to be completed for recipients that are U.S. individuals.

Box 3. Nondividend Distr.

Enter nondividend distributions, if determinable.

Tip: File Form 5452, Corporate Report of Nondividend Distributions, if you are a corporation and paid nondividend distributions to shareholders.

Box 4. Federal Income Tax Withheld

Enter backup withholding. Recipients who have not furnished their TINs to you in the manner required are subject to backup withholding on certain dividend payments reported on this form. Use Form W-9, Request for Taxpayer Identification Number and Certification, to request the TIN of the recipient. For foreign recipients, use the applicable Form W-8. See the Instructions for the Requester of Forms W-8BEN, W-8BEN-E, W-8ECI, W-8EXP, and W-8IMY.

For more information on backup withholding, including the applicable rate, see part N in *Pub. 1099*.

Box 5. Section 199A Dividends

Enter the qualified REIT dividends paid by a REIT or section 199A dividends paid by a RIC to the recipient. This amount is included in the amount reported in box 1a. Include REIT dividends (other than capital gain dividends and qualified dividends) for which it is impractical for the REIT to determine whether the recipient has met the holding period requirement described in Regulations section 1.199A-3(c)(2)(ii). See *Qualified REIT dividends*, earlier.

Box 6. Investment Expenses

Enter the recipient's pro rata share of certain amounts deductible by a nonpublicly offered RIC in computing its taxable income. This amount is includible in the recipient's gross income under section 67(c) and must also be included in box 1a. Do not include any investment expenses in box 1b.

Box 7. Foreign Tax Paid

Enter foreign tax paid on dividends and other distributions on stock. A RIC must report only the amount it elects to pass through to the recipient. Report this amount in U.S. dollars.

Box 8. Foreign Country or U.S. Territory

Enter the name of the foreign country or U.S. territory for which the foreign tax was paid and reported in box 7.

RICs—Special reporting instructions. Do not complete box 8. Under Regulations section 1.853-4, country-by-country reporting to shareholders for the amount reported in box 7 is not required. The requirement to file a separate statement to the IRS has been modified to require filing a statement that elects the application of section 853 for the tax year with the return for the tax year. See Regulations section 1.853-4 for more information. Do not send the statement with the Forms 1096 and 1099.

Caution: Boxes 9 and 10 apply only to corporations in partial or complete liquidation. Do not include these amounts in box 1a or 1b.

Box 9. Cash Liquidation Distr.

Enter cash distributed as part of a liquidation.

Box 10. Noncash Liquidation Distr.

Enter noncash distributions made as part of a liquidation. Show the fair market value as of the date of distribution.

Box 11. FATCA Filing Requirement

Check the box if you are a U.S. payer that is reporting on Form(s) 1099 (including reporting distributions in boxes 1 through 3 and 9, 10, 12, and 13 on this Form 1099-DIV) as part of satisfying your requirement to report with respect to a U.S. account for the purposes of chapter 4 of the Internal Revenue Code, as described in Regulations section 1.1471-4(d)(2)(iii)(A). In addition, check the box if you are a foreign financial institution (FFI) reporting payments to a U.S. account pursuant to an election described in Regulations section 1.1471-4(d)(5)(i)(A).

Box 12. Exempt-Interest Dividends

Enter exempt-interest dividends from a mutual fund or other RIC. Include specified private activity bond interest dividends in box 13 and in the total for box 12. See the instructions for box 13 next.

Box 13. Specified Private Activity Bond Interest Dividends

Enter exempt-interest dividends paid by a RIC on specified private activity bonds to the extent that the dividends are attributable to interest on the bonds received by the RIC minus an allocable share of the expenses. Generally, "specified private activity bond" means any private activity bond defined in section 141 and issued after August 7, 1986. See section 57(a)(5) for more details.

Boxes 14–16. State Information

These boxes, and Copies 1 and 2, are provided for your convenience only and need not be completed for the IRS. If you withheld state income taxes on this payment, use the state information boxes to report payments for up to two states. Keep the information for each state separated by the dashed line in each box. In box 14, enter the abbreviated name of the state. In box 15, enter the payer's state identification number. The state number is the payer's identification number assigned by the individual state. In box 16, enter the state income tax withheld on this payment.

If a state tax department requires that you send them a paper copy of this form, use Copy 1 to provide information to the state tax department. Give Copy 2 to the recipient for use in filing the recipient's state income tax return.

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